

THE NORTHAMPTON TOWN FOOTBALL CLUB
LIMITED

REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

Murphy Salisbury Limited
Chartered Accountants and Statutory Auditors
15 Warwick Road
Stratford upon Avon
Warwickshire
CV37 6YW

THE NORTHAMPTON TOWN FOOTBALL CLUB
LIMITED (REGISTERED NUMBER: 00183917)

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FOR THE YEAR ENDED 30 JUNE 2021

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THE NORTHAMPTON TOWN FOOTBALL CLUB
LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2021

DIRECTORS:

D J G Bower
K B Thomas
M D Wailing
J S Whiting
T J Cliffe

SECRETARY:

J S Whiting

REGISTERED OFFICE:

Sixfields Stadium
Upton Way
Northampton
Northamptonshire
NN5 5QA

REGISTERED NUMBER:

00183917 (England and Wales)

AUDITORS:

Murphy Salisbury Limited
Chartered Accountants and Statutory Auditors
15 Warwick Road
Stratford upon Avon
Warwickshire
CV37 6YW

THE NORTHAMPTON TOWN FOOTBALL CLUB
LIMITED (REGISTERED NUMBER: 00183917)

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2021

The directors present their report with the financial statements of the company for the year ended 30 June 2021.

REVIEW OF BUSINESS

At a glance:

	2020/21	2019/20
League	League One	League Two
Final league position	22nd	7th
Average attendance	n/a	5,101
Turnover	£4,427,210	£5,311,773
Profits from player trading	£976,108	£64,758
Staffing costs	£3,959,554	£3,966,369
Exceptional costs related to promotion	n/a	£190,226
Profit/(Loss) for the year	£127,980	(£571,370)

The 2020/21 season started with a lot of uncertainty and presented significant challenges to the club and its supporters due to the Covid-19 pandemic.

It was always expected that the season would initially commence behind closed doors with a hope, based on Government guidelines, that supporters could return to games in October. This date was unfortunately delayed due to the emergence of a new variant of Covid-19 with supporters returning to matches, socially distanced, in late November 2020. Unfortunately, the return of spectators was short lived with a surge in Covid rates prior to Christmas and with the country facing further lockdowns, the season was completed behind closed doors.

On the pitch it was a challenging season and unfortunately the club suffered relegation at the completion of the season. This was despite operating a playing budget that was comparable to previous seasons in League One and a budget that EFL benchmarking reports show to be significantly above the actual league position.

Results on the pitch resulted in an extensive review of the football department and operations. The result of which was the appointment of a new manager and coaching staff, a new structure along with new systems and processes for recruitment.

The board believe that the new structure and processes along with continued investment in the training ground and academy will provide medium and long-term benefits for the club, enabling the club to be more competitive and consistent on a continuing basis.

Supporters

The Directors would like to express their thanks to the supporters for their valuable efforts on behalf of the football club during a challenging year and also to any other persons or businesses who gave assistance during the 2020/21 season.

At the time that season tickets were sold it was expected that the start of the season would be played behind closed doors with season ticket holders accessing home matches via iFollow as a substitute. It was expected that things would return to some normality shortly into the season and season ticket holders would be able to attend, although clearly during the pandemic nothing was certain. Unfortunately, the majority of the season remained behind closed doors. Following consultation with supporters, the club offered season ticket holders a partial refund, a partial credit against a 2021/22 season ticket or the option to donate their refund value to the club and have their name on the special edition 125th anniversary shirt which was worn in the 125th anniversary game against Tranmere Rovers in March 2022 and will be used as a third kit throughout the 2022/23 season.

The directors are extremely grateful for the huge contribution of supporters throughout the pandemic. They would like to thank those supporters who donated their potential refund to the club, but also place on record thanks to all supporters who purchased a season ticket for 2020/21 in uncertain times and helped the club through a challenging period.

Income

As a result of competing in League One, EFL and Premier League distributions increased. The club received an extra Covid-19 grant from the Premier League, with the amount relating to season 2020/21 being £398,265.

