

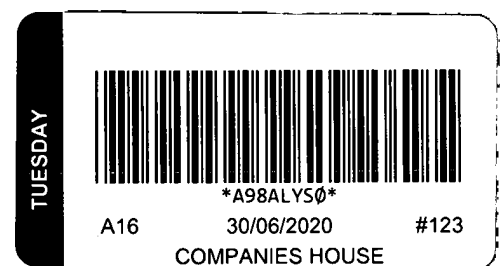
CAMBRIDGE UNITED FOOTBALL CLUB LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 30 JUNE 2019



CAMBRIDGE UNITED FOOTBALL CLUB LIMITED
REGISTERED NUMBER: 00482197

BALANCE SHEET
AS AT 30 JUNE 2019

	Note	2019 £	As restated 2018 £
FIXED ASSETS			
Intangible assets	4	24,590	64,611
Tangible assets	5	385,193	444,162
Fixed asset investments	6	-	300,000
		<u>409,783</u>	<u>808,773</u>
CURRENT ASSETS			
Stocks	7	108,099	22,528
Debtors: amounts falling due within one year	8	220,597	239,333
Cash And Cash Equivalents	9	129,193	61,926
		<u>457,889</u>	<u>323,787</u>
Creditors: amounts falling due within one year	10	(1,997,448)	(1,597,121)
NET CURRENT LIABILITIES		<u>(1,539,559)</u>	<u>(1,273,334)</u>
NET LIABILITIES		<u>(1,129,776)</u>	<u>(464,561)</u>
CAPITAL AND RESERVES			
Called up share capital	11	4,371,813	4,367,850
Profit and loss account		(5,501,589)	(4,832,411)
		<u>(1,129,776)</u>	<u>(464,561)</u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

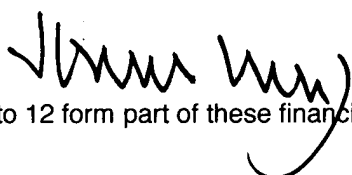
The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
29 JUNE 2020 .

S F Grady
Director



The notes on pages 2 to 12 form part of these financial statements.

CAMBRIDGE UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

1. GENERAL INFORMATION

Cambridge United Football Club Limited is a private company, limited by shares, incorporated in England and Wales, United Kingdom. Its registered address is Abbey Stadium, Newmarket Road, Cambridge, United Kingdom, CB5 8LN.

The principal activity of the company continued to be the running of a football club.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The financial statements are presented in sterling which is the functional currency of the company and are rounded to the nearest pound.

The company and group that it heads qualifies as a small group and therefore the company has claimed exemption from the preparation of consolidated financial statements. These financial statements contain the results and financial position of the company as a parent entity.

The following principal accounting policies have been applied:

2.2 GOING CONCERN

The company's ability to continue trading relies on the continued support from the existing shareholder which is expected to continue for the foreseeable future.

The uncertainty as to the future impact on the company of the recent Covid-19 outbreak in particular has been considered as part of the company's adoption of the going concern basis. As mentioned in note 18, the directors are preparing cash flow forecasts on a regular basis to ensure there are sufficient cash resources in place to support the company's activities and are making use of government funding schemes where considered appropriate.

As such, the directors believe that despite the company being operationally and financially challenged due to the Covid-19 pandemic, there are sufficient resources in place to sustain the immediate budgeted losses. Therefore, the directors continue to adopt the going concern basis in preparing the financial statements.

CAMBRIDGE UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

2. ACCOUNTING POLICIES (CONTINUED)

2.3 TURNOVER

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 OPERATING LEASES: THE COMPANY AS LESSEE

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

2.5 PENSIONS

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

Multi-employer pension plan

The Company is a member of a multi-employer plan. Where it is not possible for the Company to obtain sufficient information to enable it to account for the plan as a defined benefit plan, it accounts for the plan as a defined contribution plan.

CAMBRIDGE UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

2. ACCOUNTING POLICIES (CONTINUED)

2.6 TAXATION

Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.7 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold property improvements	- Over the life of the lease or 10% straight line
Plant and machinery	- 20% straight line
Fixtures and fittings	- 20% straight line
Office equipment	- 20% - 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

CAMBRIDGE UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

2. ACCOUNTING POLICIES (CONTINUED)

2.8 INTANGIBLE ASSETS

Transfer fees and transfer levies payable associated with the acquisition of players' registrations are capitalised as intangible fixed assets and are initially recognised at cost. After recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided at rates calculated to write off the cost of the intangible asset over the duration of the player's contract.

