

Company Registration No. 12035196 (England and Wales)

CREWE ALEXANDRA GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2020



CREWE ALEXANDRA GROUP LIMITED

COMPANY INFORMATION

Directors	Mr R J Rowlinson	(Appointed 5 June 2019)
	Mr E J Bowler - Chairman	(Appointed 7 February 2020)
	Mr I R Williamson	(Appointed 3 January 2020)
	Mr C H Grant - Vice-chairman	(Appointed 2 December 2019)
	Mr S M Whitby	(Appointed 7 February 2020)
	Mr K R Hancock	(Appointed 7 February 2020)
	Mr A P Davison	(Appointed 7 February 2020)
	Mr J M Bowler	(Appointed 7 February 2020)
	Mr M D Beavan	(Appointed 14 February 2020)
Secretary	Mr M A Blakemore	
Company number	12035196	
Registered office	Alexandra Stadium Gresty Road Crewe CW2 6EB	
Auditor	Afford Bond Holdings Limited 31 Wellington Road Nantwich Cheshire CW5 7ED	

CREWE ALEXANDRA GROUP LIMITED

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CREWE ALEXANDRA GROUP LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 JULY 2020

The directors present the strategic report for the period ended 31 July 2020.

Fair review of the business

The directors aim to present a balanced review of the development and performance of the business during the period and of the group's position at the period end. The review is consistent with the size and non complex nature of the business and is written in the context of risks and uncertainties facing the group.

The company is a holding company for its trading subsidiaries. The group operates from its registered office and premises at Alexandra Stadium, Gresty Road in Crewe providing professional football and related commercial activities.

Principal risks and uncertainties

The main risks and uncertainties, set out below, though not an exhaustive list but which could affect group performance include:-

1. Economic conditions: Brexit and Covid-19 continue to dominate the headlines and can have a negative impact on the consumer/customer confidence.
2. Customer and supplier relationships: Appropriate trade terms are negotiated with customers and suppliers. The group review these terms and prepare regular forecasts of cash flow and any requirement for additional funding is managed by the directors on a needs basis.
3. Liquidity: The group finances its business using a mixture of profits, trade credit, funding and an overdraft facility provided by the bank. It is considered that the group will operate within these facilities.

The business environment within professional football continues to be intensely challenging. The sector is extremely competitive and margins within the English Football League continue to be under pressure. Market spending and changing economic patterns can easily affect the industry.

With these risks and uncertainties in mind the directors are aware that any plans for the future development of the company may be subject to unforeseen future events outside of their control.

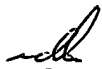
Key performance indicators

The directors consider that their key performance indicators are those that communicate the financial performance and strength of the group as a whole, being turnover, profitability and shareholders funds.

The 2019/2020 football season resulted in a group turnover of £4,189,682. The groups loss before tax was £667,003. After taxation, shareholders funds have decreased to £2,117,402. The results for the period were considered disappointing by the directors who anticipate an improvement in the 2020/21 football calendar year.

The board of directors take this opportunity to thank all its staff for their continued commitment and dedication.

By order of the board



Mr M A Blakemore

Secretary

6 January 2021

CREWE ALEXANDRA GROUP LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 JULY 2020

The directors present their annual report and financial statements for the period ended 31 July 2020.

Principal activities

The principal activity of the company is that of a holding company to its trading subsidiaries.

The company was formed on 5 June 2019 in order to acquire Crewe Alexandra Football Club its stadium and surrounding car park facilities. The group operates from premises at Alexandra Stadium, Gresty Road in Crewe providing professional football and related commercial activities.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

Mr R J Rowlinson	(Appointed 5 June 2019)
Mr E J Bowler - Chairman	(Appointed 7 February 2020)
Mr I R Williamson	(Appointed 3 January 2020)
Mr C H Grant - Vice-chairman	(Appointed 2 December 2019)
Mr S M Whitby	(Appointed 7 February 2020)
Mr K R Hancock	(Appointed 7 February 2020)
Mr A P Davison	(Appointed 7 February 2020)
Mr J M Bowler	(Appointed 7 February 2020)
Mr M D Beavan	(Appointed 14 February 2020)

Results and dividends

The results for the period are set out on page 7.

