

HARTLEPOOL UNITED FOOTBALL CLUB LIMITED

**Filleted Annual Report and Unaudited Financial Statements
for the Year Ended 31 July 2019**

Hartlepool United Football Club Limited

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Hartlepool United Football Club Limited

Company Information

Directors	Mr S Singh Mr I Scobbie
Registered office	Victoria Park Clarence Road Hartlepool TS24 8BZ
Solicitors	Blacks Solicitors LLP City Point 29 King Street Leeds LS1 2HL
Bankers	Yorkshire Bank 118-120 York Road Hartlepool TS26 9DE
Accountants	MHA Tait Walker Chartered Accountants Medway House Fudan Way Teesdale Park Stockton on Tees TS17 6EN

Hartlepool United Football Club Limited

(Registration number: 00098191)

Statement of Financial Position as at 31 July 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	<u>4</u>	238,574	229,410
Current assets			
Stocks		15,388	24,081
Debtors	<u>5</u>	253,547	488,940
Cash at bank and in hand		<u>196,106</u>	<u>345,222</u>
		465,041	858,243
Creditors: Amounts falling due within one year	<u>6</u>	<u>(913,195)</u>	<u>(1,107,902)</u>
Net current liabilities		<u>(448,154)</u>	<u>(249,659)</u>
Total assets less current liabilities		(209,580)	(20,249)
Creditors: Amounts falling due after more than one year	<u>6</u>	<u>(1,817,767)</u>	<u>(1,146,984)</u>
Net liabilities		<u>(2,027,347)</u>	<u>(1,167,233)</u>
Capital and reserves			
Called up share capital		3,501,121	3,501,121
Profit and loss account		(6,925,649)	(6,065,535)
Capital contribution reserve		<u>1,397,181</u>	<u>1,397,181</u>
Total equity		<u>(2,027,347)</u>	<u>(1,167,233)</u>

For the financial year ending 31 July 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies' regime and the option not to file the Income Statement has been taken.

Approved and authorised by the Board on 19 March 2020 and signed on its behalf by:

.....
Mr S Singh
Director

The notes on pages 3 to 9 form an integral part of these financial statements.

Hartlepool United Football Club Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 July 2019

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 Victoria Park, Clarence Road, Hartlepool, TS24 8BZ.England

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 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

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.

These financial statements are prepared in sterling which is the functional currency of the entity.

Going concern

At the period end the company had net current liabilities of £448,154 (2018: £249,659) and net liabilities of £2,027,347 (2018: £1,167,233). The going concern basis of the company depends on continued financial support from Clarence 18 Limited, the immediate parent undertaking, and ultimately the controlling shareholders of the group which the company is part of. Details of this are shown in note 9 to the accounts. The company's forecasts and projections for the period of 12 months from the date of signing these financial statements show that the company should be able to continue in operational existence for that period with the continued support of the controlling shareholder and taking into account reasonable possible changes in trading performance.

In the Directors' assessment of reasonably possible changes they have considered the impact of the COVID-19 virus on the business and have a business continuity plan in place which they believe will allow the business to continue to operate for a period of at least 12 months from the date of signing the financial statements.

Having considered the above the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of at least 12 months from the date of signing these financial statements. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Hartlepool United Football Club Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 July 2019 (continued)

2 Accounting policies (continued)

Revenue recognition

Turnover is stated exclusive of value added tax. Gate receipts and other match day income are recognised on receipt. Season ticket sales, Football League distributions and sponsorship income are recognised equally across the football season. Transfer fees are recognised on the date of execution of the transfer, unless they are contingent in which case they are recognised upon achievement of the contingent event.

Players' contracts

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

Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the profit and loss account over the expected useful lives of the assets concerned. Other grants are credited to the profit and loss account as the related expenditure is incurred.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Tangible assets

Tangible assets are stated in the statement of financial position 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:

Hartlepool United Football Club Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 July 2019 (continued)

2 Accounting policies (continued)

Asset class	Depreciation method and rate
Property improvements	10% on cost
Fixtures and fittings	15% on reducing balance
Stands, turnstiles and fixtures	10% on reducing balance
Office equipment	20% on cost
Motor vehicles	25% on cost

Trade debtors

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

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

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

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.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

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.