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REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2021

Despite the increased EFL monies, turnover reduced 13% compared to the previous season due to the impacts of Covid-19. This was largely a result of matches being played behind closed doors with ticketing income reducing by 61%. As well as ticketing income there was also a significant impact on secondary spend income as well as income from hospitality, sponsorship, conferencing, and events.

Expenditure

Cost of sales reduced because of the fact matches were played behind closed doors, notably in relation to a reduction in stewarding and policing costs as well as the cost of goods sold in kiosks and bars.

As is the case with all football clubs the most significant cost is in relation to staffing. This covers the playing budget and football management but also the clubs over activities such as matchday operations, academy, commercial, media, catering, education and administrative staff. The club were able to mitigate some staffing costs where the club's activities were restricted due to Covid-19 through use of the Governments Job Retention Scheme.

Result for the year

The club recorded a profit of £127,980 for the year after player trading of £976,108.

The profits from player trading are largely the result of a sale of a player for a club record fee. The profits are net of the residual book value of the player after amortisation and contingent sell on fees payable as a result of the sale.

Support from owners

As stated in the going concern note within these financial statements, the owners continue to support the club financially. Funds are introduced into the club by the owners as required for the club to meet its financial obligations and, at times when there is a cash surplus, funds are transferred out to reduce the debt to the owners. No interest is charged on these loans.

At the end of the financial year the debt to the owners was £5,441,025. This was reduced from £6,131,025 at the start of the year. At time of signing these financial statements in March 2022 the current debt is £6.1m, with the monies temporarily used to reduce the debt in financial year 2021 now having been reintroduced to the club to meet financial obligations as they fall due.

East Stand & Sixfields Land

It was noted in last year's financial statements that the ownership of County Development (Northampton) Limited (CDNL) was transferred by the club's owners from them personally to the club.

The club held an open house event in summer 2021 and shared its plans for the East Stand and development land with supporters. A subsequent poll resulted in 97.67% of supporters backing the plans.

Following a long process with West Northants Council, a deal for CDNL to acquire land at Sixfields was agreed at a West Northants Council Cabinet meeting on 8th March 2022.

The deal will now progress to the contracts stage. When contracts are completed, the deal will see CDNL purchase the freehold for the land on which it currently holds the leasehold for. Through the club's ownership of CDNL the club will directly benefit from any proceeds from the land. The freehold for the former athletics track land will also be transferred into the club upon completion of the land purchase.

Progress on this matter is significant for the club. Once the deal is completed it will allow the club to complete the East Stand and gives the club assets that it has never previously had. It has been a long and challenging process and the Directors would like to place on record their thanks to all stakeholders involved in the process.

Training Ground

A six-figure sum was invested in two exclusive use pitches for the first team at the training ground in May 2021. The works included significant drainage and irrigation works including pop up sprinklers. This results in the club having use of and control over a total of four pitches, maintained by the club's ground staff for the first team and academy.

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REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2021

Fan-Led Review of Football Governance

The Fan-Led Review of Football Governance was published by Tracey Crouch in 2021. The extensive report covers a number of areas and includes a number of recommendations. The directors and the club are supportive of the recommendations and hope that they will now be taken forward as quickly as is reasonably possible by DCMS and the Government.

The directors believe strongly that the game must take actions to reduce the reliance on owner finance and help to make clubs sustainable. A fairer and more relevant distribution model is required and at the same time cost controls are essential to ensure the desired outcomes of the report are achieved.

125th Anniversary

In March 2022 the club celebrated its 125th anniversary. The home match against Tranmere Rovers on 5th March was designated as the club's 125th anniversary fixture and saw a fantastic celebration of the club.

On 9th March 2022, Chairman Kelvin Thomas unveiled a plaque at the Jekyll & Hyde pub, formally the Princess Royal Inn, exactly 125 years to the day after the meeting to form Northampton Town Football Club took place at the venue.

