

THE BLACKPOOL FOOTBALL CLUB.LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

Company Registration No. 00048409 (England and Wales)

THE BLACKPOOL FOOTBALL CLUB.LIMITED

COMPANY INFORMATION

Directors	Mr B Gerrity Mr S Sadler Mr B Mansford
Company number	00048409
Registered office	Bloomfield Road Seasiders Way Blackpool Lancashire FY1 6JJ
Auditor	Champion Accountants LLP 1 Worsley Court High Street Worsley Manchester M28 3NJ

THE BLACKPOOL FOOTBALL CLUB.LIMITED

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THE BLACKPOOL FOOTBALL CLUB.LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2021

The directors present the strategic report for the year ended 30 June 2021.

Fair review of the business

The principal activity of the Company is that of a professional football club. In the year under review the Club was in League One, the third tier of English professional football.

The Club participated in League One for the fourth consecutive year. The Club had a successful year achieving a third-place finish and won promotion, via the play-offs, to the Championship after a six-year absence.

In the FA Cup the Club reached the fourth round, narrowly losing to Premier League opposition Brighton & Hove Albion. The Club was knocked out in the first round of the League Cup and knocked out in the second round of the EFL Trophy.

During the year the effects of COVID-19 have had an impact on operations at the Club. Supporters were unable to attend matches, resulting in a significant reduction in gate receipts. However, match streaming saw a significant increase which helped bridge the gap in any lost revenue.

Principal risks and uncertainties

The principal risk facing the Club continues to be its divisional status in the professional football pyramid 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.

The Directors have assessed the risks of the Covid-19 pandemic on the various revenue streams. Throughout the pandemic, measures have been taken to ensure the Club's budgets and forecasts reflect up-to-date government guidelines and mitigate any connected losses.

The Club's Board and senior management regularly meet to ensure risks are identified and appropriate action is taken.

Development and performance

The directors are focused on remaining in the Championship. The strategy to achieve this objective includes the following key elements:

- Identifying talented players through the club's scouting network and securing suitable players on contracts within financial parameters.
- Developing young players through the club's academy system.
- Continuing to develop the club commercially to maximise revenue streams.

Key performance indicators

Season ticket sales are considered to be a key performance indicator. The numbers sold in the season under review were down in comparison to 19-20, due to stadium closures as per COVID-19 guidelines. However, despite the effects of COVID-19, turnover remained in line with the previous year (£5.4m – 20/21, £5.5m – 19/20).

On behalf of the board

Mr B Mansford
Director

25 February 2022

THE BLACKPOOL FOOTBALL CLUB.LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2021

The directors present their annual report and financial statements for the year ended 30 June 2021.

Principal activities

The principal activity of the company continued to be that of a professional football club.

Results and dividends

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

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

Directors

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

Mr B Gerrity
Mr S Sadler
Mr B Mansford

Auditor

The auditor, Champion Accountants LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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 company's auditor 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 company's auditor is aware of that information.

On behalf of the board

Mr B Mansford
Director

25 February 2022

THE BLACKPOOL FOOTBALL CLUB.LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 JUNE 2021

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 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.

THE BLACKPOOL FOOTBALL CLUB.LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE BLACKPOOL FOOTBALL CLUB.LIMITED

Opinion

We have audited the financial statements of The Blackpool Football Club.Limited (the 'company') for the year ended 30 June 2021 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including 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 company's affairs as at 30 June 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 our audit:

- the information given in the strategic report and the directors' report for the financial year 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.

THE BLACKPOOL FOOTBALL CLUB.LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE BLACKPOOL FOOTBALL CLUB.LIMITED

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 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, 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 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 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.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

As part of our planning process:

- We enquired of management the systems and controls the company has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. Management did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the company. We determined that the following were most relevant: FRS 102, Companies Act 2006 and compliance with the Financial Fair Play regulations as set out by the English Football League (EFL).
- We considered the incentives and opportunities that exist in the company, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the company, together with discussions held with management at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

THE BLACKPOOL FOOTBALL CLUB.LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE BLACKPOOL FOOTBALL CLUB.LIMITED

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates, in particular in relation to doubtful debt provisions and depreciation and amortisation methods.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Testing key revenue lines, including cut-off, for evidence of management bias.
- Obtaining third-party confirmation of material bank balances.
- Documenting and verifying all significant related party balances and transactions.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

Mark Turner FCA (Senior Statutory Auditor)
For and on behalf of Champion Accountants LLP

