

REGISTERED NUMBER: 00039175 (England and Wales)

GILLINGHAM FOOTBALL CLUB LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020

CONTENTS OF THE FINANCIAL STATEMENTS
For The Year Ended 31 May 2020

	Page
Company Information	1
Abridged Statement of Financial Position	2
Notes to the Financial Statements	4

GILLINGHAM FOOTBALL CLUB LIMITED

COMPANY INFORMATION

For The Year Ended 31 May 2020

DIRECTORS:

P D P Scally
M Quarrington

SECRETARY:

M Quarrington

REGISTERED OFFICE:

Priestfield Stadium
Redfern Avenue
Gillingham
Kent
ME7 4DD

REGISTERED NUMBER:

00039175 (England and Wales)

BANKERS:

Barclays Bank Plc
Hatton Garden
99 Hatton Garden
London
EC1N 8DN

ABRIDGED STATEMENT OF FINANCIAL POSITION
31 May 2020

	Notes	31/5/20 £	£	31/5/19 £	£
FIXED ASSETS					
Tangible assets	4		4,493,946		4,641,638
CURRENT ASSETS					
Stocks		85,270		65,734	
Debtors		1,141,492		630,482	
Cash at bank		764,131		248,043	
		1,990,893		944,259	
CREDITORS					
Amounts falling due within one year		1,879,069		1,443,505	
NET CURRENT ASSETS/(LIABILITIES)			111,824		(499,246)
TOTAL ASSETS LESS CURRENT LIABILITIES			4,605,770		4,142,392
CREDITORS					
Amounts falling due after more than one year			(2,047,638)		(1,896,090)
PROVISIONS FOR LIABILITIES			(200,000)		(200,000)
ACCRUALS AND DEFERRED INCOME			(1,468,430)		(981,593)
NET ASSETS			889,702		1,064,709
CAPITAL AND RESERVES					
Called up share capital			470,051		470,051
Share premium			987,469		987,469
Retained earnings			(567,818)		(392,811)
SHAREHOLDERS' FUNDS			889,702		1,064,709

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 May 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 May 2020 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

ABRIDGED STATEMENT OF FINANCIAL POSITION - continued
31 May 2020

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

All the members have consented to the preparation of an abridged Income Statement and an abridged Statement of Financial Position for the year ended 31 May 2020 in accordance with Section 444(2A) of the Companies Act 2006.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 26 July 2021 and were signed on its behalf by:

P D P Scally - Director

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 May 2020

1. STATUTORY INFORMATION

Gillingham Football Club Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Going concern

Due to circumstances arising from the current COVID-19 pandemic and the effect this is having on professional football, there is a material uncertainty relating to these events that may cast significant doubt on the company's ability to continue as a going concern.

It is not yet known, when or how League One football will resume and this has a direct impact on the income of the Club. The assumption being made is that the 2020/21 season will commence a few months later than originally planned and also behind closed doors. This will lead to minimal income from matchdays while players and staff will need to be paid.

The directors have considered the working capital requirements of the Company for the short and medium term and have reviewed in detail the cash flow forecasts prepared for the 12 months following the date of this report. With the additional income streams that the Club has in place not related to matchday income, the Directors have a reasonable expectation that the company will have adequate resources to continue in operational existence for at least 12 months from the date of approving these accounts. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

Turnover

Turnover includes gate receipts, Football League pool, commercial activities, advertising, television and radio fees, donations, sundry related income and the annual release of grants. Advanced invoicing and season ticket sales are included within deferred income and released to turnover in the relevant accounting period.

Turnover excludes value added tax, transfer fees and amounts due to the Football League, Football Association and visiting football clubs.

All turnover arises in the United Kingdom.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 20% on cost
Fixtures & fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Office equipment	- 33% straight line

Priestfield Stadium is held by the company at its valuation of £4,000,000. The stadium is not depreciated on the basis that it is constantly maintained and updated.

This policy represents a departure from statutory accounting principles, which require depreciation to be provided on all fixed assets. The directors consider that this policy is necessary in order that the Financial Statements may give a true and fair view because the current value is of prime importance rather than the systematic annual depreciation.

