

Mons Calpe Sports Club Limited

Notes to the financial statements (*Unaudited*) for the year ended 31 December 2021

1 General information

Mons Calpe Sports Club Limited ("the Company") is a private company limited by shares domiciled in Gibraltar. Its registered office is Suite 3.22, Euro Towers, Gibraltar.

The Company's principal activity during the year was that of a sports club in Gibraltar. The club aims to involve teams into various local sport associations.

2 Summary of significant accounting policies

Basis of preparation

These financial statements have been prepared in accordance with Gibraltar Financial Reporting Standard 102 ("GFRS 102") and the requirements of the Gibraltar Companies Act 2014 as applicable to companies subject to the small companies' regime. The disclosure requirements of section 1A of GFRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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. The principal accounting policies adopted are set out below.

The preparation of financial statements in conformity with GFRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Critical accounting estimates and judgements made by management in the application of GFRS 102 that have significant effects on the financial statements are disclosed, where applicable, in the relevant notes to the financial statements.

As a result of the Company's simple business structure and few transactions there are no critical accounting estimates or judgements to be made by management.

Going concern

The financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes continuity of operations, realisation of assets and satisfaction of liabilities in the ordinary course of business. Funding is primarily required to support the Company and underlying investments for a minimum of 12 months from the date of signing the financial statements. The directors have received confirmation from Jose A. Reygadas, Director, and from the Company's shareholders of their continuing financial support.

During the first quarter of 2022, the Company has continued to receive significant funding from the shareholders. The directors believe that sufficient funding will be in place to cover its expenses for the next 12 months from the date of signing the financial statements.

The Directors therefore believe that the Company is a going concern.

Turnover

Turnover represents the amounts earned and receivable in relation to sponsorships for the Company during the year. This also includes prize money earned for joining and winning leagues and competitions.

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2 Summary of significant accounting policies (continued)

Current taxation

Provision is made at the applicable rate for corporation tax payable on the profits for the year, as adjusted for tax purposes.

Deferred taxation

Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used.

Deferred tax assets are recognised only to the extent that the Directors consider it more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Foreign currency translation

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction. At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to profit or loss.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash deposits held with banks.

Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of GFRS 102 to all of its financial instruments.

Financial instruments are recognised 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.

Financial assets are classified into specific categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets

Basic financial assets, which include trade and other debtors, 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

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2 Summary of significant accounting policies (continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for impairment.

Where there is objective evidence that an asset is impaired, the impairment loss is the shortfall between an asset's carrying value and its estimated discounted cash flows, and is recognised in the profit and loss account.

A decrease in an earlier period's impairment loss is credited to the profit and loss account to the extent that the asset's revised carrying value does not exceed its original carrying amount.

Derecognition of financial assets

Financial assets are derecognised when the Company has no further right to the cash flows from the asset.

Prepayments

Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to profit or loss as they are consumed in operations or expire with the passage of time.

Classification of financial liabilities

Financial liabilities and equity instruments are classified in accordance with their respective contractual arrangements.

Basic financial liabilities

Basic financial liabilities are recognised at historical cost unless the arrangement constitutes a financing transaction, in which case the liability is measured at the present value of the future payments.

Trade creditors

Trade creditors payable within one year are initially measured at their historical cost.

When a trade creditor constitutes a financing transaction, the payable is measured at the present value of future payments.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations are fully discharged.

Ordinary shares

Ordinary shares issued by the company are recorded at the fair value of proceeds received, net of direct issue costs.

Capital reserve

Capital reserve in the equity section of the balance sheet includes additional capital contribution as a result of conversion of shareholders' loan.

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3 Loss before taxation

This is stated after charging:	2021	2020
	£	£
Wages and salaries	362,395	77,148
Social insurance costs	11,694	8,274
Audit fees	<u>0</u>	<u>12,000</u>

4 Taxation

The Company is subject to corporation tax in Gibraltar on any profits which are accrued in or derived from Gibraltar or any passive income which is taxable. The corporation tax rate in Gibraltar for the year ended 31 December 2021 is 10% (2020: 10%).

