

**GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021
FOR
THE ROCHDALE ASSOCIATION FOOTBALL CLUB
LIMITED**

**THE ROCHDALE ASSOCIATION FOOTBALL CLUB
LIMITED (REGISTERED NUMBER: 00111019)**

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FOR THE YEAR ENDED 31 MAY 2021**

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**THE ROCHDALE ASSOCIATION FOOTBALL CLUB
LIMITED**

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MAY 2021**

DIRECTORS:

A J Pockney
A J Kelly
G Courtney
S J Gauge
G M S Knight
R A Knight
J I Sarsfield
J L Wormald

REGISTERED OFFICE:

The Crown Oil Arena
Sandy Lane
Rochdale
Lancashire
OL11 5DR

REGISTERED NUMBER:

00111019 (England and Wales)

AUDITORS:

Wyatt, Morris, Golland Ltd
Statutory Auditors
Park House
200 Drake Street
Rochdale
Lancashire
OL16 1PJ

SOLICITORS:

Hulse Yazdi Limited
Reed House
Hunters Lane
Rochdale
OL16 1YL

**THE ROCHDALE ASSOCIATION FOOTBALL CLUB
LIMITED (REGISTERED NUMBER: 00111019)**

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MAY 2021**

The directors present their strategic report of the company and the group for the year ended 31 May 2021.

REVIEW OF BUSINESS

During the financial year under review, 2020/21, the seventh consecutive season in the Sky Bet League One, the third tier of English football, the Club was regrettably relegated to Sky Bet League Two attaining 47 points and achieving 21st place.

As with all football clubs, the 2020/21 season saw disruption from the Covid-19 pandemic continue. The prior season 2019/20 was suspended in March 2020, prior to a national lockdown and the 2019/20 League One season was ended early following a formal vote of clubs on 9 June 2020. The 2020/21 season saw a similar level of Covid-19 disruption. Further details on the impact of Covid-19 are given below.

In the FA Cup the Club was eliminated in Round 1 by Stockport County of the National League. In the EFL Carabao Cup the Club lost in Round 2 against Sheffield Wednesday of the Championship. In the EFL Trophy participation ended at the Group Stage.

The number of senior players in the squad remained at a similar number to other clubs. The total number of players utilised was similar to the previous seasons at 31 players (2019/20: 32 players). With the abrupt end to the 2019/20 season this impacted on season ticket sales going into the 2020/21 season. There were no games where home attendances were allowed (2019/20 average: 3,632 from 16 games).

Rochdale AFC has a philosophy of developing and playing home grown players from the Club's Youth Academy into the first team and this continues to pay dividends.

These factors led to the group making a significant financial loss after tax of £1.2m (2020: £1.3m profit) which significantly reduced consolidated net assets from £2.7m to £1.5m.

The Directors do not recommend the payment of a dividend (2020: No recommendation of payment of a dividend)

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the nature of the Group's strategy are subject to a number of risks. The directors have set out below the principal risks facing the business. Where possible, processes are in place to monitor and mitigate such risks. These are general in nature and include obtaining business on competitive terms, retaining key personnel and market competition. The Group and Company operated a system of internal control and risk management in order to provide assurance that the Board of Directors is managing risk whilst achieving the business objectives. No system can fully eliminate risk and therefore the understanding of operational risk is central to the management process.

To enable shareholders to appreciate what the business considers are the main operational risks, they are briefly outlined below:

Inadequate safeguarding and health and safety

The Group, Company and Club operate a strong safeguarding and health and safety programme and has key employees dedicated to full time roles in these areas. Each Board meeting carefully considers any issues of safeguarding or health and safety and the controls which govern these areas are periodically reviewed. Additionally all Directors have completed mandatory safeguarding training demanded by the EFL.

On pitch performance

The inability to maintain EFL League Two status and the financial effect of relegation from the EFL League Two are a core risk. The Group, Company and Club operate a policy of recruiting suitable management and playing staff capable of mitigating this risk.

Financial instability

The Group, Company and Club operate a base case budget which revenue assumes exit from the FA Cup and EFL League Cup competitions in the first round, no player divestment and attendances based on the historic commercial performances. Outflows are then structured based on these assumptions.

Over many years, the Group, Company and Club have outperformed the base case budget by overperformance in FA Cup and EFL League Cup competitions, player divestment (including sell-on clauses) and TV revenues.

