

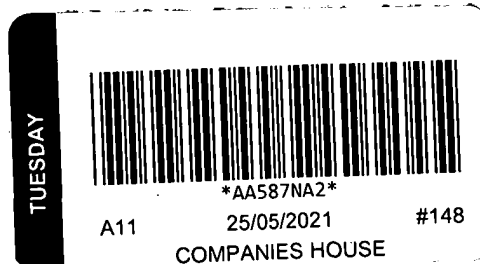
AMENDED

Group Strategic Report, Report of the Directors and

Consolidated Financial Statements for the Year Ended 31 May 2020

for

The Rochdale Association Football Club
Limited



The Rochdale Association Football Club
Limited

Contents of the Consolidated Financial Statements
for the Year Ended 31 May 2020

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The Rochdale Association Football Club
Limited

Company Information
for the Year Ended 31 May 2020

DIRECTORS:

D R Bottomley
A J Kelly
A S A Kilpatrick
A J Pockney
G F Rawlinson

REGISTERED OFFICE:

The Crown Oil Arena
Sandy Lane
Rochdale
OL11 5DR

REGISTERED NUMBER:

00111019 (England and Wales)

AUDITORS:

Wyatt, Morris, Golland Ltd
Park House
200 Drake Street
Rochdale
Lancashire
OL16 1PJ

The Rochdale Association Football Club
Limited

Group Strategic Report
for the Year Ended 31 May 2020

The objectives of the directors are to:

- maximise the club's position in the English Football League ('EFL') and, ideally gain promotion back into EFL One;
- operate an environment that is safe for all fans, the general public, players, club management and staff;
- develop footballing talent and provide opportunities for progression at Rochdale AFC and beyond through academy and development systems;
- play a part in local community engagement to promote social inclusion, positive community values, healthy lifestyles and bring value to the borough of Rochdale;
- ensure long term financial stability for the club based on current revenue streams, exploiting opportunities to maximise them; and
- explore opportunities for external funding and new commercial relationships to enable the club to fulfil greater ambitions, on and off the pitch.

In particular, a medium-term goal of the directors is to secure a new training and academy facility within the borough of Rochdale. Such a significant infrastructure initiative will require support and funding from the council and other investors. The directors believe that this would support the club in our objective to build on the considerable success of the academy and youth development systems, to allow the manager and coaching staff, players and first team to maximise their potential, and to create a major asset for the community and borough.

REVIEW OF BUSINESS

In the year, revenue was £6,928,682 compared to £4,998,001 for the year to 31 May 2019. The net profit after tax was £1,361,132 compared to a loss of £1,241,235 for the year to 31 May 2019. The increase in profits is due to prudent management of the budget for players and coaches wage costs, taking difficult decisions in sadly not trying to retain our higher cost players, tightly managing contract renewals and player recruitment. Transfer fees received in the year, including sell on fees from players previously sold were significantly higher than 2019, in part underlining the importance of the Rochdale AFC Academy to club operations and finances.

There was also significant contribution from an increase in gate receipts and broadcasting revenues following good runs in the FA Cup and EFL Cup. Drawing Manchester United in the third round of the EFL Cup was especially lucrative for the club, albeit Manchester United won the tie on penalties.

The restrictions introduced following the COVID-19 pandemic caused the club to access support from the Coronavirus Job Retention Scheme and other grants made available by the government and had an impact on revenues at the end of the season as fixtures were cancelled.

The net assets at the balance sheet date were £2,720,401 compared with net assets of £1,360,167 as at 31 May 2019.

The Rochdale Association Football Club
Limited

Group Strategic Report
for the Year Ended 31 May 2020

PRINCIPAL RISKS AND UNCERTAINTIES

The company faces a number of risks and uncertainties given the nature of the business but these are regularly reviewed as part of the board and club management meetings.

The principal risk for the club at present surrounds maintaining English Football League ('EFL') One status. Whilst the board is careful to allocate funds in a manner to meet objectives and to maintain financial stability, a drop in Football League income would have a material impact on the club's turnover but also its operating costs. The Directors make prudent assumptions regarding the club's league position to manage this risk.

