

Company registration number NI606861 (Northern Ireland)

LINFIELD FOOTBALL CLUB LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

LINFIELD FOOTBALL CLUB LIMITED

COMPANY INFORMATION

Directors	Mr T A Conn Mr S Dickson Mr S Gilmore Mr C J Grundie Mr R J Johnson Mr M A Jones Mr J A Lamont Mr P J Lunn Mr D A McCoubrey Mr R A McGivern Dr H C Ramsey Mr D Sales Mr S J Shaw Mr D C Strain Mr P R Weir Mr W J Wilson Mr W R Woods
Secretary	Mr T A Conn
Company number	NI606861
Registered office	Windsor Park Donegall Avenue Belfast BT12 6LW
Auditor	Miscampbell & Co 6 Annadale Avenue Belfast BT7 3JH
Bankers	Ulster Bank 11-16 Donegall Square East Belfast BT1 5UB

LINFIELD FOOTBALL CLUB LIMITED

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LINFIELD FOOTBALL CLUB LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present the strategic report for the year ended 31 December 2022.

Linfield Football club, founded in March 1886 by workers of the Linfield Spinning Mill and originally known as the Linfield Athletic Club is Northern Ireland's most successful football club and has been a leading force in Irish football for decades, with a long and distinguished list of footballing honours.

Linfield play their home games at Windsor Park, which was extensively redeveloped in 2014 into a state of the art 18,000 seater stadium and benefit from first class training facilities at Midgley Park which was renovated in 2016.

The club were once again crowned champions of the NIFL Premiership in season 2021/2022 for a world record 56th time. Their loyal and passionate support, in addition to the history, traditions and facilities provide a solid base for the Company to operate.

Club Honours

- Irish League Championship - 56 times winners
- Irish F.A. Challenge Cup - 44 times winners
- League Cup - 30 times winners
- Gold Cup - 31 times winners
- Ulster Cup - 15 times winners
- Co. Antrim Shield - 43 times winners
- All-Ireland Cup - 4 times winners

Fair review of the business

The principal activities of the Company are to operate a professional football club in Northern Ireland together with related commercial activities. The club moved to a full-time football model in 2021, requiring significant change both on and off the pitch and this continued to develop during the year in review.

The club enjoyed a very successful 2021/22 season on the pitch, winning the league and successfully qualifying for the Champions league preliminary round. The club then enjoyed an extended European campaign, getting through to the play off round of the European Conference League, where they narrowly failed to progress to the group stages.

The year under review, as compared to the previous year, was positively impacted by the easing of COVID-19 restrictions and a full return of fans. Alongside these trading results, we have had some one-off items and the Board are pleased to see the player trading model continue to develop.

The Directors have reported a profit after taxation of £17,765 compared with a profit of £312,888 for the previous year.

Turnover has increased significantly by £701,488 year on year, reflecting substantial increases in gate receipts and increased revenue from the European campaign. In addition, the club see further opportunity to increase commercial revenues in 2023.

Underlying payroll, adjusted for one off items increased by approx. 21% as the club fully embedded the full time playing model. We continue to invest significantly in the playing resources available to the manager as income and budgets allow. Whilst travel costs associated European travel increased substantially due to the high cost of aviation fuel, other expenses increased modestly over the period due to costs associated with the change in model. The Directors continuously review all costs consumed by the club and are actively looking to identify savings during 2023.

The club continue to invest considerable resources in both our women's and youth teams and welcome the Northern Ireland Football league decision to allow further professionalism of women's football in Northern Ireland, this will enable us to take this area of our business to the next level.

LINFIELD FOOTBALL CLUB LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Principal risks and uncertainties

The Board sets out below the principal risks and uncertainties that it considers to be associated with the running of a professional football club. Due to the nature of football there are many risks and inherent uncertainties due to the nature of participating in competitive sport. These risks are regularly reviewed and required steps taken by management and the Board.

Football competitions

The club currently participates in the Northern Ireland Football League (NIFL) Premiership which attracts revenue streams for both league and cup competition. The club also competes in European competition and UEFA provide revenue streams to the club when participating. The future level of revenue is uncertain and related to performance with respect to both these third parties.

Litigation

The club operates at risk of litigation procedures from third parties, which are dealt with as they arise and on an individual basis.

Retail revenue

The sale of the club's replica kit and associated merchandise presents a risk due to contractual arrangements and supporter purchasing practices.

Season ticket revenues

Significant revenue is earned from the sale of season tickets. Factors, such as economic conditions, supporter engagement, quality on the pitch, level of success from previous seasons and pricing all influence the decision to buy.

