

COMPANY REGISTRATION NUMBER: 07796376

Plymouth Argyle Football Club Limited
Filleted Financial Statements
31 December 2016



Plymouth Argyle Football Club Limited

Financial Statements

Year ended 31 December 2016

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Plymouth Argyle Football Club Limited

Officers and Professional Advisers

The board of directors

J S Brent
D L Felwick
S Hallett
R A Holliday
P M Jones
J P Morgan
M J Starnes
A E Wrathall

Registered office

Home Park
Plymouth
PL2 3DQ

Auditor

Shipleys LLP
Chartered accountant & statutory auditor
10 Orange Street
Haymarket
London
WC2H 7DQ

Plymouth Argyle Football Club Limited

Directors' Responsibilities Statement

Year ended 31 December 2016

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent ;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Plymouth Argyle Football Club Limited

Statement of Financial Position

31 December 2016

		2016	2015 (restated)
	Note	£	£
Fixed assets			
Intangible assets	5	1,732,037	2,052,396
Tangible assets	6	1,841,450	87,132
		<u>3,573,487</u>	<u>2,139,528</u>
Current assets			
Stocks		155,199	97,065
Debtors	7	289,157	479,753
Cash at bank and in hand		530,868	207,322
		<u>975,224</u>	<u>784,140</u>
Creditors: amounts falling due within one year	8	(1,891,942)	(2,783,148)
Net current liabilities		<u>(916,718)</u>	<u>(1,999,008)</u>
Total assets less current liabilities		2,656,769	140,520
Creditors: amounts falling due after more than one year	9	(748,242)	(2,872,755)
Net assets/(liabilities)		<u>1,908,527</u>	<u>(2,732,235)</u>
Capital and reserves			
Called up share capital		5,631,571	1,211,534
Share premium account		13,466	13,466
Other reserves		118,767	147,472
Profit and loss account		(3,855,277)	(4,104,707)
Members funds/(deficit)		<u>1,908,527</u>	<u>(2,732,235)</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

These financial statements were approved by the board of directors and authorised for issue on 6/7/2017, and are signed on behalf of the board by:


J S Brent
Director

Company registration number: 07796376

The notes on pages 5 to 11 form part of these financial statements.

Plymouth Argyle Football Club Limited

Statement of Changes in Equity

Year ended 31 December 2016

	Called up share capital £	Share premium account £	Other reserves £	Profit and loss account £	Total £
At 1 January 2015	1,211,534	13,466	147,472	(3,933,352)	(2,560,880)
Loss for the year				(171,355)	(171,355)
Total comprehensive income for the year	-	-	-	(171,355)	(171,355)
At 31 December 2015 (as previously reported)	1,211,534	13,466	147,472	(4,051,381)	(2,678,909)
Prior period adjustments	-	-	4,058	(53,326)	(49,268)
At 31 December 2015 (restated)	<u>1,211,534</u>	<u>13,466</u>	<u>151,530</u>	<u>(4,104,707)</u>	<u>(2,728,177)</u>
Profit for the year				249,430	249,430
Total comprehensive income for the year	-	-	-	249,430	249,430
Issue of shares	4,420,037	-	-	-	4,420,037
Exercise of options, rights and warrants	-	-	(32,763)	-	(32,763)
Total investments by and distributions to owners	4,420,037	-	(32,763)	-	4,387,274
At 31 December 2016	<u>5,631,571</u>	<u>13,466</u>	<u>118,767</u>	<u>(3,855,277)</u>	<u>1,908,527</u>

The notes on pages 5 to 11 form part of these financial statements.

Plymouth Argyle Football Club Limited

Notes to the Financial Statements

Year ended 31 December 2016

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Home Park, Plymouth, PL2 3DQ.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

Going Concern

The directors consider the going concern basis of preparation suitable for the company as they feel the company can continue trading for at least 12 months from the date of approval of these accounts. This is supported by cashflow forecasts and an injection of equity post year end.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 January 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 13.

