

Company registration number 08912116 (England and Wales)

SALFORD CITY FOOTBALL CLUB LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022
PAGES FOR FILING WITH REGISTRAR

SALFORD CITY FOOTBALL CLUB LIMITED

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SALFORD CITY FOOTBALL CLUB LIMITED

BALANCE SHEET

AS AT 30 JUNE 2022

| | Notes | 2022 £ | £ | 2021 £ | £ |
|--|-------|------------------|---------------------|------------------|---------------------|
| Fixed assets | | | | | |
| Tangible assets | 5 | | 106,753 | | 61,583 |
| Current assets | | | | | |
| Stocks | | 1,910 | | 10,049 | |
| Debtors | 6 | 81,565 | | 311,879 | |
| Cash at bank and in hand | | 1,422,701 | | 51,676 | |
| | | <u>1,506,176</u> | | <u>373,604</u> | |
| Creditors: amounts falling due within one year | 7 | <u>(473,341)</u> | | <u>(763,019)</u> | |
| Net current assets/(liabilities) | | | <u>1,032,835</u> | | <u>(389,415)</u> |
| Total assets less current liabilities | | | <u>1,139,588</u> | | <u>(327,832)</u> |
| Creditors: amounts falling due after more than one year | 8 | | <u>(12,697,737)</u> | | <u>(9,635,675)</u> |
| Net liabilities | | | <u>(11,558,149)</u> | | <u>(9,963,507)</u> |
| Capital and reserves | | | | | |
| Called up share capital | 9 | | 3,800,001 | | 2,500,001 |
| Profit and loss reserves | | | <u>(15,358,150)</u> | | <u>(12,463,508)</u> |
| Total equity | | | <u>(11,558,149)</u> | | <u>(9,963,507)</u> |

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 31 March 2023 and are signed on its behalf by:

N Butt
Director

Company Registration No. 08912116

SALFORD CITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies

Company information

Salford City Football Club Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1 Worsley Court, High Street, Worsley, Manchester, M28 3NJ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company is reliant on the continued support of its directors and shareholders, it has been confirmed that this support will continue for the foreseeable future. On this basis the directors consider it appropriate to prepare the financial statements on the going concern basis.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

Gate receipts and other match day revenues are recognised as the games are played.

Revenue from season tickets sales is credited to income over the period to which it relates.

Sponsorship, advertising and other similar commercial income is recognised over the duration of the contracts to which it relates.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|--------------------------------------|---|
| Players' and managers' registrations | Straight line basis over period of contract |
|--------------------------------------|---|

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

SALFORD CITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|-----------------------|-------------------|
| Plant and machinery | 15% straight line |
| Computer equipment | 33% straight line |
| Equipment | 25% straight line |
| Fixtures and Fittings | 33% straight line |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

SALFORD CITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies

(Continued)

Classification of financial liabilities

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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

SALFORD CITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies

(Continued)

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

| | 2022 Number | 2021 Number |
|-------|----------------|----------------|
| Total | 112 | 106 |

SALFORD CITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

4 Intangible fixed assets

| | Players' and managers' registrations £ |
|------------------------------------|---|
| Cost | |
| At 1 July 2021 and 30 June 2022 | 156,500 |
| Amortisation and impairment | |
| At 1 July 2021 and 30 June 2022 | 156,500 |
| Carrying amount | |
| At 30 June 2022 | - |
| At 30 June 2021 | - |

