

Company Registration No. 00123622 (England and Wales)

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

COMPANY INFORMATION

Directors	Mr P D Swann Mrs K I. Swann Mr C Swann Ms L K Mayo Mr N Wright	(Appointed 22 March 2022)
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President	Sir I T Botham, Kt, O.B.E.
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Vice-Presidents	K R Waters Dr J Zacharais B.B.S. T Jacklin O.B.E. J Oxenforth K Wagstaff
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Company number	00123622
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Registered office	Glanford Park Jack Brownsword Way Scunthorpe South Humberside DN15 8TD
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Auditor	UHY Hacker Young 14 Park Row Nottingham NG1 6GR
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SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

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SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 30 JUNE 2021

Chairman's statement

Starting the 20/21 football season was always going to be a challenge but even more so when the league decided to start the season with no fans allowed at the games due to covid restrictions. The club had managed to get through the previous season financially, but this was going to be very difficult financially and the league distributions plus money from the premier league would be crucial.

The EFL forwarded various tv and distribution monies in the early days and there was a promise of a rescue package for clubs who had no cash flow, but in the end, we had to commit to the season with no concrete financial plans in place and as the season went on it was clear we needed approximately £2m in loans to complete the season and remain solvent. If we hadn't taken the EFL loan, we would almost certainly have had to go into administration, so we progressed the season knowing there would be funds but not the consequences of taking such a loan. That uncertainty clarified itself with an embargo and limits set on player wages, expenses, accommodation as we reached the end of the season and set to impact us in the 2021/22 season, however our priority was to get the club through the season ahead.

We decided to recruit a new Manager and, in the August of 2020, appointed Neil Cox as first team manager, he would have a reduced and difficult budget, which was compounded by being under 3 financial reporting systems, over a matter of months, as a transition to a salary cap failed very quickly as the PFA were able to block this.

Neil recruited his own team coaches and players developing the team along the lines of "right characters" and we felt that with Neil being very much a legend at the club, would help us out of our poor form and give us something to cheer about with a local lad at the helm.

The season started reasonably well but as we progressed the players recruited were struggling to stay fit and performances on the pitch were poor and we remained close to the bottom of the table, so with 8 games to go we only needed a point or so and, although doing it the hard way, we stayed up by 3 points. Even though this was a disappointment, maintaining our league status was the main goal and we achieved that, and we would go into the next season with Neil in charge.

Covid would have a huge impact on that season and financially the club would have to take the loan or fold, so the decision at the end of the season was made to take the EFL loan. Unfortunately, that would have serious impacts on our budget and cash flow, but the parent company had no additional cash to support the club through the season. That choice seems to have given us a short reprieve going into this season and we now find ourselves fighting a huge uphill battle to stay in the league.

Our overriding priority is to ensure the club is sustainable going forward which means we may have to prepare for another tight season in the league or in the national league if we are relegated. The club would be viable and sustainable under both outcomes with an opportunity to rebuild from a strong financial base and we have begun that process by appointing Keith Hill who replaced Neil Cox after 15 games of the season. Keith will remain at the club regardless of the league position and start to build the club from the ground up.

I would like to give my ongoing thanks to all of our supporters, in what are not ideal circumstances, however that support is crucial if the club is to survive.

Sadly, we lost a great friend and Vice President in Ray Clemence who passed away in November 2020 and our condolences and thoughts will always be with Vee and the family.

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 30 JUNE 2021

Our thoughts also go out to all those fans that have died during the pandemic and we express our condolences to all those families left behind.

It is so important for supporters of the football club to rally around, buy season tickets, continue to purchase items from the club shop and on match days, buy food and drink, so the community can continue to benefit from having a professional football club in the town.

Mr P D Swann

Chairman

29 March 2022

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2021

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

Fair review of the business

The results for the year are shown in the profit and loss account of the financial statements and are summarised below, along with information on where the club sees its self in the future.

The club have recorded a profit in the year of £4.82m compared to continuous previous year losses of £952k. The turnover in the year is lower compared to 2020 due to £435k of commercial income for the naming rights, compared with £2.1m in 2020, and a £615k reduction in gate receipts and ticket sales resulting from an entire season played behind closed doors. This also had a material impact on hospitality commercial income, both of which are ordinarily reliant on matchday income, whilst digital income sees a significant increase to offset this slightly due to the streaming of games of the EFL's iFollow.

The club continued to realign and substantially reduce its costs to adjust to the situation it faced playing behind closed doors, which undoubtedly aided the survival of the club. This is an ongoing process as the club strives to reach a sustainable break-even point.

