

Swindon Town Football Company Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 May 2023

Swindon Town Football Company Limited

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Swindon Town Football Company Limited

Company Information

Director	Mr C G B Morfuni
Registered office	County Ground County Road Swindon Wiltshire SN1 2ED
Accountants	UHY Ross Brooke Chartered Accountants 16 Dorcan Business Village Murdock Road, Dorcan Swindon Wiltshire SN3 5HY

Swindon Town Football Company Limited

Director's Report for the Year Ended 31 May 2023

The director presents his report and the financial statements for the year ended 31 May 2023.

Director of the company

The director who held office during the year was as follows:

Mr C G B Morfuni

Principal activity

The principal activity of the company is that of a professional football club together with related commercial activities.

The financial statements for the year include profit in relation to £2,300,000 received from The Nigel Eady Trust, of which £1,150,000 was donated to Swindon Town Community Mutual Limited. Swindon Town Football Company Limited and Swindon Town Community Mutual Limited have formed a joint venture called The County Ground Stadium Custodians Limited to purchase the County Ground and this transaction was completed on 24 March 2023. Swindon Town Football Company Limited therefore have a 50% investment in the joint venture of £1,150,000.

Without the funds received from The Nigel Eady Trust related to the purchase of the County Ground in the joint venture, the loss for the year would have been £1,073,519.

Small companies provision statement

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

Approved and authorised by the director on 4 March 2024

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Mr C G B Morfuni

Director

**Chartered Accountants' Report to the Director on the Preparation of the Unaudited Statutory Accounts of
Swindon Town Football Company Limited
for the Year Ended 31 May 2023**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Swindon Town Football Company Limited for the year ended 31 May 2023 as set out on pages 4 to 14 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at

<http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the Board of Directors of Swindon Town Football Company Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of Swindon Town Football Company Limited and state those matters that we have agreed to state to the Board of Directors of Swindon Town Football Company Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Swindon Town Football Company Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Swindon Town Football Company Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of Swindon Town Football Company Limited. You consider that Swindon Town Football Company Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of Swindon Town Football Company Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

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UHY Ross Brooke
Chartered Accountants
16 Dorcan Business Village
Murdock Road, Dorcan
Swindon
Wiltshire
SN3 5HY

4 March 2024

Swindon Town Football Company Limited

Profit and Loss Account for the Year Ended 31 May 2023

	Note	2023 £	(As restated) 2022 £
Turnover		6,033,097	6,650,650
Cost of sales		<u>(4,569,576)</u>	<u>(3,936,669)</u>
Gross profit		1,463,521	2,713,981
Administrative expenses		(3,664,206)	(2,318,666)
Other operating income		<u>2,300,000</u>	<u>73,589</u>
Operating profit		99,315	468,904
Interest payable and similar expenses		<u>(22,834)</u>	<u>(20,767)</u>
Profit before tax		<u>76,481</u>	<u>448,137</u>
Profit for the financial year		<u><u>76,481</u></u>	<u><u>448,137</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

Swindon Town Football Company Limited

(Registration number: 00053100)
Balance Sheet as at 31 May 2023

		2023 £	(As restated) 2022 £
	Note		
Fixed assets			
Intangible assets	<u>5</u>	59,306	-
Tangible assets	<u>6</u>	89,830	31,592
Investments	<u>7</u>	1,150,000	-
		<u>1,299,136</u>	<u>31,592</u>
Current assets			
Stocks	<u>8</u>	858	2,112
Debtors	<u>9</u>	468,656	412,239
Cash at bank and in hand		84,123	424,793
		553,637	839,144
Creditors: Amounts falling due within one year	<u>10</u>	(3,475,527)	(2,981,162)
Net current liabilities		<u>(2,921,890)</u>	<u>(2,142,018)</u>
Total assets less current liabilities		(1,622,754)	(2,110,426)
Creditors: Amounts falling due after more than one year	<u>10</u>	(5,148,157)	(4,736,966)
Net liabilities		<u>(6,770,911)</u>	<u>(6,847,392)</u>
Capital and reserves			
Called up share capital		6,237,293	6,237,293
Retained earnings		(13,008,204)	(13,084,685)
Shareholders' deficit		<u>(6,770,911)</u>	<u>(6,847,392)</u>

Swindon Town Football Company Limited

(Registration number: 00053100)

Balance Sheet as at 31 May 2023

For the financial year ending 31 May 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved and authorised by the director on 4 March 2024

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Mr C G B Morfuni

Director

Swindon Town Football Company Limited

Statement of Changes in Equity for the Year Ended 31 May 2023

	Share capital £	Retained earnings £	Total £
At 1 June 2021	6,237,293	(13,532,822)	(7,295,529)
Profit for the year	-	448,137	448,137
At 31 May 2022	6,237,293	(13,084,685)	(6,847,392)
	Share capital £	Profit and loss account £	Total £
At 1 June 2022	6,237,293	(13,084,685)	(6,847,392)
Profit for the year	-	76,481	76,481
At 31 May 2023	6,237,293	(13,008,204)	(6,770,911)

Swindon Town Football Company Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 May 2023

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

County Ground
County Road
Swindon
Wiltshire
SN1 2ED

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A smaller entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006 (as applicable to companies subject to the small companies' regime).

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Going concern

The director acknowledges the challenges facing the company and has secured sufficient personal funding to support all of the company's liabilities as they fall due. As such the director believes the continued use of the going concern basis to be appropriate.

