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REGISTERED NUMBER: 00034760 (England and Wales)

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THE GRIMSBY TOWN FOOTBALL CLUB PLC
STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2020

Weaver Wroot
Accountants
Statutory Auditors
28 Dudley Street
Grimsby
N E Lincolnshire
DN31 2AB



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FOR THE YEAR ENDED 31ST MAY 2020

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THE GRIMSBY TOWN FOOTBALL CLUB PLC

**COMPANY INFORMATION
FOR THE YEAR ENDED 31ST MAY 2020**

CHAIRMAN:	P D Day
DIRECTORS:	M C Chapman J S Fenty I S Holloway S Marley D Roberts J Wood
SECRETARY:	I Fleming
REGISTERED OFFICE:	Blundell Park Cleethorpes N E Lincolnshire DN35 7PY
REGISTERED NUMBER:	00034760 (England and Wales)
AUDITORS:	Weaver Wroot Accountants Statutory Auditors 28 Dudley Street Grimsby N E Lincolnshire DN31 2AB
BANKERS:	Lloyds Bank 50 - 52 Victoria Street West Grimsby N E Lincolnshire DN31 1BL

STRATEGIC REPORT
FOR THE YEAR ENDED 31ST MAY 2020

The directors present their strategic report for the year ended 31st May 2020.

REVIEW OF BUSINESS

Due to the Covid-19 global pandemic and the early end to the League Two 2019/2020 season turnover reduced by just under 4%. The principle reason being the loss of the 5 remaining home fixtures still to be played and the match day income that these would have generated. Had these been played turnover would have been consistent with 2018/2019. This loss of income was offset by the Club being able to access various Government support schemes that were set up in response to the pandemic. Given how the season ultimately ended the profit generated is considered by the directors to be satisfactory. The Directors would also like to express their gratitude to all supporters and commercial partners who have supported and continue to support the club during these unprecedented times.

The Club has continued with its programme of works to improve the facilities at Blundell Park, which during the year included the new floodlighting.

The Club uses a variety of performance measures in order to monitor and manage the business effectively. These are both financial and non-financial measures and include the following key performance indicators (kph). The information provided in respect of 2020 for league attendance is based on 18 home games with the final league position was determined by the 'points per game' basis agreed by EFL clubs:

	2020	2019
Turnover (£)	3,433,555	3,574,050
Average league attendance (number)	4,699	4,430
Season tickets sold (number)	2,756	3,098
Final position in league	15th	17th

PRINCIPAL RISKS AND UNCERTAINTIES

The company's strategy is to continue to improve the quality of live football, engage with the local community and become a sustainable company through success on and off the pitch.

There are, therefore, a number of potential risks and uncertainties which could impact on the company. The Board meets regularly during the year and monitors these risks on a regular basis. The key business risks and uncertainties affecting the company are considered to relate to:

- first team performance and the direct impact on league status and position and ultimately revenue generation
- the recruitment and retention of key employees
- the rules and regulations of the applicable football governing bodies
- the renewal of key commercial agreements on similar or improved terms
- supporter attendance levels at first team matches
- potential reliance on the company's principal shareholder to fund operations.

The company's activities are exposed to financial risks associated with credit and liquidity. The company's policy is to eliminate, as far as possible, these risks and this is achieved by:

- monitoring compliance with the terms of credit provided
- regular reviews of outstanding debts
- regularly reviewing cashflow forecasts to identify any issues that may arise.

ON BEHALF OF THE BOARD:



I Fleming - Secretary

2nd November 2020

THE GRIMSBY TOWN FOOTBALL CLUB PLC (REGISTERED NUMBER: 00034760)

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST MAY 2020

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

PRINCIPAL ACTIVITY

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

DIVIDENDS

The directors do not recommend payment of a dividend.

