

# **HARTLEPOOL UNITED FOOTBALL CLUB LIMITED**

**Filleted Annual Report and Financial Statements  
for the Year Ended 31 July 2022**

# Hartlepool United Football Club Limited

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# Hartlepool United Football Club Limited

## Company Information

<b>Director</b>	Mr S Singh
<b>Registered office</b>	Victoria Park Clarence Road Hartlepool TS24 8BZ
<b>Bankers</b>	Yorkshire Bank 118-120 York Road Hartlepool TS26 9DE
<b>Auditor</b>	Azets Audit Services Chartered Accountants & Statutory Auditor Bede House Belmont Business Park Durham DH1 1TW

# Hartlepool United Football Club Limited

(Registration number: 00098191)

## Statement of Financial Position as at 31 July 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	4	41,972	29,472
Tangible assets	5	212,397	174,742
		<u>254,369</u>	<u>204,214</u>
<b>Current assets</b>			
Stocks		193,843	13,786
Debtors	6	317,200	170,698
Cash at bank and in hand		1,716,198	1,900,813
		<u>2,227,241</u>	<u>2,085,297</u>
<b>Creditors: Amounts falling due within one year</b>	7	<u>(1,747,662)</u>	<u>(1,375,846)</u>
<b>Net current assets</b>		<u>479,579</u>	<u>709,451</u>
<b>Total assets less current liabilities</b>		733,948	913,665
<b>Creditors: Amounts falling due after more than one year</b>	7	<u>(2,640,564)</u>	<u>(3,629,999)</u>
<b>Provisions for liabilities</b>		<u>(20,185)</u>	<u>-</u>
<b>Net liabilities</b>		<u><u>(1,926,801)</u></u>	<u><u>(2,716,334)</u></u>
<b>Capital and reserves</b>			
Called up share capital		3,501,135	3,501,135
Profit and loss account		(6,825,117)	(7,614,650)
Capital contribution reserve		1,397,181	1,397,181
<b>Total equity</b>		<u><u>(1,926,801)</u></u>	<u><u>(2,716,334)</u></u>

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. As permitted by section 444 (5A) of the Companies Act 2006, the director has not delivered to the registrar a copy of the Income Statement.

Approved and authorised for issue by the director on 26 October 2023

.....  
Mr S Singh  
Director

The notes on pages 3 to 10 form an integral part of these financial statements.

# Hartlepool United Football Club Limited

## Notes to the Financial Statements for the Year Ended 31 July 2022

### 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.

### 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.

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

#### Going concern

At the year end the company had net current assets of £479,579 (2021: £709,451) and net liabilities of £1,926,801 (2021: £2,716,334). The net liability position is largely an amount of £1.3m owed to group undertakings. The company has received a letter of continuing financial support from Clarence 18 Limited, its immediate parent undertaking, and ultimately the controlling shareholders of the group which the company is part of, confirming that support will continue to be provided for a period of no less than 12 months from the date of signing these financial statements.

Forecasts and projections were updated following the teams relegation to the National League. The club has previously spent four seasons in the fifth tier, following relegation in 2017. The balance sheet is in a much stronger position this season, with cash reserves of £1.7m. The Director and controlling shareholder has also pledged support so that the club can continue in operational existence for the foreseeable future, taking into account reasonably possible changes in performance.

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 Financial Statements for the Year Ended 31 July 2022 (continued)

### 2 Accounting policies (continued)

#### 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 deferred 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.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

#### 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:

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.

# Hartlepool United Football Club Limited

## Notes to the Financial Statements for the Year Ended 31 July 2022 (continued)

### 2 Accounting policies (continued)

#### 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.

#### 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 income statement 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

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.

#### 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.

# Hartlepool United Football Club Limited

## Notes to the Financial Statements for the Year Ended 31 July 2022 (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.

### 3 Staff numbers

The average number of persons employed by the company (including the director) during the year, was 120 (2021 - 49).

