

Company Registration No. 00123622 (England and Wales)

**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

## **SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

### **COMPANY INFORMATION**

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<b>Directors</b>	Mr P D Swann Mrs K I. Swann Mr C Swann Ms L K Mayo	(Appointed 22 April 2020)
<b>President</b>	Sir I T Botham, Kt, O.B.E.	
<b>Vice-Presidents</b>	K R Waters B Heywood M.B.Ch, B.F.R.C.O.G. Dr J Zacharais B.B.S. T Jacklin O.B.E. J Oxenforth K Wagstaff	
<b>Company number</b>	00123622	
<b>Registered office</b>	Glanford Park Jack Brownsword Way Scunthorpe South Humberside DN15 8TD	
<b>Auditor</b>	UHY Hacker Young 14 Park Row Nottingham NG1 6GR	

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# SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

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## **SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

### **CHAIRMAN'S STATEMENT**

**FOR THE YEAR ENDED 30 JUNE 2020**

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#### **Chairman's statement**

After curtailing the previous season, we started the 2020/21 season with a little more trepidation, knowing we would have to cope with a reduction in fans attending or even worse, no fans in the ground. Sadly, the latter became the norm and so began a season of uncertainty both on and off the field.

Fortunately, we had been working on a break-even model for the club so it could start to become a more sustainable football club in the long term. For fans that would mean a realisation that we would not be stretching our playing budget beyond our income streams and a lack of ready to play footballers were a thing of the past and a plan to utilise our youth set up and under 23's had now been installed in the club's philosophy. The Covid pandemic struck hard and without fans, the club would face an uncertain future in league football without suitable funding, however I am pleased to say that we stayed up and can plan our future in league two once more. Unfortunately, we have had to shelve the U23's but we will revisit this when the club is in a better position.

We have come through one of the most testing times in professional football, although we are not quite sure where this will sit in the long term, we are in a more stable position and will go into the next season with more hope.

Football will change and despite the failure of the EFL to push through a salary cap, which would have benefited the smaller clubs in the league, salary restrictions in the future look inevitable under one guise or another.

The one big question being raised now is the distribution of funds from the premier league to the EFL and how that could be made fairer. Almost certainly if we could gain a little more of the pie and have controlled wages there would be a very good chance of the club making money, rather than losing money continually, which in the context of the club going forward can only be positive.

We have managed to survive and can now look at various parts of the business to see how we can move forward with fans back in the ground.

After considerable thought on how we wish to invest in the club going forward and considering the development of the stadium and new training facilities we decided to transfer the asset from the football club into the parent company, thus ensuring we can build the first stage of the development, which will be the 160 apartments and work towards the other building phases. To do this we wrote off the £11m+ loan we had secured on the ground in return for the asset which was valued 18 months ago at £5.2m. This will ensure we can provide investment for the apartments and stadium at no risk to the football club.

The club continues to work with its supporters and have asked the supporters groups to come up with a proposal for a fans representative to sit on the board, that is in its initial working stages, but continues our open dialogue with fans.

We would like to thank all fans and sponsors who kindly donated what they had paid for the unplayed games of the 19/20 season. We also very much appreciated those of you who kindly purchased Season Tickets for the 20/21 season, as well as those who supported us via various sponsorships and advertising opportunities.

**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

**CHAIRMAN'S STATEMENT**

**FOR THE YEAR ENDED 30 JUNE 2020**

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Mr P D Swann

**Chairman**

22 June 2021

## **SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

### **STRATEGIC REPORT**

#### **FOR THE YEAR ENDED 30 JUNE 2020**

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The directors present the strategic report for the year ended 30 June 2020.

#### **Fair review of the business**

The results for the year are shown in the profit and loss account of the financial statements and are summarised below, along with information on where the club sees its self in the future.

The loss for 2019/20 continues to be lower than previous years as the club strives to become sustainable. The turnover of £5.4m includes £2.1m of commercial income for the naming rights not sold in previous years, so comparable with 2019 the turnover was down slightly from £3.7m to £3.4m which is expected given the COVID Pandemic that effected the last 3 and a half months of the year and resulted in the last 4 home games not being played.

The operating loss is significantly improved on 2019 results, even taking into account this additional commercial income and the furlough income. The club played the season in League 2 and was able to realign and substantially reduce its costs to adjust to this league, which undoubtedly aided the survival of the club during the 2020/21 season.