However, the ongoing COVID-19 pandemic presents a new and very significant risk and the club is making every effort to mitigate the impact on the club and its financial position. It is clear that revenues will be impacted significantly, whilst operating costs will increase, unless football activities are totally suspended. Careful spend and cashflow management will be essential through a period that is undetermined in length or level of impact and the need for funding and outside investment have become essential to secure the long term future and lay foundations for further success of the club.

ON BEHALF OF THE BOARD:

David R Bottomley

D R Bottomley - Director

17 May 2021

The Rochdale Association Football Club
Limited

Report of the Directors
for the Year Ended 31 May 2020

The directors present their report with the financial statements of the company and the group for the year ended 31 May 2020.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of the operation of a professional football club, together with related and ancillary activities.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 June 2019 to the date of this report.

D R Bottomley
A J Kelly
A S A Kilpatrick
A J Pockney
G F Rawlinson

On 25 June 2019 G Buckley resigned as Company Secretary.

On 25 June 2019 J Smallwood was appointed Company Secretary.

On 18 February 2021 A Kilpatrick resigned as Director.

On 28 February 2021 J Smallwood resigned as Company Secretary.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 the group and of the profit or loss of the group 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Rochdale Association Football Club
Limited

Report of the Directors
for the Year Ended 31 May 2020

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Wyatt, Morris, Golland Ltd, will be proposed for re-appointment at the forthcoming 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.

ON BEHALF OF THE BOARD:

David R Bottomley

D R Bottomley - Director

17 May 2021

Report of the Independent Auditors to the Members of
The Rochdale Association Football Club
Limited

Opinion

We have audited the financial statements of The Rochdale Association Football Club Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 May 2020 which comprise the Consolidated Income Statement, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of 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 group's and of the parent company affairs as at 31 May 2020 and of the group's 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and 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, except to the extent otherwise explicitly stated in our report, 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Report of the Independent Auditors to the Members of
The Rochdale Association Football Club
Limited

Opinions 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 the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 Group Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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.

Report of the Independent Auditors to the Members of
The Rochdale Association Football Club
Limited

Use of our report

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 a Report of the Auditors 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.

Christian P. J. Morris

Christian P. J. Morris (Senior Statutory Auditor)
for and on behalf of Wyatt, Morris, Golland Ltd
Park House
200 Drake Street
Rochdale
Lancashire
OL16 1PJ

17 May 2021

The Rochdale Association Football Club
Limited

Consolidated Income Statement
for the Year Ended 31 May 2020

	Notes	31.5.20 £	31.5.19 £
TURNOVER	3	6,928,682	4,998,001
Cost of sales		<u>3,807,304</u>	<u>4,348,534</u>
GROSS PROFIT		3,121,378	649,467
Administrative expenses		<u>2,083,710</u>	<u>1,916,226</u>
		1,037,668	(1,266,759)
Other operating income		<u>342,343</u>	<u>45,643</u>
OPERATING PROFIT/(LOSS)	5	1,380,011	(1,221,116)
Interest receivable and similar income		<u>48</u>	<u>-</u>
		1,380,059	(1,221,116)
Interest payable and similar expenses	6	<u>18,927</u>	<u>20,119</u>
PROFIT/(LOSS) BEFORE TAXATION		1,361,132	(1,241,235)
Tax on profit/(loss)	7	<u>898</u>	<u>-</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>1,360,234</u>	<u>(1,241,235)</u>
Profit/(loss) attributable to: Owners of the parent		<u>1,360,234</u>	<u>(1,241,235)</u>

The notes form part of these financial statements

The Rochdale Association Football Club
Limited (Registered number: 00111019)

Consolidated Balance Sheet
31 May 2020

	Notes	31.5.20		31.5.19	
		£	£	£	£
FIXED ASSETS					
Intangible assets	9		4,684		33,347
Tangible assets	10		1,809,177		1,775,613
Investments	11		-		-
			<u>1,813,861</u>		<u>1,808,960</u>
CURRENT ASSETS					
Stocks	12	49,091		26,111	
Debtors	13	1,554,544		792,218	
Cash at bank and in hand		<u>768,669</u>		<u>408,206</u>	
			<u>2,372,304</u>		<u>1,226,535</u>
CREDITORS					
Amounts falling due within one year	14	<u>886,810</u>		<u>1,293,519</u>	
NET CURRENT ASSETS/(LIABILITIES)			<u>1,485,494</u>		<u>(66,984)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			3,299,355		1,741,976
CREDITORS					
Amounts falling due after more than one year	15		(474,871)		(317,548)
ACCRUALS AND DEFERRED INCOME	19		<u>(104,083)</u>		<u>(64,261)</u>
NET ASSETS			<u>2,720,401</u>		<u>1,360,167</u>
CAPITAL AND RESERVES					
Called up share capital	20		251,479		251,479
Share premium	21		537,592		537,592
Retained earnings	21		<u>1,931,330</u>		<u>571,096</u>
SHAREHOLDERS' FUNDS			<u>2,720,401</u>		<u>1,360,167</u>

