

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE PERIOD 1 JUNE 2017 TO 30 JUNE 2018  
FOR  
THE BLACKPOOL FOOTBALL CLUB LIMITED**

WEDNESDAY



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**THE BLACKPOOL FOOTBALL CLUB LIMITED**

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FOR THE PERIOD 1 JUNE 2017 TO 30 JUNE 2018**

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**THE BLACKPOOL FOOTBALL CLUB LIMITED**

**COMPANY INFORMATION  
FOR THE PERIOD 1 JUNE 2017 TO 30 JUNE 2018**

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**DIRECTORS:**

B Hatton  
I W Currie  
M J Bolingbroke  
S P Sadler  
B Gerrity

**REGISTERED OFFICE:**

Blackpool FC Stadium  
Bloomfield Road  
Blackpool  
FY1 6JJ

**REGISTERED NUMBER:**

48409 (England and Wales)

**AUDITORS:**

Sedulo Audit Limited  
Statutory Auditors  
Regency Court  
62-66 Deansgate  
Manchester  
M3 2EN

# THE BLACKPOOL FOOTBALL CLUB LIMITED

## STRATEGIC REPORT FOR THE PERIOD 1 JUNE 2017 TO 30 JUNE 2018

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The directors present their strategic report for the period 1 June 2017 to 30 June 2018.

### REVIEW OF BUSINESS

The principal activity of the company is that of a professional football club, which has continued throughout the year. In the year under review the Club was in League 1, the third tier of English professional football.

In the League Cup the Club lost in the first round to Wigan Athletic. In the FA Cup the club was knocked out in the first round by Boreham Wood. Gate receipts in the 2017/18 season were reduced as the club did not progress as far in these competitions as in the previous year.

The club was participating in league 1 for the 2017/18 season after promotion in the previous year and this inherently increased revenue from the Football League, offsetting the fall in gate receipts. The club managed to finish 12th in the League retaining their position in League 1 for the 2018/19 season, and maintained that position for the 2019/20 season.

### STRATEGY AND OBJECTIVES

The directors will be focused on achieving promotion back to the Championship. The strategy to achieve this objective includes the following key elements:

- Identifying talented players and securing these players on contracts within financial parameters
- Developing young players through the club's academy system
- Increasing the company's turnover through all revenue streams available

### PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk facing the club continues to be its divisional status in the professional football league due to the material effect a change in this has on all revenue streams. Furthermore, the directors consider that any changes in regulations imposed by the football regulatory authorities could similarly impact on revenue streams.

In addition, as explained at note 19, the club has been run against a backdrop of shareholder dispute which has impacted on day to day management and resulted in a fan boycott with attendant impact on gate receipts and related sales. Subsequent to the year end the club has been sold and the fan boycott ended and the directors anticipate that this will mitigate the risks associated with these factors.

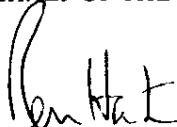
As explained at note 2 the directors have identified that future costs in the next 2 years are likely to exceed expected revenue streams, and that further funding will require to be sourced, and accordingly that the going concern status of the business is a risk for consideration.

In order to manage all risks the board and senior management team have put in place regular meetings to ensure risks are identified and appropriate action taken.

### KEY PERFORMANCE INDICATORS

The performance of the team is monitored by results and football league tables, and the commercial operations of the business are measured in monthly accounts and monitored against budgets. Turnover for the period was £3.3m (2017: £3.0m) from which a loss of £1.4m (2017: £2.2m) was made and the club had year end cash and bank balances of £369k (2017: £6m).

### ON BEHALF OF THE BOARD:



.....  
B Hatton - Director

Date: .....

23/7/19

## **THE BLACKPOOL FOOTBALL CLUB LIMITED**

### **REPORT OF THE DIRECTORS FOR THE PERIOD 1 JUNE 2017 TO 30 JUNE 2018**

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The directors present their report with the financial statements of the company for the period 1 June 2017 to 30 June 2018.

#### **DIVIDENDS**

No dividends will be distributed for the period ended 30 June 2018.

#### **EVENTS SINCE THE END OF THE PERIOD**

Information relating to events since the end of the period is given in the notes to the financial statements.

#### **DIRECTORS**

The directors who have held office during the period from 1 June 2017 to the date of this report are as follows:

V Belokon - resigned 22 August 2017  
Miss N Christopher - appointed 17 January 2018  
Mrs V Oyston - resigned 2 February 2018  
K Oyston - resigned 2 February 2018

B Hatton , I W Currie , M J Bolingbroke , S P Sadler and B Gerrity were appointed as directors after 30 June 2018 but prior to the date of this report.