5 Tangible fixed assets

| | Plant and machinery £ | Computer equipment £ | Equipment £ | Fixtures and Fittings £ | Total £ |
|------------------------------------|--------------------------|-------------------------|----------------|----------------------------|------------|
| Cost | | | | | |
| At 1 July 2021 | 29,301 | 73,304 | 43,898 | 7,115 | 153,618 |
| Additions | - | 9,361 | 64,986 | 3,645 | 77,992 |
| Disposals | (15,843) | - | (2,000) | - | (17,843) |
| At 30 June 2022 | 13,458 | 82,665 | 106,884 | 10,760 | 213,767 |
| Depreciation and impairment | | | | | |
| At 1 July 2021 | 18,358 | 54,111 | 16,718 | 2,848 | 92,035 |
| Depreciation charged in the year | 2,315 | 11,743 | 11,057 | 3,384 | 28,499 |
| Eliminated in respect of disposals | (12,832) | - | (688) | - | (13,520) |
| At 30 June 2022 | 7,841 | 65,854 | 27,087 | 6,232 | 107,014 |
| Carrying amount | | | | | |
| At 30 June 2022 | 5,617 | 16,811 | 79,797 | 4,528 | 106,753 |
| At 30 June 2021 | 10,943 | 19,193 | 27,180 | 4,267 | 61,583 |

6 Debtors

| | 2022 £ | 2021 £ |
|---|-----------|-----------|
| Amounts falling due within one year: | | |
| Trade debtors | 812 | 181,141 |
| Corporation tax recoverable | - | 62,708 |
| Other debtors | 9,030 | 1 |
| Prepayments and accrued income | 71,723 | 68,029 |
| | 81,565 | 311,879 |

SALFORD CITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

7 Creditors: amounts falling due within one year

| | 2022 | 2021 |
|------------------------------|----------------|----------------|
| | £ | £ |
| Trade creditors | 184,309 | 284,881 |
| Taxation and social security | 150,985 | 198,191 |
| Other creditors | 39,801 | 46,492 |
| Accruals and deferred income | 98,246 | 233,455 |
| | <u>473,341</u> | <u>763,019</u> |

8 Creditors: amounts falling due after more than one year

| | 2022 | 2021 |
|------------------------------------|-------------------|------------------|
| | £ | £ |
| Amounts owed to group undertakings | 12,657,537 | 9,555,675 |
| Other creditors | 40,200 | 80,000 |
| | <u>12,697,737</u> | <u>9,635,675</u> |

9 Called up share capital

| | 2022 | 2021 |
|---|------------------|------------------|
| | £ | £ |
| Ordinary share capital | | |
| Issued and fully paid | | |
| 3,800,001 (2021: 2,500,001) Ordinary share of £1 each | <u>3,800,001</u> | <u>2,500,001</u> |

10 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

| | |
|---------------------------|----------------------|
| Senior Statutory Auditor: | Alex Hesketh |
| Statutory Auditor: | Cowgill Holloway LLP |

11 Financial commitments, guarantees and contingent liabilities

There is in place a charge in favour of The Football Stadia Improvement Fund, over the leasehold property held in the company relating to Project 92 Limited, a related company.

SALFORD CITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

12 Related party transactions

Old Trafford Supporters Club Limited supplied goods to the company totalling £87,819 (2021: £28,475). The amount owed to Old Trafford Supporters Club Limited at the year end was £17,597 (2021: £570).

Relentless Management Services Limited supplied goods to the company totalling £NIL (2021: £10,610).

Salford City Football Club supplied goods and services to Foundation 92 totalling £7,143 (2021: £792). The amount owed to Foundation 92 at the year end was £NIL (2021: £593).

Salford City Football Club supplied goods and services to Buzz 16 Productions Limited totalling £275,000 (2021: £260,000).

Further sales in the year to companies with common directorship total £138,895 (2021: £57,675).

The above are deemed to be related parties by virtue of common directorship.

Ultimate repayment of the loan owed to Project 92 Limited has been guaranteed by the shareholders of Project 92 Limited.

The group takes advantage of Para 33.1A of FRS 102 exempting it to disclosure transactions within a 100% owned group whose accounts are consolidated.

13 Events after the reporting date

In July 2022, an additional 1,500,000 shares were allotted with a nominal value of £1 each.

14 Parent company

The parent company and ultimate controlling party of Salford City Football Club Limited is Project 92 Limited, a private company registered in England and Wales. No one individual has control of Project 92 Limited.

The results of Salford City Football Club Limited are included in the group financial statements of Project 92 Limited whose registered office is St Andrews Chambers, 21 Albert Square, Manchester, United Kingdom, M2 5PE.

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.