Revenue recognition

Season ticket and sponsorship income is recognised as and when matches are played. Any income relating to matches unplayed at the year end is included within deferred income.

Central distributions from the Football Association and Football League are recognised in the profit and loss account in the relevant financial period for the season to which the income relates.

All other income is recognised on the provision of service or transfer of economic benefit.

Intangible assets

The company capitalises as an intangible asset the element of a player's transfer fee which relates to his registration together with associated costs and amortises that element over the period of contract, including any subsequent agreed extensions.

Goodwill arising on acquisition is the difference between the fair value of consideration and fair value of the separately identifiable assets and liabilities acquired. Goodwill is capitalised and amortised on a straight line basis over 10 years with annual reviews for potential impairment.

Trademarks are recognised at fair value and amortised on a straight line basis over 10 years.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	-	10% straight line
Trademarks	-	10% straight line

Plymouth Argyle Football Club Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

3. Accounting policies *(continued)*

Amortisation *(continued)*

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures, fitting and equipment - 20% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Plymouth Argyle Football Club Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

3. Accounting policies *(continued)*

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Compound instruments

Compound instruments comprise both a liability and an equity component. At date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar debt instrument. The liability component is accounted for as a financial liability.

The residual is the difference between the net proceeds of issue and the liability component (at time of issue). The residual is the equity component, which is accounted for as an equity instrument.

The interest expense on the liability component is calculated applying the effective interest rate for the liability component of the instrument. The difference between this amount and any repayments is added to the carrying amount of the liability in the balance sheet.

Prior period adjustment

~~A prior period adjustment was made relating to the unwinding of the convertible debts. The net results of the adjustment are decrease in opening profit and loss account by £53,326 to deficit of £4,104,707 and increase in opening other reserves by £4,058 to £151,530.~~

4. Employee numbers

The average number of persons employed by the company during the year, including the directors, amounted to 312 (2015: 254).

Plymouth Argyle Football Club Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

5. Intangible assets

	Goodwill £	Development costs £	Total £
Cost			
At 1 January 2016 (as restated)	3,424,393	216,203	3,640,596
Additions	37,638	–	37,638
Disposals	–	(116,201)	(116,201)
At 31 December 2016	<u>3,462,031</u>	<u>100,002</u>	<u>3,562,033</u>
Amortisation			
At 1 January 2016	1,430,332	157,868	1,588,200
Charge for the year	347,997	10,000	357,997
Disposals	–	(116,201)	(116,201)
At 31 December 2016	<u>1,778,329</u>	<u>51,667</u>	<u>1,829,996</u>
Carrying amount			
At 31 December 2016	<u>1,683,702</u>	<u>48,335</u>	<u>1,732,037</u>
At 31 December 2015	<u>1,994,061</u>	<u>58,335</u>	<u>2,052,396</u>

Other intangibles consists of Trademarks. As at 31 December 2016 the net book value of Trademarks was £48,335 (2015: £58,335).

6. Tangible assets

	Freehold property £	Long leasehold property £	Fixtures and fittings £	Total £
Cost				
At 1 January 2016 (as restated)	–	1	317,355	317,356
Additions	1,719,352	–	99,881	1,819,233
At 31 December 2016	<u>1,719,352</u>	<u>1</u>	<u>417,236</u>	<u>2,136,589</u>
Depreciation				
At 1 January 2016	–	–	230,224	230,224
Charge for the year	–	–	64,915	64,915
At 31 December 2016	<u>–</u>	<u>–</u>	<u>295,139</u>	<u>295,139</u>
Carrying amount				
At 31 December 2016	<u>1,719,352</u>	<u>1</u>	<u>122,097</u>	<u>1,841,450</u>
At 31 December 2015	<u>–</u>	<u>1</u>	<u>87,131</u>	<u>87,132</u>

Plymouth Argyle Football Club Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