Matchday attendances

Substantial income is derived from matchday tickets sales. Worse than expected results, inclement weather and live television broadcasts can lead to a drop in attendances.

Player transfer market and wages

The football club is subject to two transfer windows within the year. The unpredictable nature of these with players able to move relatively freely, despite their contracts means that all clubs cannot guarantee that they will retain or add to the squad to meet their requirements.

Player wages are subject to influence from competing clubs. Consequently, all transactions are affected by a series of variable factors which result in the market being unpredictable.

Financial Risk

Due to the nature of the club's business the financial risk the Directors consider most relevant is cash flow risk.

This is carefully managed through close monitoring of cash inflows and outflows. Further the club manages its capital inflows and outflows to minimise any foreign exchange risk. The club does not enter into complex arrangements for speculative purposes.

Key performance indicators

Linfield Football uses several key performance measures in its business, including statutory measures, such as revenue and operating profit/(loss). The most significant non statutory measures used include, wages, season ticket sales and retail sales. Key non-financial measures include on-pitch performance, games played and attendances.

	2022	2021	% change
	£	£	%
Turnover	2,484,318	1,782,830	39.34
Gross Profit	118,407	5,398	20.94
Operating Profit	48,535	340,936	(85.76)

LINFIELD FOOTBALL CLUB LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

On behalf of the board



Mr R J Johnson
Director

24 March 2023

LINFIELD FOOTBALL CLUB LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their annual report and financial statements for the year ended 31 December 2022.

Principal activities

The principal activity of the company continued to be that of the operation of a professional football club in Northern Ireland together with related commercial activities.

Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr T A Conn
Mr S Dickson
Mr S Gilmore
Mr C J Grundie
Mr R J Johnson
Mr M A Jones
Mr J A Lamont
Mr P J Lunn
Mr D A McCoubrey
Mr R A McGivern
Dr H C Ramsey
Mr D Sales
Mr S J Shaw
Mr D C Strain
Mr P R Weir
Mr W J Wilson
Mr W R Woods

Post reporting date events

There have been no significant events affecting the Company since the year end. Due to the outbreak of Covid 19 earlier this year there will be a financial impact on the company but the going concern of the company remains appropriate.

Auditor

The auditors, Miscampbell & Co, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

LINFIELD FOOTBALL CLUB LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

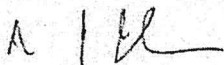
Going concern

The Board of Directors are required to prepare the statutory financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business. In satisfaction of this responsibility the Board have considered the Company's ability to meet its liabilities as they fall due.

The Company meets its day to day working capital requirements through existing cash and bank facilities. Management information tools including budgets and cash flow forecasts are used to monitor and manage current and future liquidity.

As such, the Board of Directors believe that there is a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing this report and the statutory financial statements.

On behalf of the board



Mr R J Johnson
Director

24 March 2023

LINFIELD FOOTBALL CLUB LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LINFIELD FOOTBALL CLUB LIMITED

Opinion

We have audited the financial statements of Linfield Football Club Limited (the 'company') for the year ended 31 December 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

LINFIELD FOOTBALL CLUB LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF LINFIELD FOOTBALL CLUB LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and the relevant tax compliance regulation in the United Kingdom;
- understood how the Company is complying with those frameworks by making enquiries of management to understand how the Company maintains and communicates its policies and procedures in these areas;
- assessed the vulnerability of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and by assuming revenue recognition to be a fraud risk; and
- based on this understanding our audit procedures were designed to identify non-compliance with such laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

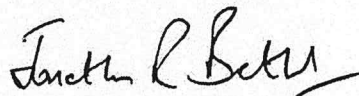
LINFIELD FOOTBALL CLUB LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF LINFIELD FOOTBALL CLUB LIMITED

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jonathan R Bethel
Senior Statutory Auditor
For and on behalf of Miscampbell & Co

24 March 2023

Chartered Accountants
Statutory Auditor

6 Annadale Avenue
Belfast
BT7 3JH

LINFIELD FOOTBALL CLUB LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Turnover	3	2,484,318	1,782,830
Cost of sales		(2,365,911)	(1,777,432)
Gross profit		118,407	5,398
Distribution costs		(118,596)	(10,818)
Administrative expenses		(538,594)	(510,762)
Other operating income		587,318	857,118
Operating profit	4	48,535	340,936
Interest receivable and similar income	7	3,839	167
Interest payable and similar expenses	8	(34,136)	13,677
Amounts written off investments	9	(15,000)	(15,000)
Profit before taxation		3,238	339,780
Tax on profit	10	14,527	(26,892)
Profit for the financial year		17,765	312,888
Other comprehensive income			
Revaluation of tangible fixed assets		(211,410)	-
Total comprehensive income for the year		(193,645)	312,888

The profit and loss account has been prepared on the basis that all operations are continuing operations.

