

Garrion Security Services Limited
Annual report and financial statements
for the year ended 30 June 2018

Registered number: SC433635

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Garrion Security Services Limited

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Garrion Security Services Limited

Officers and professional advisers

Company Registration Number

SC433635

Directors

Andrew Dickson

Stewart Robertson

Company Secretary

James Blair

Registered Office

Ibrox Stadium, 150 Edmiston Drive, Glasgow G51 2XD

Independent Auditor

Campbell Dallas Audit Services, Titanium 1, King's Inch Place, Renfrew PA4 8WF

Garrion Security Services Limited

Directors' report

The Directors present their annual report on the affairs of the Company, together with the financial statements, for the year ended 30 June 2018.

Principal activities

The principal activity and core business of the Company continues to be events and football match day security services.

The company is a wholly-owned subsidiary of The Rangers Football Club Limited, a company incorporated in the United Kingdom which operates as a football club. The Group parent company, Rangers International Football Club plc ('RIFC plc'), maintains its support to the company on a long term basis and the Directors have received confirmation of the continued financial support from it for a period of at least 12 months from the date of this report.

Results and going concern

The Company reported a loss after tax of £197k for the year and had net liabilities of £598k as at 30 June 2018 (2017: a loss after tax of £163k for the period and had net liabilities of £401k).

The Directors have prepared forecasts covering a period of at least 12 months from the date of this report. The ultimate parent company has provided the Directors with written representation confirming that Rangers International Football Club plc will ensure that it will not call in the inter-company balances due, and will continue to provide financial support for at least 12 months from the date of this report. Having considered this, as well as the going concern disclosures in the ultimate parent company's financial statements regarding the projected working capital shortfall, the Directors acknowledge that had these assurances not been secured then a material uncertainty would exist which may cast doubt over the Company's ability to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal course of business.

After making the enquiries referred to above, the Directors believe that there is a reasonable expectation that the Company will at all times 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.

Directors

The Directors, who served throughout the year except as noted, were as follows:

Paul Murray resigned 2 May 2018
Stewart Robertson
Andrew Dickson

Statement of disclosure of information to auditors

Each of the persons who are a Director at the date of approval of this report confirms that:


- so far as the Directors are aware, there is no relevant audit information of which the company's auditor is unaware; and
- each Director has taken all the steps that they ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Appropriate arrangements have been put in place for Campbell Dallas Audit Services to be reappointed for another term in the absence of an Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved on behalf of the Directors and signed:



Andrew Dickson, Director

5 December 2018

Garrion Security Services Limited

Directors' responsibilities statement

The Directors are responsible for preparing the Directors' 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 he is 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

Independent auditor's report to the members of Garrion Security Services Limited

Opinion

We have audited the financial statements of Garrion Security Services Limited (the 'company') for the year ended 30 June 2018 on pages 6 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (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 30 June 2018 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 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 Auditors' 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.

Material uncertainty related to going concern

We draw your attention to note 1 to the financial statements concerning the Company's ability to continue as a going concern. In order to continue operations for the next 12 months the Company is dependent on its ultimate parent entity raising additional finance and continuing to provide support to the Company. Failure to secure additional funding by the ultimate parent entity would result in the existence of a material uncertainty which may cast significant doubt as to the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The Directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

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 Report of the Directors.

We have nothing to report in respect of the following matters where 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Independent auditor's report to the members of Garrion Security Services Limited (continued)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 necessary to enable to 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.

Our 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 a Report of the Auditors 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors. 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.



Greig McKnight (Senior Statutory Auditor)
for and on behalf of Campbell Dallas Audit Services
Statutory Auditors
Titanium 1
King's Inch Place
Renfrew
PA4 8WF

5 December 2018

Garrion Security Services Limited
Statement of comprehensive income
Year ended to 30 June 2018

	Note	Year ended 30 June 2018 £	Year ended 30 June 2017 £
Revenue		796,542	726,155
Cost of sales		(776,301)	(687,964)
Gross profit		20,241	38,191
Administrative expenses		(217,663)	(200,992)
Operating loss on ordinary activities before taxation	2	(197,422)	(162,801)
Tax on loss on ordinary activities	7	-	-
Loss on ordinary activities after taxation		(197,422)	(162,801)
Loss for the financial year	8	(197,422)	(162,801)
Other comprehensive income		-	-
Total comprehensive income		(197,422)	(162,801)

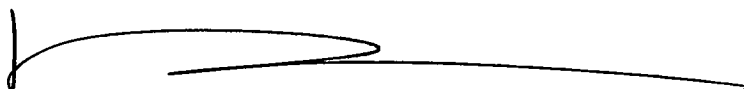
All activities relate to continuing operations.

The notes on pages 9 to 14 form an integral part of these financial statements.