The club continues to trade in players and returned a profit on player trading. We will continue to invest and develop players as required.

#### **Principal risks and uncertainties**

The Board constantly monitors new developments and assesses the threats to the business by close monitoring of the sectors in which it operates.

Business Risks identified are potential reduced income from dwindling gates due to the performance of the team and local market forces.

The board ensures compliance with all relevant rules and regulations, in particular those laid down by the FA, Football League, UEFA and FIFA. Any change to the regulations of these bodies could have an impact on the company as they cover areas such as; Competition Format, Distribution of Media Income, Player eligibility and operation of the Transfer Market. The board ensures compliance with all the relevant rules and regulations, thus monitoring the impact of any potential changes.

#### **Key performance indicators**

The directors consider the following to be the key performance indicators of the club:

Turnover - £5,444,545 (2019 - £3,666,140)

Wage to turnover % - 77.7% (2019 – 143.0%)

League finishing position in relevant season – 20th in English Football League 2 when the League was curtailed after 37 games (2019 – 23rd in English Football League 1)

On behalf of the board

Mr P D Swann

**Director**

22 June 2021

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## **SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

### **DIRECTORS' REPORT**

#### **FOR THE YEAR ENDED 30 JUNE 2020**

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The directors present their annual report and financial statements for the year ended 30 June 2020.

#### **Principal activities**

The principal activity of the company continued to be that of a English Football League club.

#### **Directors**

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

Mr P D Swann

Mrs K L Swann

Mr C Swann

Mr J R Rodwell

(Resigned 22 April 2020)

Ms L K Mayo

(Appointed 22 April 2020)

#### **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.

#### **Auditor**

The auditor, UHY Hacker Young, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### **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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

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**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

**DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2020**

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**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.

On behalf of the board

Mr P D Swann

**Director**

22 June 2021



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**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

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**Opinion**

We have audited the financial statements of Scunthorpe United Football Club Limited (the 'company') for the year ended 30 June 2020 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and 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 FRS 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 30 June 2020 and of its loss 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**

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 company'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.

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**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE MEMBERS OF SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

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**Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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.

**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.

**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 and the directors' report.

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.

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**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE MEMBERS OF SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

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**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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**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 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.

**Roger Merchant (Senior Statutory Auditor)**  
for and on behalf of UHY Hacker Young

24 June 2021

**Chartered Accountants**  
**Statutory Auditor**

**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

**PROFIT & LOSS ACCOUNT**

**FOR THE YEAR ENDED 30 JUNE 2020**

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		<b>2020</b>	<b>2019</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>	<b>3</b>	5,444,545	3,666,140
Cost of sales		(5,550,742)	(7,113,381)
		<hr/>	<hr/>
<b>Gross loss</b>		(106,197)	(3,447,241)
Administrative expenses		(548,944)	(716,396)
		<hr/>	<hr/>
<b>Operating loss</b>	<b>4</b>	(655,141)	(4,163,637)
Interest receivable and similar income	7	341	1,070
Interest payable and similar expenses	8	(399,049)	(309,104)
Net income/(cost) of trading in players		101,098	1,407,998
		<hr/>	<hr/>
<b>Loss before taxation</b>		(952,751)	(3,063,673)
Taxation	9	-	(575,350)
		<hr/>	<hr/>
<b>Loss for the financial year</b>	<b>19</b>	(952,751)	(3,639,023)
<b>Other comprehensive income</b>			
Revaluation of tangible fixed assets		549,917	-
		<hr/>	<hr/>
<b>Total comprehensive income for the year</b>		(402,834)	(3,639,023)
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The profit and loss account has been prepared on the basis that all operations are continuing operations.