Surpluses, where generated, are reinvested into the Club and held for seasons where economic circumstances mean they may need to be deployed.

**THE ROCHDALE ASSOCIATION FOOTBALL CLUB
LIMITED (REGISTERED NUMBER: 00111019)**

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MAY 2021**

RESULTS

The Consolidated Income Statement is set out on Page 10.

Revenue for the year of £3.31m (2020: £6.86m) is a decrease of 51.7% (2020: 38.6% increase). The decrease versus the prior year has been driven by three factors.

First, COVID-19 saw no crowds permitted into stadiums as part of the UK Government's response to dealing with the impact of a global pandemic which removed one of the core revenue streams. Second, the Club exited cup competitions in the early rounds compared to the prior year when two games against Newcastle United in the FA Cup and a tie at Manchester United in the Carabao Cup contributed significantly. Finally, transfer revenues were down on the prior year due to the depressed nature of the transfer market caused by COVID-19.

In the face of managing the group in the impact of a global pandemic, the Directors took advantage of the UK Government's furlough scheme, receiving grant income of £425k. Employee staff costs of £3.2m (2020: £3.4m) and administrative expenses of £2.0m (2020: £2.0m) operated in excess of revenue.

Despite making cost savings and taking advantage of the UK Government's furlough scheme, the Group made a loss for the financial year of £1.2m (2020: Profit of £1.3m)

The Consolidated Balance Sheet which shows the financial position of the Group as at 31 May 2021 is set out on Page 11.

ONGOING EFL INVESTIGATION

At the date of this report, the Club is supporting an ongoing investigation into breaches of EFL Regulations relating to events following two EGM meetings on 1 June 2021.

On 17 May 2021 the then Board of Directors proposed an EGM on 1 June 2021 to consider four resolutions proposed by the board on possible future investment. At the EGM on 1 June 2021 the then Board of Directors, following questions from shareholders, formally withdrew all of these shareholder resolutions without them ever being voted on.

On 17 May 2021 the then Board of Directors proposed an EGM resolution from the Dale Trust on 1 June 2021 to propose removal of David Bottomley and Graham Rawlinson as Directors of the Company. These motions were carried by a majority of shareholder votes and removed David Bottomley and Graham Rawlinson as Directors.

On 30 June 2021, David Bottomley left his employed role within the Company.

On 16 August 2021, in accordance with its Regulations, the EFL issued notice to multiple individuals of the commencement of disciplinary investigations in respect to the acquisition of shares in Rochdale Association Football Club during July 2021.

It is alleged by the EFL that a third party acquired Control of the Club, and a number of individuals became Relevant Persons without the prior consent of the EFL in accordance with the Owners' and Directors' Test (OADT).

The EFL's objective in commencing an investigation was and is to gather additional evidence as it continued to investigate whether the Club, any Official, any Relevant Person(s) and/or any Persons wishing to acquire Control of the Club complied with the requirements of the OADT and whether any Relevant Person(s) are subject to a Disqualifying Condition.

Having considered the request for information made of them by the EFL, the third party, on behalf of its directors, and representatives, informed the League that it was formally withdrawing from the approval process and planned to divest the shares acquired in the Club at the earliest opportunity.

At the date of this report in February 2022 the EFL's investigations are still ongoing. The Board of Directors and the Club are providing full and unequivocal support to the EFL and their investigation as is required.

The EFL have stated that they will continue to work with Rochdale Association Football Club as they collectively seek to ensure a successful and sustainable long-term future for the Club and all those associated with it, particularly its players, staff and supporters.

**THE ROCHDALE ASSOCIATION FOOTBALL CLUB
LIMITED (REGISTERED NUMBER: 00111019)**

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MAY 2021**

PROSPECTS

Safeguarding, Health and Safety

The ethos of the Group, Company and Club is to operate an environment that is safe, open and welcoming for all fans, the general public, players, club management, staff and families from all backgrounds.

Football

The principal objective of the Group and Company continue to be to maximise the position of the Club in the English Football League ('EFL') and to build a squad and infrastructure to advance further in the longer term. The Club is committed to building and progressing year after year, both on and off the pitch.

A core objective of the Group, Company and Club is to develop footballing talent and provide opportunities for progression at Rochdale AFC and beyond through academy and development systems.