No ordinary dividends were paid.

No preference dividends were paid.

Auditor

In accordance with the company's articles, a resolution proposing that Afford Bond Holdings Limited be reappointed as auditor of the group will be put at a General Meeting.

CREWE ALEXANDRA GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2020

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

By order of the board



Mr M A Blakemore
Secretary

6 January 2021

CREWE ALEXANDRA GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CREWE ALEXANDRA GROUP LIMITED

Opinion

We have audited the financial statements of Crewe Alexandra Group Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 July 2020 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 July 2020 and of the group's loss for the period 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 *Auditor's responsibilities for the audit of the 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 financial statements in the UK, including the FRC'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 financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent 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 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 financial statements and our auditor's report thereon. Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 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.

We have nothing to report in this regard.

CREWE ALEXANDRA GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CREWE ALEXANDRA GROUP LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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, the directors are responsible for the preparation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 financial statements.

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


CREWE ALEXANDRA GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CREWE ALEXANDRA GROUP LIMITED

Use of our report

This report is made solely to the company's members, as a body, 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 auditor's 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 as a body, for our audit work, for this report, or for the opinions we have formed.



Gary Greer FCA (Senior Statutory Auditor)
for and on behalf of Afford Bond Holdings Limited

6 January 2021

Chartered Accountants
Statutory Auditor

CREWE ALEXANDRA GROUP LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 JULY 2020

		13 months ended 31 July 2020 £
	Notes	
Turnover	3	4,189,682
Administrative expenses		(4,823,387)
Operating loss	4	(633,705)
Interest payable and similar expenses	7	(33,298)
Loss before taxation		(667,003)
Tax on loss	8	52,872
Loss for the financial period		(614,131)

(Loss)/profit for the financial period is all attributable to the owners of the parent company.

Total comprehensive income for the period is all attributable to the owners of the parent company.

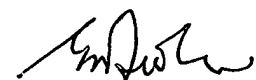
CREWE ALEXANDRA GROUP LIMITED

GROUP BALANCE SHEET

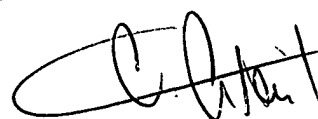
AS AT 31 JULY 2020

	Notes	2020 £	£
Fixed assets			
Tangible assets	10		5,053,357
Current assets			
Stocks	13	86,874	
Debtors	14	454,285	
Cash at bank and in hand		791,982	
		<u>1,333,141</u>	
Creditors: amounts falling due within one year	15	<u>(3,391,889)</u>	
Net current liabilities			<u>(2,058,748)</u>
Total assets less current liabilities			<u>2,994,609</u>
Creditors: amounts falling due after more than one year	16		(849,900)
Provisions for liabilities	18		(27,307)
Net assets			<u>2,117,402</u>
Capital and reserves			
Called up share capital	20		2,556,184
Profit and loss reserves			<u>(438,782)</u>
Total equity			<u>2,117,402</u>

The financial statements were approved by the board of directors and authorised for issue on 6 January 2021 and are signed on its behalf by:



Mr E J Bowler - Chairman
Director



Mr C H Grant - Vice-chairman
Director

CREWE ALEXANDRA GROUP LIMITED

COMPANY BALANCE SHEET

AS AT 31 JULY 2020

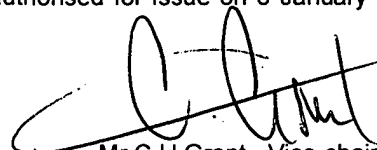
	Notes	2020 £	£
Fixed assets			
Investments	11	2,556,184	
		<hr/>	
Capital and reserves			
Called up share capital	20	2,556,184	
		<hr/>	

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £0.