The 2022/23 season will be the 125th season and mainly more events to celebrate the club's fantastic history and exciting future are planned.

DIRECTORS

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

D J G Bower
K B Thomas
M D Wailing

Other changes in directors holding office are as follows:

J S Whiting and T J Cliffe were appointed as directors after 30 June 2021 but prior to the date of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

THE NORTHAMPTON TOWN FOOTBALL CLUB
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REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2021

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

The auditors, Murphy Salisbury Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

M D Wailing - Director

30 March 2022

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE NORTHAMPTON TOWN FOOTBALL CLUB
LIMITED

Opinion

We have audited the financial statements of The Northampton Town Football Club Limited (the 'company') for the year ended 30 June 2021 which comprise the Statement of Income and Retained Earnings, Balance Sheet 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 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to going concern

We draw attention to note 2 of the financial statements, which discusses the company's use of the going concern basis.

During the year the company made a profit of £127,980 and as at 30 June 2021, the company had net current liabilities of £6,870,987 and net liabilities of £4,532,619, which could indicate that the company has insufficient resources to continue trading for the foreseeable future. However, the directors believe that it is appropriate to prepare the financial statements on the going concern basis due to the ongoing financial support of its parent entity, Northampton Town Ventures Limited and its directors.

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
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Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; 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 Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE NORTHAMPTON TOWN FOOTBALL CLUB
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- the nature of the industry and sector, control environment and business performance including the design of the Company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of noncompliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and involving relevant internal specialists, including tax specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in relation to revenue recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and local tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. These included compliance with GDPR regulation.

Audit response to risks identified

As a result of performing the above, we identified related party balances as a key audit matter related to the potential risk of fraud.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management regarding actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- obtained an understanding of provisions and held discussions with management to understand the basis of recognition or non-recognition of tax provisions; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or noncompliance with laws and regulations throughout the audit.

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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE NORTHAMPTON TOWN FOOTBALL CLUB
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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.

Mark Bullock FCA (Senior Statutory Auditor)
for and on behalf of Murphy Salisbury Limited
Chartered Accountants and Statutory Auditors
15 Warwick Road
Stratford upon Avon
Warwickshire
CV37 6YW

31 March 2022

THE NORTHAMPTON TOWN FOOTBALL CLUB
LIMITED (REGISTERED NUMBER: 00183917)

STATEMENT OF INCOME AND
RETAINED EARNINGS
FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 £	2020 £
TURNOVER		4,427,210	5,311,773
Cost of sales		<u>4,781,219</u>	<u>5,336,114</u>
GROSS LOSS		(354,009)	(24,341)
Administrative expenses		<u>1,146,445</u>	<u>1,095,632</u>
		(1,500,454)	(1,119,973)
Other operating income	3	<u>1,636,180</u>	<u>548,603</u>
OPERATING PROFIT/(LOSS)		135,726	(571,370)
Interest payable and similar expenses		<u>7,746</u>	<u>-</u>
PROFIT/(LOSS) BEFORE TAXATION		127,980	(571,370)
Tax on profit/(loss)		<u>-</u>	<u>-</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		127,980	(571,370)
Retained earnings at beginning of year		(8,158,312)	(7,586,942)
RETAINED EARNINGS AT END OF YEAR		<u>(8,030,332)</u>	<u>(8,158,312)</u>

The notes form part of these financial statements

THE NORTHAMPTON TOWN FOOTBALL CLUB
LIMITED (REGISTERED NUMBER: 00183917)