Financial stability and fiscal prudence

In delivering its operations, the Group, Company and Club seeks to ensure long term financial stability for the club based on current revenue streams, exploiting opportunities to maximise them; and explore opportunities for generating new commercial relationships. The Group, Company and Club seek to at least break even in every season and commit to reinvest any surplus generated into the operations.

Community inclusion

The Group, Company and Club plays a part in local community engagement to promote social inclusion, positive community values, healthy lifestyles and bring value locally to the borough of Rochdale and nationally across the United Kingdom.

COVID 19

The financial results for the year ending 31 May 2021 have been significantly impacted by the COVID-19 pandemic. With competitive football suspended in March 2020, this led to the abandonment of the 2019/20 season, as part of the wider lockdown of the UK economy in response to the growing pandemic levels seen both in the United Kingdom and Europe.

During this period of suspended matches, the group took advantage of the Coronavirus Job Retention Scheme from the UK Government to protect as many roles as possible whilst there was no income coming in. In the year ending 31 May 2021 continued restrictions were placed on the operations of the group to operate commercially.

GOING CONCERN

The Directors have considered the adoption of the Going Concern basis of preparation of the financial statements and the facilities currently available to the Company and its wider group and has concluded that the basis has been appropriately adopted in the accounts.

Although the Club is in a stronger position compared to some of its peers, it has not been immune to the financial challenges caused by the COVID-19 pandemic. The Directors would like to thank players, management and staff for their continued hard work during the past year. The support of fans and everyone connected with the Club has, as ever, been tremendous and to all of them the Directors extend their thanks.

ON BEHALF OF THE BOARD:

S J Gauge - Director

24 February 2022

**THE ROCHDALE ASSOCIATION FOOTBALL CLUB
LIMITED (REGISTERED NUMBER: 00111019)**

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MAY 2021**

The directors present their report with the financial statements of the company and the group for the year ended 31 May 2021.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of the operation of a professional football club ("Rochdale AFC" or the "Club"), together with related and ancillary activities.

DIVIDENDS

No dividends will be proposed for the year ended 31 May 2021 (2020: No dividends proposed)

DIRECTORS

The directors shown below have held office during the whole of the period from 1 June 2020 to the date of this report.

A J Pockney

A J Kelly

Other changes in directors holding office are as follows:

A S A Kilpatrick - resigned 18 February 2021

N J Grindrod - appointed 27 May 2021

G Courtney , S J Gauge , G M S Knight , R A Knight , J I Sarsfield and J L Wormald were appointed as directors after 31 May 2021 but prior to the date of this report.

G Rawlinson , D Bottomley and N J Grindrod ceased to be directors after 31 May 2021 but prior to the date of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group 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 group'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 group's auditors are aware of that information.

AUDITORS

The auditors, Wyatt, Morris, Golland Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

S J Gauge - Director

24 February 2022

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE ROCHDALE ASSOCIATION FOOTBALL CLUB
LIMITED**

Opinion

We have audited the financial statements of The Rochdale Association Football Club Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 May 2021 which comprise the Consolidated Income Statement, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 group's and of the parent company affairs as at 31 May 2021 and of the group's 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 group's and the parent 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.

Emphasis of matter

We draw attention to the directors strategic report and note 13 relating to contingent liabilities in the financial statements which describe the ongoing investigation by the EFL, potential legal claims and associated costs. Our opinion is not modified in respect of this matter

Other information

The directors are responsible for the other information. The other information comprises the information in the Group 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 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 the audit:

- the information given in the Group 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 Group 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 ROCHDALE ASSOCIATION FOOTBALL CLUB
LIMITED**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Group Strategic Report.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page five, 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 group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE ROCHDALE ASSOCIATION FOOTBALL CLUB
LIMITED**

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

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. 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.