**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

**BALANCE SHEET**

**AS AT 30 JUNE 2020**

	Notes	2020		2019	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	10		191,157		369,979
Tangible assets	11		5,560,287		5,200,462
			<u>5,751,444</u>		<u>5,570,441</u>
<b>Current assets</b>					
Stocks	12	38,563		51,282	
Debtors	13	73,409		362,572	
Cash at bank and in hand		61,526		14,467	
			<u>173,498</u>	<u>428,321</u>	
<b>Creditors: amounts falling due within one year</b>	14		<u>(1,606,735)</u>	<u>(1,477,728)</u>	
<b>Net current liabilities</b>			<u>(1,433,237)</u>	<u>(1,049,407)</u>	
<b>Total assets less current liabilities</b>			4,318,207		4,521,034
<b>Creditors: amounts falling due after more than one year</b>	15		(11,513,938)		(11,313,931)
<b>Net liabilities</b>			<u>(7,195,731)</u>	<u>(6,792,897)</u>	
<b>Capital and reserves</b>					
Called up share capital	18		8,900,000		8,900,000
Revaluation reserve	19		3,467,327		2,917,410
Other reserves	19		2,501		2,501
Profit and loss account	19		(19,565,559)		(18,612,808)
<b>Total equity</b>			<u>(7,195,731)</u>	<u>(6,792,897)</u>	

The financial statements were approved by the board of directors and authorised for issue on 22 June 2021 and are signed on its behalf by:

Mr P D Swann  
**Director**

**Company Registration No. 00123622**

**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

**STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 30 JUNE 2020**

	Share capital	Revaluation reserve	Capital redemption reserve	Profit and loss reserves	Total
Notes	£	£	£	£	£
<b>Balance at 1 July 2018</b>	8,900,000	2,966,329	2,501	(15,022,704)	(3,153,874)
<b>Year ended 30 June 2019:</b>					
Profit and loss account	-	-	-	(3,639,023)	(3,639,023)
Transfers	-	(48,919)	-	48,919	-
<b>Balance at 30 June 2019</b>	<u>8,900,000</u>	<u>2,917,410</u>	<u>2,501</u>	<u>(18,612,808)</u>	<u>(6,792,897)</u>
<b>Year ended 30 June 2020:</b>					
Profit and loss account	-	-	-	(952,751)	(952,751)
Other comprehensive income:					
Revaluation of tangible fixed assets	-	549,917	-	-	549,917
Total comprehensive income for the year	<u>-</u>	<u>549,917</u>	<u>-</u>	<u>(952,751)</u>	<u>(402,834)</u>
<b>Balance at 30 June 2020</b>	<u><u>8,900,000</u></u>	<u><u>3,467,327</u></u>	<u><u>2,501</u></u>	<u><u>(19,565,559)</u></u>	<u><u>(7,195,731)</u></u>

## SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 30 JUNE 2020

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#### **1 Accounting policies**

##### **Company information**

Scunthorpe United Football Club Limited is a private company limited by shares incorporated in England and Wales. The registered office is Glanford Park, Jack Brownsword Way, Scunthorpe, South Humberside, DN15 8TD.

##### **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. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Coolsilk Limited. These consolidated financial statements are available from its registered office.

##### **1.2 Going concern**

The Company's business activities, together with factors likely to affect its future development, performance and position and are set out in the Strategic report on pages 2 and 3.

The financial statements have been drawn up on a going concern basis which assumes the continuing financial support of the parent company, Coolsilk Property & Investment Limited. The directors have confirmed that it is its their present intention to provide financial support to the company for the foreseeable future.

The Directors therefore have a reasonable expectation that the company will be able to continue as a going concern for the foreseeable future.

## SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

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#### 1 Accounting policies

(Continued)

##### 1.3 Turnover

Turnover comprises the amounts charged to customers for tickets, English Football Association and English Football League distributions, league sponsorship and broadcasting fees, lottery income, programme sales, sponsorship, advertising, match day catering, shop sales, donations and income from the restaurant and bar, which are all excluding VAT.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, 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.

##### 1.4 Intangible fixed assets other than goodwill

The transfer fees and costs associated with the acquisition of players' registrations are capitalised as intangible fixed assets and amortised evenly over the contract period. Permanent diminutions in value below the amortised value, such as through injury or loss of form, are provided when management become aware that the deminution is permanent.

Transfer fees receivable in excess of the costs not written off are included in the calculation of profit or loss on disposal of players' contract.

##### 1.5 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.

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Freehold land and buildings	2 - 10% straight line
Assets under construction	No depreciation
Fixtures, fittings & equipment	10 - 33% straight line
Motor vehicles	33% straight line

Freehold land is not depreciated.



**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2020**

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**1 Accounting policies**

**(Continued)**

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge of those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

Assets under the course of construction are included on the balance sheet at cost and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but in the opinion of the directors and in order to give a true and fair view of the financial position, these are not depreciated. At the balance sheet date the capitalised costs are for professional fees only.

