

PLYMOUTH ARGYLE FOOTBALL CLUB LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

PLYMOUTH ARGYLE FOOTBALL CLUB LIMITED

COMPANY INFORMATION

DIRECTORS	Mr P M Berne Mrs J L I Chafer Mr T East (appointed 18 December 2019) Mr S Hallett Mr R A Holliday Mr J P Morgan Mr A Parkinson Mr A E Wrathall Mr M J Dunford (resigned 22 July 2019)
REGISTERED NUMBER	07796376
REGISTERED OFFICE	Home Park Plymouth Devon PL2 3DQ
INDEPENDENT AUDITORS	Bishop Fleming LLP Chartered Accountants & Statutory Auditors Salt Quay House 4 North East Quay Sutton Harbour Plymouth PL4 0BN

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**STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

INTRODUCTION

The Company operates as a professional football club, currently competing in League One of the EFL (English Football League). The principal activity of the Company continues to be the operation of a professional football club, together with associated activities.

The directors present their Strategic report for the year ended 30 June 2020.

BUSINESS REVIEW

There have been significant changes at Home Park during the year under review.

In the off-season, prior to commencement of the 2019/20 campaign, the club underwent a number of significant changes, in both personnel and culture. A new chief executive officer was appointed, as was a new first-team management team, with a change in football philosophy and structure implemented, focused on an attacking, possession-based style, as well as an emphasis on youth development. The project has proved successful thus far, with the team winning promotion from Sky Bet League Two at the first time of asking. Since the end of the financial year, two graduates of our Academy have become established members of the first team.

In March 2020, the emergence of COVID-19 in the UK led to the suspension of the League Two season, which was later curtailed, with our final league position being awarded based on a points per game basis. Whilst the club supported the decision to end the season and subsequently achieved promotion, we were disappointed not to be able to play out the remainder of our league fixtures.

The club has very publicly stated that our objective is to become a financially sustainable EFL Championship club within five years. One year into that five-year-plan, the club is on track to achieve this objective. Although we reported a year-end financial loss of £674,076, after adding back depreciation and amortisation, we recorded a trading profit of £71,766. A competitive season in Sky Bet League One, in our first season back in the third tier, would see us remain on schedule to achieve our objective. We discuss this objective in our Directors' report.

In addition to the on-field developments, there have been infrastructure changes at Home Park. Significant redevelopment works of the Mayflower Grandstand were completed in January 2020 at a cost of over £7.7m. This development is crucial to the future of Argyle, as an asset to both the football club and the community. The revenues generated throughout the week, not just on match-day, will enable us to invest in the infrastructure that provides the facilities for our fans, supports our football teams, and allows us to spend on the football teams themselves, whilst realising our objective of financial sustainability.

Unfortunately, after a promising start to life as a conferencing and hospitality venue, we have not been able to use our brand-new facilities for their designed purpose for several months. However, during the pandemic, the Mayflower Grandstand has been repurposed as a venue for the NHS, operating as a phlebotomy and antenatal centre to relieve pressure on nearby medical centres – serving as a reminder of the club's overarching Vision and Values, and its role at the centre of the local community.

In the most challenging of circumstances, amid a global pandemic, with the football industry significantly impacted, we can be pleased with the financial results. Not only is this down to the hard work of everyone associated with Argyle, but also the generosity of our fanbase, our sponsors, and other stakeholders, not to mention the generosity of the British taxpayers in subsidising the wages of employees placed on furlough. It is important that we now focus our attention on emerging strongly from this global pandemic and we feel we are well positioned to do so.

Our supporters, our community, and the city that we represent, remain at the forefront of decision making at Home Park. In what has been a challenging year for many in society, let alone a football club, the board of directors would like to thank the Green Army for their unparalleled support, both prior to the curtailment of the 2019/20 season and thereafter.

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020**

PRINCIPAL RISKS AND UNCERTAINTIES

The Company faces a number of risks and uncertainties and has measures in place to mitigate the impact of these. Due to the principal activities of the Company, the revenues of the business are susceptible to the on-pitch performance of the football team.

Obviously, the COVID-19 pandemic presents significant risks, but the club is making every effort to minimise the impact on the business. The club has undertaken extensive scenario planning to understand the financial impact of various outcomes.