At each reporting date the company assesses whether there is any indication of impairment. The directors consider that it is not possible to determine the value in use of an individual player in isolation, however where there are circumstances as at the period end where the player would not be available for selection, the player is valued on a recoverable amount basis, being the best estimate of the player's fair value less cost to sell. Any resulting impairment charge is included within operating expenses in the Statement of Comprehensive Income.

2.9 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

2.10 STOCKS

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.11 DEBTORS

Short term debtors are measured at transaction price.

2.12 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 CREDITORS

Short term creditors are measured at the transaction price.

CAMBRIDGE UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

2. ACCOUNTING POLICIES (CONTINUED)

2.14 FINANCIAL INSTRUMENTS

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

3. EMPLOYEES

The average monthly number of employees, including directors, during the year was 212 (2018 - 217). This comprises of 93 (2018 - 104) full time staff, including directors, and 119 (2018 - 113) part time staff.

4. INTANGIBLE ASSETS

	Player registrations £
COST	
At 1 July 2018	125,000
Disposals	(45,000)
At 30 June 2019	80,000
AMORTISATION	
At 1 July 2018	60,389
Charge for the year	40,021
On disposals	(45,000)
At 30 June 2019	55,410
NET BOOK VALUE	
At 30 June 2019	24,590
At 30 June 2018	64,611

CAMBRIDGE UNITED FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

5. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Office equipment £	Total £
COST					
At 1 July 2018	486,798	66,562	36,878	63,588	653,826
At 30 June 2019	486,798	66,562	36,878	63,588	653,826
DEPRECIATION					
At 1 July 2018	101,399	51,346	9,778	47,141	209,664
Charge for the year on owned assets	31,132	9,601	7,376	10,860	58,969
At 30 June 2019	132,531	60,947	17,154	58,001	268,633
NET BOOK VALUE					
At 30 June 2019	354,267	5,615	19,724	5,587	385,193
At 30 June 2018	385,399	15,216	27,100	16,447	444,162

CAMBRIDGE UNITED FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

6. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
COST	
At 1 July 2018	300,000
At 30 June 2019	<u>300,000</u>
IMPAIRMENT	
Charge for the period	300,000
At 30 June 2019	<u>300,000</u>
NET BOOK VALUE	
At 30 June 2019	<u><u>-</u></u>
At 30 June 2018	<u><u>300,000</u></u>

SUBSIDIARY UNDERTAKING

During the year the company held a 67% investment in the ordinary share capital of Cambridge United China Collaborations Limited, a company registered in England and Wales with a principal activity of Football training courses. For further details on the impairment charge in the period, see note 12.

7. STOCKS

	2019 £	2018 £
Finished goods and goods for resale	<u>108,099</u>	<u>22,528</u>

8. DEBTORS

	2019 £	2018 £
Trade debtors	93,981	128,187
Other debtors	42,396	41,019
Prepayments and accrued income	84,220	70,127
	<u>220,597</u>	<u>239,333</u>

CAMBRIDGE UNITED FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

9. CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash at bank and in hand	129,193	61,926

10. CREDITORS: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	199,726	203,755
Amounts owed to group undertakings	-	546,325
Other taxation and social security	93,702	188,356
Other creditors	1,077,812	19,213
Accruals and deferred income	626,208	639,472
	<u>1,997,448</u>	<u>1,597,121</u>

11. SHARE CAPITAL

	2019 £	As restated 2018 £
Allotted, called up and fully paid		
2,668,864 (2018 - 2,668,864) Ordinary shares of £0.50 each	1,334,432	1,334,432
60,747,619 (2018 - 60,668,360) Ordinary shares of £0.05 each	3,037,381	3,033,418
	<u>4,371,813</u>	<u>4,367,850</u>

During the year the company issued 79,259 ordinary shares of £0.05 each with nominal value of £3,963 for consideration of £3,963. No share premium arose on the issue.

CAMBRIDGE UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

12. IMPAIRMENT OF INVESTMENT IN SUBSIDIARY

	2019 £	2018 £
Impairment of investment in subsidiary	300,000	-
Write off intercompany balance owed to subsidiary	(300,000)	-
	<u>-</u>	<u>-</u>

Impairment of investment in subsidiary

During the year the Directors of Cambridge United China Collaborations Limited took the decision to cease trading with immediate effect and begin strike off procedures at Companies House. As a result, the investment in the subsidiary has been impaired in full during the year down to £Nil.