FUTURE DEVELOPMENTS

The Club will continue working towards its aim of relocation to a new community stadium and training facilities being an active participant in the various local regeneration projects to assist the club with those plans and provide facilities and benefits to our local communities.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors set out in the table below have held office during the whole of the period from 1st June 2019 to the date of this report unless otherwise stated.

The beneficial interests of the directors holding office at 31st May 2020 in the shares of the company, according to the register of directors' interests, were as follows:

	31.5.20	1.6.19 or date of appointment if later
Ordinary shares of £100 each		
M C Chapman	5	5
P D Day	26	26
J S Fenty	8,055	8,055
I S Holloway - appointed 18.1.20	5	-
S Marley	33	33
D Roberts - appointed 14.10.19	5	5
J Wood	5	5
Ordinary shares of £50 each		
M C Chapman	-	-
P D Day	7	6
J S Fenty	2,822	2,822
I S Holloway	-	-
S Marley	16	16
D Roberts	-	-
J Wood	-	-
Ordinary shares of £25 each		
M C Chapman	-	-
P D Day	-	-
J S Fenty	903	903
I S Holloway	-	-
S Marley	-	-
D Roberts	-	-
J Wood	-	-

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST MAY 2020

DIRECTORS - continued

	31.5.20	1.6.19 or date of appointment if later
Ordinary shares of £1 each		
M C Chapman	-	-
P D Day	-	-
J S Fenty	5,825	5,825
I S Holloway	-	-
S Marley	-	-
D Roberts	-	-
J Wood	-	-

These directors did not hold any non-beneficial interests in any of the shares of the company.

I S Holloway having been co-opted as a director on 18th January 2020 will, in accordance with the Articles of Association, stand for election at the forthcoming Annual General Meeting.

In accordance with the Articles of Association, S Marley and J Wood will retire at the forthcoming Annual General Meeting, and being eligible, will stand for re-election.

POLITICAL DONATIONS AND EXPENDITURE

There have been charitable contributions of £5,583 (2019 £4,472) made by the company during the year. No political contributions have been made during the year.

EMPLOYMENT, HEALTH AND SAFETY AND ENVIRONMENTAL POLICIES

It is the company's policy that there should be no discrimination against any person on the grounds of race, sex, religion or otherwise.

In accordance with the company's equal opportunity policy, disabled people are given the same consideration as others when they apply for a job. Depending on their skills and abilities, they enjoy the same career prospects and scope for realising their potential as other employees. If an existing employee becomes disabled, reasonable steps are taken to retain them in employment.

Within the bounds of commercial confidentiality, staff are kept reasonably informed of matters that affect the progress of the company and are of interest to them as employees.

The company maintains its own health and safety and environmental policies covering its activities. Adherence to these policies is monitored on a regular basis.

SHARE CAPITAL

During the year 141 ordinary shares at the value of £100 have been issued.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the 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 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 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.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST MAY 2020**

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

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 company'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 company's auditors are aware of that information.

AUDITORS

The auditors, Weaver Wroot, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



I Fleming - Secretary

2nd November 2020

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE GRIMSBY TOWN FOOTBALL CLUB PLC**

Opinion

We have audited the financial statements of The Grimsby Town Football Club plc (the 'company') for the year ended 31st May 2020 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the 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 company's affairs as at 31st May 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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.

Emphasis of matter

We draw your attention to the Going Concern accounting policy which describes why the directors consider that the going concern basis of accounting is appropriate to the company's circumstances. Our opinion is not modified in this respect.

Other information

The directors are responsible for the other information. The other information comprises the information in the 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.

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 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 Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE GRIMSBY TOWN FOOTBALL CLUB PLC**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, 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 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.

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.

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.