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.

**1.6 Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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.

**1.7 Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

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.

**1.9 Financial instruments**

***Basic financial assets***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs. Financial assets classified as receivable within one year are not amortised.

## SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 30 JUNE 2020

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#### 1 Accounting policies

(Continued)

##### *Basic financial liabilities*

Basic financial liabilities, including creditors and loans from fellow group companies, are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

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.

#### 1.10 Taxation

The tax expense represents the sum of the tax currently payable and group relief.

##### *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.

##### *Group relief*

Tax losses arising during the year have been surrendered to the parent company.

#### 1.11 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.

#### 1.12 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

There is also a second pension scheme where certain numbers of the company's employees and ex-employees are members of the Football League Pension and Life Assurance Scheme (FLPLAS), a defined benefit scheme. As the company is one of a number of participating employers in FLPLAS, it is not possible to accrue any actuarial surplus or deficit on a meaningful basis. The assets of the scheme are held separately from those of the company, being invested with insurance companies. Under the provisions of FRS 102 the scheme is treated as a defined benefit multi-employer scheme.

**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2020**

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**1 Accounting policies**

**(Continued)**

**1.13 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

**1.14 Grants receivable**

Asset related grants are credited to the profit and loss account over the expected useful life of that assets to which they relate. Revenue related grants are credited to the profit and loss account over the period to which they relate.

**1.15 Signing on fees**

Contractual amounts of fees payable to players are recognised as prepayments and spread evenly over the contract period. The net balance of signing on fees relating to players sold is included within the calculation of profit or loss on disposal of players' contracts.

## SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 30 JUNE 2020

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#### 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.

##### **Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

##### **COVID-19**

In December 2019, a novel strain of coronavirus was reported in Wuhan, Hubei province, China. In the first several months of 2020, the virus, SARS-CoV-2, and resulting disease COVID-19, spread to the United Kingdom.

The resulting actions in the UK taken by the government to control the pandemic have impacted operations. All appropriate measures have now been put in place to reduce the ongoing impact on the business. The directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

#### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2020	2019
	£	£
<b>Turnover analysed by class of business</b>		
Gate receipts and ticket sales	741,671	914,739
League central distribution	1,214,893	1,507,351
Broadcasting and internet	36,145	50,948
Programme sales and advertising	110,853	137,787
Sponsorship	2,311,055	286,732
Commercial	277,560	273,494
Hospitality and catering	250,123	902
Academy	502,245	494,187
	<u>5,444,545</u>	<u>3,666,140</u>

**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2020**

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**3 Turnover and other revenue** **(Continued)**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Other significant revenue</b>		
Interest income	341	1,070
	<u>          </u>	<u>          </u>

All turnover relates to trading in the UK.

**4 Operating loss**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Operating loss for the year is stated after charging/(crediting):		
Grant income	12,147	12,147
Fees payable to the company's auditor for the audit of the company's financial statements	14,500	14,300
Non-audit fees payable to the company's auditor	1,390	1,150
Depreciation of owned tangible fixed assets	208,685	229,723
Depreciation of tangible fixed assets held under finance leases	2,875	2,156
Profit on disposal of tangible fixed assets	(3,338)	(3,111)
Amortisation of intangible assets	238,697	146,065
Operating lease charges	5,266	11,206
	<u>          </u>	<u>          </u>

**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2020**

**5 Employees**

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

	<b>2020</b>	<b>2019</b>
	<b>Number</b>	<b>Number</b>
Football	50	41
Ground staff	12	11
Administration	14	18
Match day casuals	91	76
Restaurants	18	1
School of excellence	21	33
Commercial	5	4
Scholars	16	17
	<u>227</u>	<u>201</u>

Their aggregate remuneration comprised:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Wages and salaries	4,331,825	5,240,684
Social security costs	445,341	538,778
Pension costs	36,430	23,393
	<u>4,813,596</u>	<u>5,802,855</u>

During the year, the company received £430,900 of income claimed from the Coronavirus Job Retention Scheme. This income is not offset with the aggregate remuneration above.