7. Debtors

	2016	2015 <i>(restated)</i>
	£	£
Trade debtors	84,096	86,357
Other debtors	205,061	393,396
	<u>289,157</u>	<u>479,753</u>

8. Creditors: amounts falling due within one year

	2016	2015 <i>(restated)</i>
	£	£
Other loan	146,701	146,701
Trade creditors	499,546	749,729
Social security and other taxes	157,705	211,746
Other creditors	1,087,990	1,674,972
	<u>1,891,942</u>	<u>2,783,148</u>

Included within Other creditors falling due within one year is an amount of £710,975 (2015: £626,651) in respect of deferred season ticket, sponsorship, advertising and box hire income received. This amount will be released to the profit and loss account as matches are played during the season.

9. Creditors: amounts falling due after more than one year

	2016	2015 <i>(restated)</i>
	£	£
Other loan	253,025	377,450
Amounts owed to group undertakings and undertakings in which the company has a participating interest	—	2,018,934
Other creditors	495,217	476,371
	<u>748,242</u>	<u>2,872,755</u>

Included within creditors falling due after more than one year is an amount of £235,408 (2015: £216,747) in respect of the liability component of compound instruments.

The company has a secured term loan facility (of up to £800,000) repayable by instalments over 5 years from drawdown. Interest is charged at 4.88% per annum. The term loan facility is secured against the property owned by a fellow group company.

10. Summary audit opinion

The auditor's report for the year dated 12/7/2017 was unqualified.

The senior statutory auditor was Benjamin Bidnell, for and on behalf of Shipleys LLP.

Plymouth Argyle Football Club Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

11. Related party transactions

During the year net interest of £14,273 (2015: £14,273) was charged on convertible loan notes to R Holliday, a director, and his immediate family, of which £3,402 (2015: £20,409) was outstanding at the year end. This balance includes unpaid amounts from the prior year, agreed to be deferred.

Included within other creditors: amounts falling due after more than one year are the following directors' loans:

A loan to the company by R Holliday, a director, of £nil (2015: £20,000) was outstanding at the year end. The loan was settled in cash.

A loan to the company by D Felwick, a director, of £nil (2015: £25,000) was outstanding at the year end. The loan was settled in cash.

A loan to the company by A Wrathall, a director, of £nil (2015: £97,000) was outstanding at the year end. The loan was settled by issue of 97,000 £1 ordinary shares at par.

Amounts owed to group undertakings of £nil (2015: £2,018,934) was outstanding at the year end. The loan was settled by issue of 1,398,074 £1 ordinary shares at par with the remaining balance in cash.

During the year, S Hallett advanced the company £671,360. No amount was outstanding at the year end. The loan was settled by issue of 621,360 £1 ordinary shares at par with the remaining balance in cash.

During the year, M Starnes incurred £36,283 on behalf of the company and was reimbursed in full. He was also reimbursed for business expenses of £3,873 (2015: £15,926).

During the year, the company contracted for marketing services from P Jones to the value of £9,000.

Sales of £135,034 (2015: £66,007) were made for catering supplies to Plymouth Pavillions Limited, a company under the ultimate control of Natatomisam Limited. These transactions were made at arm's length and £nil (2015: £nil) balance remained outstanding at the year end.

Recharges of £42,817 (2015: £41,890) were incurred for the provision of accounting services from South West Ticketing Solutions Limited, a company under the ultimate control of Natatomisam Limited. These transactions were made at arm's length and £nil (2015: £nil) balance remained outstanding at the year end.

No other transactions with related parties were undertaken such as are required to be disclosed under FRS 102.

12. Controlling party

The immediate parent of the company is Akkeron Leisure Limited, the ultimate parent company is Natatomisam Limited, a company incorporated in Great Britain. Consolidated accounts are available from Home Park, Plymouth, PL2 3DQ.

The ultimate controlling parties are Nicola and James Brent who have equal ownership of Natatomisam Limited.

Plymouth Argyle Football Club Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

13. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 January 2015.

No transitional adjustments were required in equity or profit or loss for the year.