The operating loss has worsened slightly in the 2021 results compared to 2020 results, however the profit on the agreement to sell Glanford Park as a result of the waiving of the intercompany loan means overall the club reports a substantial profit.

The club continues to trade in players and returned a profit on player trading. We will continue to invest and develop players.

Principal risks and uncertainties

The Board constantly monitors new developments and assesses the threats to the business by close monitoring of the sectors in which it operates.

Business Risks identified are potential reduced income from dwindling gates due to the performance of the team and local market forces.

The board ensures compliance with all relevant rules and regulations, in particular those laid down by the FA, Football League, UEFA and FIFA. Any change to the regulations of these bodies could have an impact on the company as they cover areas such as; Competition Format, Distribution of Media Income, Player eligibility and operation of the Transfer Market. The board ensures compliance with all the relevant rules and regulations, thus monitoring the impact of any potential changes.

Key performance indicators

The directors consider the following to be the key performance indicators of the club:

Turnover - £3,106,265 (2020 - £5,444,545)

Wage to turnover % - 95.0% (2020 - 77.7%)

League finishing position in relevant season - 22nd in English Football League 2 (2020 - 20th in English Football League 2 when the league was curtailed after 37 games)

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

On behalf of the board

Mr P D Swann

Director

29 March 2022

SCUNTHORPE UNITED 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 English Football League club.

Results and dividends

The results for the year are set out on page 11.

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 P D Swann

Mrs K L Swann

Mr C Swann

Ms L K Mayo

Mr S B Elliott

(Appointed 22 November 2021 and resigned 28 March 2022)

Mr N Wright

(Appointed 22 March 2022)

Auditor

The auditor, UHY Hacker Young, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement 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 P D Swann

Director

29 March 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

Opinion

We have audited the financial statements of Scunthorpe United Football Club Limited (the 'company') for the year ended 30 June 2021 which comprise the Profit and Loss Account, the Balance Sheet, the 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 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 profit 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

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.

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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

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.

Based on our understanding of the company and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the company, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which noncompliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated revenue and profit.

Audit procedures performed included:

- review of correspondence with legal advisors;
- enquiries of management; and
- testing of journals and evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed noncompliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Roger Merchant

For and on behalf of UHY Hacker Young

30 March 2022

Chartered Accountants

Statutory Auditor

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 £	2020 £
Turnover	3	3,106,265	5,444,545
Cost of sales		(3,547,272)	(5,550,742)
Gross loss		(441,007)	(106,197)
Administrative expenses		(611,049)	(548,944)
Operating loss	4	(1,052,056)	(655,141)
Interest receivable and similar income	7	-	341
Interest payable and similar expenses	8	(216,721)	(399,049)
Amounts written back on loans	9	5,804,991	-
Net income/(cost) of trading in players		290,208	101,098
Profit/(loss) before taxation		4,826,422	(952,751)
Taxation	10	-	-
Profit/(loss) for the financial year	20	4,826,422	(952,751)
Other comprehensive income			
Revaluation of tangible fixed assets		-	549,917
Total comprehensive income for the year		4,826,422	(402,834)

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

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

BALANCE SHEET

AS AT 30 JUNE 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	11		33,918		191,157
Tangible assets	12		56,807		5,560,287
			<u>90,725</u>		<u>5,751,444</u>
Current assets					
Stocks	13	37,909		38,563	
Debtors	14	73,733		73,409	
Cash at bank and in hand		565,518		61,526	
		<u>677,160</u>		<u>173,498</u>	
Creditors: amounts falling due within one year	15	(998,449)		(1,606,735)	
Net current liabilities			<u>(321,289)</u>		<u>(1,433,237)</u>
Total assets less current liabilities			<u>(230,564)</u>		<u>4,318,207</u>
Creditors: amounts falling due after more than one year	16		(2,138,745)		(11,513,938)
Net liabilities			<u>(2,369,309)</u>		<u>(7,195,731)</u>
Capital and reserves					
Called up share capital	19	8,900,000		8,900,000	
Revaluation reserve	20	-		3,467,327	
Other reserves	20	2,501		2,501	
Profit and loss account	20	(11,271,810)		(19,565,559)	
Total equity			<u>(2,369,309)</u>		<u>(7,195,731)</u>

The financial statements were approved by the board of directors and authorised for issue on 29 March 2022 and are signed on its behalf by:

Mr P D Swann
Director

Company Registration No. 00123622

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2021

	Share capital	Revaluation reserve	Capital redemption reserve	Profit and loss reserves	Total
Notes	£	£	£	£	£
Balance at 1 July 2019	8,900,000	2,917,410	2,501	(18,612,808)	(6,792,897)
Year ended 30 June 2020:					
Profit and loss account	-	-	-	(952,751)	(952,751)
Other comprehensive income:					
Revaluation of tangible fixed assets	-	549,917	-	-	549,917
Total comprehensive income for the year	-	549,917	-	(952,751)	(402,834)
Balance at 30 June 2020	8,900,000	3,467,327	2,501	(19,565,559)	(7,195,731)
Year ended 30 June 2021:					
Profit and loss account	-	-	-	4,826,422	4,826,422
Transfer of Revaluation Reserve on sale of stadium	-	(3,467,327)	-	3,467,327	-
Balance at 30 June 2021	8,900,000	-	2,501	(11,271,810)	(2,369,309)

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

Company information

Scunthorpe United Football Club Limited is a private company limited by shares incorporated in England and Wales. The registered office is Glanford Park, Jack Brownsword Way, Scunthorpe, South Humberside, DN15 8TD.

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. 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 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;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Coolsilk Limited. These consolidated financial statements are available from its registered office.

1.2 Going concern

The Company's business activities, together with factors likely to affect its future development, performance and position and are set out in the Strategic report on pages 3 and 4.

The financial statements have been drawn up on a going concern basis which assumes the continuing financial support of the parent company, Coolsilk Property & Investment Limited. The directors have confirmed that it is its their present intention to provide financial support to the company for the foreseeable future.

The Directors therefore have a reasonable expectation that the company will be able to continue as a going concern for the foreseeable future.

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

1.3 Turnover

Turnover comprises the amounts charged to customers for tickets, English Football Association and English Football League distributions, league sponsorship and broadcasting fees, lottery income, programme sales, sponsorship, advertising, match day catering, shop sales, donations and income from the restaurant and bar, which are all excluding VAT.

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

1.4 Intangible fixed assets other than goodwill

The transfer fees and costs associated with the acquisition of players' registrations are capitalised as intangible fixed assets and amortised evenly over the contract period. Permanent diminutions in value below the amortised value, such as through injury or loss of form, are provided when management become aware that the deminution is permanent.

Transfer fees receivable in excess of the costs not written off are included in the calculation of profit or loss on disposal of players' 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.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land and buildings	2 - 10% straight line
Assets under construction	No depreciation
Fixtures, fittings & equipment	10 - 33% straight line
Motor vehicles	33% straight line

Freehold land is not depreciated.

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge of those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

Assets under the course of construction are included on the balance sheet at cost and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but in the opinion of the directors and in order to give a true and fair view of the financial position, these are not depreciated. At the balance sheet date the capitalised costs are for professional fees only.

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.

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

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.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and loans from fellow group companies, are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

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.

1.10 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.

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

1.11 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

There is also a second pension scheme where certain numbers of the company's employees and ex-employees are members of the Football League Pension and Life Assurance Scheme (FLPLAS), a defined benefit scheme. As the company is one of a number of participating employers in FLPLAS, it is not possible to accrue any actuarial surplus or deficit on a meaningful basis. The assets of the scheme are held separately from those of the company, being invested with insurance companies. Under the provisions of FRS 102 the scheme is treated as a defined benefit multi-employer scheme.

1.12 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.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.13 Grants receivable

Asset related grants are credited to the profit and loss account over the expected useful life of that assets to which they relate. Revenue related grants are credited to the profit and loss account over the period to which they relate.

1.14 Signing on fees

Contractual amounts of fees payable to players are recognised as prepayments and spread evenly over the contract period. The net balance of signing on fees relating to players sold is included within the calculation of profit or loss on disposal of players' contracts.

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

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

An analysis of the company's turnover is as follows:

	2021	2020
	£	£
Turnover analysed by class of business		
Gate receipts and ticket sales	126,606	741,671
League central distribution	1,420,257	1,214,893
Broadcasting and internet	186,291	36,145
Programme sales and advertising	61,160	110,853
Sponsorship	598,720	2,311,055
Commercial	149,948	277,560
Hospitality and catering	60,957	250,123
Academy	502,326	502,245
	<u>3,106,265</u>	<u>5,444,545</u>
	2021	2020
	£	£
Other significant revenue		
Interest income	-	341
	<u>-</u>	<u>341</u>

All turnover relates to trading in the UK.