**6 Directors' remuneration**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	<u>108,432</u>	<u>183,008</u>

**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2020**

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**7 Interest receivable and similar income**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Interest income</b>		
Interest on bank deposits	89	265
Other interest income	252	805
	<hr/>	<hr/>
Total income	341	1,070
	<hr/> <hr/>	<hr/> <hr/>

**8 Interest payable and similar expenses**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Interest payable to group undertakings	393,276	302,578
Other interest on financial liabilities	5,427	6,267
Interest on finance leases and hire purchase contracts	346	259
	<hr/>	<hr/>
	399,049	309,104
	<hr/> <hr/>	<hr/> <hr/>

**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2020**

**9 Taxation**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
Adjustments in respect of prior year group relief	-	575,350
	<u>          </u>	<u>          </u>

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

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Loss before taxation	(952,751)	(3,063,673)
	<u>          </u>	<u>          </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(181,023)	(582,098)
Unutilised tax losses carried forward	158,768	559,843
Adjustments in respect of prior years	-	575,350
Depreciation on assets not qualifying for tax allowances	22,255	22,255
	<u>          </u>	<u>          </u>
Tax expense for the year	-	575,350
	<u>          </u>	<u>          </u>

The company has estimated losses of £19,054,915 (2019 - £18,270,532) available for carry forward against future trading profits.

On the basis of these financial statements no provision has been made for Corporation Tax.



**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2020**

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**10 Intangible fixed assets**

	Cost of player registrations £
<b>Cost</b>	
At 1 July 2019	535,000
Additions	59,875
Disposals	(78,750)
	<hr/>
At 30 June 2020	516,125
	<hr/>
<b>Amortisation and impairment</b>	
At 1 July 2019	165,021
Amortisation charged for the year	238,697
Disposals	(78,750)
	<hr/>
At 30 June 2020	324,968
	<hr/>
<b>Carrying amount</b>	
At 30 June 2020	191,157
	<hr/> <hr/>
At 30 June 2019	369,979
	<hr/> <hr/>

**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2020**

**11 Tangible fixed assets**

	Freehold land and buildings	Assets under construction	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost or valuation</b>					
At 1 July 2019	6,736,070	257,828	1,070,399	1,500	8,065,797
Additions	-	1,594	19,874	-	21,468
Revaluation	(1,536,070)	-	-	-	(1,536,070)
At 30 June 2020	5,200,000	259,422	1,090,273	1,500	6,551,195
<b>Depreciation and impairment</b>					
At 1 July 2019	1,972,098	-	891,737	1,500	2,865,335
Depreciation charged in the year	113,889	-	97,671	-	211,560
Revaluation	(2,085,987)	-	-	-	(2,085,987)
At 30 June 2020	-	-	989,408	1,500	990,908
<b>Carrying amount</b>					
At 30 June 2020	5,200,000	259,422	100,865	-	5,560,287
At 30 June 2019	4,763,972	257,828	178,662	-	5,200,462

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2020	2019
	£	£
Plant and machinery	6,469	9,344

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2020	2019
	£	£
Cost	3,476,104	3,476,104
Accumulated depreciation	(1,694,512)	(1,629,542)
Carrying value	1,781,592	1,846,562

**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2020**

**11 Tangible fixed assets** **(Continued)**

In accordance with FRS 102, the freehold land and buildings known as Sands Venue Stadium (formerly known as Glanford Park), with a historical cost of £2,240,034 (including an element of land of £85,990) was revalued to a value of £5,200,000 (including land valued at £900,000) on a depreciated replacement cost basis on 30 June 2017 by Jones Lang LaSalle IP and included in the accounts as at 30 June 2020.

In the opinion of the directors, the current valuation is not materially different to that stated above.

**12 Stocks**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Finished goods and goods for resale	38,563	51,282
	<u>38,563</u>	<u>51,282</u>

**13 Debtors**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	27,402	155,994
Other debtors	400	22,762
Prepayments and accrued income	45,607	183,816
	<u>73,409</u>	<u>362,572</u>

**14 Creditors: amounts falling due within one year**

	<b>Notes</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
Obligations under finance leases	<b>16</b>	3,350	3,350
Trade creditors		98,172	486,583
Taxation and social security		620,713	216,566
Other creditors		59,498	36,704
Accruals and deferred income		825,002	734,525
		<u>1,606,735</u>	<u>1,477,728</u>

Obligations under finance leases are secured upon the assets to which they relate.