Write off of intercompany balance owed to subsidiary

As a result of the above decision to cease to trade, the Directors of Cambridge United China Collaborations Limited agreed to write off the balance of the intercompany loan account with Cambridge United Football Club Limited, leaving no balance as at the year end (2018 - £546,325).

13. PRIOR YEAR ADJUSTMENT

Following a review of the statutory records during the year, the directors identified a historic misstatement in share capital which has been corrected by means of a prior year adjustment. The impact of the restatement on the comparative balance sheet was to decrease opening and closing share capital by £154,422 and decrease opening and closing profit and loss reserves by £154,422. This adjustment had no impact on the overall net liability position of the company.

14. CONTINGENT LIABILITIES

As part of player registrations, the company enters into transfer agreements whereby amounts might become payable if certain conditions are fulfilled. Additional amounts due as a result of player appearances and team results to a maximum of £25,000 (2018 - £60,000) could become payable under terms of contracts as at 30 June 2019. These contracts also include possible percentage sell-on liabilities, although it is impractical to make an estimate of any potential amounts that could become due.

The company also benefits from similar terms when players are sold, and during the year £Nil (2018 - £41,500) was received and included within profits on disposal of player registrations. Given the nature of the calculations, which include future player appearances and percentage sell-on clauses, it is impractical to make an estimate of the contingent asset that might arise from transfers completed before 30 June 2019.

CAMBRIDGE UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

15. PENSION COMMITMENTS

The Company is one of a number of participating employees in the Football League Limited Pension and Life Assurance Scheme. The scheme is administered nationally and is now closed to new members. The company is unable to identify its share of the assets and liabilities of the scheme and therefore accounts for its contributions as if they were paid to a defined contribution scheme.

The latest actuarial valuation of the scheme, which was undertaken in 2017 indicated that the scheme remains in deficit and, in accordance with the scheme rules, the company, along with the other football clubs, are required to make payments to the scheme to reduce the deficit. The outstanding liability will be paid to the pension scheme on a monthly basis over a period of approximately eight years. The total pension charge for the year was £1,852 (2018 - £1,524) and the total amount payable to the pension scheme as at 30 June 2019 was £13,277 (2018 - £15,129) and is included in creditors.

The Company also operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £22,896 (2018 - £14,630). Contributions totalling £4,913 (2018 - £3,126) were payable to the fund at the balance sheet date and are included in creditors.

16. COMMITMENTS UNDER OPERATING LEASES

At 30 June 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Land and buildings		
Not later than 1 year	355,850	354,350
Later than 1 year and not later than 5 years	1,423,400	1,423,400
Later than 5 years	9,513,925	9,869,775
	<u>11,293,175</u>	<u>11,647,525</u>

The company has entered into a memorandum of understanding whereby the landlord has agreed at their discretion, on an annual basis to reduce the annual rental charge to £100,000, so long as both parties continue to work together to promote the redevelopment or relocation of the Abbey Stadium. The annual rental charge for the year under the lease was £100,000 (2018 - £100,000).

	2019 £	2018 £
Other operating leases		
Not later than 1 year	78,467	83,148
Later than 1 year and not later than 5 years	95,264	167,223
	<u>173,731</u>	<u>250,371</u>

CAMBRIDGE UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

17. RELATED PARTY TRANSACTIONS

During the year the company recieved loans from its shareholder, Paul Barry. The amount outstanding at the year end and included within creditors is £1,040,000 (2018 - £Nil).

18. POST BALANCE SHEET EVENTS

COVID-19

Since the year-end, a previously unknown virus has been identified as Covid-19 and has caused a global pandemic. Since the beginning of 2020 Covid-19 (the Coronavirus) has spread rapidly around the world causing a significant impact on society and the economy. The directors do not consider this to be an adjusting event.

Whilst the full consequences are impossible to foresee, the general effects on the economy and society are negative. As a result of this uncertainty and the fact that the English Football League ended the 2019/20 season with immediate effect from June 2020, the directors are producing regular cash flow forecasts to ensure that cash flow is positively managed during the pandemic and that the impact to the company's operations is minimised.