Christian PJ Morris (Senior Statutory Auditor)
for and on behalf of Wyatt, Morris, Golland Ltd
Statutory Auditors
Park House
200 Drake Street
Rochdale
Lancashire
OL16 1PJ

24 February 2022

**THE ROCHDALE ASSOCIATION FOOTBALL CLUB
LIMITED (REGISTERED NUMBER: 00111019)**

**CONSOLIDATED
INCOME STATEMENT
FOR THE YEAR ENDED 31 MAY 2021**

| | Notes | 2021 £ | 2020 £ |
|--|-------|--|------------------------------------|
| TURNOVER | | 3,313,925 | 6,860,101 |
| Cost of sales | | <u>2,961,039</u> | <u>3,807,305</u> |
| GROSS PROFIT | | 352,886 | 3,052,796 |
| Administrative expenses | | <u>2,216,744</u> (1,863,858) | <u>2,083,709</u> 969,087 |
| Other operating income | | <u>683,888</u> | <u>410,924</u> |
| OPERATING (LOSS)/PROFIT | 4 | (1,179,970) | 1,380,011 |
| Interest receivable and similar income | | <u>104</u> (1,179,866) | <u>48</u> 1,380,059 |
| Interest payable and similar expenses | | <u>38,692</u> | <u>18,927</u> |
| (LOSS)/PROFIT BEFORE TAXATION | | (1,218,558) | 1,361,132 |
| Tax on (loss)/profit | 5 | <u>-</u> | <u>898</u> |
| (LOSS)/PROFIT FOR THE FINANCIAL YEAR | | (1,218,558) | 1,360,234 |
| (Loss)/profit attributable to: Owners of the parent | | <u>(1,218,558)</u> | <u>1,360,234</u> |

The notes form part of these financial statements

**THE ROCHDALE ASSOCIATION FOOTBALL CLUB
LIMITED (REGISTERED NUMBER: 00111019)**

**CONSOLIDATED BALANCE SHEET
31 MAY 2021**

| | Notes | 2021 £ | £ | 2020 £ | £ |
|--|-------|------------------|-------------------------|------------------|-------------------------|
| FIXED ASSETS | | | | | |
| Intangible assets | 7 | | 110,131 | | 4,684 |
| Tangible assets | 8 | | 2,270,685 | | 1,809,177 |
| Investments | 9 | | <u>-</u> | | <u>-</u> |
| | | | 2,380,816 | | 1,813,861 |
| CURRENT ASSETS | | | | | |
| Stocks | | 57,375 | | 49,091 | |
| Debtors | 10 | 740,242 | | 1,554,544 | |
| Cash at bank and in hand | | <u>570,930</u> | | <u>768,669</u> | |
| | | 1,368,547 | | 2,372,304 | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 11 | <u>1,630,671</u> | | <u>886,810</u> | |
| NET CURRENT (LIABILITIES)/ASSETS | | | (262,124) | | 1,485,494 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 2,118,692 | | 3,299,355 |
| CREDITORS | | | | | |
| Amounts falling due after more than one year | 12 | | (616,849) | | (474,871) |
| ACCRUALS AND DEFERRED INCOME | | | - | | (104,083) |
| NET ASSETS | | | <u>1,501,843</u> | | <u>2,720,401</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | | | 251,479 | | 251,479 |
| Share premium | | | 537,592 | | 537,592 |
| Retained earnings | | | <u>712,772</u> | | <u>1,931,330</u> |
| SHAREHOLDERS' FUNDS | | | <u>1,501,843</u> | | <u>2,720,401</u> |

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

The financial statements were approved by the Board of Directors and authorised for issue on 24 February 2022 and were signed on its behalf by:

S J Gauge - Director

**THE ROCHDALE ASSOCIATION FOOTBALL CLUB
LIMITED (REGISTERED NUMBER: 00111019)**

**COMPANY BALANCE SHEET
31 MAY 2021**

| | Notes | 2021 £ | £ | 2020 £ | £ |
|--|-------|------------------|--------------------|----------------|------------------|
| FIXED ASSETS | | | | | |
| Intangible assets | 7 | | 110,131 | | 4,684 |
| Tangible assets | 8 | | 864,695 | | 395,767 |
| Investments | 9 | | - | | - |
| | | | <u>974,826</u> | | <u>400,451</u> |
| CURRENT ASSETS | | | | | |
| Stocks | | 53,125 | | 42,321 | |
| Debtors | 10 | 726,726 | | 1,531,755 | |
| Cash at bank and in hand | | <u>260,623</u> | | <u>764,178</u> | |
| | | 1,040,474 | | 2,338,254 | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 11 | <u>1,545,936</u> | | <u>904,547</u> | |
| NET CURRENT (LIABILITIES)/ASSETS | | | <u>(505,462)</u> | | <u>1,433,707</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 469,364 | | 1,834,158 |
| CREDITORS | | | | | |
| Amounts falling due after more than one year | 12 | | (363,710) | | (207,150) |
| ACCRUALS AND DEFERRED INCOME | | | - | | (104,083) |
| NET ASSETS | | | <u>105,654</u> | | <u>1,522,925</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | | | 251,479 | | 251,479 |
| Share premium | | | 537,592 | | 537,592 |
| Retained earnings | | | <u>(683,417)</u> | | <u>733,854</u> |
| SHAREHOLDERS' FUNDS | | | <u>105,654</u> | | <u>1,522,925</u> |
| Company's (loss)/profit for the financial year | | | <u>(1,417,271)</u> | | <u>162,758</u> |