**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2020**

**15 Creditors: amounts falling due after more than one year**

	Notes	2020 £	2019 £
Amounts due to group undertakings	22	11,207,789	11,135,256
Obligations under finance leases	16	810	4,195
Defined benefit pension scheme deficit	17	69,696	79,171
Other loan		151,311	-
Deferred grant		84,332	95,309
		<u>11,513,938</u>	<u>11,313,931</u>

Obligations under finance leases are secured upon the assets to which they relate.

Interest is charged on the related party loan at 3% above the base rate. The terms of the loan state that it is repayable as and when the company can afford to repay it.

Amounts included above which fall due after five years are as follows:

Payable by instalments	<u>35,748</u>	<u>52,951</u>
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**16 Finance lease obligations**

	2020 £	2019 £
Future minimum lease payments due under finance leases:		
Within one year	3,696	3,696
In two to five years	924	4,620
	<u>4,620</u>	<u>8,316</u>
Less: future finance charges	(460)	(771)
	<u>4,160</u>	<u>7,545</u>

**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2020**

**17 Retirement benefit schemes**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	36,430	23,393
	<u>36,430</u>	<u>23,393</u>

The company operates a defined contribution pension scheme for all qualifying former employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

Certain ex-employees are members of the Football League Pension and Life Assurance Scheme (FLPLAS), a defined benefit pension scheme. As the company is one of a number of a participating employers in FLPLAS, it is not possible to accrue any actuarial surplus or deficit on a meaningful basis. The assets of the scheme are held separately from those of the company, being invested with insurance companies. Under the provisions of FRS 102 the scheme is treated as a defined benefit multi-employer scheme.

The scheme's actuary has advised that the participating employer's share of the underlying assets and liabilities cannot be identified on a reasonable and consistent basis, and accordingly, no disclosures are made under the provision of FRS 102. At 31 August 2017 an updated actuarial review was performed and caused the trustees to amend the outstanding deficit they agreed to be allocated to Scunthorpe United Football Club Limited to £93,612 which is repayable by 31 May 2026. The contribution level is £13,385 per annum from September 2018 to August 2021 and the repayments include an element of interest payable. As the football club is no longer accruing benefits in respect of employees, the directors have made a provision for the fair value of future contributions to be paid.

**18 Share capital**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Ordinary share capital		
Issued and fully paid		
445,000 Ordinary shares (2019 - 445,000) of £20 each	8,900,000	8,900,000
	<u>8,900,000</u>	<u>8,900,000</u>

**19 Reserves**

**Revaluation reserve**

This reserve was used to record increases in the fair value of tangible assets historically. The revaluation reserve is non-distributable.

**Other reserves**

This reserve records the nominal value of shares repurchased by the company.

**Profit and loss reserves**

This includes all current and prior period retained profits and losses.

**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2020**

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**20 Financial commitments, guarantees and contingent liabilities**

There are no potential liabilities and assets in respect of the company's players trading. Due to the variable nature of these amounts it is not possible to calculate the maximum potential liability.

The company's bankers have a limited guarantee over the company.

**21 Operating lease commitments**

**Lessee**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Within one year	5,266	11,206
Between two and five years	5,266	10,532
	<u>10,532</u>	<u>21,738</u>
	<u><u>10,532</u></u>	<u><u>21,738</u></u>

**22 Related party transactions**

**Transactions with related parties**

**Coolsilk Property and Investment Limited**

During the year the company sold the naming rights for the stadium to Coolsilk Property & Investment Limited for £2,065,217 (2019 - £nil).

During the year the company received a further loan of £235,000 (2019 - £2,350,000) from Coolsilk Property & Investment Limited. Interest paid on this facility during the year amounted to £393,276 (2019 - £302,578).

During the year the company was paid £280,000 (2019 - £665,000) from Coolsilk Property & Investment Limited for the corporation tax group relief due.

The balance payable by the company at 30 June 2020 was £11,207,789 (2019 - £11,135,256). Coolsilk Property & Investment Limited is a 100% owned subsidiary of Coolsilk Limited, the company's ultimate controlling party.

**23 Ultimate controlling party**

The parent company of the company is Coolsilk Property & Investment Limited, a company registered in England & Wales.

The ultimate controlling party is Coolsilk Limited, a company registered in England & Wales and parent of Coolsilk Property & Investment Limited.

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