25 February 2022

Chartered Accountants
Statutory Auditor

1 Worsley Court
High Street
Worsley
Manchester
M28 3NJ

THE BLACKPOOL FOOTBALL CLUB.LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 £	2020 £
Turnover	3	5,412,064	5,516,522
Cost of sales		(393,436)	(670,918)
Gross profit		5,018,628	4,845,604
Administrative expenses		(10,749,217)	(9,714,148)
Other operating income		231,676	1,083,372
Operating loss	4	(5,498,913)	(3,785,172)
Interest payable and similar expenses	7	(2,648)	(3,140)
Profit/loss on disposal of players' registrations	8	410,918	1,384,921
Director's loan converted to gift		-	173,296
Loss before taxation		(5,090,643)	(2,230,095)
Tax on loss	9	255,803	-
Loss for the financial year		(4,834,840)	(2,230,095)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

THE BLACKPOOL FOOTBALL CLUB.LIMITED

STATEMENT OF COMPREHENSIVE LOSS

FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	£	£
Loss for the year	(4,834,840)	(2,230,095)
Other comprehensive income	-	-
Total comprehensive loss for the year	<u>(4,834,840)</u>	<u>(2,230,095)</u>

THE BLACKPOOL FOOTBALL CLUB.LIMITED

BALANCE SHEET

AS AT 30 JUNE 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	10	765,808		544,081	
Tangible assets	11	581,478		617,743	
			1,347,286		1,161,824
Current assets					
Stocks	12	58,114		49,676	
Debtors	13	3,001,951		1,688,468	
Cash at bank and in hand		1,731,141		204,194	
			4,791,206		1,942,338
Creditors: amounts falling due within one year	14	(14,387,714)		(6,385,958)	
Net current liabilities			(9,596,508)		(4,443,620)
Total assets less current liabilities			(8,249,222)		(3,281,796)
Creditors: amounts falling due after more than one year	15		(154,450)		(287,036)
Net liabilities			(8,403,672)		(3,568,832)
Capital and reserves					
Called up share capital	20	37,500		37,500	
Share premium account		1,860,174		1,860,174	
Capital redemption reserve		2,335		2,335	
Profit and loss reserves		(10,303,681)		(5,468,841)	
Total equity			(8,403,672)		(3,568,832)

The financial statements were approved by the board of directors and authorised for issue on 25 February 2022 and are signed on its behalf by:

Mr B Mansford
Director

Company Registration No. 00048409

THE BLACKPOOL FOOTBALL CLUB.LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2021

	Share capital	Share premium account	Capital redemption reserve	Profit and loss reserves	Total
	£	£	£	£	£
Balance at 1 July 2019	37,500	1,860,174	2,335	(3,238,746)	(1,338,737)
Year ended 30 June 2020:					
Loss and total comprehensive income for the year	-	-	-	(2,230,095)	(2,230,095)
Balance at 30 June 2020	37,500	1,860,174	2,335	(5,468,841)	(3,568,832)
Year ended 30 June 2021:					
Loss and total comprehensive income for the year	-	-	-	(4,834,840)	(4,834,840)
Balance at 30 June 2021	37,500	1,860,174	2,335	(10,303,681)	(8,403,672)

THE BLACKPOOL FOOTBALL CLUB.LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

Company information

The Blackpool Football Club.Limited is a private company limited by shares incorporated in England and Wales. The registered office is Bloomfield Road, Seasiders Way, Blackpool, Lancashire, FY1 6JJ.

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Blackpool Football Club Holdings Ltd. These consolidated financial statements are available from its registered office, 3rd Floor 1 Ashley Road, Altrincham, Cheshire, WA14 2DT.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

THE BLACKPOOL FOOTBALL CLUB.LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

1.3 Turnover

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

Television and media income is recognised over the course of the season. Season ticket, gate receipt and match streaming income is recognised at the point the relevant match is played. Sponsorship income is recognised over the term of the contract. Catering, retail and merchandise sales are recognised at the point of sale.

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.

1.4 Intangible fixed assets other than goodwill

Intangible assets represent guaranteed transfer fees and associated costs payable, in relation to the transfer of players' registrations. These amounts are amortised as follows:

Players' registrations	Over the remaining term of the contract
------------------------	---

1.5 Tangible fixed assets

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

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:

Leasehold land and buildings	5% straight line
Plant and equipment	10% straight line
Fixtures and fittings	33% straight line
Motor vehicles	25% straight line

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

1.6 Impairment of fixed assets

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

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.

THE BLACKPOOL FOOTBALL CLUB.LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

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.

1.7 Stocks

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

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

Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash and cash equivalents

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

1.9 Financial instruments

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

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

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

Basic financial assets

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

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.

THE BLACKPOOL FOOTBALL CLUB.LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

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 company 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 company after deducting all of its liabilities.

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.