Miss N Christopher , O J Oyston and K Varpins ceased to be directors after 30 June 2018 but prior to the date of this report.

#### **DONATIONS AND EXPENDITURE**

During the year the company made a donation of £13,159 to Trinity Hospice and £1,740 to Aiming Higher.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

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

#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**THE BLACKPOOL FOOTBALL CLUB LIMITED**

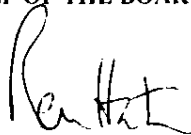
**REPORT OF THE DIRECTORS  
FOR THE PERIOD 1 JUNE 2017 TO 30 JUNE 2018**

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**AUDITORS**

A I Cherry resigned as auditors subsequent to the year end and Sedulo Audit Limited were appointed in their place. Sedulo Audit Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**



.....  
B Hatton - Director

Date: 23/7/18 .....

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE BLACKPOOL FOOTBALL CLUB LIMITED**

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### **Opinion**

We have audited the financial statements of The Blackpool Football Club Limited (the 'company') for the period ended 30 June 2018 which comprise the Statement of Income and Retained Earnings, Balance Sheet, Cash Flow Statement and Notes to the Cash Flow Statement, 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 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 financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2018 and of its 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 Auditors' 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.

### **Material uncertainty relating to going concern**

We draw attention to note 2 to the financial statements, which indicates that the company has incurred further losses since the year end, is forecasting net operational cash outflows and is reliant on further external funding in order to continue its activities into the foreseeable future. As stated in note 2 these conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### **Emphasis of matter**

We draw attention to note 9 to the financial statements which explains the reasons and effect of a material impairment provision against balances due from fellow group companies, and to note 5 to the financial statements which explains the reasons and effect of certain material impairments and provisions made in the accounts.

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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.

### **Opinions 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE BLACKPOOL FOOTBALL CLUB LIMITED**

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### **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 Report of the Directors.

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, 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 Statement of Directors' Responsibilities set out on page three, 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 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 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 financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors 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 [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

### **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 a Report of the Auditors 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.

Raymond Davidson (Senior Statutory Auditor)  
for and on behalf of Sedulo Audit Limited  
Statutory Auditors  
Regency Court  
62-66 Deansgate  
Manchester  
M3 2EN

Date: 23 July 2019



**THE BLACKPOOL FOOTBALL CLUB LIMITED**

**STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE PERIOD 1 JUNE 2017 TO 30 JUNE 2018**

	Notes	Period 1.6.17 to 30.6.18 £	Year Ended 31.5.17 £
<b>TURNOVER</b>	3	3,321,353	3,070,075
Cost of sales		<u>475,494</u>	<u>546,818</u>
<b>GROSS PROFIT</b>		2,845,859	2,523,257
Administrative expenses		<u>6,586,102</u>	<u>5,663,310</u>
		(3,740,243)	(3,140,053)
Other operating income		<u>533,716</u>	<u>729,976</u>
<b>OPERATING LOSS</b>	5	(3,206,527)	(2,410,077)
Profit/loss on player transfer fees	6	<u>1,801,125</u>	<u>247,250</u>
		(1,405,402)	(2,162,827)
Interest receivable and similar income		<u>445</u>	<u>11,403</u>
<b>LOSS BEFORE TAXATION</b>		(1,404,957)	(2,151,424)
Tax on loss	7	<u>-</u>	<u>-</u>
<b>LOSS FOR THE FINANCIAL PERIOD</b>		(1,404,957)	(2,151,424)
Retained earnings at beginning of period		31,770,135	33,921,559
Extraordinary loss	9	<u>(30,963,062)</u>	<u>-</u>
<b>RETAINED EARNINGS AT END OF PERIOD</b>		<u>(597,884)</u>	<u>31,770,135</u>

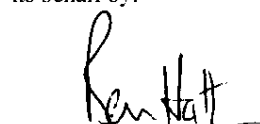
The notes form part of these financial statements