FINANCIAL KEY PERFORMANCE INDICATORS

The club recognises the importance of cash flow management. The bank balance is monitored daily, and cash flow forecasting is regularly updated to take account of new information as and when it becomes available. This is particularly important in the current climate during the COVID-19 pandemic.

OTHER KEY PERFORMANCE INDICATORS

Financial key performance indicators include, amongst others, revenue, operating costs (in particular, player wages) and outstanding obligations.

Other risks are recognised and managed appropriately, by the board and internal management. We maintain a risk register, examination of which is the responsibility of each director, and is an agenda item at most board meetings.

Non-financial key performance indicators include, amongst others, divisional status, league position, number of season ticket holders, attendances and number of social media followers.

This report was approved by the board on 31 January 2021 and signed on its behalf.

Mr S Hallett
Director

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

The directors present their report and the financial statements for the year ended 30 June 2020.

We note that this is the first time in many years that we have presented 12 month results with a June year end, making the Company's financial reporting more consistent with the general practice in professional football. We also point out that these financial statements are no longer in small Company format, and present supporters, as well as shareholders, creditors and other stakeholders a much more complete picture of operating results and the financial health of the Company. It is our goal to be as transparent with stakeholders as possible, and we will continue to make annual presentations on a more informal basis of our financial condition, and operating income and expenses.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements 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 to 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.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £674,076 (2019 6 month period: loss £1,401,140).

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

DIRECTORS

Mr P M Berne
Mrs J L I Chafer
Mr T East (appointed 18 December 2019)
Mr S Hallett (Chairman)
Mr R A Holliday
Mr J P Morgan
Mr A Parkinson
Mr A E Wrathall
Mr M J Dunford (resigned 22 July 2019)

With one exception, our directors are non-Executive and receive no compensation for their service to the Company. Please note also that, although Simon Hallett had a loan outstanding to the Company at the end of the year, that loan was a very short term one, pending completion of the paperwork required for the issue of 3.5 million new shares, and bore no interest.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020**

COVID-19

The impact of the COVID-19 pandemic in the UK has been significant on both the national and global economy.

The Company has mitigated financial losses by, amongst other things, the generosity of supporters in making donations to the Company, including waiving amounts due by way of refunds on season tickets and hospitality packages; finding new and innovative ways of generating revenue on non-match days; reducing capital expenditure and operating expenses; taking advantage of government support schemes such as tax deferrals, and the Coronavirus Job Retention Scheme. The Company has also benefited greatly from the continuing support of our sponsors, to whom we are most grateful.

Much uncertainty remains, with the UK Government's tier system in place, which has significant implications on the operating capabilities of our business. The Company's revenue streams have been profoundly impacted by curtailment of the 2019/20 season and, subsequently, during the period of phased reintroduction where football has been played behind closed doors or in front of severely limited numbers of spectators. It is important to note that, until permitted numbers of spectators exceed the numbers of season tickets sold, the Company's cash flows will not benefit from an increase in those numbers. Indeed, they will be damaged as costs of putting on matches will exceed additional revenues.

The club continues to adapt accordingly. Cash balances are under constant review to ensure the club is in a position to meet its liabilities as they fall due. Forecasts have been prepared under various sensitivities to reflect different scenarios including, but not limited to, changes in government policies (in particular the admittance of supporters to stadiums), refunds on season tickets, support packages from the EFL, and financial indemnity under the club's business interruption insurance policy. This identifies risks to liquidity and enables appropriate planning and mitigation strategies to be put in place.

As noted later, since the year end, our major shareholder has injected substantial funds into the Company with a view to ensuring the financial strength of the Company under some of the scenarios we have examined, including, but not limited to, having to play football behind closed doors for the whole of the 2020-2021 season.

FUTURE DEVELOPMENTS

In December of this financial year, the Directors formulated a 5-year mission for the club, consistent with our previously communicated Vision and Values. Our Vision is to be a successful football club, supported or respected by everybody in the Southwest and many beyond. We defined a successful football club as being one that was a sustainable championship club within five years.

That means that we will be financially sustainable, without recourse to shareholders for new equity or loans. That, in turn, implies that our revenues will be sufficient to cover our operating expenses, our capital investment and maintenance requirements, and our playing squad.

"Sustainable" means, in football terms, that we will have a reasonable probability of being able to maintain a position in the Championship. That will never be guaranteed, of course. To achieve sustainability we need to further to increase the resources available, which means generating additional sources of revenue, while continuing to control our costs.