THE BLACKPOOL FOOTBALL CLUB.LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

Derecognition of financial liabilities

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

1.10 Equity instruments

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

1.11 Taxation

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

Current tax

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

1.12 Employee benefits

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

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

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

1.13 Retirement benefits

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

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

THE BLACKPOOL FOOTBALL CLUB.LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

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

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

3 Turnover and other revenue

	2021	2020
	£	£
Turnover analysed by class of business		
Gate receipts	73,528	1,125,791
Season tickets	771,999	1,041,857
League distributions	2,184,113	1,588,394
Bar and food sales	2,288	328,976
Youth development	498,307	493,520
Merchandise	561,626	383,040
Match streaming	579,778	45,950
Other	740,425	508,994
	<u>5,412,064</u>	<u>5,516,522</u>
	2021	2020
	£	£
Turnover analysed by geographical market		
UK	<u>5,412,064</u>	<u>5,516,522</u>

THE BLACKPOOL FOOTBALL CLUB.LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

3	Turnover and other revenue	(Continued)	
		2021	2020
		£	£
	Other significant revenue		
	Grants received	231,676	423,128
		<u> </u>	<u> </u>

4	Operating loss	2021	2020
		£	£
	Operating loss for the year is stated after charging/(crediting):		
	Government grants	(231,676)	(423,128)
	Fees payable to the company's auditor for the audit of the company's financial statements	8,000	8,000
	Depreciation of owned tangible fixed assets	114,767	111,244
	Depreciation of tangible fixed assets held under finance leases	-	17,254
	Loss/(profit) on disposal of tangible fixed assets	5,551	(24,000)
	Amortisation of intangible assets	568,138	335,881
		<u> </u>	<u> </u>

5 Employees

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

	2021	2020
	Number	Number
Footballers, coaches and managers	82	73
Administrative and other staff	25	81
	<u> </u>	<u> </u>
Total	107	154
	<u> </u>	<u> </u>

In addition, the company engaged on match days an average of 58 part-time temporary staff (2020- 110).

Their aggregate remuneration comprised:

	2021	2020
	£	£
Wages and salaries	6,818,777	6,040,731
Social security costs	812,800	558,364
Pension costs	40,343	48,471
	<u> </u>	<u> </u>
	7,671,920	6,647,566
	<u> </u>	<u> </u>

THE BLACKPOOL FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

6 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	356,930	154,278
Company pension contributions to defined contribution schemes	33,200	724
	<u>390,130</u>	<u>155,002</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2020 - 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2021 £	2020 £
Remuneration for qualifying services	341,930	-
Company pension contributions to defined contribution schemes	32,937	-
	<u>374,867</u>	<u>-</u>

As total directors' remuneration was less than £200,000 in the prior year, no comparative disclosure has been provided.

7 Interest payable and similar expenses

	2021 £	2020 £
Interest on finance leases and hire purchase contracts	2,648	3,140
	<u>2,648</u>	<u>3,140</u>

8 Other gains and losses

	2021 £	2020 £
Director's loan converted to gift	-	173,296
Profit on transfer of players' registrations	410,918	1,384,921
	<u>410,918</u>	<u>1,558,217</u>

Profit/loss on transfer of players' registrations represents guaranteed transfer fees receivable, less the carrying value of those players at the date of disposal. This figure also includes contingent transfer fees which have become receivable in respect of the transfer of players' registrations in previous periods.

9 Taxation

	2021 £	2020 £
Current tax		
Group tax relief	(255,803)	-
	<u>(255,803)</u>	<u>-</u>

THE BLACKPOOL FOOTBALL CLUB.LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

9 Taxation

(Continued)

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

	2021 £	2020 £
Loss before taxation	(5,090,643)	(2,230,095)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(967,222)	(423,718)
Tax effect of expenses that are not deductible in determining taxable profit	9,860	214
Tax effect of income not taxable in determining taxable profit	-	(1,071)
Unutilised tax losses carried forward	794,742	456,626
Group relief	(93,183)	-
Permanent capital allowances in excess of depreciation	-	(32,051)
Taxation credit for the year	(255,803)	-

10 Intangible fixed assets

	Players' registrations £
Cost	
At 1 July 2020	840,261
Additions	854,849
Disposals	(283,293)
At 30 June 2021	1,411,817
Amortisation and impairment	
At 1 July 2020	296,180
Amortisation charged for the year	568,138
Disposals	(218,309)
At 30 June 2021	646,009
Carrying amount	
At 30 June 2021	765,808
At 30 June 2020	544,081