**THE BLACKPOOL FOOTBALL CLUB LIMITED (REGISTERED NUMBER: 48409)**

**BALANCE SHEET  
30 JUNE 2018**

	Notes	30.6.18 £	£	31.5.17 £	£
<b>FIXED ASSETS</b>					
Intangible assets	10		55,000		50,508
Tangible assets	11		<u>258,931</u>		<u>419,594</u>
			313,931		470,102
<b>CURRENT ASSETS</b>					
Stocks	12	66,716		66,716	
Debtors	13	1,704,702		29,219,942	
Cash at bank		<u>369,311</u>		<u>6,049,098</u>	
		2,140,729		35,335,756	
<b>CREDITORS</b>					
Amounts falling due within one year	14	<u>1,152,535</u>		<u>2,135,714</u>	
<b>NET CURRENT ASSETS</b>			<u>988,194</u>		<u>33,200,042</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,302,125</u>		<u>33,670,144</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		37,500		37,500
Share premium	17		1,860,174		1,860,174
Capital redemption reserve	17		2,335		2,335
Retained earnings	17		<u>(597,884)</u>		<u>31,770,135</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>1,302,125</u>		<u>33,670,144</u>

The financial statements were approved by the Board of Directors on its behalf by:



B Hatton - Director

23/7/19 ..... and were signed on

The notes form part of these financial statements

**THE BLACKPOOL FOOTBALL CLUB LIMITED**

**CASH FLOW STATEMENT  
FOR THE PERIOD 1 JUNE 2017 TO 30 JUNE 2018**

		Period 1.6.17 to 30.6.18 £	Year Ended 31.5.17 £
<b>Cash flows from operating activities</b>	Notes		
Cash generated from operations	1	(1,699,464)	(1,094,930)
Tax paid		<u>-</u>	<u>348,841</u>
Net cash from operating activities		<u>(1,699,464)</u>	<u>(746,089)</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		(110,000)	(30,000)
Purchase of tangible fixed assets		(3,447)	-
Interest received		<u>445</u>	<u>11,403</u>
Net cash from investing activities		<u>(113,002)</u>	<u>(18,597)</u>
<b>Cash flows from financing activities</b>			
Inter-company loans		(3,795,791)	100,127
Amount introduced by directors		-	571
Amount withdrawn by directors		<u>(71,530)</u>	<u>(105,452)</u>
Net cash from financing activities		<u>(3,867,321)</u>	<u>(4,754)</u>
<b>Decrease in cash and cash equivalents</b>		<u>(5,679,787)</u>	<u>(769,440)</u>
<b>Cash and cash equivalents at beginning of period</b>	2	<u>6,049,098</u>	<u>6,818,538</u>
<b>Cash and cash equivalents at end of period</b>	2	<u><u>369,311</u></u>	<u><u>6,049,098</u></u>

The notes form part of these financial statements

**THE BLACKPOOL FOOTBALL CLUB LIMITED**

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE PERIOD 1 JUNE 2017 TO 30 JUNE 2018**

**1. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	Period 1.6.17 to 30.6.18 £	Year Ended 31.5.17 £
Loss before taxation	(1,404,957)	(2,151,424)
Depreciation charges	209,055	516,577
Impairment of tangible fixed assets	60,563	-
Provision versus former directors loan	175,840	-
Finance income	(445)	(11,403)
	(959,944)	(1,646,250)
Decrease in stocks	-	25,845
(Increase)/decrease in trade and other debtors	(606,912)	781,146
Decrease in trade and other creditors	(132,608)	(255,671)
<b>Cash generated from operations</b>	<b>(1,699,464)</b>	<b>(1,094,930)</b>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Period ended 30 June 2018**

	30.6.18 £	1.6.17 £
Cash and cash equivalents	<u>369,311</u>	<u>6,049,098</u>

**Year ended 31 May 2017**

	31.5.17 £	1.6.16 £
Cash and cash equivalents	<u>6,049,098</u>	<u>6,818,538</u>

The notes form part of these financial statements

## THE BLACKPOOL FOOTBALL CLUB LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JUNE 2017 TO 30 JUNE 2018

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#### 1. STATUTORY INFORMATION

The Blackpool 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.

The principal activity during the period was that of a professional football club.

#### 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" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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 £.

##### **Going concern**

Subsequent to the year end the company has recorded an accounting loss on ordinary activities. As at the end of May 2019 cash and bank balances had increased since the year end but the directors acknowledge that continuing losses will necessarily impact on cash flow moving forward.

Future projections have been prepared to June 2021 which confirm that the company is expected to continue to record losses and incur further significant cash outflows, and accordingly the directors acknowledge that this indicates a material uncertainty over the company's ability to continue as a going concern and that steps require to be taken to address this. Further to the sale of the company on 11 June 2019 (see note 19) the directors expect that sufficient funds will be introduced into the company to enable it to meet its operational requirements, to restructure the business and to improve its future results.