The Company has taxable losses to carry forward, consequently no provision for corporate tax has been made in these financial statements.

As at 31 December 2021 and as at 31 December 2020, the Company has no deferred tax assets and no deferred tax liabilities.

5 Employees

Average number of persons employed by the Company (excluding directors) during the year was 18 (2020: 12).

	2021	2020
	No.	No.
Management	1	1
Players	18	12

6 Debtors

	2021	2020
	£	£
Prepayments	6,744	431
Other debtors	124,265	716
Unpaid share capital	<u>100</u>	<u>100</u>
	<u>131,110</u>	<u>1,247</u>

7 Creditors: amounts falling due within one year

	2021	2020
	£	£
Amounts payable to employees and consultants	39,429	31,317
Other creditors including taxation	140,250	155,249
Shareholders' loan (note 10)	147,466	136,441
Accruals (note 12)	<u>167,921</u>	<u>210,145</u>
	<u>495,066</u>	<u>533,152</u>

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8 Share capital

	2021 No	2020 No	2021 £	2020 £
Authorised:				
Ordinary shares of £1 each	100	100	100	100
Allotted, called up and fully paid:				
Ordinary shares of £1 each	100	100	100	100

Ordinary shares have unlimited voting rights and, upon a winding-up, will participate in the available assets for distribution to the extent of the amount paid up and any surplus assets then remaining.

9 Capital reserve

During the year, the immediate controlling parties converted £400,000 (2020: £100,000) of the shareholder loan into a capital reserve.

10 Related party transactions

During the year, the immediate controlling party provided a net loan of £400,000. This amount is unsecured, payable on demand and bears no interest and remains outstanding at year end. Balance payable to MOCA Sports Holding Ltd. at the end of the reporting year was as stated in note 7 after the conversion of shareholder loan into capital reserve as stated in note 9.

11 Controlling party

The immediate controlling company is MOCA Sports Holdings Ltd. and is registered in Gibraltar. MOCA Sports Holdings Ltd. is equally owned by Reygadas Sports Group LLC and Aventin Corporation, which are incorporated in Miami, Florida, USA and in Barbados, respectively. The ultimate beneficial owners of the Company are Jose Alfredo Reygadas del Valle and Maria Margarita Sosa Abascal.

12 Contingent liabilities

In May 2020, the Company received a summary of all claims against the Company which includes those that have received a ruling by Fédération Internationale de Football Association (FIFA) or are currently with FIFA for consideration. These claims pertain to disputes, some of which, date back to 2018 and 2019 but it was only in 2020 and 2021 when FIFA made some decisions.

For the matters which have final resolution by FIFA, the estimated provision for claims including interest as at 31 December 2021 and 31 December 2020 is recognised as part of Accruals (note 7).

For the matters which are currently with FIFA for consideration or for which the resolution process is ongoing, the Company has provided sufficient evidence to FIFA to mitigate any significant liability. The directors are of the opinion that the FIFA's resolution will result in favour of the Company. However, a reasonable provision for these claims have been included within these financial statements.

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13 COVID-19

The coronavirus disease (COVID-19) became a global pandemic in March 2020. The spread of COVID-19 has severely impacted countries, businesses and people across the globe. The duration and impact of the COVID-19 pandemic remains unclear.

The directors are closely monitoring the COVID-19 situation. The Company continues to have sufficient resources (note 2 - Going Concern) in place to meet its future obligations. The directors still consider that the outstanding debtors are recoverable as recorded in the balance sheet.

Considering the above and the matters discussed within the Directors' Report regarding COVID-19 impact, the Company is expected to continue to operate as a going concern for the next 12 months from the date of signing the financial statements.

14 Events after the reporting date

There have been no significant events after the reporting date to disclose in the financial statements.