BALANCE SHEET
30 JUNE 2021

	Notes	2021 £	£	2020 £	£
FIXED ASSETS					
Intangible assets	7		44,625		121,833
Tangible assets	8		2,461,486		2,470,379
Investments	9		<u>1,000</u>		<u>1,000</u>
			2,507,111		2,593,212
CURRENT ASSETS					
Stocks		4,849		6,865	
Debtors	10	341,879		370,614	
Cash at bank and in hand		<u>57,265</u>		<u>136,265</u>	
		403,993		513,744	
CREDITORS					
Amounts falling due within one year	11	<u>7,274,980</u>		<u>7,551,336</u>	
NET CURRENT LIABILITIES			<u>(6,870,987)</u>		<u>(7,037,592)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			(4,363,876)		(4,444,380)
CREDITORS					
Amounts falling due after more than one year	12		<u>168,743</u>		<u>216,219</u>
NET LIABILITIES			<u>(4,532,619)</u>		<u>(4,660,599)</u>
CAPITAL AND RESERVES					
Called up share capital			2,792,251		2,792,251
Share premium			190,900		190,900
Capital reserve			500,490		500,490
Other reserves			14,072		14,072
Retained earnings			<u>(8,030,332)</u>		<u>(8,158,312)</u>
SHAREHOLDERS' FUNDS			<u>(4,532,619)</u>		<u>(4,660,599)</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 30 March 2022 and were signed on its behalf by:

M D Wailing - Director

THE NORTHAMPTON TOWN FOOTBALL CLUB
LIMITED (REGISTERED NUMBER: 00183917)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1. STATUTORY INFORMATION

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Going concern

The financial statements have been prepared on the going concern basis, which assumes that the company will continue in operational existence for the foreseeable future.

During the year the company made a profit of £127,980 and as at 30 June 2021, the company had net current liabilities of £6,870,987 and net liabilities of £4,532,619, which could indicate that the company has insufficient resources to continue trading for the foreseeable future. However, the directors believe that it is appropriate to prepare the financial statements on the going concern basis due to the ongoing financial support of its parent entity, Northampton Town Ventures Limited and its directors.

Turnover

Turnover represents the total amount receivable by the company in the ordinary course of business from playing and associated activities, including gate receipts and receipts from the Football League.

Income from match receipts, and commercial activities which has been received prior to the year end relating to future football seasons is treated as deferred income.

Intangible fixed assets - transfer fees

The costs of players' registrations are capitalised and amortised over the period of the respective players contracts. Transfers are recognised in the year in which the transfer is registered with the relevant football governing body except where the contract becomes conditional upon registration in which case the transfer is recognised when the contract becomes unconditional (usually when payment is made or received). Payments or receipts which are contingent on the performance of team or player are not recognised until the events crystallising such payments or receipts have taken place.

Tangible fixed assets

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

Leasehold ground improvements	- in accordance with the term of the lease
Plant and equipment	- 20% straight line basis
Motor vehicles	- 25% straight line basis
Office equipment	- 25% straight line basis
Asset under construction	- Not depreciated

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Stocks

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

THE NORTHAMPTON TOWN FOOTBALL CLUB
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NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, 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

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

Grants receivable

Grants received from the Football Trust in respect of capital expenditure are credited to the profit and loss account over the estimated useful lives of the assets for which the grants are received. Grants received to reimburse expenditure incurred are credited against the cost of the expenditure in the year in which it is incurred.

Pension costs and other post-retirement benefits

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

The company makes contributions in relation to its share of a deficit in the Football League Pension and Life Assurance Scheme. As one of a number of participating employers of this scheme, the company is only advised of its share of the schemes deficit every three years and recognises a liability in respect of this. Contributions payable to scheme reduce the liability. Any movement in deficit is charged to the profit and loss account and liability adjusted accordingly.

3. OTHER OPERATING INCOME

	2021	2020
	£	£
Government grants	660,072	483,845
Profits from player trading	976,108	64,758
	<u>1,636,180</u>	<u>548,603</u>

4. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 238 (2020 - 287).

THE NORTHAMPTON TOWN FOOTBALL CLUB
LIMITED (REGISTERED NUMBER: 00183917)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

5. PRIOR YEAR ADJUSTMENT

Following the results for the year, the board of directors have decided to show the profits from player trading within Other Operating Income. The income received in relation to profits from player trading was previously included within Sales and the reclassification should improve the user's ability to compare the results year on year. As a result, the profits from player trading in the year to 30 June 2020 of £64,758 were reallocated from Sales to Other Operating Income. The overall results for the year to 30 June 2020 have not changed.