THE BLACKPOOL FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

11 Tangible fixed assets

	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 July 2020	121,838	1,110,329	244,246	334,211	1,810,624
Additions	30,188	56,606	22,780	13,500	123,074
Disposals	-	(4,200)	-	(334,211)	(338,411)
At 30 June 2021	152,026	1,162,735	267,026	13,500	1,595,287
Depreciation and impairment					
At 1 July 2020	625	722,257	187,549	282,450	1,192,881
Depreciation charged in the year	7,371	67,978	30,260	9,158	114,767
Eliminated in respect of disposals	-	(4,200)	-	(289,639)	(293,839)
At 30 June 2021	7,996	786,035	217,809	1,969	1,013,809
Carrying amount					
At 30 June 2021	144,030	376,700	49,217	11,531	581,478
At 30 June 2020	121,213	388,072	56,697	51,761	617,743

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2021 £	2020 £
Motor vehicles	-	51,761

12 Stocks

	2021 £	2020 £
Finished goods and goods for resale	58,114	49,676

13 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	783,363	1,184,793
Other debtors	1,812,280	348,330
Prepayments and accrued income	406,308	155,345
	3,001,951	1,688,468

THE BLACKPOOL FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

13 Debtors (Continued)

An impairment loss of £26,950 (2020: £11,295) was recognised against trade debtors.

An impairment loss of £243,250 (2020: £243,250) was recognised against other debtors.

14 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Obligations under finance leases	17	-	12,827
Other borrowings	16	60,800	-
Trade creditors		1,002,197	1,202,353
Amounts owed to group undertakings		9,444,951	3,576,704
Taxation and social security		992,537	968,731
Deferred income	18	2,118,167	296,523
Other creditors		35,161	6,229
Accruals		733,901	322,591
		<u>14,387,714</u>	<u>6,385,958</u>

15 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Obligations under finance leases	17	-	39,336
Other borrowings	16	122,000	182,800
Other creditors		32,450	64,900
		<u>154,450</u>	<u>287,036</u>

16 Loans and overdrafts

	2021 £	2020 £
Other loans	<u>182,800</u>	<u>182,800</u>
Payable within one year	60,800	-
Payable after one year	<u>122,000</u>	<u>182,800</u>

Other loans are interest free and secured upon future distributions from the English Football League (EFL). Full repayment of this loan is scheduled for 1 April 2024.

THE BLACKPOOL FOOTBALL CLUB.LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

17 Finance lease obligations

	2021 £	2020 £
Future minimum lease payments due under finance leases:		
Within one year	-	15,967
In two to five years	-	42,476
	<u>-</u>	<u>58,443</u>
Less: future finance charges	-	(6,280)
	<u>-</u>	<u>52,163</u>

Finance lease payments represent rentals payable by the company for a motor vehicle. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. The finance lease ended during the year.

18 Deferred income

	2021 £	2020 £
Other deferred income	2,118,167	296,523
	<u>2,118,167</u>	<u>296,523</u>

19 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	40,343	48,471
	<u>40,343</u>	<u>48,471</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

20 Share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	37,500	37,500	37,500	37,500
	<u>37,500</u>	<u>37,500</u>	<u>37,500</u>	<u>37,500</u>

21 Contingent transfer fees

Following the sale of certain players, additional transfer fees are expected to become receivable of £208,333 at various stages in the future, contingent on the relevant players triggering certain appearance and performance based clauses.

Following the purchase of certain players, additional transfer fees are expected to become payable of £40,000 at various stages in the future, contingent on the relevant players triggering certain appearance and performance based clauses.

THE BLACKPOOL FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

22 Operating lease commitments

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

	2021 £	2020 £
Within one year	6,930	695
Between two and five years	32,130	23,496
	<u>39,060</u>	<u>24,191</u>

23 Related party transactions

	2021 £	2020 £
Amounts due to related parties		
Entities with control, joint control or significant influence over the company	9,059,954	3,576,704
Other related parties	<u>392,997</u>	<u>8,000</u>

The following amounts were outstanding at the reporting end date:

	2021 £	2020 £
Amounts due from related parties		
Other related parties	<u>579,940</u>	<u>202,941</u>

Other information

Balances due to and from related parties are unsecured, interest free and repayable on demand.

Blackpool F.C. Community Trust currently occupies offices within The Blackpool Football Club. Limited's serviced accommodation rent free. A Deed of Assignment has been made between The Blackpool Football Club. Limited and Blackpool F.C. Community Trust for the occupation of training offices in the stadium for a period of 25 years rent free.

Included within other debtors are amounts due from former related parties totalling £243,250 (2020: £243,250). The amount provided against these balances was £243,250 (2020: £243,250).

24 Ultimate controlling party

The parent company is Blackpool Football Club Holdings Ltd, registered office address: 3rd Floor 1 Ashley Road, Altrincham, Cheshire, WA14 2DT.

The ultimate parent company is Seaside Holdings Ltd, a company registered in the Cayman Islands. The registered office is The offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The ultimate controlling party is Mr S P Sadler, shareholder of the ultimate parent company Seaside Holdings Ltd.

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