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 May 2020

2. ACCOUNTING POLICIES - continued

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Intangible fixed assets

The costs associated with the acquisition of player registrations are capitalised as intangible fixed assets. These costs are amortised over the period of their contract on a straight line basis. An impairment review is carried out at the end of each financial year to establish if any events or changes in circumstances indicate the carrying values may not be recoverable. Signing on fees and subsequent appearance fees are accounted for in the period in which they become payable or receivable.

Leased assets and hire purchase commitments

Assets financed by hire purchase agreements are included in the company's balance sheet at cost less depreciation in accordance with the company's normal accounting policies. The present value of future payments is shown as a liability. The interest element of the repayments is charged to the profit and loss account over the period of the lease in proportion to the balance of capital payments outstanding. Rentals payable under operating lease contracts are charged to the profit and loss account as incurred.

Deferred grants

Grants receivable from the Football Trust and similar bodies in respect of capital expenditure are treated as deferred income and released to the profit and loss account over a future period. This period will equal the economic life of the assets to which the grant relate in order to match the income to the depreciation charged on these assets. Deferred grant income in the balance sheet represents total grants received less amounts credited to the profit and loss account.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was NIL (2019 - 105).

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 May 2020

4. TANGIBLE FIXED ASSETS

	Totals £
COST OR VALUATION	
At 1 June 2019	5,347,976
Additions	<u>12,245</u>
At 31 May 2020	<u>5,360,221</u>
DEPRECIATION	
At 1 June 2019	706,338
Charge for year	<u>159,937</u>
At 31 May 2020	<u>866,275</u>
NET BOOK VALUE	
At 31 May 2020	<u>4,493,946</u>
At 31 May 2019	<u>4,641,638</u>

Cost or valuation at 31 May 2020 is represented by:

	Totals £
Valuation in 2012	1,950,000
Valuation in 2016	1,000,000
Cost	<u>2,410,221</u>
	<u>5,360,221</u>

If the stadium had not been revalued it would have been included at the following historical cost:

	31/5/20 £	31/5/19 £
Cost	<u>1,050,000</u>	<u>1,050,000</u>
Aggregate depreciation	<u>86,000</u>	<u>86,000</u>
Value of land in freehold land and buildings	<u>190,000</u>	<u>190,000</u>

The stadium was valued on an alternative use basis on 31 May 2019 by C Honeywill FRICS - Lambert Smith Hampton .

Assets held under HP agreements originally cost £179,632 (2019: £179,632) and have a net book value of £104,187 (2019: £140,867). Depreciation charged for the year was £36,680 (2019: £23,790).

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 May 2020

5. SECURED DEBTS

The following secured debts are included within creditors:

	31/5/20	31/5/19
	£	£
Other loans	1,982,800	1,800,000
Hire purchase contracts	101,159	135,153
	<u>2,083,959</u>	<u>1,935,153</u>

The other loans are secured by a debenture over the whole of the company's assets and by a legal charge over Priestfield Stadium, Gillingham (both dated 26 September 2011).

6. RELATED PARTY DISCLOSURES

M Quarrington, a director, was owed £16,366 by the company as at 31 May 2020 (2019: £16,366).

P Scally, a director, owed the company £5,633 as at 31 May 2020 (2019: £nil).

P Scally, a director, performed consultancy services for the company in the year receiving £214,345 (2019: £168,000).

The directors of the company are also directors of Three Directors Limited which was owed £1,800,000 at 31 May 2020 (2019: £1,800,000) by the company, this amount is shown in note 12. Interest of £63,000 was charged during the year in relation to this loan (2019: £63,000).

7. ULTIMATE CONTROLLING PARTY

The company is under the control of GFC Holdings Limited which owns the majority of the voting rights. It has included the Company in its group accounts, copies of which are available from its registered office: Priestfield Stadium, Redfern Avenue, Gillingham, Kent, ME7 4DD.

Mr P Scally, a director, is the ultimate controlling party as the sole shareholder of GFC Holdings Limited.

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.