The financial statements were approved by the board of directors and authorised for issue on 6 January 2021 and are signed on its behalf by:-



Mr E J Bowler - Chairman
Director



Mr C H Grant - Vice-chairman
Director

Company Registration No. 12035196

CREWE ALEXANDRA GROUP LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 JULY 2020

	Notes	Share capital £	Profit and loss reserves £	Total £
Period ended 31 July 2020:				
Loss and total comprehensive income for the period		-	(614,131)	(614,131)
Issue of share capital	20	2,556,184	-	2,556,184
Goodwill, arising on consolidation, written-off		-	175,349	175,349
		<u>2,556,184</u>	<u>175,349</u>	<u>2,731,533</u>
Balance at 31 July 2020		<u>2,556,184</u>	<u>(438,782)</u>	<u>2,117,402</u>

CREWE ALEXANDRA GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 JULY 2020

	Notes	Share capital £
Period ended 31 July 2020:		
Profit and total comprehensive income for the period		-
Issue of share capital	20	2,556,184
Balance at 31 July 2020		<u>2,556,184</u>

CREWE ALEXANDRA GROUP LIMITED

GROUP STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 JULY 2020

	Notes	2020 £	£
Cash flows from operating activities			
Cash generated from/(absorbed by) operations	22	705,071	
Interest paid		(33,298)	
Income taxes refunded/(paid)		80,179	
Net cash inflow/(outflow) from operating activities			751,952
Investing activities			
Purchase of tangible fixed assets		(9,970)	
Purchase of subsidiaries		(2,556,184)	
Net cash used in investing activities			(2,566,154)
Financing activities			
Proceeds from issue of shares		2,556,184	
Net cash generated from/(used in) financing activities			2,556,184
Net increase in cash and cash equivalents			741,982
Cash and cash equivalents at beginning of period			-
Cash and cash equivalents at end of period			741,982
Relating to:			
Cash at bank and in hand			791,982
Bank overdrafts included in creditors payable within one year			(50,000)

CREWE ALEXANDRA GROUP LIMITED

COMPANY STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 JULY 2020

	Notes	2020 £	£
Cash flows from operating activities			
Cash absorbed by operations	23		(6,988,645)
Investing activities			
Purchase of subsidiaries		(2,556,184)	
Dividends received		6,988,645	
		<hr/>	
Net cash generated from/(used in) investing activities			4,432,461
Financing activities			
Proceeds from issue of shares		2,556,184	
		<hr/>	
Net cash generated from/(used in) financing activities			2,556,184
			<hr/>
Net increase in cash and cash equivalents			-
Cash and cash equivalents at beginning of period			-
			<hr/>
Cash and cash equivalents at end of period			-
			<hr/> <hr/>

CREWE ALEXANDRA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 JULY 2020

1 Accounting policies

Company information

Crewe Alexandra Group Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Alexandra Stadium, Gresty Road, Crewe, CW2 6EB.

The group consists of Crewe Alexandra Group Limited and all of its subsidiaries.

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.

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 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The consolidated financial statements incorporate those of Crewe Alexandra Group Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 July 2020. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates. In the group financial statements, associates are accounted for using the equity method.

CREWE ALEXANDRA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2020

1 Accounting policies

(Continued)

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the equity method.

1.3 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. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 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. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.5 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:

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:

Player Registration

Over the term of the contract

The costs associated with the acquisition of players, registrations are capitalised as intangible fixed assets. These costs are fully amortised, in equal instalments, over the period of the players initial contract. Permanent diminutions the amortised value, such as through injury or loss of form, are provided for when the directors become aware that the diminution is permanent. No amounts are included for players developed within the company.

Signing on fees are charged to the profit and loss account over the period of the player's contract. Signing on fees which become payable to players if they are still in the service of the company at specific future dates, are accounted for in the year in which they fall due for payment.

CREWE ALEXANDRA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2020

1 Accounting policies

(Continued)

1.6 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.

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:

Freehold land and buildings	2.5% per annum straight line
Leasehold land and buildings	2.5% per annum straight line
Fixtures and fittings	15% per annum reducing balance
Motor vehicles	25% per annum reducing balance

Land has not been depreciated.

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 recognised in the profit and loss account.

1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

CREWE ALEXANDRA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2020

1 Accounting policies

(Continued)

1.8 Impairment of fixed assets

At each reporting period end date, the group 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 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.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

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.

1.10 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.

CREWE ALEXANDRA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2020

1 Accounting policies

(Continued)

1.11 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

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

Financial assets and liabilities are offset and 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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 group after deducting all of its liabilities.