Accordingly, the directors have at the time of approving the financial statements, a reasonable expectation that the company will have sufficient resources to continue in operational existence for the foreseeable future, and they continue to adopt the going concern basis of accounting in preparing the financial statements.

##### **Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover comprises gate receipts, television and media, sponsorship and royalties, conference catering, retail and merchandising sales, exclusive of VAT.

Television media income is recognised in equal instalments during the season and gate receipt income is taken to the Income Statement when the matches are played. Sponsorship income is recognised over the life of the relevant agreements. Catering, retail and merchandising income are recognised upon the sale of the goods.

##### **Intangible assets**

Initial transfer fees paid in respect of players' contracts are capitalised at cost and amortised over the length of the contract. Additional fees paid, such as fees related to appearance criteria, are amortised over the remaining contract period from the date the fees are due.

## THE BLACKPOOL FOOTBALL CLUB LIMITED

### NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE PERIOD 1 JUNE 2017 TO 30 JUNE 2018

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#### 2. ACCOUNTING POLICIES - continued

##### **Tangible fixed assets**

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

Plant and machinery	- 10% on cost
Fixtures and fittings	- 33% on cost
Motor vehicles	- 25% on cost

Tangible fixed assets are initially stated at cost and are subsequently stated at cost less accumulated depreciation and impairment losses.

Cost includes original purchase price of the asset and any costs incurred bringing the asset to its working condition for its intended use.

Impairment reviews are carried out at each reporting date and where the carrying value exceeds the estimated recoverable amount the asset is impaired accordingly. Any prior impairments are reviewed to identify reversals at each reporting date.

##### **Stocks**

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

##### **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, which includes 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 net of any impairment losses, unless the arrangement constitutes a financing transaction where the transaction is measured at present value of the future receipts discounted at a market rate of interest. Financial assets are reviewed annually for signs of impairment. Financial assets classified as receivable within one year are not amortised.

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, 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.

## THE BLACKPOOL FOOTBALL CLUB LIMITED

### NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE PERIOD 1 JUNE 2017 TO 30 JUNE 2018

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#### 2. ACCOUNTING POLICIES - continued

##### **Taxation**

Taxation for the period 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 balance sheet date.

##### **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet 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 period 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.

##### **Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

##### **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.

#### 3. TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	Period 1.6.17 to 30.6.18 £	Year Ended 31.5.17 £
Gate receipts	376,042	660,764
Season tickets	267,318	223,801
Football pools	1,573,863	1,169,925
Bar and food sales	472,686	346,510
Youth development	411,637	349,800
Other	<u>219,807</u>	<u>319,275</u>
	<u>3,321,353</u>	<u>3,070,075</u>

All turnover arose within United Kingdom.

**THE BLACKPOOL FOOTBALL CLUB LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 1 JUNE 2017 TO 30 JUNE 2018**

**4. EMPLOYEES AND DIRECTORS**

	Period 1.6.17 to 30.6.18 £	Year end 31.5.17 £
Wages and salaries	4,004,491	3,181,855
Social security costs	218,195	168,411
Other pension costs	14,572	11,247
	<u>4,239,871</u>	<u>3,361,513</u>

The average number of employees during the period was as follows:

	Period 1.6.17 to 30.6.18	Year end 31.5.17
Footballers, coaches and managers	69	65
Administrative staff	34	53
	<u>103</u>	<u>118</u>

	Period 1.6.17 to 30.6.18 £	Year end 31.5.17 £
Directors' remuneration	<u>30,000</u>	<u>30,000</u>

**5. OPERATING LOSS**

The operating loss is stated after charging:

	Period 1.6.17 to 30.6.18 £	Year Ended 31.5.17 £
Depreciation - owned assets	103,547	108,005
Patents and licences amortisation	105,508	408,572
Auditors' remuneration	5,500	5,500
Impairment of tangible fixed assets	60,563	-
Bad debts	<u>175,840</u>	<u>-</u>

Impairment of tangible fixed assets relates to full impairment of the carrying value of two vehicles registered to the company which are in the possession of former directors. Bad debts relates to full provision against a debtor balance due from a former director. The company continues to pursue recovery of the above assets but in view of uncertainties as to the successful outcome has elected to provide against the amounts in the accounts.



**THE BLACKPOOL FOOTBALL CLUB LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 1 JUNE 2017 TO 30 JUNE 2018**

**6. PLAYERS' TRANSFER FEES**

	Period 1.6.17 to 30.6.18 £	Year Ended 31.5.17 £
Profit/loss on player transfer fees	<u>1,801,125</u>	<u>247,250</u>

Profit/loss on player transfer fees represents transfer fees received less the carrying unamortised value of the related original transfer fee, less transfer fee levy.