The notes on pages 13 to 25 form part of these financial statements.

LINFIELD FOOTBALL CLUB LIMITED

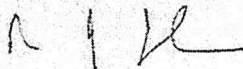
BALANCE SHEET

AS AT 31 DECEMBER 2022

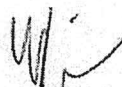
	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	11		2,529,298		2,601,064
Investment properties	12		3,615,000		3,630,000
			<u>6,144,298</u>		<u>6,231,064</u>
Current assets					
Stocks	14	46,425		21,450	
Debtors	15	175,576		300,513	
Cash at bank and in hand		2,138,877		2,076,737	
		<u>2,360,878</u>		<u>2,398,700</u>	
Creditors: amounts falling due within one year	16	(196,740)		(324,566)	
Net current assets			2,164,138		2,074,134
Total assets less current liabilities			<u>8,308,436</u>		<u>8,305,198</u>
Provisions for liabilities					
Deferred tax liability	17	1,012,342		1,026,869	
		<u>(1,012,342)</u>		<u>(1,026,869)</u>	
Net assets			<u>7,296,094</u>		<u>7,278,329</u>
Capital and reserves					
Called up share capital	18		8		8
Revaluation reserve	19		5,041,922		5,253,332
Capital redemption reserve	20		554,123		554,123
Profit and loss reserves	21		1,700,041		1,470,866
Total equity			<u>7,296,094</u>		<u>7,278,329</u>

The notes on pages 13 to 25 form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 24 March 2023 and are signed on its behalf by:



Mr R J Johnson
Director



Mr W J Wilson
Director

Company Registration No. NI606861

LINFIELD FOOTBALL CLUB LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital	Revaluation reserve	Capital redemption reserve	Profit and loss reserves	Total
	£	£	£	£	£
Balance at 1 January 2021	8	5,253,332	554,123	1,157,978	6,965,441
Year ended 31 December 2021:					
Profit and total comprehensive income for the year	-	-	-	312,888	312,888
Balance at 31 December 2021	8	5,253,332	554,123	1,470,866	7,278,329
Year ended 31 December 2022:					
Profit for the year	-	-	-	17,765	17,765
Other comprehensive income:					
Revaluation of tangible fixed assets	-	(211,410)	-	-	(211,410)
Total comprehensive income for the year	-	(211,410)	-	17,765	(193,645)
Transfers	-	-	-	211,410	211,410
Balance at 31 December 2022	8	5,041,922	554,123	1,700,041	7,296,094

The notes on pages 13 to 25 form part of these financial statements.

LINFIELD FOOTBALL CLUB LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	24	142,100		389,439	
Interest paid		(34,136)		13,677	
Income taxes paid		(40,693)		(40,902)	
Net cash inflow from operating activities		<u>67,271</u>		<u>362,214</u>	
Investing activities					
Purchase of tangible fixed assets		(8,970)		(7,745)	
Interest received		3,839		167	
Net cash used in investing activities		<u>(5,131)</u>		<u>(7,578)</u>	
Net increase in cash and cash equivalents		<u>62,140</u>		<u>354,636</u>	
Cash and cash equivalents at beginning of year		2,076,737		1,722,101	
Cash and cash equivalents at end of year		<u><u>2,138,877</u></u>		<u><u>2,076,737</u></u>	

The notes on pages 13 to 25 form part of these financial statements.

LINFIELD FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Linfield Football Club Limited is a private company limited by shares incorporated in Northern Ireland. The registered office is Windsor Park, Donegall Avenue, Belfast, BT12 6LW.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land	Not depreciated
Leasehold buildings	1% - 4% straight line
Plant and equipment	10% - 33% straight line

LINFIELD FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

LINFIELD FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

LINFIELD FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

LINFIELD FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.14 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

LINFIELD FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

3 Turnover and other revenue

	2022	2021
	£	£
Turnover analysed by class of business		
Turnover	2,484,318	1,782,830
	<u> </u>	<u> </u>
	2022	2021
	£	£
Other revenue		
Interest income	3,839	167
UEFA solidarity payments	88,133	69,798
Grants received	12,450	385,720
Rental income arising from investment properties	233,409	214,000
Transfer fees receivable	150,000	4,000
200 Club contribution & sponsorship	34,050	24,750
Compensation payments receivable	55,393	107,333
Players on loan	10,633	13,200
	<u> </u>	<u> </u>