The notes form part of these financial statements

The Rochdale Association Football Club
Limited (Registered number: 00111019)

Consolidated Balance Sheet - continued
31 May 2020

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 17 May 2021 and were signed on its behalf by:

David R Bottomley

D R Bottomley - Director

The Rochdale Association Football Club
Limited (Registered number: 00111019)

Company Balance Sheet
31 May 2020

	Notes	31.5.20		31.5.19	
		£	£	£	£
FIXED ASSETS					
Intangible assets	9		4,684		33,347
Tangible assets	10		395,767		359,656
Investments	11		-		-
			<u>400,451</u>		<u>393,003</u>
CURRENT ASSETS					
Stocks	12	42,321		20,111	
Debtors	13	1,531,755		1,818,529	
Cash at bank and in hand		<u>764,178</u>		<u>380,172</u>	
			2,338,254		2,218,812
CREDITORS					
Amounts falling due within one year	14	<u>904,547</u>		<u>1,183,072</u>	
NET CURRENT ASSETS			<u>1,433,707</u>		<u>1,035,740</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,834,158		1,428,743
CREDITORS					
Amounts falling due after more than one year	15		(207,150)		(4,315)
ACCRUALS AND DEFERRED INCOME			<u>(104,083)</u>		<u>(64,261)</u>
NET ASSETS			<u><u>1,522,925</u></u>		<u><u>1,360,167</u></u>
CAPITAL AND RESERVES					
Called up share capital	20		251,479		251,479
Share premium			537,592		537,592
Retained earnings			<u>733,854</u>		<u>571,096</u>
SHAREHOLDERS' FUNDS			<u><u>1,522,925</u></u>		<u><u>1,360,167</u></u>
Company's profit/(loss) for the financial year			<u><u>162,758</u></u>		<u><u>(1,243,235)</u></u>

The notes form part of these financial statements

The Rochdale Association Football Club
Limited (Registered number: 00111019)

Company Balance Sheet - continued
31 May 2020

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 17 May 2021 and were signed on its behalf by:

David R Bottomley

D R Bottomley - Director

The Rochdale Association Football Club
Limited

Consolidated Statement of Changes in Equity
for the Year Ended 31 May 2020

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 June 2018	244,029	1,812,331	515,042	2,571,402
Changes in equity				
Issue of share capital	7,450	-	22,550	30,000
Total comprehensive income	-	(1,241,235)	-	(1,241,235)
Balance at 31 May 2019	<u>251,479</u>	<u>571,096</u>	<u>537,592</u>	<u>1,360,167</u>
Changes in equity				
Total comprehensive income	-	1,360,234	-	1,360,234
Balance at 31 May 2020	<u>251,479</u>	<u>1,931,330</u>	<u>537,592</u>	<u>2,720,401</u>

The notes form part of these financial statements

The Rochdale Association Football Club
Limited

Company Statement of Changes in Equity
for the Year Ended 31 May 2020

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 June 2018	244,029	1,814,331	515,042	2,573,402
Changes in equity				
Issue of share capital	7,450	-	22,550	30,000
Total comprehensive income	-	(1,243,235)	-	(1,243,235)
Balance at 31 May 2019	<u>251,479</u>	<u>571,096</u>	<u>537,592</u>	<u>1,360,167</u>
Changes in equity				
Total comprehensive income	-	162,758	-	162,758
Balance at 31 May 2020	<u>251,479</u>	<u>733,854</u>	<u>537,592</u>	<u>1,522,925</u>