Hartlepool United Football Club Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 July 2019 (continued)

2 Accounting policies (continued)

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.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 202 (2018 - 200).

Hartlepool United Football Club Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 July 2019 (continued)

4 Tangible assets

	Property improvements £	Fixtures and fittings £	Stands, turnstiles and fixtures £	Office equipment £	Motor vehicles £	
Cost						
At 1 August 2018	625,008	457,941	3,631,096	-	84,679	4
Additions	20,307	398	6,175	11,678	-	
Disposals	-	-	-	-	(14,599)	
Transfers	1,588	-	(1,588)	-	-	
At 31 July 2019	646,903	458,339	3,635,683	11,678	70,080	4
Depreciation						
At 1 August 2018	571,738	375,330	3,537,567	-	84,679	4
Charge for the year	8,099	11,610	9,320	366	-	
Eliminated on disposal	-	-	-	-	(14,599)	
Transfers	39	-	(40)	-	-	
At 31 July 2019	579,876	386,940	3,546,847	366	70,080	4
Carrying amount						
At 31 July 2019	67,027	71,399	88,836	11,312	-	
At 31 July 2018	53,270	82,611	93,529	-	-	

Hartlepool United Football Club Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 July 2019 (continued)

5 Debtors

	Note	2019 £	2018 £
Trade debtors		54,199	155,669
Amounts owed by group undertakings	8	85,610	-
Prepayments		110,748	179,721
Other debtors		2,990	153,550
		<u>253,547</u>	<u>488,940</u>

6 Creditors

Creditors: amounts falling due within one year

	2019 £	2018 £
Due within one year		
Trade creditors	286,077	260,951
Taxation and social security	103,444	168,539
Accruals and deferred income	438,632	512,491
Other creditors	80,815	165,921
Directors loan accounts	4,227	-
	<u>913,195</u>	<u>1,107,902</u>

Creditors: amounts falling due after more than one year

	2019 £	2018 £
Due after one year		
Government grants	7,767	13,549
Amounts owed to group undertakings	1,525,000	848,435
Other creditors	285,000	285,000
	<u>1,817,767</u>	<u>1,146,984</u>

The company received government grants of £46,558 to purchase certain equipment. The income has been deferred and continues to be released over the useful economic life of the equipment purchased. Amounts totalling £3,633 (2018: £4,774) were released to the income statement in the period.

Hartlepool United Football Club Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 July 2019 (continued)

7 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the statement of financial position is £1,213,275 (2018: £882,000).

8 Related party transactions

Transactions with directors

	Advances to directors £	Repayments by director £	At 31 July 2019 £
2019			
Mr S Singh			
Loan	2,482	(6,710)	(4,227)

During the year the maximum amount the director's loan account was overdrawn was £1,733 (2018: £Nil)

Summary of transactions with parent

During the year Clarence 18 Limited, the company's immediate parent undertaking, provided loans to the value of £676,565 (2018: £848,435) to the company. At the year end the company owed £1,525,000 (2018: £848,435) to Clarence 18 Limited.

Summary of transactions with entities with joint control or significant interest

Debtors due from group undertakings of £85,610 consists amounts due from P&R Construction Limited, a fellow group company, in return for tax losses surrendered.

During the prior period the former shareholders of the business, Sage Investments Limited, consolidated the amounts owed to it by the company totalling £1,727,181 into a formal loan agreement. The repayment of the loan in terms of timing and amount is dependent upon the on-field success of the football team. The directors have made their best assessment of the amounts likely to be payable under the agreement and have reflected a total liability at the year end of £330,000 (2018: £330,000). The balance of £1,397,181 has been treated as a capital contribution from the previous shareholders and shown in equity.

9 Parent and ultimate parent undertaking

The company's immediate parent is Clarence 18 Limited, its ultimate parent is Prestige Group Investments Limited, both are incorporated in England and Wales. The ultimate controlling party is Mr S Singh.