Garrion Security Services Limited (registered number: SC433635)
Balance sheet
At 30 June 2018

	Note	2018 £	2017 £
Current assets			
Debtors	4	41,034	34,369
Creditors: Amounts falling due within one year	5	(639,512)	(435,425)
Net current liabilities		<u>(598,478)</u>	<u>(401,056)</u>
Total assets less current liabilities		<u>(598,478)</u>	<u>(401,056)</u>
Net liabilities		<u>(598,478)</u>	<u>(401,056)</u>
Capital and reserves			
Called-up share capital	6	1	1
Profit and loss account	8	(598,479)	(401,057)
Shareholders' (deficit)/funds		<u>(598,478)</u>	<u>(401,056)</u>

The financial statements of Garrion Security Services Limited (registered number SC433635) were approved by the Directors and authorised for issue on 5 December 2018. Signed:



Andrew Dickson, Director

The notes on pages 9 to 14 form an integral part of these financial statements.

Garrion Security Services Limited
Statement of changes in equity
At 30 June 2018

	Share capital £'000	Retained earnings £'000	Total equity £'000
As at 30 June 2016	1	(238,256)	(238,255)
Comprehensive income for the year to 30 June 2017	-	(162,801)	(162,801)
As at 30 June 2017	1	(401,057)	(401,056)
Comprehensive income for the year to 30 June 2018	-	(197,422)	(197,422)
As at 30 June 2018	1	(598,479)	(598,478)

Garrion Security Services Limited

Notes to the financial statements

For the year ended 30 June 2018

1. Accounting policies

General information

Garrion Security Services Limited is a private company limited by shares incorporated in Scotland with registration number SC433635. The address of the registered office is Ibrox Stadium, Glasgow, G51 2XD.

The financial information is presented in pounds sterling, the currency of the primary economic environment in which the Company operates. Monetary amounts are rounded to the nearest pound. All activities of the Company are performed in the United Kingdom.

Basis of accounting

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the provisions of Part 15 of the Companies Act 2006 relating to small companies. The financial statements have been prepared under the historical cost convention.

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of paragraphs 10(d), 16, 39 and 40 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
- the requirements of 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraph 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
- The requirements of IFRS 7 Financial Instruments: Disclosures.

The financial statements are consolidated into the financial statements of Rangers International Football Club plc. Copies of the financial statements can be obtained from Ibrox Stadium, 150 Edmiston Drive, Glasgow, G51 2XD.

Going concern

The Directors have prepared forecasts covering a period of at least 12 months from the date of this report. The ultimate parent company has provided the Directors with written representation confirming that Rangers International Football Club plc will continue to provide financial support for at least 12 months from the date of this report. Having considered this, as well as the going concern disclosures in the ultimate parent company's financial statements regarding the projected working capital shortfall and requirement for additional finance from its investors, the Directors acknowledge that had assurances from the investors and Rangers International Football Club plc not been secured then a material uncertainty would exist which may cast doubt over the Company's ability to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal course of business.

After making the enquiries referred to above, the Directors believe that there is a reasonable expectation that the Company will at all times 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.

Garrion Security Services Limited

Notes to the financial statements (continued)

For the year ended 30 June 2018

1. Accounting policies (continued)

Use of estimates and judgements

The preparation of Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised in the period in which the estimate is revised and in any future periods affected. There were no significant estimates and judgements made in applying accounting policies that had a material impact on the financial statements of the Company.

Assets and liabilities

An asset that is associated with the Company's normal operating cycle, held primarily for the purpose of being traded, expected to be realised within twelve months after the Balance Sheet date or is cash or cash equivalents (unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the Balance Sheet date) is classified as a current asset. All other assets are classified as non-current assets.

A liability is classified as current if it is expected to be settled in the Company's normal operating cycle, is held primarily for trading purposes, is due to be settled within twelve months after the statement of financial position date or the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the Balance Sheet date. All other liabilities are classified as non-current liabilities.

Financial instruments

Financial instruments are classified as debt or equity in accordance with their underlying economic reality. Costs directly attributable to the issue of debt are shown as a deduction from the debt issued.

Interest, dividends, gains or losses related to a financial instrument that is classified as debt, will be presented as an expense or income in the Income Statement.

The Company has two main categories of financial instruments, which are trade and other receivables and other financial liabilities.

Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Upon recognition, these assets are measured at fair value less directly related transaction expenses. In successive periods these are measured at amortised cost, and any differences between acquisition cost and redemption value is accounted for over the borrowing period by using the effective interest method. If transaction costs are immaterial and the credit period is short, amortised cost is equal to the nominal value less any allowance for credit losses. Amortised interest is recognised as income within the Income Statement.

Other financial liabilities

Other financial liabilities are recognised initially at fair value, net of transaction costs incurred. In successive periods these are measured at amortised cost. Any differences between acquisition cost and redemption value is accounted for over the borrowing period by using the effective interest method. If transaction costs are immaterial and the credit period is short, amortised cost is equal to the nominal value. The amortisation of financial liabilities is recognised as an expense within the Income Statement.