CREWE ALEXANDRA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2020

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.12 Equity instruments

Equity instruments issued by the group 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 group.

1.13 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 group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

CREWE ALEXANDRA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2020

1 Accounting policies

(Continued)

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 if, and only if, there is 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.

1.14 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.

1.15 Retirement benefits

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

2 Judgements and key sources of estimation uncertainty

In the application of the group'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 Turnover and other revenue

2020

£

Turnover analysed by class of business

Professional football and related commercial activities

4,189,682

CREWE ALEXANDRA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2020

3 Turnover and other revenue (Continued)

	2020 £
Turnover analysed by geographical market	
United Kingdom	4,189,682
	<u> </u>

4 Operating loss

	2020 £
Operating loss for the period is stated after charging:	
Depreciation of owned tangible fixed assets	184,268
	<u> </u>

5 Auditor's remuneration

	2020 £
Fees payable to the company's auditor and associates:	
For audit services	
Audit of the financial statements of the group and company	1,550
Audit of the financial statements of the company's subsidiaries	14,450
	<u> </u>
	16,000
	<u> </u>

6 Employees

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

	Group 2020 Number	Company 2020 Number
Management, players and coaches	77	10
Administration	27	-
Match day staff	130	-
	<u> </u>	<u> </u>
Total	234	10
	<u> </u>	<u> </u>

CREWE ALEXANDRA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2020

6 Employees (Continued)

Their aggregate remuneration comprised:

	Group 2020 £	Company 2020 £
Wages and salaries	2,973,934	-
Social security costs	266,184	-
Pension costs	46,397	-
	<u>3,286,515</u>	<u>-</u>

7 Interest payable and similar expenses

	2020 £
Interest on financial liabilities measured at amortised cost:	
Interest on bank overdrafts and loans	33,298
	<u></u>

8 Taxation

	2020 £
Current tax	
Adjustments in respect of prior periods	(49,171)
	<u></u>
Deferred tax	
Origination and reversal of timing differences	(3,701)
	<u></u>
Total tax credit	<u>(52,872)</u>

The actual (credit)/charge for the period can be reconciled to the expected credit for the period based on the profit or loss and the standard rate of tax as follows:

	2020 £
Loss before taxation	(667,003)
	<u></u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00%	(126,731)
Adjustments in respect of prior years	(49,171)
Other permanent differences	126,731
Deferred tax adjustments in respect of prior years	(3,701)
	<u></u>
Taxation credit	<u>(52,872)</u>

CREWE ALEXANDRA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2020

9 Intangible fixed assets

Group	Player Registration £
Cost	
On acquisition and 31 July 2020	92,500
Amortisation and impairment	
On acquisition and 31 July 2020	92,500
Carrying amount	
At 31 July 2020	-

The company had no intangible fixed assets at 31 July 2020.

10 Tangible fixed assets

Group	Freehold land and buildings £	Leasehold land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
On acquisition	5,122,102	1,068,866	1,631,322	2,500	7,824,790
Additions	-	-	9,970	-	9,970
At 31 July 2020	5,122,102	1,068,866	1,641,292	2,500	7,834,760
Depreciation and impairment					
On acquisition	826,609	487,626	1,280,993	1,907	2,597,135
Depreciation charged in the period	103,350	26,722	54,048	148	184,268
At 31 July 2020	929,959	514,348	1,335,041	2,055	2,781,403
Carrying amount					
At 31 July 2020	4,192,143	554,518	306,251	445	5,053,357

The company had no tangible fixed assets at 31 July 2020.

11 Fixed asset investments

	Notes	Group 2020 £	Company 2020 £
Investments in subsidiaries	12	-	2,556,184

CREWE ALEXANDRA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2020

11 Fixed asset investments (Continued)

Movements in fixed asset investments Company

Shares in
group
undertakings
£

Cost or valuation

At 5 June 2019

Additions

2,556,184

At 31 July 2020

2,556,184

Carrying amount

At 31 July 2020

2,556,184

12 Subsidiaries

Details of the company's subsidiaries at 31 July 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held
				Direct
Alexandra Stadium (Crewe) Limited	England	Stadium rental	Ordinary	100.00
Station Park (Crewe) Limited	England	Parking facilities	Ordinary	100.00
The Crewe Alexandra Football Club Company Limited	England	Professional football club	Ordinary	100.00
Commercial Enterprises (Crewe) Limited	England	Non trading	Ordinary	100.00
Gresty Holdings (Crewe) Limited	England	Non trading	Ordinary	100.00