Ultimately though, we will not compete on the field by trying to outspend our competitors. That has been the path to ruin for a number of clubs that are now anything but financially sustainable as we define it. Our resources will be used to build a long-term platform for success, investing in infrastructure (both physical and human) that will have a long-term payoff in terms of the resources available to our first team.

In the meantime, we will compete by trying to be smarter about how we spend those resources. We will put good decision-making at the heart of everything we do at the club, both on and off the pitch. In particular, we will be using data analytics to target players, based upon criteria that align with our playing philosophy. We have already made good progress in this regard.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020**

We plan to increase revenues and broaden our sources of income by:

- continuing to improve the fan experience. We believe that we can attract more people to Home Park on match days by continuing to improve facilities and entertainment offers before and after matches. Our goal is to have Home Park used to its fullest possible capacity on match days;
- widening our fanbase by enhancing our reputation as a family-oriented club. It is important that we increase our appeal to everyone in the region, including women, children and minority groups;
- expanding the use of Home Park, and the Mayflower Grandstand in particular, as a venue for sports and other entertainment offerings, and as a banqueting and conferencing centre in an area that lacks sufficient high quality facilities for that purpose. We had already made significant progress in this regard before our activities were severely restricted as a result of the pandemic;
- carefully controlling costs and resources; and
- attracting and retaining talented personnel.

In doing so, we will continue to engage with our community by, amongst other things:

- providing a pathway through our academy for young people with ambition to become professional footballers. The restructuring that has taken place in our Academy also reflects our ambition to have the Academy at the centre of our plans for the first team;
- developing other programmes through the Argyle Community Trust to promote the benefits of health and fitness and team sports participation;
- providing the Plymouth business community with the facilities it needs. We are keen to share those facilities with local business and academic communities and to work with them on joint projects; and
- working with disadvantaged and vulnerable community groups.

ENGAGEMENT WITH EMPLOYEES

The Company places considerable value on engagement with its employees and, within limits of commercial confidentiality, has continued to keep them fully informed of matters that affect progress of the Company and that may be of interest to them as employees.

The Company is committed to inclusion and works to eliminate discrimination, so that employees can work in an environment free from intimidation, victimisation or harassment.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and

the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

POST BALANCE SHEET EVENTS

On 24 July 2020, one of the directors purchased 3,500,000 ordinary shares at a value of £1 each in full and final satisfaction of the repayment of a loan of £3.5m owed by the Company to the director as at 30 June 2020.

In November 2020, the directors received confirmation from the Company's insurer that liability had been accepted in respect of the business disruption policy due to COVID-19. A claim is yet to be formally submitted and it is unclear how much will be received under the policy. In addition, the directors have also received confirmation from the English Football League that further support funding will be provided to football clubs, however the total amount to be provided has not yet been confirmed.

AUDITORS

The auditors, Bishop Fleming LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020**

This report was approved by the board and signed on its behalf.

Mr S Hallett
Director

Date: 31 January 2021

Home Park
Plymouth
Devon
PL2 3DQ

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PLYMOUTH ARGYLE FOOTBALL CLUB LIMITED

OPINION

We have audited the Annual Report and financial statements of Plymouth Argyle Football Club Limited (the 'Company') for the year ended 30 June 2020, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of cash flows, the Statement of changes in equity, Analysis of net debt and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the Annual Report and financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the Annual Report and financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Annual Report and financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the Annual Report and financial statements is not appropriate; or
- the directors have not disclosed in the Annual Report and financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the Annual Report and financial statements are authorised for issue.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the Annual Report and financial statements and our Auditors' report thereon. Our opinion on the Annual Report and financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Annual Report and financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Annual Report and financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the Annual Report and financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PLYMOUTH ARGYLE FOOTBALL CLUB LIMITED (CONTINUED)

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the Annual Report and financial statements are prepared is consistent with the Annual Report and financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' responsibilities statement on page 3, the directors are responsible for the preparation of the Annual Report and financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of Annual Report and financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Annual Report and financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Annual Report and financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Annual Report and financial statements.

A further description of our responsibilities for the audit of the Annual Report and financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

USE OF OUR REPORT

This report is made solely to the Company's members in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members for our audit work, for this report, or for the opinions we have formed.