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

The financial statements were approved by the Board of Directors and authorised for issue on 24 February 2022 and were signed on its behalf by:

S J Gauge - Director

**THE ROCHDALE ASSOCIATION FOOTBALL CLUB
LIMITED (REGISTERED NUMBER: 00111019)**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2021**

| | Called up share capital £ | Retained earnings £ | Share premium £ | Total equity £ |
|-------------------------------|------------------------------------|---------------------------|-----------------------|----------------------|
| Balance at 1 June 2019 | 251,479 | 571,096 | 537,592 | 1,360,167 |
| Changes in equity | | | | |
| Total comprehensive income | - | 1,360,234 | - | 1,360,234 |
| Balance at 31 May 2020 | 251,479 | 1,931,330 | 537,592 | 2,720,401 |
| Changes in equity | | | | |
| Total comprehensive income | - | (1,218,558) | - | (1,218,558) |
| Balance at 31 May 2021 | 251,479 | 712,772 | 537,592 | 1,501,843 |

The notes form part of these financial statements

**THE ROCHDALE ASSOCIATION FOOTBALL CLUB
LIMITED (REGISTERED NUMBER: 00111019)**

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2021**

| | Called up share capital £ | Retained earnings £ | Share premium £ | Total equity £ |
|-------------------------------|------------------------------------|---------------------------|-----------------------|----------------------|
| Balance at 1 June 2019 | 251,479 | 571,096 | 537,592 | 1,360,167 |
| Changes in equity | | | | |
| Total comprehensive income | - | 162,758 | - | 162,758 |
| Balance at 31 May 2020 | 251,479 | 733,854 | 537,592 | 1,522,925 |
| Changes in equity | | | | |
| Total comprehensive income | - | (1,417,271) | - | (1,417,271) |
| Balance at 31 May 2021 | 251,479 | (683,417) | 537,592 | 105,654 |

The notes form part of these financial statements

**THE ROCHDALE ASSOCIATION FOOTBALL CLUB
LIMITED (REGISTERED NUMBER: 00111019)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

1. STATUTORY INFORMATION

The Rochdale Association 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 General 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.

Basis of consolidation

The consolidated financial statements include the financial statements of the company and its subsidiary undertaking made up to 31 May 2021. A subsidiary is an entity that is controlled by the parent.

Under Section 408 of the Companies Act 2006 the company is exempt from the requirement to present its own profit and loss account.

Significant judgements and estimates

There were no critical judgements made in the process of applying the Group's accounting policies.

There were no key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Turnover

Turnover comprises income from gate receipts, television rights, merchandising royalty income, rental income, sponsorship and other commercial activities, exclusive of value added tax. The turnover is measured at the fair value of consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Player transfer fees

Amounts payable in respect of transfer of players registrations, both transfer fees and the associated costs, are capitalised and amortised over the period of the players' contract including any subsequent agreed extensions.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

| | |
|-------------------------|---|
| Land and buildings | - 4% on cost and at varying rates on cost |
| Plant and machinery etc | - 20% on reducing balance, 15% on reducing balance and 4% on cost |

Tangible fixed assets are stated at cost or deemed cost less accumulated depreciation and accumulated impairment losses. The group assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Government grants

Government grants are recognised when there is reasonable assurance that the company will comply with the conditions attaching to the grant and the grant will be received.

Following the outbreak of the Covid-19 Pandemic the company furloughed members of staff and took advantage of the government job retention scheme. Grant income is accrued for in the period matching the period the wages were due for.

In addition the company applied under the Coronavirus Business Interruption Loan Scheme and received a bank loan. For the first 12 months the government will cover the administration charge and interest. The company has not included a charge for this amount which is classified as government assistance as the amount would not be material to the accounts.