Mr Scott Nixon (Senior Statutory Auditor)
for and on behalf of Weaver Wroot
Accountants
Statutory Auditors
28 Dudley Street
Grimsby
N E Lincolnshire
DN31 2AB

2nd November 2020

Note:

The maintenance and integrity of the The Grimsby Town Football Club plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

THE GRIMSBY TOWN FOOTBALL CLUB PLC (REGISTERED NUMBER: 00034760)

**INCOME STATEMENT
FOR THE YEAR ENDED 31ST MAY 2020**

		31.5.20	31.5.19
	Note	Total £	Total £
TURNOVER	2	3,433,555	3,574,050
Administrative expenses	4	3,286,706	3,586,107
		<hr/>	<hr/>
		146,849	(12,057)
Player trading		(3,290)	176,265
		<hr/>	<hr/>
OPERATING PROFIT	4	143,559	164,208
Interest receivable and similar income	5	120	-
Interest payable and similar charges	6	(645)	(430)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		143,034	163,778
Taxation	7	2,626	(13,205)
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		145,660	150,573
(Accumulated losses) brought forward		(2,947,886)	(3,098,459)
		<hr/>	<hr/>
(ACCUMULATED LOSSES) CARRIED FORWARD		<u>(2,802,226)</u>	<u>(2,947,886)</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

The notes form part of these financial statements

THE GRIMSBY TOWN FOOTBALL CLUB PLC (REGISTERED NUMBER: 00034760)

OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MAY 2020

	Notes	31.5.20 £	31.5.19 £
PROFIT FOR THE YEAR		145,660	150,573
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>145,660</u>	<u>150,573</u>

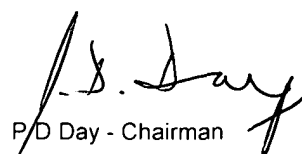
The notes form part of these financial statements

THE GRIMSBY TOWN FOOTBALL CLUB PLC (REGISTERED NUMBER: 00034760)

BALANCE SHEET
31ST MAY 2020

	Notes	31.5.20 £	31.5.19 £
FIXED ASSETS			
Intangible assets	8	20,194	38,834
Tangible assets	9	<u>886,971</u>	<u>718,019</u>
		907,165	756,853
CURRENT ASSETS			
Stocks	10	65,326	60,435
Debtors	11	540,751	445,289
Cash at bank and in hand		<u>749,790</u>	<u>407,879</u>
		1,355,867	913,603
CREDITORS			
Amounts falling due within one year	12	<u>2,338,993</u>	<u>2,057,250</u>
NET CURRENT LIABILITIES		<u>(983,126)</u>	<u>(1,143,647)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(75,961)	(386,794)
CREDITORS			
Amounts falling due after more than one year	13	<u>(161,965)</u>	<u>(10,892)</u>
NET LIABILITIES		<u>(237,926)</u>	<u>(397,686)</u>
CAPITAL AND RESERVES			
Called up share capital	16	2,291,300	2,277,200
Revaluation reserve	17	273,000	273,000
Retained earnings	17	<u>(2,802,226)</u>	<u>(2,947,886)</u>
SHAREHOLDERS' FUNDS		<u>(237,926)</u>	<u>(397,686)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 2nd November 2020 and were signed on its behalf by:


P.D. Day - Chairman

The notes form part of these financial statements

THE GRIMSBY TOWN FOOTBALL CLUB PLC (REGISTERED NUMBER: 00034760)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MAY 2020

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1st June 2018	2,275,200	(3,098,459)	218,400	(604,859)
Changes in equity				
Issue of share capital	2,000	-	-	2,000
Total comprehensive income	-	150,573	54,600	205,173
Balance at 31st May 2019	<u>2,277,200</u>	<u>(2,947,886)</u>	<u>273,000</u>	<u>(397,686)</u>
Changes in equity				
Issue of share capital	14,100	-	-	14,100
Total comprehensive income	-	145,660	-	145,660
Balance at 31st May 2020	<u>2,291,300</u>	<u>(2,802,226)</u>	<u>273,000</u>	<u>(237,926)</u>

The notes form part of these financial statements

THE GRIMSBY TOWN FOOTBALL CLUB PLC (REGISTERED NUMBER: 00034760)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MAY 2020