Craig Sullivan FCCA (Senior statutory auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

Salt Quay House

4 North East Quay

Sutton Harbour

Plymouth

PL4 0BN

2 February 2021

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020**

		30 June 2020 £	6 Month period ended 30 June 2019 £
	Note		
Turnover	4	6,968,148	3,112,397
Cost of sales		(6,840,142)	(2,850,721)
GROSS PROFIT		128,006	261,676
Administrative expenses		(2,418,285)	(1,661,377)
Other operating income	5	1,633,959	25,000
OPERATING LOSS		(656,320)	(1,374,701)
Interest payable and expenses	10	(24,434)	(26,439)
LOSS BEFORE TAX		(680,754)	(1,401,140)
Tax on loss		6,678	-
LOSS FOR THE FINANCIAL YEAR		(674,076)	(1,401,140)
OTHER COMPREHENSIVE INCOME FOR THE YEAR			
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(674,076)	(1,401,140)

The notes on pages 16 to 31 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Intangible assets	12	603,216	957,879
Tangible assets	13	12,084,190	7,267,377
		<u>12,687,406</u>	<u>8,225,256</u>
CURRENT ASSETS			
Stocks	14	354,757	396,055
Debtors: amounts falling due within one year	15	910,992	1,020,708
Cash at bank and in hand		3,729,288	4,198,033
		<u>4,995,037</u>	<u>5,614,796</u>
Creditors: amounts falling due within one year	16	(5,865,049)	(3,625,673)
NET CURRENT (LIABILITIES)/ASSETS		<u>(870,012)</u>	<u>1,989,123</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>11,817,394</u>	<u>10,214,379</u>
Creditors: amounts falling due after more than one year	17	(184,938)	(3,547,520)
NET ASSETS		<u><u>11,632,456</u></u>	<u><u>6,666,859</u></u>
CAPITAL AND RESERVES			
Called up share capital	20	17,719,301	12,079,628
Share premium account	21	1,030,409	1,030,409
Other reserves	21	-	77,163
Profit and loss account	21	(7,117,254)	(6,520,341)
		<u><u>11,632,456</u></u>	<u><u>6,666,859</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Mr S Hallett
Director

Date: 31 January 2021

The notes on pages 16 to 31 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020**

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 1 July 2019	12,079,628	1,030,409	77,163	(6,520,341)	6,666,859
Loss for the year	-	-	-	(674,076)	(674,076)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	-	-	-	(674,076)	(674,076)
Transfer to/from other reserves	-	-	-	77,163	77,163
Shares issued during the year	5,639,673	-	-	-	5,639,673
Transfer to/from profit and loss account	-	-	(77,163)	-	(77,163)
AT 30 JUNE 2020	17,719,301	1,030,409	-	(7,117,254)	11,632,456

The notes on pages 16 to 31 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019**

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2019	8,918,534	1,030,409	77,163	(5,119,201)	4,906,905
Loss for the period	-	-	-	(1,401,140)	(1,401,140)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-	-	-	(1,401,140)	(1,401,140)
Shares issued during the period	3,161,094	-	-	-	3,161,094
AT 30 JUNE 2019	12,079,628	1,030,409	77,163	(6,520,341)	6,666,859

The notes on pages 16 to 31 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	2020 £	6 Month period ended 2019 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	(674,076)	(1,401,140)
ADJUSTMENTS FOR:		
Amortisation of intangible assets	444,663	188,062
Depreciation of tangible assets	301,179	46,087
Government grants	(504,611)	-
Interest paid	24,434	26,439
Taxation charge	(6,678)	-
Decrease/(increase) in stocks	41,298	(136,715)
Decrease/(increase) in debtors	116,394	(310,682)
(Decrease)/increase in creditors	(1,345,708)	4,622,665
NET CASH GENERATED FROM OPERATING ACTIVITIES	(1,603,105)	3,034,716
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of intangible fixed assets	(90,000)	(125,000)
Purchase of tangible fixed assets	(5,065,617)	(3,884,282)
Government grants received	504,611	-
NET CASH FROM INVESTING ACTIVITIES	(4,651,006)	(4,009,282)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of ordinary shares	1,500,000	3,161,094
Other new loans	4,309,800	-
Interest paid	(24,434)	(26,439)
NET CASH USED IN FINANCING ACTIVITIES	5,785,366	3,134,655
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(468,745)	2,160,089
Cash and cash equivalents at beginning of year	4,198,033	2,037,944
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	3,729,288	4,198,033
CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:		
Cash at bank and in hand	3,729,288	4,198,033
	3,729,288	4,198,033

The notes on pages 16 to 31 form part of these financial statements.

**ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 30 JUNE 2020**

	At 1 July 2019	Cash flows	New finance	Other	At 30 June
	£	£	leases	non-cash	2020
			£	changes	£
Cash at bank and in hand	4,198,033	(468,745)	-	-	3,729,288
Debt due after 1 year	(3,547,520)	(733,872)	-	4,139,673	(141,719)
Debt due within 1 year	-	(3,520,938)	-	-	(3,520,938)
Finance leases	-	-	(52,374)	-	(52,374)
	<u>650,513</u>	<u>(4,723,555)</u>	<u>(52,374)</u>	<u>4,139,673</u>	<u>14,257</u>

The notes on pages 16 to 31 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

1. GENERAL INFORMATION

The Company is a private company limited by shares, registered in England and Wales. The registered number is 07796376. The address of the registered office is Home Park, Plymouth, PL2 3DQ.

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 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 judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 GOING CONCERN

The financial statements have been prepared on a going concern basis, having considered the likely impact of COVID-19.

The uncertainties surrounding COVID-19 and the actions being taken to mitigate its impact were discussed in more detail in the Directors' report. Detailed cash flow forecasts have been prepared under various scenarios, extending beyond 12 months from the date of signing of this report, which demonstrate that the Company has adequate resources to continue its operations for the foreseeable future.

The Directors are not aware of any other matters that may impact on the Company's ability to continue as a going concern.

2.3 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 English Football League are recognised in the Statement of comprehensive income 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.

2.4 GOVERNMENT GRANTS

Grants are accounted for under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

2. ACCOUNTING POLICIES (continued)

2.5 FINANCE COSTS

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 BORROWING COSTS

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.7 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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.8 TAXATION

Tax is recognised in profit or loss 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 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 income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position 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 reporting date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

2. ACCOUNTING POLICIES (continued)**2.9 INTANGIBLE ASSETS****GOODWILL**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of comprehensive income over its useful economic life.

OTHER INTANGIBLE ASSETS

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Goodwill	-	10	
			years
Trademarks	-	10	
			years

2.10 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.

Assets under construction are not depreciated until construction has been completed and they are brought into use.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

2. ACCOUNTING POLICIES (continued)

2.10 TANGIBLE FIXED ASSETS (CONTINUED)

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:

Freehold property	-	2%
Plant and machinery	-	5%
Motor vehicles	-	20%
Fixtures and fittings	-	20%

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 profit or loss.

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.

2.11 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 first in, first out basis.

At each reporting 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.

2.12 DEBTORS

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

2. ACCOUNTING POLICIES (continued)

2.13 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.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.14 CREDITORS

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.15 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, loans to related parties and investments in ordinary shares.

3.

JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The assessment of the useful economic life and residual value of the Company's intangible assets involves an element of judgement based on historical experience with similar assets as well as anticipation of future events which may impact their useful life. The Company undertakes a review of the remaining useful lives of assets each year and will reduce the remaining useful lives, or impair where necessary.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

4. TURNOVER

An analysis of turnover by class of business is as follows:

	30 June 2020 £	6 Month period ended 30 June 2019 £
Ticket sales	2,653,341	1,319,012
Sponsorship	584,286	173,835
Commercial	864,651	404,981
Retail	916,456	230,248
Other	13,057	11,493
Football League	1,363,920	714,887
Academy	<u>572,437</u>	<u>257,941</u>

Analysis of turnover by country of destination:

	30 June 2020 £	6 Month period ended 30 June 2019 £
United Kingdom	<u>6,968,148</u>	<u>3,112,397</u>

5. OTHER OPERATING INCOME

	30 June 2020 £	6 Month period ended 30 June 2019 £
Transfer fee income	1,129,348	25,000
Government grants receivable	<u>504,611</u>	<u>-</u>

Government grants receivable relates to support received by the club under the government's COVID-19 furlough scheme.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

6. OPERATING LOSS

The operating loss is stated after charging:

	30 June 2020 £	6 Month period ended 30 June 2019 £
Other operating lease rentals	10,271	5,135
Depreciation	301,179	46,087
Amortisation	<u>444,663</u>	<u>188,062</u>