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

4 Operating loss

	2021	2020
	£	£
Operating loss for the year is stated after charging/(crediting):		
Grant income	12,147	12,147
Fees payable to the company's auditor for the audit of the company's financial statements	13,000	14,500
Non-audit fees payable to the company's auditor	4,450	1,390
Depreciation of owned tangible fixed assets	109,102	208,685
Depreciation of tangible fixed assets held under finance leases	2,875	2,875
(Loss)/profit on disposal of tangible fixed assets	195,904	(3,338)
Amortisation of intangible assets	222,239	238,697
Operating lease charges	10,387	5,266
	<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
Football	46	50
Ground staff	10	12
Administration	7	14
Match day casuals	21	91
Restaurants	5	18
School of excellence	18	21
Commercial	4	5
Scholars	15	16
	<u> </u>	<u> </u>
Total	126	227
	<u> </u>	<u> </u>

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

5 Employees (Continued)

Their aggregate remuneration comprised:

	2021	2020
	£	£
Wages and salaries	2,989,038	4,331,825
Social security costs	283,374	445,341
Pension costs	34,958	36,430
	<u>3,307,370</u>	<u>4,813,596</u>

During the year, the company received £509,222 (2020 - £430,900) of income claimed from the Coronavirus Job Retention Scheme. This income is not offset with the aggregate remuneration above.

6 Directors' remuneration

	2021	2020
	£	£
Remuneration for qualifying services	<u>67,538</u>	<u>108,432</u>

7 Interest receivable and similar income

	2021	2020
	£	£
Interest income		
Interest on bank deposits	-	89
Other interest income	-	252
	<u>-</u>	<u>341</u>
Total income	<u>-</u>	<u>341</u>

8 Interest payable and similar expenses

	2021	2020
	£	£
Interest payable to group undertakings	200,409	393,276
Other interest on financial liabilities	4,587	5,427
Interest on finance leases and hire purchase contracts	346	346
Other interest	11,379	-
	<u>216,721</u>	<u>399,049</u>

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

9 Amounts written back on loans

	2021	2020
	£	£
Amounts written back to non-current loans	5,804,991	-

10 Taxation

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

	2021	2020
	£	£
Profit/(loss) before taxation	4,826,422	(952,751)
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	917,020	(181,023)
Tax effect of expenses that are not deductible in determining taxable profit	57,636	-
Tax effect of income not taxable in determining taxable profit	(1,102,948)	-
Unutilised tax losses carried forward	128,292	158,768
Depreciation on assets not qualifying for tax allowances	-	22,255
Tax expense for the year	-	-

The company has estimated losses of £19,713,202 (2020 - £19,002,595) available for carry forward against future trading profits.

On the basis of these financial statements no provision has been made for Corporation Tax.

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

11 Intangible fixed assets

	Cost of player registrations £
Cost	
At 1 July 2020	516,125
Additions	65,000
Disposals	(506,125)
	<hr/>
At 30 June 2021	75,000
	<hr/>
Amortisation and impairment	
At 1 July 2020	324,968
Amortisation charged for the year	222,239
Disposals	(506,125)
	<hr/>
At 30 June 2021	41,082
	<hr/>
Carrying amount	
At 30 June 2021	33,918
	<hr/> <hr/>
At 30 June 2020	191,157
	<hr/> <hr/>

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

12 Tangible fixed assets

	Freehold land and buildings	Assets under construction	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 July 2020	5,200,000	259,422	1,090,273	1,500	6,551,195
Additions	-	-	4,401	-	4,401
Disposals	(5,200,000)	(259,422)	-	(1,500)	(5,460,922)
At 30 June 2021	-	-	1,094,674	-	1,094,674
Depreciation and impairment					
At 1 July 2020	-	-	989,408	1,500	990,908
Depreciation charged in the year	63,518	-	48,459	-	111,977
Eliminated in respect of disposals	(63,518)	-	-	(1,500)	(65,018)
At 30 June 2021	-	-	1,037,867	-	1,037,867
Carrying amount					
At 30 June 2021	-	-	56,807	-	56,807
At 30 June 2020	5,200,000	259,422	100,865	-	5,560,287

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 £
Plant and machinery	3,594	6,469

The following assets are carried at valuation. If the assets were measured using the cost model, the carrying amounts would be as follows:

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

12 Tangible fixed assets (Continued)

	2021	2020
	£	£
Cost	-	3,476,104
Accumulated depreciation	-	1,694,512
	<hr/>	<hr/>
Carrying value	-	5,170,616
	<hr/>	<hr/>

13 Stocks

	2021	2020
	£	£
Finished goods and goods for resale	37,909	38,563
	<hr/>	<hr/>

14 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	14,642	27,402
Amounts owed by group undertakings	4,100	-
Other debtors	413	400
Prepayments and accrued income	54,578	45,607
	<hr/>	<hr/>
	73,733	73,409
	<hr/>	<hr/>

15 Creditors: amounts falling due within one year

	Notes	2021	2020
		£	£
Obligations under finance leases	17	775	3,350
Trade creditors		213,556	98,172
Taxation and social security		223,281	620,713
Other creditors		178,293	99,298
Accruals and deferred income		382,544	785,202
		<hr/>	<hr/>
		998,449	1,606,735
		<hr/>	<hr/>

Obligations under finance leases are secured upon the assets to which they relate.