**7. TAXATION**

**Analysis of the tax charge**

No liability to UK corporation tax arose for the period ended 30 June 2018 nor for the year ended 31 May 2017.

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	Period 1.6.17 to 30.6.18 £	Year Ended 31.5.17 £
Loss before tax	<u>(1,404,957)</u>	<u>(2,151,424)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 20%)	(266,942)	(430,285)
Effects of:		
Expenses not deductible for tax purposes	33,410	20,946
Income not taxable for tax purposes	(85)	-
Capital allowances in excess of depreciation	-	(21,601)
Depreciation in excess of capital allowances	24,709	-
Unrelieved tax losses	210,808	437,900
Blackpool FC Development Association Donations	<u>(1,900)</u>	<u>(6,960)</u>
Total tax charge	<u>-</u>	<u>-</u>

The Finance Act 2016 enacted a reduction in the rate of Corporation Tax. With effect from 1 April 2017 the rate will be 17%. The changes were substantively enacted at the balance sheet date and so the effects are included within the financial statements.

**8. PRIOR YEAR ADJUSTMENT**

Comparative balances on the Statement of Income and Retained earnings have been restated by the reallocation of rent and sundry income receivable totalling £729,976 from Turnover to Other operating income, and the reallocation of amortisation of player contracts of £408,572 from Profit/loss on player transfer fees to Administrative expenses. This has no effect on the reported results for the year.

**THE BLACKPOOL FOOTBALL CLUB LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 1 JUNE 2017 TO 30 JUNE 2018**

**9. EXTRAORDINARY LOSS**

Impairment of group debtors in the sum of £30,963,062 is considered to be outside the ordinary activities of the company and has been treated as an extraordinary loss in the financial statements; this represents full provision against balances due from the parent company, Blackpool Football Club Properties Limited, and fellow subsidiary, Blackpool Football Club Hotel Limited, taking into account circumstances at the year end, the anticipated cash flow streams in those companies, and the anticipated timescale for any recoverability of the balances, and having regard to events after the year end as disclosed at note 19.

**10. INTANGIBLE FIXED ASSETS**

	Player contracts £
<b>COST</b>	
At 1 June 2017	1,025,000
Additions	110,000
Disposals	<u>(765,000)</u>
At 30 June 2018	<u>370,000</u>
<b>AMORTISATION</b>	
At 1 June 2017	974,492
Amortisation for period	105,508
Eliminated on disposal	<u>(765,000)</u>
At 30 June 2018	<u>315,000</u>
<b>NET BOOK VALUE</b>	
At 30 June 2018	<u>55,000</u>
At 31 May 2017	<u>50,508</u>

**11. TANGIBLE FIXED ASSETS**

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>				
At 1 June 2017	842,944	160,671	337,476	1,341,091
Additions	<u>-</u>	<u>3,447</u>	<u>-</u>	<u>3,447</u>
At 30 June 2018	<u>842,944</u>	<u>164,118</u>	<u>337,476</u>	<u>1,344,538</u>
<b>DEPRECIATION</b>				
At 1 June 2017	529,494	160,671	231,332	921,497
Charge for period	58,398	543	44,606	103,547
Impairments	<u>-</u>	<u>-</u>	<u>60,563</u>	<u>60,563</u>
At 30 June 2018	<u>587,892</u>	<u>161,214</u>	<u>336,501</u>	<u>1,085,607</u>
<b>NET BOOK VALUE</b>				
At 30 June 2018	<u>255,052</u>	<u>2,904</u>	<u>975</u>	<u>258,931</u>
At 31 May 2017	<u>313,450</u>	<u>-</u>	<u>106,144</u>	<u>419,594</u>

**THE BLACKPOOL FOOTBALL CLUB LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 1 JUNE 2017 TO 30 JUNE 2018**

**12. STOCKS**

	30.6.18	31.5.17
	£	£
Stocks	<u>66,716</u>	<u>66,716</u>

**13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30.6.18	31.5.17
	£	£
Trade debtors	1,440,835	130,175
Amounts owed by group undertakings	-	28,017,271
Other debtors	8,459	457,443
VAT repayable	-	36,694
Directors' loan accounts	-	104,881
Prepayments and accrued income	<u>255,408</u>	<u>473,478</u>
	<u>1,704,702</u>	<u>29,219,942</u>

Amounts owed by group undertakings have been fully impaired at the year end as explained at note 9, and balances due from former directors have been fully provided against as explained at note 5.