7. AUDITORS' REMUNERATION

	30 June 2020 £	6 Month period ended 30 June 2019 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>9,500</u>	<u>3,157</u>

**FEES PAYABLE TO THE COMPANY'S AUDITOR AND ITS ASSOCIATES IN RESPECT
OF:**

Taxation compliance services	850	-
All other services	1,500	-
	<u>2,350</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

8. EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	30 June 2020 £	6 Month period ended 30 June 2019 £
Wages and salaries	4,415,614	2,456,088
Social security costs	374,192	215,288
Cost of defined contribution scheme	24,939	13,241
	<u>4,814,745</u>	<u>2,684,617</u>

The average monthly number of employees, including the directors, during the year was as follows:

	30 June 2020 No.	6 Month period ended 30 June 2019 No.
Players	42	42
Academy employees	13	12
Match day employees	107	106
Retail	27	27
Hospitality	50	50
Adminstration	53	52
	<u>292</u>	<u>289</u>

9. DIRECTORS' REMUNERATION

	30 June 2020 £	6 Month period ended 30 June 2019 £
Directors' emoluments	125,427	96,777
Company contributions to defined contribution pension schemes	3,563	1,824
	<u>128,990</u>	<u>98,601</u>

During the year retirement benefits were accruing to 1 director (2019:2) in respect of defined contribution pension schemes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

10. INTEREST PAYABLE AND SIMILAR EXPENSES

	30 June 2020 £	6 Month period ended 30 June 2019 £
Other loan interest payable	<u>24,434</u>	<u>26,439</u>

11. TAXATION

	30 June 2020 £	6 Month period ended 30 June 2019 £
CORPORATION TAX		
Current tax on profits for the year	(6,678)	-
	<u>(6,678)</u>	<u>-</u>
TOTAL CURRENT TAX	<u>(6,678)</u>	<u>-</u>
DEFERRED TAX		
	<u>-</u>	<u>-</u>
TOTAL DEFERRED TAX	<u>-</u>	<u>-</u>
TAXATION ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES	<u>(6,678)</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

11. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR/PERIOD

The tax assessed for the year/period is higher than (2019:higher than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	30 June 2020 £	6 Month period ended 30 June 2019 £
Loss on ordinary activities before tax	<u>(680,754)</u>	<u>(1,401,140)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019:19%)	(129,343)	(266,217)
EFFECTS OF:		
Non-tax deductible amortisation of goodwill and impairment	21,398	-
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	11,920	-
Non-tax deductible depreciation of tangible fixed assets	22,304	-
Surrender of losses for land remediation tax credits	1,250	-
Additional deduction for land remediation expenditure	(2,645)	-
Remeasurement of deferred tax for changes in tax rates	(89,840)	-
Adjustments to brought forward values	(14,397)	-
Deferred tax not recognised	172,675	266,217
TOTAL TAX CHARGE FOR THE YEAR/PERIOD	<u>(6,678)</u>	<u>-</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

12. INTANGIBLE ASSETS

	Trademarks £	Players £	Goodwill £	Total £
COST				
At 1 July 2019	100,002	150,000	3,462,031	3,712,033
Additions	-	90,000	-	90,000
At 30 June 2020	100,002	240,000	3,462,031	3,802,033
AMORTISATION				
At 1 July 2019	76,668	29,166	2,648,320	2,754,154
Charge for the year on owned assets	10,000	86,667	347,996	444,663
At 30 June 2020	86,668	115,833	2,996,316	3,198,817
NET BOOK VALUE				
At 30 June 2020	13,334	124,167	465,715	603,216
At 30 June 2019	23,334	120,834	813,711	957,879

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

TANGIBLE FIXED ASSETS

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Assets under construction £	Total £
COST							
At 1 July 2019	2,360,178	1	-	20,690	768,922	4,602,692	7,752,483
Additions	1,021,762	-	-	26,271	252,902	3,817,056	5,117,991
Transfers between classes	4,976,218	-	1,180,415	-	1,546,196	(7,702,829)	-
	<u>8,358,158</u>	<u>1</u>	<u>1,180,415</u>	<u>46,961</u>	<u>2,568,020</u>	<u>716,919</u>	<u>2,870,474</u>
At 30 June 2020							
DEPRECIATION							
At 1 July 2019	-	-	-	2,473	482,632	-	485,105
Charge for the year on owned assets	117,401	-	29,510	7,652	146,616	-	301,179
	<u>117,401</u>	<u>-</u>	<u>29,510</u>	<u>10,125</u>	<u>629,248</u>	<u>-</u>	<u>786,284</u>
At 30 June 2020							
NET BOOK VALUE							
At 30 June 2020	<u>8,240,757</u>	<u>1</u>	<u>1,150,905</u>	<u>36,836</u>	<u>1,938,772</u>	<u>716,919</u>	<u>2,084,190</u>
At 30 June 2019	<u>2,360,178</u>	<u>1</u>	<u>-</u>	<u>18,217</u>	<u>286,290</u>	<u>4,602,692</u>	<u>7,267,378</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