4 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(8,282)	13,201
Government grants	(12,450)	(385,720)
Depreciation of owned tangible fixed assets	80,736	80,722
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	5,250	4,750
	<u> </u>	<u> </u>

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022	2021
	Number	Number
	55	55
	<u> </u>	<u> </u>

LINFIELD FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

6	Employees	(Continued)	
	Their aggregate remuneration comprised:		
		2022	2021
		£	£
	Wages and salaries	1,474,389	1,216,616
		<u> </u>	<u> </u>
7	Interest receivable and similar income		
		2022	2021
		£	£
	Interest income		
	Interest on bank deposits	3,839	167
		<u> </u>	<u> </u>
	Investment income includes the following:		
	Interest on financial assets not measured at fair value through profit or loss	3,839	167
		<u> </u>	<u> </u>
8	Interest payable and similar expenses		
		2022	2021
		£	£
	Other banking charges	57,861	14,797
	Bad debts	(23,725)	(28,474)
		<u> </u>	<u> </u>
		34,136	(13,677)
		<u> </u>	<u> </u>
9	Amounts written off investments		
		2022	2021
		£	£
	Changes in the fair value of investment properties	(15,000)	(15,000)
		<u> </u>	<u> </u>
10	Taxation		
		2022	2021
		£	£
	Current tax		
	UK corporation tax on profits for the current period	-	40,692
		<u> </u>	<u> </u>
	Deferred tax		
	Origination and reversal of timing differences	(14,527)	(13,800)
		<u> </u>	<u> </u>
	Total tax (credit)/charge	(14,527)	26,892
		<u> </u>	<u> </u>

LINFIELD FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

10 Taxation

(Continued)

The actual (credit)/charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Profit before taxation	3,238	339,780
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	615	64,558
Tax effect of expenses that are not deductible in determining taxable profit	345	10,623
Tax effect of utilisation of tax losses not previously recognised	(17,392)	(50,737)
Permanent capital allowances in excess of depreciation	16,432	16,248
Deferred tax movement in year	(14,527)	(13,800)
Taxation (credit)/charge for the year	(14,527)	26,892

11 Tangible fixed assets

	Freehold land £	Leasehold buildings £	Plant and equipment £	Total £
Cost				
At 1 January 2022	243,000	2,536,000	82,359	2,861,359
Additions	-	-	8,970	8,970
At 31 December 2022	243,000	2,536,000	91,329	2,870,329
Depreciation and impairment				
At 1 January 2022	-	216,000	44,295	260,295
Depreciation charged in the year	-	72,000	8,736	80,736
At 31 December 2022	-	288,000	53,031	341,031
Carrying amount				
At 31 December 2022	243,000	2,248,000	38,298	2,529,298
At 31 December 2021	243,000	2,320,000	38,064	2,601,064

The carrying value of land and buildings comprises:

	2022 £	2021 £
Freehold	243,000	243,000
Long leasehold	2,248,000	2,320,000
	2,491,000	2,563,000

LINFIELD FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

11 Tangible fixed assets

(Continued)

The land and buildings are situated at Donegall Avenue, Belfast BT12 6LW and held part freehold and part long leasehold.

With effect from 8 May 2014 the assets on the 'Windsor Park' land were transferred together with certain other plant and equipment, to I F A Stadium Development Company Limited. The remaining land value relates to Midgley Park.

The leasehold interests represent a 51 year shop lease (Market Value £220,000) and a 51 year office lease (Market Value £385,000) and were valued at 31 December 2018. It also represents a long leasehold with Midgley Park (Market Value £2,102,000). They were both valued by an independent valuer, Mr Robert Watson FRICS ACI Arb.

12 Investment property

2022

£

Fair value

At 1 January 2022

3,630,000

Net gains or losses through fair value adjustments

(15,000)

At 31 December 2022

3,615,000

With effect from 8 May 2014 Linfield Football Club Limited granted IFA Stadium Development Company Limited a 51 year lease of the lands and surrounds on which Windsor Park Stadium stands.

The rent is £214,000 per annum subject to four year reviews. The lease was last valued at 31 December 2018 on market value basis by an independent valuer, Osborne King. The directors are content that the valuation is appropriate.

13 Financial instruments

2022

£

2021

£

Carrying amount of financial assets

Instruments measured at fair value through profit or loss

2,138,877

2,076,737

Financial assets measured at fair value through profit or loss comprise of cash in bank and hand.