Stocks

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

**THE ROCHDALE ASSOCIATION FOOTBALL CLUB
LIMITED (REGISTERED NUMBER: 00111019)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2021**

2. ACCOUNTING POLICIES - continued

Financial instruments

The group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors. Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated 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 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.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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

Investments

Investments in subsidiaries, associates and joint ventures are measured at cost less any accumulated impairment losses. Listed investments are measured at fair value. Unlisted investments are measured at fair value unless the value cannot be measured reliably, in which case they are measured at cost less any accumulated impairment losses. Changes in fair value are included in the profit and loss account.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 122 (2020 - 135) .

4. OPERATING (LOSS)/PROFIT

The operating loss (2020 - operating profit) is stated after charging:

| | 2021 | 2020 |
|-----------------------------------|---------------|---------------|
| | £ | £ |
| Depreciation - owned assets | 169,637 | 75,846 |
| Player transfer fees amortisation | <u>76,693</u> | <u>38,513</u> |

**THE ROCHDALE ASSOCIATION FOOTBALL CLUB
LIMITED (REGISTERED NUMBER: 00111019)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2021**

5. TAXATION

There is no provision for corporation tax as the group has combined accumulated tax losses of £7,066,515. Provision has only been made in respect of the deferred tax asset on these losses to the extent that they have offset any other deferred tax liabilities.

6. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

7. INTANGIBLE FIXED ASSETS

Group

| | Player transfer fees £ |
|------------------------|---------------------------------|
| COST | |
| At 1 June 2020 | 61,140 |
| Additions | 182,140 |
| Disposals | (48,420) |
| At 31 May 2021 | <u>194,860</u> |
| AMORTISATION | |
| At 1 June 2020 | 56,456 |
| Amortisation for year | 76,693 |
| Eliminated on disposal | (48,420) |
| At 31 May 2021 | <u>84,729</u> |
| NET BOOK VALUE | |
| At 31 May 2021 | <u>110,131</u> |
| At 31 May 2020 | <u>4,684</u> |

Company

| | Player transfer fees £ |
|------------------------|---------------------------------|
| COST | |
| At 1 June 2020 | 61,140 |
| Additions | 182,140 |
| Disposals | (48,420) |
| At 31 May 2021 | <u>194,860</u> |
| AMORTISATION | |
| At 1 June 2020 | 56,456 |
| Amortisation for year | 76,693 |
| Eliminated on disposal | (48,420) |
| At 31 May 2021 | <u>84,729</u> |
| NET BOOK VALUE | |
| At 31 May 2021 | <u>110,131</u> |
| At 31 May 2020 | <u>4,684</u> |

**THE ROCHDALE ASSOCIATION FOOTBALL CLUB
LIMITED (REGISTERED NUMBER: 00111019)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2021**

8. TANGIBLE FIXED ASSETS

Group

| | Freehold property £ | Pearl Street stand £ | Improvements to property £ |
|------------------------|---------------------------|-------------------------------|-------------------------------------|
| COST | | | |
| At 1 June 2020 | 1,874,249 | 860,133 | 81,948 |
| Additions | - | - | - |
| Disposals | - | - | - |
| At 31 May 2021 | <u>1,874,249</u> | <u>860,133</u> | <u>81,948</u> |
| DEPRECIATION | | | |
| At 1 June 2020 | 369,197 | 783,334 | 53,581 |
| Charge for year | 13,899 | 34,405 | 709 |
| Eliminated on disposal | - | - | - |
| At 31 May 2021 | <u>383,096</u> | <u>817,739</u> | <u>54,290</u> |
| NET BOOK VALUE | | | |
| At 31 May 2021 | <u>1,491,153</u> | <u>42,394</u> | <u>27,658</u> |
| At 31 May 2020 | <u>1,505,052</u> | <u>76,799</u> | <u>28,367</u> |