14. STOCKS

	2020 £	2019 £
Finished goods and goods for resale	<u>354,757</u>	<u>396,055</u>

15. DEBTORS

	2020 £	2019 £
Trade debtors	819,178	637,394
Other debtors	8,809	206,944
Prepayments and accrued income	76,327	176,370
Tax recoverable	6,678	-
	<u>910,992</u>	<u>1,020,708</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Other loans	3,520,938	-
Trade creditors	639,977	661,681
Other taxation and social security	471,274	139,928
Obligations under finance lease and hire purchase contracts	9,155	-
Other creditors	830,156	833,225
Accruals and deferred income	393,549	1,990,839
	<u>5,865,049</u>	<u>3,625,673</u>

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020 £	2019 £
Other loans	141,719	3,547,520
Net obligations under finance leases and hire purchase contracts	43,219	-
	<u>184,938</u>	<u>3,547,520</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

18. LOANS

Analysis of the maturity of loans is given below:

	2020 £	2019 £
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Other loans	3,520,938	-
AMOUNTS FALLING DUE 1-2 YEARS		
Other loans	41,819	3,547,520
AMOUNTS FALLING DUE 2-5 YEARS		
Other loans	99,900	-
	<u>3,662,657</u>	<u>3,547,520</u>

Within other loans, £3.5m of this relates to a director loan account representing funds paid into the Company shortly before the year end ahead of a further issue of share capital which was completed post year end as per note 20. Also within other loans, £119,800 relates to a coronavirus support loan provided by the English Football league before the year end. No interest is charged on this loan.

19. HIRE PURCHASE AND FINANCE LEASES

Minimum lease payments under hire purchase fall due as follows:

	2020 £	2019 £
Within one year	9,155	-
Between 1-5 years	35,172	-
Over 5 years	8,047	-
	<u>52,374</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

20. SHARE CAPITAL

	2020 £	2019 £
ALLOTTED, CALLED UP AND FULLY PAID		
17,719,301 (2019:12,079,628) Ordinary shares of £1.00 each	<u>17,719,301</u>	<u>12,079,628</u>

During the year, a total of 5,639,673 shares were issued to one of the directors at a value of £1 each.

21. RESERVES**Share premium account**

Consideration received for shares issued above their nominal value net of transaction costs.

Profit and loss account

Cumulative profit and loss net of distributions to owners.

22. PENSION COMMITMENTS

The Company 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 £24,939 (2019: £13,241). Contributions totalling £11,679 (2019: £12,236) were payable to the fund at the reporting date and are included in creditors.

23. RELATED PARTY TRANSACTIONS

During the year, net interest of £20,412 (2019: £19,261) was charged on amounts owed to a director, and his immediate family, of which £Nil (2019: £Nil) was outstanding at the year end.

On 19 September 2019 a loan due to a director of £4,139,673 was converted to 4,139,673 £1 ordinary shares issued at par value.

During the year, the company received £4,190,000 from a director, £3,500,000 of which was converted to equity post year end.

At the year end, the company owed a director £3,520,938 (2019: £3,430,100)

24. POST BALANCE SHEET EVENTS

On 24 July 2020, one of the directors purchased 3,500,000 ordinary shares at a value of £1 each in full and final satisfaction of the repayment of the loan of £3.5m owed by the Company to the director.

In November 2020, the directors have also received confirmation from their insurers that they will be able to claim for business interruption due to COVID-19, the claim has yet to be formally submitted and it is unclear how much will be received under the insurance policy. In addition, the directors have also received confirmation from the English Football League that further support funding will be provided to football clubs, however the total amount to be provided has not yet been confirmed.

25. CONTROLLING PARTY

The ultimate controlling party is Mr S Hallett.

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.