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

16 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Amounts due to group undertakings		317,191	11,207,789
Obligations under finance leases	17	-	810
Defined benefit pension scheme	18	58,681	69,696
Other loan		80,000	151,311
Other creditors		1,682,873	84,332
		<u>2,138,745</u>	<u>11,513,938</u>

Obligations under finance leases are secured upon the assets to which they relate.

Interest is charged on the related party loan at 3% above the base rate. The terms of the loan state that it is repayable as and when the company can afford to repay it.

Amounts included above which fall due after five years are as follows:

Payable by instalments	23,601	35,748
	<u>23,601</u>	<u>35,748</u>

17 Finance lease obligations

	2021 £	2020 £
Future minimum lease payments due under finance leases:		
Within one year	924	3,696
In two to five years	-	924
	<u>924</u>	<u>4,620</u>
Less: future finance charges	(149)	(460)
	<u>775</u>	<u>4,160</u>

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 JUNE 2021****18 Retirement benefit schemes**

	2021	2020
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	34,958	36,430

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

Certain ex-employees are members of the Football League Pension and Life Assurance Scheme (FLPLAS), a defined benefit pension scheme. As the company is one of a number of a participating employers in FLPLAS, it is not possible to accrue any actuarial surplus or deficit on a meaningful basis. The assets of the scheme are held separately from those of the company, being invested with insurance companies. Under the provisions of FRS 102 the scheme is treated as a defined benefit multi-employer scheme.

The scheme's actuary has advised that the participating employer's share of the underlying assets and liabilities cannot be identified on a reasonable and consistent basis, and accordingly, no disclosures are made under the provision of FRS 102. At 31 August 2017 an updated actuarial review was performed and caused the trustees to amend the outstanding deficit they agreed to be allocated to Scunthorpe United Football Club Limited to £93,612 which is repayable by 31 May 2026. The contribution level is £14,480 per annum from September 2021 to August 2022 and the repayments include an element of interest payable. As the football club is no longer accruing benefits in respect of employees, the directors have made a provision for the fair value of future contributions to be paid.

At the balance sheet date, the company had defined pension contributions due of £7,347 (2020 - £6,163).

19 Share capital

	2021	2020	2021	2020
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £20 each	445,000	445,000	8,900,000	8,900,000

20 Reserves**Revaluation reserve**

This reserve was used to record increases in the fair value of tangible assets historically. The revaluation reserve was non-distributable but has now been realised on sale of the freehold property.

Other reserves

This reserve records the nominal value of shares repurchased by the company.

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

20 Reserves (Continued)

Profit and loss reserves

This includes all current and prior period retained profits and losses.

21 Financial commitments, guarantees and contingent liabilities

There are no potential liabilities and assets in respect of the company's players trading. Due to the variable nature of these amounts it is not possible to calculate the maximum potential liability.

The company's bankers have a limited guarantee over the company.

22 Operating lease commitments

Lessee

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	10,387	5,266
Between two and five years	5,199	5,266
	<u>15,586</u>	<u>10,532</u>

23 Related party transactions

Transactions with related parties

Coolsilk Property and Investment Limited

During the year, the company sold the naming rights for the stadium to Coolsilk Property & Investment Limited for £434,783 (2020 - £2,065,217).

During the year, the company sold Glanford Park for £5.2m to Coolsilk Property & Investment limited, the valuation was in line with the independent valuation provided by Jones Lang LaSalle IP. As a result of the sale, the loan of £11,004,991 with Coolsilk Property & Investment Limited was waived.

The amount payable by the company to Coolsilk Property & Investment Limited as at 30 June 2021 was £317,191 (2020 - £11,207,789). Coolsilk Property & Investment Limited is a 100% owned subsidiary of Coolsilk Limited, the company's ultimate controlling party.

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

24 Ultimate controlling party

The immediate parent company is Coolsilk Property & Investment Limited, a company registered in England & Wales.

The ultimate parent company is Coolsilk Limited, a company registered in England & Wales. The group financial statements are available from Companies House.

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.