The notes form part of these financial statements

The Rochdale Association Football Club
Limited

Consolidated Cash Flow Statement
for the Year Ended 31 May 2020

	Notes	31.5.20 £	31.5.19 £
Cash flows from operating activities			
Cash generated from operations	1	321,028	(616,332)
Interest paid		(17,297)	(19,049)
Interest element of hire purchase payments paid		(1,630)	(1,070)
Tax paid		(898)	-
Net cash from operating activities		<u>301,203</u>	<u>(636,451)</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(9,850)	(73,454)
Purchase of tangible fixed assets		(119,256)	(38,364)
Sale of tangible fixed assets		5,000	11,271
Interest received		48	-
Net cash from investing activities		<u>(124,058)</u>	<u>(100,547)</u>
Cash flows from financing activities			
New loans in year		232,800	-
Loan repayments in year		(45,546)	(53,025)
Capital repayments in year		(600)	(6,219)
Amount withdrawn by directors		(3,336)	(3,336)
Share issue		-	30,000
Net cash from financing activities		<u>183,318</u>	<u>(32,580)</u>
Increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at beginning of year	2	408,206	1,177,784
Cash and cash equivalents at end of year	2	<u><u>768,669</u></u>	<u><u>408,206</u></u>

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 May 2020

1. **RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	31.5.20	31.5.19
	£	£
Profit/(loss) before taxation	1,361,132	(1,241,235)
Depreciation charges	118,420	140,718
Loss/(profit) on disposal of fixed assets	784	(11,271)
Government grants	(32,133)	(32,133)
Finance costs	18,927	20,119
Finance income	(48)	-
	<u>1,467,082</u>	<u>(1,123,802)</u>
(Increase)/decrease in stocks	(22,980)	42,733
(Increase)/decrease in trade and other debtors	(762,326)	89,342
(Decrease)/increase in trade and other creditors	<u>(360,748)</u>	<u>375,395</u>
Cash generated from operations	<u><u>321,028</u></u>	<u><u>(616,332)</u></u>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 May 2020

	31.5.20	1.6.19
	£	£
Cash and cash equivalents	<u><u>768,669</u></u>	<u><u>408,206</u></u>

Year ended 31 May 2019

	31.5.19	1.6.18
	£	£
Cash and cash equivalents	<u><u>408,206</u></u>	<u><u>1,177,784</u></u>

The Rochdale Association Football Club
Limited

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 May 2020

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.6.19 £	Cash flow £	At 31.5.20 £
Net cash			
Cash at bank and in hand	<u>408,206</u>	<u>360,463</u>	<u>768,669</u>
	<u>408,206</u>	<u>360,463</u>	<u>768,669</u>
Debt			
Finance leases	(10,184)	600	(9,584)
Debts falling due within 1 year	(55,411)	(30,367)	(85,778)
Debts falling due after 1 year	<u>(313,233)</u>	<u>(156,888)</u>	<u>(470,121)</u>
	<u>(378,828)</u>	<u>(186,655)</u>	<u>(565,483)</u>
Total	<u>29,378</u>	<u>173,808</u>	<u>203,186</u>

Notes to the Consolidated Financial Statements
for the Year Ended 31 May 2020

1. **STATUTORY INFORMATION**

The Rochdale Association Football Club Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Basis of consolidation

The consolidated financial statements include the financial statements of the company and its subsidiary undertaking made up to 31 May 2020. A subsidiary is an entity that is controlled by the parent.

Under Section 408 of the Companies Act 2006 the company is exempt from the requirement to present its own profit and loss account.

Significant judgements and estimates

There were no critical judgements made in the process of applying the Group's accounting policies.

There were no key assumptions concerning the future, and other key sources of estimation uncertainty, at the balance sheet date, that have a significant risk of causing material adjustment to the carrying amount of assets and liabilities within the next financial year.

Turnover

Turnover comprises income from gate receipts, television rights, merchandising royalty income, rental income, sponsorship and other commercial activities, exclusive of value added tax. The turnover is measured at fair value of consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Player transfer fees

Amounts payable in respect of the transfer of player registrations, transfer fees and the associated costs, are capitalised and amortised over the period of the players' contract including any subsequent agreed extensions.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2020

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 4% on cost and at varying rates on cost
Pearl Street Stand	- 4% on cost
Improvements to property	- 10% on reducing balance
Plant and machinery	- 20% on reducing balance and 15% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 20% on reducing balance

Tangible fixed assets are stated at cost or deemed cost less accumulated depreciation and accumulated impairment losses. The group assesses at each reporting date whether tangible fixed assets (including those leased under finance lease) are impaired.