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30.6.18	31.5.17
	£	£
Trade creditors	658,123	495,364
Amounts owed to group undertakings	-	850,000
Social security and other taxes	17,956	207,705
VAT	208,862	-
Other creditors	46,583	26,364
Directors' loan accounts	-	571
Accruals and deferred income	<u>221,011</u>	<u>555,710</u>
	<u>1,152,535</u>	<u>2,135,714</u>

**15. LEASING AGREEMENTS**

The company has operating lease commitments totalling £14,945 per annum due to expire in approximately 2.5 years.

**16. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal value:	30.6.18	31.5.17
Number:	Class:		£	£
37,500	Ordinary	£1	<u>37,500</u>	<u>37,500</u>

**THE BLACKPOOL FOOTBALL CLUB LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 1 JUNE 2017 TO 30 JUNE 2018**

**17. RESERVES**

	Retained earnings £	Share premium £	Capital redemption reserve £	Totals £
At 1 June 2017	31,770,135	1,860,174	2,335	33,632,644
Deficit for the period	<u>(32,368,019)</u>	<u>-</u>	<u>-</u>	<u>(32,368,019)</u>
At 30 June 2018	<u>(597,884)</u>	<u>1,860,174</u>	<u>2,335</u>	<u>1,264,625</u>

**18. RELATED PARTY DISCLOSURES**

Included in amounts owed by group undertakings is £30,115,730 (2017: £26,818,907) owed by the parent company, Blackpool Football Club (Properties) Limited, against which full provision has been made as explained at note 9. The amount is unsecured, interest free and repayable on demand.

Included in amounts owed by group undertakings is £847,332 (2017: £348,364) owed by Blackpool Football Club Hotel Limited, a subsidiary of Blackpool Football Club (Properties) Limited, against which full provision has been made as explained at note 9. The amount is unsecured, interest free and repayable on demand.

Included in other debtors is £8,459 (2017: £49,057) owed by Blackpool F.C. Community Trust. The amount is unsecured, interest free and repayable on demand.

Included in other debtors, is an amount owed from Mr K S Oyston, a former director, of £175,840 (2017: £104,881) against which full provision has been made as explained at note 5. The maximum amount owed during the year was £175,840. The loan is unsecured, interest free and repayable on demand.

Included within tangible fixed assets are motor vehicles, held by former directors, with a net book value of £60,563 (2017: £102,000) against which full impairment has been made as explained at note 5.

**19. POST BALANCE SHEET EVENTS**

Further to a Court order dated 6 November 2017, judgement was handed down against Blackpool Football Club Properties Limited, Owen Oyston, Karl Oyston and Blackpool Football Club Limited awarding £31.27m against Blackpool Football Club Properties Limited, Owen Oyston and Karl Oyston.

On 1 February 2019 debtor balances due from Blackpool Football Club Properties Limited and Blackpool Football Club Hotel Limited were formally written off. This included debtor balances totalling £30,963,062 at the period end against which full impairment provision has been made in these accounts.

Following a subsequent Court order handed down against Blackpool Football Club Properties Limited, Owen Oyston, Karl Oyston and Blackpool Football Club Limited dated 13 February 2019, a Court appointed receiver was put in place over Blackpool Football Club Properties Limited, Blackpool Football Club Limited and Blackpool Football Club Hotel Limited in order to realise monies to settle the earlier Court order.

Subsequent to this, and under the direction of the receiver, on 11 June 2019 Blackpool Football Club Properties Limited sold its interest in Blackpool Football Club Limited to Rose 123 Investments Ltd, enabling the company to exit the receivership.

**THE BLACKPOOL FOOTBALL CLUB LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 1 JUNE 2017 TO 30 JUNE 2018**

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**20. ULTIMATE CONTROLLING PARTY**

As at 30 June 2018 the company was a subsidiary of Blackpool Football Club (Properties) Limited, a company incorporated in England & Wales, which held 76.3% of the issued share capital. The parent company was controlled by O J Oyston at 30 June 2018.

On 12 June 2019 Blackpool Football Club (Properties) Limited sold its interest in Blackpool Football Club Limited to Rose 123 Investments Ltd; from this date the ultimate controlling party is S P Sadler.



Companies House

**COMPANY NAME:** BLACKPOOL FOOTBALL  
CLUB.LIMITED(THE)  
**COMPANY NUMBER:** 00048409

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from the accounts on 14/11/2019.**