Impairment of financial instruments

An assessment is made at each Balance Sheet date as to whether there is any objective evidence of impairment. An asset is considered for impairment where events occur such as a reduction in anticipated future cashflows or a breach of contract. All losses from impairment are recognised as financial items in the Income Statement.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts.

Garrion Security Services Limited

Notes to the financial statements (continued)

For the year ended 30 June 2018

1. Accounting policies (continued)

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the period. Taxable profits differ from net profit as reported in the income statement because they exclude items of income or expense that are taxable or deductible in other years and they further exclude items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

Deferred tax is the tax expected to be payable on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is charged or credited in the income statement or in the statement of comprehensive income, where appropriate. The company's liability for deferred tax is calculated using tax rates that have been substantively enacted by the balance sheet date.

Revenue recognition

Revenue is stated net of VAT and trade discounts. Revenue from the sale of services is recognised when the services are physically provided to the customer. Revenue from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. Where a contract has only been partially completed at the balance sheet date turnover represents the value of the service provided to date based on a proportion of the total contract value. Where payments are received from customers in advance of services provided, the amounts are recorded as Deferred Income and included as part of Creditors due within one year.

2. Operating loss on ordinary activities before taxation

All turnover and loss before taxation are attributable to the one principal activity of the Company.

	Year ended 30 June 2018 £	Year ended 30 June 2017 £
Profit / (loss) for the year has been arrived at after charging:		
Direct staff costs (note 3)	776,281	712,849

Audit fees of £3,000 (2017: £3,000) are borne by another group company.

Neither the current nor previous Directors received any remuneration directly attributable to their services provided as a Director of the company.

Garrion Security Services Limited
Notes to the financial statements (continued)
For the year ended 30 June 2018

3. Staff costs

The average monthly number of full-time employees was:

	Year ended 30 June 2018	Year ended 30 June 2017
Security	7	8

The company also employed an average of 410 part-time staff (2017: 339) throughout the year to assist on matchdays and other events.

Their aggregate remuneration comprised:

	2017 £	2017 £
Wages and salaries	771,865	684,721
Social security costs	28,182	26,939
Other pension costs	3,511	1,189
	<u>803,558</u>	<u>712,849</u>

4. Debtors

	2018 £	2017 £
Current assets:		
Amounts owed by group undertakings	-	216
Trade debtors	41,034	34,153
	<u>41,034</u>	<u>34,369</u>

All financial assets are held at amortised cost.

Garrion Security Services Limited
Notes to the financial statements (continued)
For the year ended 30 June 2018

5. Creditors: amounts falling due within one year

	2018 £	2017 £
Amounts owed to group undertakings	610,251	405,741
Social security and other taxes	10,962	14,684
Other creditors	1,299	-
Accruals and deferred income	17,000	15,000
	<u>639,512</u>	<u>435,425</u>

All financial liabilities are held at amortised cost.

Amounts owed by/to group undertakings are unsecured, repayable on demand and do not accrue interest.

6. Called-up share capital

	2017 £	2016 £
Allotted, called-up and fully-paid		
1 ordinary share of £1	<u>1</u>	<u>1</u>

All ordinary shares have full rights with regards to voting, participation and dividends.

Garrion Security Services Limited
Notes to the financial statements (continued)
For the year ended 30 June 2018

7. Taxation

	Year ended 30 June 2017 £	Year ended 30 June 2017 £
Profit/(loss) on ordinary activities before tax	(197,422)	(162,801)
Tax on profit/(loss) on ordinary activities at average standard Corporation Tax rate of 19% (2017: 19.75%)	(37,510)	(32,153)
Deferred tax not recognised	37,510	32,153
Tax charge for the year	-	-

The company had unrelieved tax losses of £469,706 at 30 June 2018 (2017: £401,057).

Current tax is calculated at 19% of the estimated taxable profit / (loss) for the year (2017 – 19.75%). Finance Act 2016 was ‘substantively enacted’ and ‘fully enacted’ on 6 and 15 September 2016 respectively. This reduced the main rate of corporation tax applicable to 17% from 1 April 2020. The closing deferred tax assets and liabilities have been calculated in accordance with the rates substantively enacted at the Balance Sheet date.

No deferred tax asset has been recognised on unrelieved tax losses as the Directors do not anticipate the company generating sufficient taxable profits in the near future with which to utilise these losses.

8. Reserves

	Profit and loss account £
At 30 June 2017	(401,057)
Profit for the financial year	(197,422)
At 30 June 2018	(598,479)

9. Controlling party

The company’s ultimate parent undertaking is Rangers International Football Club plc, a company incorporated in Scotland. Rangers International Football Club plc prepares group financial statements and copies can be obtained from Ibrox Stadium, 150 Edmiston Drive, Glasgow, G51 2XD. The Directors are of the opinion that there is no individual controlling party of Rangers International Football Club plc. Rangers International Football Club plc is the smallest and largest group into which the results of the company are consolidated.