Government grants

Government grants are recognised when there is reasonable assurance that the company will comply with the conditions attaching to the grant and the grant will be received.

Following the outbreak of the Covid-19 Pandemic the company furloughed members of staff and took advantage of the government job retention scheme. Grant income is accrued for in the period matching the period the wages were due for.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2020

2. **ACCOUNTING POLICIES - continued**

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Going concern

The financial statements have been prepared on a going concern basis, which assumes that the company will continue in operational existence for at least 12 months from the date of signing these reports.

Whilst the overall group has sustained losses due to the Covid 19 pandemic in the year to 31 May 2021, the group still has positive funds at the bank.

Trading will remain difficult for the financial year to 31 May 2022 and the overall group is forecast to make further losses.

However, these forecasts do not account for the potential upside from positive revenues from cup games, associated television money, and potential player sales.

In addition, the EFL have pledged that they will not allow any clubs from the football league to "go under" due to Covid 19 and as such have made additional loans available if required. Also the company will make use of any further relevant Government initiatives made available.

The directors are therefore of the opinion that the going concern principle remains appropriate and the accounts have therefore been prepared on that basis.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2020

3. **TURNOVER**

The turnover and profit (2019 - loss) before taxation are attributable to the one principal activity of the group.

An analysis of turnover by class of business is given below:

	31.5.20	31.5.19
	£	£
Gate receipts	1,389,764	826,099
Transfer fees	2,009,400	1,000,000
Sponsorship and donations	333,948	342,167
League and FA Pool	1,702,214	1,533,896
Digital TV and broadcasting	249,895	36,609
Youth development grant	496,396	515,713
Prize money	106,402	101,000
Bar and catering income	330,361	350,605
Shop sales and other income	241,721	221,613
Rents and room hire	<u>68,581</u>	<u>70,299</u>
	<u>6,928,682</u>	<u>4,998,001</u>

4. **EMPLOYEES AND DIRECTORS**

	31.5.20	31.5.19
	£	£
Wages and salaries	3,139,309	3,551,722
Social security costs	293,830	373,323
Other pension costs	<u>2,302</u>	<u>916</u>
	<u>3,435,441</u>	<u>3,925,961</u>

The average number of employees during the year was as follows:

	31.5.20	31.5.19
Admin and office staff	17	18
Players and coaching staff	38	42
Bar and cleaning staff	25	20
Other	<u>55</u>	<u>53</u>
	<u>135</u>	<u>133</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 24 (2019 - 22).

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2020

5. **OPERATING PROFIT/(LOSS)**

The operating profit (2019 - operating loss) is stated after charging/(crediting):

	31.5.20	31.5.19
	£	£
Hire of plant and machinery	1,702	2,786
Other operating leases	55,309	39,666
Depreciation - owned assets	76,954	65,111
Loss/(profit) on disposal of fixed assets	784	(11,271)
Player transfer fees amortisation	38,513	71,357
Auditors' remuneration	<u>13,000</u>	<u>8,000</u>

6. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	31.5.20	31.5.19
	£	£
Loan interest	17,297	19,049
Hire purchase interest	<u>1,630</u>	<u>1,070</u>
	<u>18,927</u>	<u>20,119</u>

7. **TAXATION**

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	31.5.20	31.5.19
	£	£
Current tax:		
UK corporation tax	<u>898</u>	<u>-</u>
Tax on profit/(loss)	<u>898</u>	<u>-</u>

8. **INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2020

9. **INTANGIBLE FIXED ASSETS**

Group	Goodwill £
COST	
At 1 June 2019	135,954
Additions	9,850
Disposals	<u>(84,664)</u>
At 31 May 2020	<u>61,140</u>
AMORTISATION	
At 1 June 2019	102,607
Charge for year	38,513
Eliminated on disposal	<u>(84,664)</u>
At 31 May 2020	<u>56,456</u>
NET BOOK VALUE	
At 31 May 2020	<u>4,684</u>
At 31 May 2019	<u>33,347</u>
 Company	
	Goodwill £
COST	
At 1 June 2019	135,954
Additions	9,850
Disposals	<u>(84,664)</u>
At 31 May 2020	<u>61,140</u>
AMORTISATION	
At 1 June 2019	102,607
Charge for year	38,513
Eliminated on disposal	<u>(84,664)</u>
At 31 May 2020	<u>56,456</u>
NET BOOK VALUE	
At 31 May 2020	<u>4,684</u>
At 31 May 2019	<u>33,347</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2020