14 Stocks

2022

£

2021

£

Finished goods and goods for resale

46,425

21,450

LINFIELD FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

15 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	61,452	144,476
Tax Assets	-	-
Amounts Receivable from Group Entities and Other Related Parties	-	-
Other debtors	103,572	93,697
Amounts Receivable from Player Transfers and Compensation Payments	10,552	62,340
	<u>175,576</u>	<u>300,513</u>

Intangible Assets

	2022	2021
	£	£
Intangible Assets - Players	-	-
Intangible Assets - Others	-	-
	<u>-</u>	<u>-</u>

16 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	83,749	173,154
Corporation tax	-	40,693
Other taxation and social security	73,180	49,766
Bank overdrafts	-	-
Bank loans	-	-
Other loans	-	-
Amounts payable to employees	-	-
Amounts Payable to Group Entities and Other Related Parties	-	-
Amounts Payable relating to player transfers	-	-
Provisions	-	-
Other creditors	6,011	13,773
Accruals and deferred income	33,800	47,180
	<u>196,740</u>	<u>324,566</u>
Other taxation and social security		
PAYE and social security	27,361	21,377
VAT	45,819	28,389
	<u>73,180</u>	<u>49,766</u>

LINFIELD FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

17 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2022 £	Liabilities 2021 £
Balances:		
Accelerated capital allowances	7,032	(28,031)
Revaluations of leasehold property	1,005,310	1,054,900
	<u>1,012,342</u>	<u>1,026,869</u>
		2022 £
Movements in the year:		
Liability at 1 January 2022		1,026,869
Credit to profit or loss		(14,527)
		<u>1,012,342</u>

The deferred tax liability set out above is expected to reverse within the next few years for the accelerated capital allowances and for the revaluation when the leasehold property is sold.

18 Share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>

19 Revaluation reserve

	2022 £	2021 £
At the beginning of the year	5,253,332	5,253,332
Revaluation surplus arising in the year	(211,410)	-
At the end of the year	<u>5,041,922</u>	<u>5,253,332</u>

20 Capital redemption reserve

	2022 £	2021 £
At the beginning and end of the year	<u>554,123</u>	<u>554,123</u>

LINFIELD FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

20 Capital redemption reserve

(Continued)

The Capital redemption reserve includes:

- the valuation of the leases of The Windsor Park Stadium, shop and offices and land at Midgley Park; and
- reserves arising on the takeover of the assets, liabilities and business of Linfield Football Club on 1 January 2012.

21 Profit and loss reserves

	2022 £	2021 £
At the beginning of the year	1,470,866	1,157,978
Profit for the year	17,765	312,888
Transfer from revaluation reserve	211,410	-
At the end of the year	<u>1,700,041</u>	<u>1,470,866</u>

22 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022 £	2021 £
Aggregate compensation	<u>2,785</u>	<u>2,106</u>

Other information

The entire issued share capital is held by certain directors in trust for the members of Linfield Football & Athletic Club, who are the ultimate owners.

23 Ladies Football

Income and expenditure for the year was as follows:

Income for year - £13,322 (2021: £5,940)

Analysis of income - Bursary £3,850 (2021: £740), Sponsorship £750 (2021: £5,200) and European Cup £8,722 (2021:£Nil).

Expenditure for the year - £43,360 (2021: £37,739)

Analysis of expenditure - Kit Costs £16,714 (2021: £8,628), Medical expenses £2,696 (2021: £10,641), General £16,480 (2021: £11,270) and Manager Salary £7,470 (2021: £7,200)

Resulting in a loss for the year of £30,038 (2021: loss £31,799).

Income has been included within Other Operating Income within the Profit and Loss Account and Expenditure has been included within Cost of Sales.

LINFIELD FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

24 Cash generated from operations

	2022 £	2021 £
Profit for the year after tax	17,765	312,888
Adjustments for:		
Taxation (credited)/charged	(14,527)	26,892
Finance costs	34,136	(13,677)
Investment income	(3,839)	(167)
Fair value loss on investment properties	15,000	15,000
Depreciation and impairment of tangible fixed assets	80,736	80,722
Movements in working capital:		
(Increase)/decrease in stocks	(24,975)	6,200
Decrease/(increase) in debtors	124,937	(81,282)
(Decrease)/increase in creditors	(87,133)	42,863
Cash generated from operations	<u>142,100</u>	<u>389,439</u>

25 Analysis of changes in net funds

	1 January 2022 £	Cash flows £	31 December 2022 £
Cash at bank and in hand	<u>2,076,737</u>	<u>62,140</u>	<u>2,138,877</u>