Prior period adjustment

The following prior year adjustments have been made:

A receipt of £240,000 received during the year has been reposted from creditors to sponsorship received.

An accrual for £50,000 for anticipated charges has been reversed to the profit and loss account.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable in the normal course of business, net of discounts and other sales-related tax.

Merchandising revenue is recognised when goods are paid for and title has passed.

Gate receipts and other match day revenues are recognised as the games are played.

Prize money in respect of cup competitions is recognised when received.

Sponsorship and similar commercial income is recognised over the duration of the respective contracts. Broadcasting revenues received for live coverage or highlights are taken when earned whilst merit awards are allowed for only when known.

Match day turnover which is received in advance of the year end but relating to the following year (mainly sale of seasonal facilities) is treated as deferred income. The deferred income is then released to turnover as the games are played.

Swindon Town Football Company Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 May 2023

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant and machinery	25% reducing balance
Property improvements	3 to 20 years straight line

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Player and football staff acquisition costs	Straight line basis over period of contract

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Swindon Town Football Company Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 May 2023

Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Stocks

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

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

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

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the profit and loss account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Swindon Town Football Company Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 May 2023

3 Other operating income

	2023	2022
	£	£
Government grants	-	73,589
Rental income	-	-
Other income	2,300,000	-
	<u>2,300,000</u>	<u>73,589</u>

Other income relates to money received from The Nigel Eady Trust to enable the purchase of The County Ground.

4 Staff numbers

The average number of persons employed by the company (including the director) during the year, was 214 (2022 - 128).

5 Intangible assets

	Players' registrations £	Total £
Cost or valuation		
Additions acquired separately	100,000	100,000
Disposals	<u>(10,000)</u>	<u>(10,000)</u>
At 31 May 2023	<u>90,000</u>	<u>90,000</u>
Amortisation		
Amortisation charge	40,694	40,694
Amortisation eliminated on disposals	<u>(10,000)</u>	<u>(10,000)</u>
At 31 May 2023	<u>30,694</u>	<u>30,694</u>
Carrying amount		
At 31 May 2023	<u><u>59,306</u></u>	<u><u>59,306</u></u>

Swindon Town Football Company Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 May 2023

6 Tangible assets

	Land and buildings £	Plant and machinery £	Office equipment £	Total £
Cost or valuation				
At 1 June 2022	3,040,426	620,409	9,910	3,670,745
Additions	21,000	52,699	1,863	75,562
At 31 May 2023	3,061,426	673,108	11,773	3,746,307
Depreciation				
At 1 June 2022	3,040,426	596,927	1,800	3,639,153
Charge for the year	963	12,878	3,483	17,324
At 31 May 2023	3,041,389	609,805	5,283	3,656,477
Carrying amount				
At 31 May 2023	20,037	63,303	6,490	89,830
At 31 May 2022	-	23,482	8,110	31,592

7 Investments

	2023 £	2022 £
Investments in joint ventures	1,150,000	-
Joint ventures		£
Cost		
Additions		1,150,000
Provision		
Carrying amount		
At 31 May 2023		1,150,000

8 Stocks

	2023 £	2022 £
Other inventories	858	2,112

Swindon Town Football Company Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 May 2023

9 Debtors

	2023 £	2022 £
Current		
Trade debtors	173,404	111,920
Prepayments	11,175	14,613
Other debtors	284,077	285,706
	<u>468,656</u>	<u>412,239</u>

10 Creditors

Creditors: amounts falling due within one year

	2023 £	(As restated) 2022 £
Due within one year		
Loans and borrowings	515,194	517,555
Trade creditors	1,598,805	884,483
Taxation and social security	223,705	433,332
Other creditors	1,137,823	1,145,792
	<u>3,475,527</u>	<u>2,981,162</u>

Creditors: amounts falling due after more than one year

		2023 £	(As restated) 2022 £
Due after one year			
Loans and borrowings	12	<u>5,148,157</u>	<u>4,736,966</u>

11 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

Swindon Town Football Company Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 May 2023

	2023 £	2022 £
Not later than one year	135,000	135,000
Later than one year and not later than five years	400,000	435,000
Later than five years	24,483,324	24,500,000
	<u>25,018,324</u>	<u>25,070,000</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £135,000 (2022 - £35,000).

12 Loans and borrowings

	2023 £	2022 £
Current loans and borrowings		
Bank borrowings	9,994	9,747
Hire purchase contracts	-	3,008
Other borrowings	505,200	504,800
	<u>515,194</u>	<u>517,555</u>

	2023 £	(As restated) 2022 £
Non-current loans and borrowings		
Bank borrowings	20,752	30,746
Other borrowings	5,127,405	4,706,220
	<u>5,148,157</u>	<u>4,736,966</u>

13 Related party transactions

Other transactions with the director

Loans were provided to the company during the year by Axis Football Investments Ltd, of which Mr C G B Morfuni is the controlling party. At the year end the balance owed to Axis Football Investments Ltd was £2,937,405 (2022 - £1,376,020).

14 Parent and ultimate parent undertaking

The company's immediate parent is Seebeck 87 Limited, incorporated in England and Wales.

The ultimate parent is Axis Football Investments Ltd, incorporated in England and Wales.

The ultimate controlling party is Mr C G B Morfuni.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.