10. **TANGIBLE FIXED ASSETS**

Group

	Freehold property £	Pearl Street Stand £	Improvements to property £	
COST				
At 1 June 2019	1,874,249	860,133	81,948	
Additions	-	-	-	
Disposals	-	-	-	
At 31 May 2020	<u>1,874,249</u>	<u>860,133</u>	<u>81,948</u>	
DEPRECIATION				
At 1 June 2019	355,298	748,929	50,429	
Charge for year	13,899	34,405	3,152	
Eliminated on disposal	-	-	-	
At 31 May 2020	<u>369,197</u>	<u>783,334</u>	<u>53,581</u>	
NET BOOK VALUE				
At 31 May 2020	<u>1,505,052</u>	<u>76,799</u>	<u>28,367</u>	
At 31 May 2019	<u>1,518,951</u>	<u>111,204</u>	<u>31,519</u>	
	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 June 2019	314,711	200,006	60,255	3,391,302
Additions	-	102,324	16,932	119,256
Disposals	-	-	(9,445)	(9,445)
At 31 May 2020	<u>314,711</u>	<u>302,330</u>	<u>67,742</u>	<u>3,501,113</u>
DEPRECIATION				
At 1 June 2019	287,221	133,526	40,286	1,615,689
Charge for year	4,125	18,579	5,748	79,908
Eliminated on disposal	-	-	(3,661)	(3,661)
At 31 May 2020	<u>291,346</u>	<u>152,105</u>	<u>42,373</u>	<u>1,691,936</u>
NET BOOK VALUE				
At 31 May 2020	<u>23,365</u>	<u>150,225</u>	<u>25,369</u>	<u>1,809,177</u>
At 31 May 2019	<u>27,490</u>	<u>66,480</u>	<u>19,969</u>	<u>1,775,613</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2020

10. **TANGIBLE FIXED ASSETS - continued**

Group

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST	
At 1 June 2019	34,639
Disposals	<u>(9,445)</u>
At 31 May 2020	<u>25,194</u>
DEPRECIATION	
At 1 June 2019	17,645
Charge for year	2,954
Eliminated on disposal	<u>(3,661)</u>
At 31 May 2020	<u>16,938</u>
NET BOOK VALUE	
At 31 May 2020	<u>8,256</u>
At 31 May 2019	<u>16,994</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2020

10. **TANGIBLE FIXED ASSETS - continued**

Company

	Freehold property £	Pearl Street Stand £	Improvements to property £
COST			
At 1 June 2019	177,526	860,133	81,948
Additions	-	-	-
Disposals	-	-	-
At 31 May 2020	<u>177,526</u>	<u>860,133</u>	<u>81,948</u>
DEPRECIATION			
At 1 June 2019	29,047	748,929	50,429
Charge for year	7,101	34,405	3,152
Eliminated on disposal	-	-	-
At 31 May 2020	<u>36,148</u>	<u>783,334</u>	<u>53,581</u>
NET BOOK VALUE			
At 31 May 2020	<u>141,378</u>	<u>76,799</u>	<u>28,367</u>
At 31 May 2019	<u>148,479</u>	<u>111,204</u>	<u>31,519</u>
	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 June 2019	182,011	60,255	1,361,873
Additions	89,914	16,932	106,846
Disposals	-	(9,445)	(9,445)
At 31 May 2020	<u>271,925</u>	<u>67,742</u>	<u>1,459,274</u>
DEPRECIATION			
At 1 June 2019	133,526	40,286	1,002,217
Charge for year	14,545	5,748	64,951
Eliminated on disposal	-	(3,661)	(3,661)
At 31 May 2020	<u>148,071</u>	<u>42,373</u>	<u>1,063,507</u>
NET BOOK VALUE			
At 31 May 2020	<u>123,854</u>	<u>25,369</u>	<u>395,767</u>
At 31 May 2019	<u>48,485</u>	<u>19,969</u>	<u>359,656</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2020