| | Fixtures and fittings £ | Plant and Motor vehicles £ | Totals £ |
|------------------------|----------------------------------|-------------------------------------|------------------|
| COST | | | |
| At 1 June 2020 | 302,330 | 382,453 | 3,501,113 |
| Additions | 34,406 | 632,673 | 667,079 |
| Disposals | (168,741) | (281,061) | (449,802) |
| At 31 May 2021 | <u>167,995</u> | <u>734,065</u> | <u>3,718,390</u> |
| DEPRECIATION | | | |
| At 1 June 2020 | 152,105 | 333,719 | 1,691,936 |
| Charge for year | 25,005 | 97,706 | 171,724 |
| Eliminated on disposal | (142,081) | (273,874) | (415,955) |
| At 31 May 2021 | <u>35,029</u> | <u>157,551</u> | <u>1,447,705</u> |
| NET BOOK VALUE | | | |
| At 31 May 2021 | <u>132,966</u> | <u>576,514</u> | <u>2,270,685</u> |
| At 31 May 2020 | <u>150,225</u> | <u>48,734</u> | <u>1,809,177</u> |

**THE ROCHDALE ASSOCIATION FOOTBALL CLUB
LIMITED (REGISTERED NUMBER: 00111019)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2021**

8. TANGIBLE FIXED ASSETS - continued

Group

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

| | Plant and Motor vehicles £ |
|-----------------------|---|
| COST | |
| At 1 June 2020 | 34,694 |
| Additions | 12,275 |
| Transfer to ownership | (25,194) |
| At 31 May 2021 | <u>21,775</u> |
| DEPRECIATION | |
| At 1 June 2020 | 18,046 |
| Charge for year | 2,087 |
| Transfer to ownership | (16,939) |
| At 31 May 2021 | <u>3,194</u> |
| NET BOOK VALUE | |
| At 31 May 2021 | <u>18,581</u> |
| At 31 May 2020 | <u>16,648</u> |

Company

| | Freehold property £ | Pearl Street stand £ | Improvements to property £ |
|------------------------|------------------------------------|---|---|
| COST | | | |
| At 1 June 2020 | 177,526 | 860,133 | 81,948 |
| Additions | - | - | - |
| Disposals | - | - | - |
| At 31 May 2021 | <u>177,526</u> | <u>860,133</u> | <u>81,948</u> |
| DEPRECIATION | | | |
| At 1 June 2020 | 36,148 | 783,334 | 53,581 |
| Charge for year | 7,101 | 34,405 | 709 |
| Eliminated on disposal | - | - | - |
| At 31 May 2021 | <u>43,249</u> | <u>817,739</u> | <u>54,290</u> |
| NET BOOK VALUE | | | |
| At 31 May 2021 | <u>134,277</u> | <u>42,394</u> | <u>27,658</u> |
| At 31 May 2020 | <u>141,378</u> | <u>76,799</u> | <u>28,367</u> |

**THE ROCHDALE ASSOCIATION FOOTBALL CLUB
LIMITED (REGISTERED NUMBER: 00111019)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2021**

8. TANGIBLE FIXED ASSETS - continued

Company

| | Fixtures and fittings £ | Plant and Motor vehicles £ | Totals £ |
|------------------------|----------------------------------|-------------------------------------|------------------|
| COST | | | |
| At 1 June 2020 | 271,925 | 67,742 | 1,459,274 |
| Additions | 21,013 | 632,673 | 653,686 |
| Disposals | (168,741) | (15,069) | (183,810) |
| At 31 May 2021 | <u>124,197</u> | <u>685,346</u> | <u>1,929,150</u> |
| DEPRECIATION | | | |
| At 1 June 2020 | 148,071 | 42,373 | 1,063,507 |
| Charge for year | 20,035 | 94,200 | 156,450 |
| Eliminated on disposal | (142,081) | (13,421) | (155,502) |
| At 31 May 2021 | <u>26,025</u> | <u>123,152</u> | <u>1,064,455</u> |
| NET BOOK VALUE | | | |
| At 31 May 2021 | <u>98,172</u> | <u>562,194</u> | <u>864,695</u> |
| At 31 May 2020 | <u>123,854</u> | <u>25,369</u> | <u>395,767</u> |

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

| | Plant and Motor vehicles £ |
|-----------------------|-------------------------------------|
| COST | |
| At 1 June 2020 | 34,694 |
| Additions | 12,275 |
| Transfer to ownership | (25,194) |
| At 31 May 2021 | <u>21,775</u> |
| DEPRECIATION | |
| At 1 June 2020 | 18,046 |
| Charge for year | 2,087 |
| Transfer to ownership | (16,939) |
| At 31 May 2021 | <u>3,194</u> |
| NET BOOK VALUE | |
| At 31 May 2021 | <u>18,581</u> |
| At 31 May 2020 | <u>16,648</u> |