13 Stocks

Group
2020
£

Company
2020
£

Goods for resale

86,874

-

14 Debtors

Group
2020
£

Company
2020
£

Amounts falling due within one year:

Trade debtors

286,062

-

Prepayments and accrued income

168,223

-

454,285

-

CREWE ALEXANDRA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2020

15 Creditors: amounts falling due within one year

	Notes	Group 2020 £	Company 2020 £
Bank loans and overdrafts	17	106,678	-
Other borrowings	17	52,903	-
Trade creditors		522,946	-
Other taxation and social security		317,851	-
Directors' loans		1,246,000	-
Accruals and deferred income		1,145,511	-
		<u>3,391,889</u>	<u>-</u>

16 Creditors: amounts falling due after more than one year

	Notes	Group 2020 £	Company 2020 £
Bank loans and overdrafts	17	750,000	-
Other borrowings	17	99,900	-
		<u>849,900</u>	<u>-</u>

17 Loans and overdrafts

	Group 2020 £	Company 2020 £
Bank loans	806,678	-
Bank overdrafts	50,000	-
Other loans	152,803	-
	<u>1,009,481</u>	<u>-</u>
Payable within one year	159,581	-
Payable after one year	<u>849,900</u>	<u>-</u>

Bank loans are secured against the groups premises.

Other loans, borrowings and directors loans are unsecured and interest free.

CREWE ALEXANDRA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2020

18 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2020 £
Group	
Accelerated capital allowances	37,327
Other timing differences	(10,020)
	<u>27,307</u>

The company has no deferred tax assets or liabilities.

	Group 2020 £	Company 2020 £
Movements in the period:		
On acquisition	31,008	-
Credit to profit or loss	(3,701)	-
	<u>27,307</u>	<u>-</u>

Deferred tax is not recognised in respect of tax losses as it is not probable that they will be recovered against the reversal of deferred tax liabilities or future taxable profits.

19 Retirement benefit schemes

	2020 £
Defined contribution schemes	
Charge to profit or loss in respect of defined contribution schemes	<u>46,397</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

20 Share capital

	Group and company 2020 £
Ordinary share capital	
Issued and fully paid	
2,466,608 Ordinary shares of £1 each	<u>2,466,608</u>

CREWE ALEXANDRA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2020

20 Share capital

(Continued)

Preference share capital

Issued and fully paid

89,576 Preference shares of £1 each	89,576
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Preference shares classified as equity	89,576
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Total equity share capital	2,556,184
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During the period the company issued 2,466,608 Ordinary £1 shares and £89,576 Preference £1 shares in order to acquire a 100% shareholding in Crewe Alexandra football club and its associated businesses. The Ordinary shares carry all voting rights and entitlements at meetings. The Preference shares rank first in the event of a winding up.

21 Operating lease commitments

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2020 £	Company 2020 £
Within one year	76,168	-
Between two and five years	33,020	-
	<u>109,188</u>	<u>-</u>

22 Cash generated from/(absorbed by) group operations

	2020 £
Loss for the period after tax	(614,131)
Adjustments for:	
Taxation credited	(52,872)
Finance costs	33,298
Depreciation and impairment of tangible fixed assets	184,268
Movements in working capital:	
Decrease in stocks	19,464
Increase in debtors	(187,680)
Increase in creditors	1,322,724
Cash generated from/(absorbed by) operations	705,071

CREWE ALEXANDRA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2020

23 Cash absorbed by operations - company

2020
£

Profit for the period after tax

-

Adjustments for:

Investment income

(6,988,645)

Cash absorbed by operations

(6,988,645)

24 Related party transactions

Remuneration of key management personnel

The group's directors, its key management, have not been remunerated during the period.

25 Controlling party

Crewe Alexandra Group Limited is the ultimate parent company and its board of directors the ultimate controlling party.