

HARTLEPOOL UNITED FOOTBALL CLUB LIMITED

**Filleted Annual Report and Unaudited Financial Statements
for the Year Ended 31 July 2020**

Hartlepool United Football Club Limited

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Hartlepool United Football Club Limited

Company Information

Director	Mr S Singh
Registered office	Victoria Park Clarence Road Hartlepool TS24 8BZ
Bankers	Yorkshire Bank 118-120 York Road Hartlepool TS26 9DE
Accountants	MHA Tait Walker Chartered Accountants 1 Massey Road Thomaby Stockton-on-Tees TS17 6DY

Hartlepool United Football Club Limited

(Registration number: 00098191)

Statement of Financial Position as at 31 July 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	<u>4</u>	213,368	238,574
Current assets			
Stocks		14,143	15,388
Debtors	<u>5</u>	173,113	253,547
Cash at bank and in hand		26,622	196,106
		<u>213,878</u>	<u>465,041</u>
Creditors: Amounts falling due within one year	<u>6</u>	<u>(251,967)</u>	<u>(913,195)</u>
Net current liabilities		<u>(38,089)</u>	<u>(448,154)</u>
Total assets less current liabilities		175,279	(209,580)
Creditors: Amounts falling due after more than one year	<u>6</u>	<u>(2,525,438)</u>	<u>(1,817,767)</u>
Net liabilities		<u><u>(2,350,159)</u></u>	<u><u>(2,027,347)</u></u>
Capital and reserves			
Called up share capital		3,501,135	3,501,121
Profit and loss account		(7,248,475)	(6,925,649)
Capital contribution reserve		1,397,181	1,397,181
Total equity		<u><u>(2,350,159)</u></u>	<u><u>(2,027,347)</u></u>

For the financial year ending 31 July 2020 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 financial statements 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 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 director on 16 April 2021

The notes on pages 4 to 10 form an integral part of these financial statements.

Hartlepool United Football Club Limited

(Registration number: 00098191)

Statement of Financial Position as at 31 July 2020 (continued)

.....
Mr S Singh
Director

The notes on pages 4 to 10 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 2020

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 £38,089 (2019: £448,154) and net liabilities of £2,350,159 (2019: £2,027,347). 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 a 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 shareholders and taking into account reasonable possible changes in performance.

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

Having considered the above the Director has 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 2020 (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.

Hartlepool United Football Club Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 July 2020 (continued)

2 Accounting policies (continued)

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
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.

Hartlepool United Football Club Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 July 2020 (continued)

2 Accounting policies (continued)

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.

3 Staff numbers

The average number of persons employed by the company (including the director) during the year, was 143 (2019 - 202).

Hartlepool United Football Club Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 July 2020 (continued)

4 Tangible assets

	Property improvements £	Fixtures and fittings £	Stands, turnstiles and fixtures £	Office equipment £	Motor vehicles £	
Cost						
At 1 August 2019	646,903	458,339	3,635,683	11,678	70,080	£
Additions	2,447	3,198	-	-	-	
Disposals	-	-	-	-	(10,800)	
At 31 July 2020	649,350	461,537	3,635,683	11,678	59,280	£
Depreciation						
At 1 August 2019	579,876	386,940	3,546,847	366	70,080	£
Charge for the year	8,814	10,818	8,883	2,336	-	
Eliminated on disposal	-	-	-	-	(10,800)	
At 31 July 2020	588,690	397,758	3,555,730	2,702	59,280	£
Carrying amount						
At 31 July 2020	60,660	63,779	79,953	8,976	-	
At 31 July 2019	67,027	71,399	88,836	11,312	-	

Hartlepool United Football Club Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 July 2020 (continued)

5 Debtors

	Note	2020 £	2019 £
Trade debtors		72,411	54,199
Amounts owed by group undertakings	8	-	85,610
Prepayments		96,020	110,748
Other debtors		4,682	2,990
		<u>173,113</u>	<u>253,547</u>

6 Creditors

Creditors: amounts falling due within one year

	2020 £	2019 £
Due within one year		
Trade creditors	82,222	286,077
Taxation and social security	14,634	103,444
Accruals and deferred income	103,148	438,632
Other creditors	50,895	80,815
Directors loan accounts	1,068	4,227
	<u>251,967</u>	<u>913,195</u>

Creditors: amounts falling due after more than one year

	2020 £	2019 £
Due after one year		
Government grants	5,618	7,767
Amounts owed to group undertakings	2,234,820	1,525,000
Other creditors	285,000	285,000
	<u>2,525,438</u>	<u>1,817,767</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 £2,149 (2019: £3,633) 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 2020 (continued)

7 Financial commitments, guarantees and contingencies

Amounts not provided for in the statement of financial position

The total amount of financial commitments not included in the statement of financial position is £1,186,143 (2019: £1,213,275).

Amounts disclosed in the statement of financial position

Included in the statement of financial position are pensions of £2,280 (2019 - £4,846).

8 Related party transactions

Summary of transactions with parent

During the year Clarence 18 Limited, the company's immediate parent undertaking, provided loans to the value of £700,000 (2019: £676,565) to the company. At the year end the company owed £2,225,000 (2019: £1,525,000) to Clarence 18 Limited.

Summary of transactions with entities with joint control or significant interest

Creditors due to group undertakings includes £9,820 of loans provided by P&R Construction Limited (2019: debtor of £85,610), a fellow group company. During the year the company received £30,180 (2019: £85,610) in relation to tax losses surrendered to P&R Construction Limited.

During the period ended July 2018 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. In line with prior year treatment, 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 (2019: £330,000). The balance of £1,397,181 has already 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.

Chartered Accountants' Report to the Director on the Preparation of the Unaudited Statutory Financial Statements of Hartlepool United Football Club Limited for the Year Ended 31 July 2020

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Hartlepool United Football Club Limited for the year ended 31 July 2020 as set out on pages 2 to 10 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/regulation>.

This report is made solely to the Board of Directors of Hartlepool United Football Club 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 financial statements of Hartlepool United Football Club Limited and state those matters that we have agreed to state to the Board of Directors of Hartlepool United Football Club 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 Hartlepool United Football Club Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Hartlepool United Football Club Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of Hartlepool United Football Club Limited. You consider that Hartlepool United Football Club 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 financial statements of Hartlepool United Football Club 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 financial statements.

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MHA Tait Walker
Chartered Accountants
1 Massey Road
Thornaby
Stockton-on-Tees
TS17 6DY

23 April 2021

MHA Tait Walker is a trading name of Tait Walker LLP.

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.