	Notes	31.5.20 £	31.5.19 £
Cash flows from operating activities			
Cash generated from operations	1	297,687	(9,095)
Interest paid		(645)	(430)
Grants		25,000	-
Tax paid		(120)	-
Net cash from operating activities		<u>321,922</u>	<u>(9,525)</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		-	(46,600)
Purchase of tangible fixed assets		(217,806)	(28,095)
Interest received		120	-
Net cash from investing activities		<u>(217,686)</u>	<u>(74,695)</u>
Cash flows from financing activities			
New loans in year		119,800	-
Capital repayments in year		(4,597)	15,491
Movements in directors loans		-	(250,000)
Share issue		14,100	2,000
Deferred grants		108,372	-
Net cash from financing activities		<u>237,675</u>	<u>(232,509)</u>
Increase/(decrease) in cash and cash equivalents		<u>341,911</u>	<u>(316,729)</u>
Cash and cash equivalents at beginning of year	2	407,879	724,608
Cash and cash equivalents at end of year	2	<u><u>749,790</u></u>	<u><u>407,879</u></u>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MAY 2020

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	31.5.20 £	31.5.19 £
Profit before taxation	143,034	163,778
Depreciation charges	51,238	24,025
Loss on disposal of fixed assets	-	2,400
Grants	(25,000)	-
Finance costs	645	430
Finance income	(120)	-
	<u>169,797</u>	<u>190,633</u>
Increase in stocks	(4,891)	(6,871)
Increase in trade and other debtors	(105,328)	(159,223)
Increase/(decrease) in trade and other creditors	<u>238,109</u>	<u>(33,634)</u>
Cash generated from operations	<u><u>297,687</u></u>	<u><u>(9,095)</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 31st May 2020

	31.5.20 £	1.6.19 £
Cash and cash equivalents	<u><u>749,790</u></u>	<u><u>407,879</u></u>

Year ended 31st May 2019

	31.5.19 £	1.6.18 £
Cash and cash equivalents	<u><u>407,879</u></u>	<u><u>724,608</u></u>

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>407,879</u>	<u>341,911</u>	<u>749,790</u>
	<u>407,879</u>	<u>341,911</u>	<u>749,790</u>
Debt			
Finance leases	(15,491)	4,597	(10,894)
Debts falling due within 1 year	-	(39,990)	(39,990)
Debts falling due after 1 year	-	(79,810)	(79,810)
	<u>(15,491)</u>	<u>(115,203)</u>	<u>(130,694)</u>
Total	<u><u>392,388</u></u>	<u><u>226,708</u></u>	<u><u>619,096</u></u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2020

1. 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" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the company's financial statements.

Going Concern

In assessing the appropriateness of the going concern assumption the directors have produced detailed budgets. These budgets show that cash inflows should be sufficient to meet the company's day to day working capital requirements. The majority shareholder has also indicated his willingness and ability to support the company by providing adequate loan facilities to enable it to meet its financial obligations as they fall due for a period of twelve months from the date on which these financial statements are signed. Therefore, having made appropriate enquiries, the financial statements make no provision for any adjustment should the going concern basis not be appropriate.

Turnover

Turnover represents all income arising from the ordinary activities of the company and excludes transfer fees receivable and Value Added Tax. Match receipts are shown after deduction of League and Football Association levies and amounts due to visiting clubs.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation net of depreciation and provisions for impairment. No depreciation has been provided on freehold property, as Blundell Park continues to be valued in the financial statements at an amount at least equivalent to the likely net disposal proceeds. Depreciation in respect of other tangible fixed assets is provided for at the following rates on a straight line basis calculated to write-off the cost or valuation, less any estimated residual value, of each asset over its useful economic life.

Motor vehicles	25%
Computer equipment	33%
Fixtures, fittings and equipment	15%

Stocks

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

Grants

Grants received in respect of expenditure which is charged to the profit and loss account are dealt with in the profit and loss account in the year of receipt.