### 4 Intangible assets

	<b>Player registrations £</b>
<b>Cost or valuation</b>	
At 1 August 2021	29,472
Additions	77,690
Disposals	<u>(60,190)</u>
At 31 July 2022	<u>46,972</u>
<b>Amortisation</b>	
Amortisation charge	16,728
Amortisation eliminated on disposals	<u>(11,728)</u>
At 31 July 2022	<u>5,000</u>
<b>Carrying amount</b>	
At 31 July 2022	<u>41,972</u>
At 31 July 2021	<u>29,472</u>



## Hartlepool United Football Club Limited

### Notes to the Financial Statements for the Year Ended 31 July 2022 (continued)

#### 5 Tangible assets

	Property improvements £	Fixtures and fittings £	Stands, turnstiles and fixtures £	Office equipment £	Motor vehicles £	Total £
<b>Cost</b>						
At 1 August 2021	649,350	462,810	3,635,683	12,552	59,280	4,819,675
Additions	12,000	1,499	3,800	52,042	-	69,341
At 31 July 2022	661,350	464,309	3,639,483	64,594	59,280	4,889,016
<b>Depreciation</b>						
At 1 August 2021	609,425	407,349	3,563,725	5,154	59,280	4,644,933
Charge for the year	9,144	8,182	6,654	7,706	-	31,686
At 31 July 2022	618,569	415,531	3,570,379	12,860	59,280	4,676,619
<b>Carrying amount</b>						
At 31 July 2022	42,781	48,778	69,104	51,734	-	212,397
At 31 July 2021	39,925	55,461	71,958	7,398	-	174,742

# Hartlepool United Football Club Limited

## Notes to the Financial Statements for the Year Ended 31 July 2022 (continued)

### 6 Debtors

	Note	2022 £	2021 £
Trade debtors		96,181	88,551
Amounts owed by group undertakings	9	18,308	8,618
Prepayments		200,201	71,264
Other debtors		2,510	2,265
		<u>317,200</u>	<u>170,698</u>

### 7 Creditors

#### Creditors: amounts falling due within one year

	2022 £	2021 £
<b>Due within one year</b>		
Trade creditors	390,771	135,775
Taxation and social security	164,961	126,665
Accruals and deferred income	1,006,248	1,082,934
Other creditors	175,256	30,452
Directors loan accounts	10,426	20
	<u>1,747,662</u>	<u>1,375,846</u>

#### Creditors: amounts falling due after more than one year

	Note	2022 £	2021 £
<b>Due after one year</b>			
Loans and borrowings		1,201,064	1,186,530
Government grants		-	3,469
Amounts owed to group undertakings	9	1,299,500	2,175,000
Other creditors	9	<u>140,000</u>	<u>265,000</u>
		<u>2,640,564</u>	<u>3,629,999</u>

Loans and borrowings consist of a loan received from Sport England under the Sports Winter Survival Programme, this loan is secured by floating charge over all property and undertaking of the company.

The company received government grants of £59,101 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 £5,285 (2021: £2,149) were released to the income statement in the period.

# Hartlepool United Football Club Limited

## Notes to the Financial Statements for the Year Ended 31 July 2022 (continued)

### 8 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 £1,134,448 (2021: £1,165,192).

#### Amounts disclosed in the statement of financial position

Included in the statement of financial position are unpaid pension contributions of £2,384 (2021 - £1,196).

### 9 Related party transactions

#### Summary of transactions with parent

At the year end, creditors includes the following amounts due to the parent undertaking:

	2022	2021
	£	£
Clarence 18 Limited	1,299,500	2,175,000

#### Summary of transactions with entities with joint control or significant interest

The debtor for amounts due from group undertakings includes £18,308 (2021: £8,618) of loans provided to P&R Construction Limited, a fellow group company.

During the year the company was charged management fees of £37,500 by Prestige Care Group Holdings Limited. The year end creditors includes £Nil (2021: £3,000) due to Prestige Care Group Holdings Limited. This company and Prestige Care Group Holdings Limited are companies under common control.

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 £160,000 (2021: £285,000). An amount for £1,397,181 of the original balance has already been treated as a capital contribution from the previous shareholders and shown in equity.

# **Hartlepool United Football Club Limited**

## **Notes to the Financial Statements for the Year Ended 31 July 2022 (continued)**

### **10 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 most senior parent entity producing publicly available financial statements is Prestige Group Investments Limited. The consolidated financial statements are available upon request from The Prestige Group Head Office, Roseville Court, Blair Avenue, Ingleby Barwick, United Kingdom, TS17 5BL.

The ultimate controlling party is Mr S Singh.

### **11 Audit report**

The Independent Auditor's Report was unqualified.

The name of the Senior Statutory Auditor who signed the audit report on 27 October 2023 was Joanne Regan FCA, who signed for and on behalf of Azets Audit Services.

Azets Audit Services is a trading name of Azets Audit Services Limited

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.