10. **TANGIBLE FIXED ASSETS - continued**

Company

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST	
At 1 June 2019	34,639
Disposals	<u>(9,445)</u>
At 31 May 2020	<u>25,194</u>
DEPRECIATION	
At 1 June 2019	17,645
Charge for year	2,954
Eliminated on disposal	<u>(3,661)</u>
At 31 May 2020	<u>16,938</u>
NET BOOK VALUE	
At 31 May 2020	<u>8,256</u>
At 31 May 2019	<u>16,994</u>

11. **FIXED ASSET INVESTMENTS**

Company

	Shares in group undertakings £
COST	
At 1 June 2019 and 31 May 2020	<u>566,111</u>
PROVISIONS	
At 1 June 2019 and 31 May 2020	<u>566,111</u>
NET BOOK VALUE	
At 31 May 2020	<u><u>-</u></u>
At 31 May 2019	<u><u>-</u></u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2020

11. **FIXED ASSET INVESTMENTS - continued**

The principal operating subsidiary undertaking is Denehurst Park (Rochdale) Limited. The company owns 100% of the ordinary shares. The registered office of the subsidiary is The Crown Oil Arena, Sandy Lane, Rochdale, OL11 5DR.

12. **STOCKS**

	Group		Company	
	31.5.20	31.5.19	31.5.20	31.5.19
	£	£	£	£
Stocks	<u>49,091</u>	<u>26,111</u>	<u>42,321</u>	<u>20,111</u>

13. **DEBTORS**

	Group		Company	
	31.5.20	31.5.19	31.5.20	31.5.19
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	868,808	196,026	862,261	182,077
Other debtors	<u>206,036</u>	<u>596,192</u>	<u>189,794</u>	<u>596,192</u>
	<u>1,074,844</u>	<u>792,218</u>	<u>1,052,055</u>	<u>778,269</u>
Amounts falling due after more than one year:				
Trade debtors	479,700	-	479,700	-
Amounts owed by group undertakings	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,040,260</u>
	<u>479,700</u>	<u>-</u>	<u>479,700</u>	<u>1,040,260</u>
Aggregate amounts	<u>1,554,544</u>	<u>792,218</u>	<u>1,531,755</u>	<u>1,818,529</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2020

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.5.20	31.5.19	31.5.20	31.5.19
	£	£	£	£
Other loans (see note 16)	85,778	55,411	30,400	-
Hire purchase contracts (see note 17)	4,834	5,869	4,834	5,869
Trade creditors	75,277	320,476	202,573	267,731
Social security and other taxes	235,569	126,848	234,352	124,517
VAT	89,590	51,061	81,799	54,101
Other creditors	32,550	11,886	32,550	11,886
Directors' current accounts	17,826	21,162	17,826	21,162
Accruals and deferred income	<u>345,386</u>	<u>700,806</u>	<u>300,213</u>	<u>697,806</u>
	<u>886,810</u>	<u>1,293,519</u>	<u>904,547</u>	<u>1,183,072</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	31.5.20	31.5.19	31.5.20	31.5.19
	£	£	£	£
Bank loans (see note 16)	50,000	-	50,000	-
Other loans (see note 16)	420,121	313,233	152,400	-
Hire purchase contracts (see note 17)	<u>4,750</u>	<u>4,315</u>	<u>4,750</u>	<u>4,315</u>
	<u>474,871</u>	<u>317,548</u>	<u>207,150</u>	<u>4,315</u>

Amounts falling due in more than five years:

	Group		Company	
	31.5.20	31.5.19	31.5.20	31.5.19
	£	£	£	£
Repayable by instalments				
Bank loans more 5 yr by instal	13,231	-	13,231	-
Other loans more 5yrs instal	<u>19,216</u>	<u>65,507</u>	<u>-</u>	<u>-</u>
	<u>32,447</u>	<u>65,507</u>	<u>13,231</u>	<u>-</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2020

16. **LOANS**

An analysis of the maturity of loans is given below:

	Group		Company	
	31.5.20 £	31.5.19 £	31.5.20 £	31.5.19 £
Amounts falling due within one year or on demand:				
Other loans	55,378	55,411	-	-
Other loans	<u>30,400</u>	<u>-</u>	<u>30,400</u>	<u>-</u>
	<u>85,778</u>	<u>55,411</u>	<u>30,400</u>	<u>-</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	8,851	-	8,851	-
Other loans - 1-2 years	59,953	57,904	-	-
Other loans - 1-2 years	<u>60,800</u>	<u>-</u>	<u>60,800</u>	<u>-</u>
	<u>129,604</u>	<u>57,904</u>	<u>69,651</u>	<u>-</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	27,918	-	27,918	-
Other loans - 2-5 years	188,552	189,822	-	-
Other loans - 2-5 years	<u>91,600</u>	<u>-</u>	<u>91,600</u>	<u>-</u>
	<u>308,070</u>	<u>189,822</u>	<u>119,518</u>	<u>-</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans more 5 yr by instal	13,231	-	13,231	-
Other loans more 5yrs instal	<u>19,216</u>	<u>65,507</u>	<u>-</u>	<u>-</u>
	<u>32,447</u>	<u>65,507</u>	<u>13,231</u>	<u>-</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2020

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	31.5.20	31.5.19
	£	£
Net obligations repayable:		
Within one year	4,834	5,869
Between one and five years	<u>4,750</u>	<u>4,315</u>
	<u>9,584</u>	<u>10,184</u>

Company

	Hire purchase contracts	
	31.5.20	31.5.19
	£	£
Net obligations repayable:		
Within one year	4,834	5,869
Between one and five years	<u>4,750</u>	<u>4,315</u>
	<u>9,584</u>	<u>10,184</u>

Group

	Non-cancellable operating leases	
	31.5.20	31.5.19
	£	£
Within one year	157,593	161,601
Between one and five years	504,454	523,455
In more than five years	<u>4,068</u>	<u>108,349</u>
	<u>666,115</u>	<u>793,405</u>

Company

	Non-cancellable operating leases	
	31.5.20	31.5.19
	£	£
Within one year	155,115	159,123
Between one and five years	501,356	517,879
In more than five years	<u>4,068</u>	<u>108,349</u>
	<u>660,539</u>	<u>785,351</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2020

18. **SECURED DEBTS**

The following secured debts are included within creditors:

	Group		Company	
	31.5.20	31.5.19	31.5.20	31.5.19
	£	£	£	£
Other loans	323,099	368,644	-	-
Hire purchase contracts	<u>9,584</u>	<u>-</u>	<u>9,584</u>	<u>10,184</u>
	<u>332,683</u>	<u>368,644</u>	<u>9,584</u>	<u>10,184</u>

The Council loan balance of £323,099 (2019: £368,644) is secured by a fixed charge over the company's freehold land and buildings.

19. **ACCRUALS AND DEFERRED INCOME**

	Group		Company	
	31.5.20	31.5.19	31.5.20	31.5.19
	£	£	£	£
Accruals and deferred income	<u>104,083</u>	<u>64,261</u>	<u>104,083</u>	<u>64,261</u>

20. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.5.20	31.5.19
			£	£
502,957	Ordinary	£0.50	<u>251,479</u>	<u>251,479</u>

21. **RESERVES**

Group	Retained earnings	Share premium	Totals
	£	£	£
At 1 June 2019	571,096	537,592	1,108,688
Profit for the year	<u>1,360,234</u>	<u>-</u>	<u>1,360,234</u>
At 31 May 2020	<u>1,931,330</u>	<u>537,592</u>	<u>2,468,922</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2020

22. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The directors have continued to provide financial assistance to the company throughout the year. At 31 May 2020 the company owed two directors a total of £17,826 (2019: £21,162). These loans are unsecured and interest free. The directors loan accounts were not overdrawn at any time during the year.

23. RELATED PARTY DISCLOSURES

Denehurst Park (Rochdale) Limited ("DPR")
Subsidiary company

The company has paid £96,000 (2019: £96,000) to DPR during the year for the provision of goods and services, principally the rental of the stadium, and charged DPR administration fees amounting to £35,000 (2019: £35,000).

At the balance sheet date, the amount falling due to DPR was £122,012 (2019: £1,653,022).

The company continues to act as guarantor in respect of a fixed term loan facility of £323,099 (2019: £368,645) made available to Dent Park (Rochdale) Limited by Rochdale Borough Council.