Grants received in respect of expenditure of a capital nature are treated as deferred income and released to the profit and loss account by instalments over the expected useful economic life of the related assets.

Taxation

The charge for taxation is based upon the results for the year and takes into account taxation deferred through timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised without discounting in respect of these timing differences which have arisen but not reversed by the balance sheet date except as otherwise required by FRS 102.

Leases

Assets held under finance leases are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful economic life. The capital element of obligations are recorded as liabilities, the interest element being charged to the profit and loss account evenly over the period of the lease.

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

Pension costs and other post-retirement benefits

The company contributes to defined contribution pension schemes for certain employees, the assets of which are held separately from those of the company in independently administered funds. Pension costs represent contributions payable by the company in the year.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MAY 2020

1. ACCOUNTING POLICIES - continued

Player trading

The costs associated with the acquisition of players' registrations are capitalised as intangible fixed assets. These costs are fully amortised in equal annual instalments over the period of the players' contracts including any agreed extensions. Players' registrations are written down for impairment when the amortised value exceeds the amount recoverable through use or sale. Future costs which may become due are recognised within the original cost of acquisition if, in the opinion of the directors, it is probable that these costs will be incurred. Where similar circumstances arise from the disposal of players' registrations, these future receipts are not recognised as part of the proceeds of disposal until such time as the events upon which these receipts are dependent, are known to have occurred. No value is recognised in the financial statements for players developed within the company.

Signing on fees

Signing on fees are charged to the profit and loss account in the accounting period when they become due under the terms of the players' contract. Instalments due in the future are not provided for but are noted as contingent liabilities. Signing on fees paid as a consequence of the transfer of a players' registration are included in the profit and loss on disposal of players' registrations.

Deferred income

Deferred income comprises amounts received from sponsorship, season tickets and other income, which is released to the profit and loss account on a straight line basis over the period to which it relates.

2. TURNOVER

Turnover all of which arises from the company's principal activity can be analysed into its main components as follows:

	31.5.20	31.5.19
	£	£
Matchday	981,143	1,111,811
Media	1,212,619	1,306,177
Commercial	958,183	1,012,834
Other Income	281,610	143,228
	<u>3,433,555</u>	<u>3,574,050</u>

THE GRIMSBY TOWN FOOTBALL CLUB PLC (REGISTERED NUMBER: 00034760)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MAY 2020**

3. EMPLOYEES AND DIRECTORS

The directors are entitled to be reimbursed for expenses but receive no remuneration in their capacity as directors.

The average number of persons employed by the company during the year was as follows:

	31.5.20	31.5.19
Full-time	64	63
Part-time	34	35
Match day staff	106	121
	<u>204</u>	<u>219</u>

Aggregate cost of employment being as follows:

	31.5.20 £	31.5.19 £
Wages and salaries	2,361,555	2,478,363
Social Security costs	229,135	204,683
Other pension costs	52,065	43,639
Expenses and other costs	72,070	45,721
	<u>2,714,825</u>	<u>2,772,406</u>

Outstanding pension contributions at 31st May 2020 amounted to £2,804 (2019 £2,561)

	31.5.20 £	31.5.19 £
Directors' remuneration	<u>-</u>	<u>-</u>

4. OPERATING PROFIT

Included in administrative expenses are the following:-:

	31.5.20 £	31.5.19 £
Amortisation of players registrations	18,640	7,766
Depreciation of tangible fixed assets	32,598	18,659
Operating lease costs	13,474	29,001
Auditors' remuneration:		
Audit	5,000	5,000
Other services	1,500	2,030
	<u>5,500</u>	<u>7,030</u>

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	31.5.20 £	31.5.19 £
Interest received	<u>120</u>	<u>-</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.5.20 £	31.5.19 £
Hire purchase interest	<u>645</u>	<u>430</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MAY 2020

7. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the profit for the year was as follows:

	31.5.20 £	31.5.19 £
Current tax:		
UK corporation tax	(2,626)	13,205
Tax on profit	<u>(2,626)</u>	<u>13,205</u>

Reconciliation of total tax (credit)/charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.5.20 £	31.5.19 £
Profit before tax	<u>143,034</u>	<u>163,778</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	27,176	31,118
Effects of:		
Expenses not deductible for tax purposes	2,981	3,638
Income not chargeable to tax	(17,897)	(850)
Capital allowances etc. for the year in excess of depreciation	(14,886)	(2,143)
Tax losses (utilised) incurred in the year	-	(18,558)
Total tax (credit)/charge	<u>(2,626)</u>	<u>13,205</u>

Unrelieved Corporation tax losses at 31st May 2020 amounted to £5.2m.

8. INTANGIBLE FIXED ASSETS

	Players registrations £
COST	
At 1st June 2019 and 31st May 2020	<u>46,600</u>
AMORTISATION	
At 1st June 2019	7,766
Amortisation for year	<u>18,640</u>
At 31st May 2020	<u>26,406</u>
NET BOOK VALUE	
At 31st May 2020	<u>20,194</u>
At 31st May 2019	<u>38,834</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MAY 2020

9. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION				
At 1st June 2019	1,619,146	511,225	34,796	2,165,167
Additions	-	217,806	-	217,806
At 31st May 2020	1,619,146	729,031	34,796	2,382,973
DEPRECIATION				
At 1st June 2019	969,146	459,301	18,701	1,447,148
Charge for year	-	43,905	4,949	48,854
At 31st May 2020	969,146	503,206	23,650	1,496,002
NET BOOK VALUE				
At 31st May 2020	650,000	225,825	11,146	886,971
At 31st May 2019	650,000	51,924	16,095	718,019

The net book value of tangible fixed assets includes £11,146 (2019 £16,095) in respect of assets held under finance agreements.

Cost or valuation at 31st May 2020 is represented by:

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2016	273,000	-	-	273,000
Cost	1,346,146	729,031	34,796	2,109,973
	1,619,146	729,031	34,796	2,382,973

If freehold property had not been revalued it would have been included at the following historical cost:

	31.5.20 £	31.5.19 £
Cost	1,346,146	1,346,146
Aggregate depreciation	969,146	969,146
Value of land in freehold land and buildings	377,000	377,000

The company's freehold property was valued on the 23rd September 2016 by an external valuer, Mr Andrew Clark BSc FRICS MCI Arb, of Clark Weightman Limited Chartered Surveyors and Commercial Property Consultants. The valuation was prepared in accordance with the requirements of the RICS Valuation Standards and FRS102. The valuation has been based on the assumption that the property continues to be owner occupied for the purposes of the Company's business, although it is envisaged that it will be redeveloped in the future as part of the relocation to a new community stadium, with the market value being derived from comparable recent transactions for development land on an arms length basis.

THE GRIMSBY TOWN FOOTBALL CLUB PLC (REGISTERED NUMBER: 00034760)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MAY 2020**

10. STOCKS

	31.05.20	31.05.19
	£	£
Goods for resale	<u>65,326</u>	<u>60,435</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.5.20	31.5.19
	£	£
Trade debtors	162,407	249,138
Other debtors	357,953	122,490
Corporation tax	2,626	12,492
Prepayments	17,765	61,169
	<u>540,751</u>	<u>445,289</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.5.20	31.5.19
	£	£
Other loans (see note 14)	39,990	-
Hire purchase contracts (see note 15)	4,599	4,599
Trade creditors	65,137	86,852
Current corporation tax	593	13,205
Social security and other taxes	374,783	69,529
Other creditors	24,381	65,374
Directors' loans	1,550,000	1,550,000
Accrued expenses	223,148	144,752
Deferred grants	16,256	-
Deferred income	40,106	122,939
	<u>2,338,993</u>	<u>2,057,250</u>

Mr J S Fenty has provided financial guarantees amounting to £325,000. These guarantees, together with his loans, are secured by way of a debenture, dated 6th July 2007, creating a fixed and floating charge over all of the company's assets.