**THE ROCHDALE ASSOCIATION FOOTBALL CLUB
LIMITED (REGISTERED NUMBER: 00111019)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2021**

9. FIXED ASSET INVESTMENTS

Company

**Shares in
group
undertakings
£**

COST

At 1 June 2020
and 31 May 2021

566,111

PROVISIONS

At 1 June 2020
and 31 May 2021

566,111

NET BOOK VALUE

At 31 May 2021
At 31 May 2020

-
-

The company investments at the Balance Sheet date include the share capital of Denehurst Park (Rochdale) Limited. The Rochdale Association Football Club Limited own 100% of the ordinary share capital of Denehurst Park (Rochdale) Limited. At the Balance Sheet date, the net assets of Denehurst Park (Rochdale) Limited were £1,396,188.(2020: £1,197,476)

In the directors opinion the impairment remains appropriate because Denehurst Park (Rochdale) Limited continues to make losses and is only solvent due to writing off the loans owed to the company.

10. DEBTORS

| | Group | | Company | |
|---|-----------------------|------------------|-----------------------|------------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Amounts falling due within one year: | | | | |
| Trade debtors | 495,405 | 868,808 | 492,596 | 862,261 |
| Other debtors | 244,837 | 206,036 | 234,130 | 189,794 |
| | <u>740,242</u> | <u>1,074,844</u> | <u>726,726</u> | <u>1,052,055</u> |
| Amounts falling due after more than one year: | | | | |
| Trade debtors | <u>-</u> | <u>479,700</u> | <u>-</u> | <u>479,700</u> |
| Aggregate amounts | <u>740,242</u> | <u>1,554,544</u> | <u>726,726</u> | <u>1,531,755</u> |

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group | | Company | |
|------------------------------|-------------------------|----------------|-------------------------|----------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Bank loans and overdrafts | 18,249 | - | 9,525 | - |
| Hire purchase contracts | 5,622 | 4,834 | 5,622 | 4,834 |
| Trade creditors | 387,776 | 75,277 | 544,500 | 202,573 |
| Taxation and social security | 531,121 | 325,159 | 526,854 | 316,151 |
| Other creditors | 687,903 | 481,540 | 459,435 | 380,989 |
| | <u>1,630,671</u> | <u>886,810</u> | <u>1,545,936</u> | <u>904,547</u> |

**THE ROCHDALE ASSOCIATION FOOTBALL CLUB
LIMITED (REGISTERED NUMBER: 00111019)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2021**

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | Group | | Company | |
|-------------------------|-----------------------|----------------|-----------------------|----------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Bank loans | 81,752 | 50,000 | 40,475 | 50,000 |
| Hire purchase contracts | 10,994 | 4,750 | 10,994 | 4,750 |
| Trade creditors | 190,241 | - | 190,241 | - |
| Other creditors | 333,862 | 420,121 | 122,000 | 152,400 |
| | <u>616,849</u> | <u>474,871</u> | <u>363,710</u> | <u>207,150</u> |

Amounts falling due in more than five years:

| | Group | | Company | |
|--------------------------------|-------------------|---------------|-----------------|---------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Repayable by instalments | | | | |
| Bank loans more 5 yr by instal | 869 | 13,231 | - | 13,231 |
| Other loans more 5yrs instal | - | 19,216 | - | - |
| | <u>869</u> | <u>32,447</u> | <u>-</u> | <u>13,231</u> |

13. CONTINGENT LIABILITIES

The directors have set out in the strategic report details regarding an ongoing investigation by the EFL announced in August 2021 caused by a series of events which has led to legal action being taken against the Company. Additionally the directors have filed a separate legal action against a former director and employee of the Company and are considering other legal actions against individuals based on available evidence. Although the outcome of the EFL investigation and all legal proceedings are uncertain, the directors are of the opinion that any claims made can be successfully resisted by the club. They have however made a contingent provision in the accounts for future legal costs relating to all these matters which amounts to £50,000.

14. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The directors have continued to provide financial assistance to the company throughout the year. At the 31 May 2021 the company owed N J Grindrod £9,600. The loan is unsecured and interest free. The directors loan accounts were not overdrawn at any time during the year.

15. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

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.