There are no set repayment terms for any loans provided to the Company by its directors and no interest is being charged on the loans in accordance with the terms of a protocol agreement covering directors responsibilities and obligations in respect of corporate governance and finance.

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

	31.5.20	31.5.19
	£	£
Other loans (see note 14)	79,810	-
Hire purchase contracts (see note 15)	6,295	10,892
Deferred grants	75,860	-
	<u>161,965</u>	<u>10,892</u>

14. LOANS

An analysis of the maturity of loans is given below:

	31.5.20	31.5.19
	£	£
Amounts falling due within one year or on demand:		
Other loans	<u>39,990</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MAY 2020

14. LOANS - continued

	31.5.20 £	31.5.19 £
Amounts falling due between one and two years:		
Other loans	<u>79,810</u>	<u>-</u>

15. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	31.5.20 £	31.5.19 £
Net obligations repayable:		
Within one year	4,599	4,599
Between one and five years	<u>6,295</u>	<u>10,892</u>
	<u>10,894</u>	<u>15,491</u>

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.5.20 £	31.5.19 £
19,763	Ordinary	£100	1,976,300	1,962,200
5,100	Ordinary	£50	255,000	255,000
1,600	Ordinary	£25	40,000	40,000
20,000	Ordinary	£1	<u>20,000</u>	<u>20,000</u>
			<u>2,291,300</u>	<u>2,277,200</u>

The following shares were issued during the year for cash at par:

141 Ordinary shares of £100

17. RESERVES

	Retained earnings £	Revaluation reserve £	Totals £
At 1st June 2019	(2,947,886)	273,000	(2,674,886)
Profit for the year	<u>145,660</u>		<u>145,660</u>
At 31st May 2020	<u>(2,802,226)</u>	<u>273,000</u>	<u>(2,529,226)</u>

18. CONTINGENT LIABILITIES

There are potential liabilities and assets in respect of the company's player trading. Due to the variable nature of these amounts it is not possible to calculate the maximum potential liability or asset.

19. CAPITAL COMMITMENTS

The board will continue to assess the treatment of costs incurred in respect of the new community stadium and training facilities developments, excluding those in respect of the planning process, as to whether these should be classed as capital or revenue expenditure. Capital commitments, net of related grants, authorised by the board at 31st May 2020 amounted to £Nil (2019 £107,859).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MAY 2020

20. RELATED PARTY DISCLOSURES

Loans from directors are disclosed in Note 12. The maximum liability during the year amounted to £1,550,000 (2019 £1,550,000).

During the previous year the company received goods and services from Cool Energy Holding Limited to the value of £85,000 on favourable terms, the cost being further mitigated by sponsorship of £25,000 being provided to the company commencing with the 2018/2019 season. An amount of £30,000 was due to the company at 31st May 2019. There have been no transactions with the company during the current year and no amounts were outstanding at 31st May 2020.

At 31st May 2020 Mr J S Fenty owned 60% of the issued share capital of Cool Energy Holding Limited.

All transactions with related parties in respect of director's loans are disclosed on an aggregate basis.

21. POST BALANCE SHEET EVENTS

As a result of the Coronavirus (Covid-19) global pandemic and subsequent 'lockdown' the Club is facing a significant reduction in its turnover. It is unknown at this time when lockdown restrictions will be eased sufficiently to enable the Club to resume all normal trading activities. The Directors have undertaken a full assessment of the potential impact of this situation on the Club during the current year and are continually reviewing various measures to ensure that the Club is able to come through these unprecedented times..

22. ULTIMATE CONTROLLING PARTY

The company is considered to be controlled by Mr J S Fenty by reason of his shareholdings and financial commitment to the company.