6. PENSION COMMITMENTS

The company has a liability regarding staff who are members of the Football League Limited Pension and Life Assurance Scheme, a defined benefit scheme. The scheme is funded with the assets being held separately from those of the company. The last formal actuarial valuation was carried out on 1 September 2020.

The actuarial review identified a deficit on the Football League Limited Pension and Life Assurance Scheme. The company is one of a number of participating employers in the scheme. At the year end, the company's share of this deficit was £76,835 (2020 - £58,150), including interest. This is shown in the accounts under other creditors, and the payments made during the year relating to this deficit were £11,040 (2020 - £12,513). The exact assets and liabilities of the scheme are not known.

7. INTANGIBLE FIXED ASSETS

	Players registrations £
COST	
At 1 July 2020	276,500
Additions	92,750
Disposals	<u>(198,750)</u>
At 30 June 2021	<u>170,500</u>
AMORTISATION	
At 1 July 2020	154,667
Amortisation for year	73,375
Eliminated on disposal	<u>(102,167)</u>
At 30 June 2021	<u>125,875</u>
NET BOOK VALUE	
At 30 June 2021	<u>44,625</u>
At 30 June 2020	<u>121,833</u>

**THE NORTHAMPTON TOWN FOOTBALL CLUB
LIMITED (REGISTERED NUMBER: 00183917)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021**

8. TANGIBLE FIXED ASSETS

	Assets under construction £	Leasehold ground improvements £	Plant and equipment £
COST			
At 1 July 2020	2,421,797	20,895	93,845
Additions	-	-	-
At 30 June 2021	<u>2,421,797</u>	<u>20,895</u>	<u>93,845</u>
DEPRECIATION			
At 1 July 2020	-	19,424	60,958
Charge for year	-	491	14,826
At 30 June 2021	-	<u>19,915</u>	<u>75,784</u>
NET BOOK VALUE			
At 30 June 2021	<u>2,421,797</u>	<u>980</u>	<u>18,061</u>
At 30 June 2020	<u>2,421,797</u>	<u>1,471</u>	<u>32,887</u>
	Motor vehicles £	Office equipment £	Totals £
COST			
At 1 July 2020	6,850	78,550	2,621,937
Additions	10,443	9,259	19,702
At 30 June 2021	<u>17,293</u>	<u>87,809</u>	<u>2,641,639</u>
DEPRECIATION			
At 1 July 2020	6,850	64,326	151,558
Charge for year	2,611	10,667	28,595
At 30 June 2021	<u>9,461</u>	<u>74,993</u>	<u>180,153</u>
NET BOOK VALUE			
At 30 June 2021	<u>7,832</u>	<u>12,816</u>	<u>2,461,486</u>
At 30 June 2020	-	<u>14,224</u>	<u>2,470,379</u>

The company signed a 150 year lease with Northampton Borough Council on 13th April 2004 regarding land at Sixfields, Northampton. The rent is one peppercorn per year (if demanded).

**THE NORTHAMPTON TOWN FOOTBALL CLUB
LIMITED (REGISTERED NUMBER: 00183917)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021**

9. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 July 2020 and 30 June 2021	<u>1,000</u>
NET BOOK VALUE	
At 30 June 2021	<u>1,000</u>
At 30 June 2020	<u>1,000</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	252,706	127,027
Other debtors	<u>89,173</u>	<u>243,587</u>
	<u>341,879</u>	<u>370,614</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	399,188	345,536
Amounts owed to group undertakings	1,191,028	1,291,028
Taxation and social security	558,077	562,128
Other creditors	<u>5,126,687</u>	<u>5,352,644</u>
	<u>7,274,980</u>	<u>7,551,336</u>

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

	2021 £	2020 £
Other creditors	<u>168,743</u>	<u>216,219</u>

13. LEASING AGREEMENTS

The total of future minimum lease payments under non-cancellable operating leases as at 30 June 2021 was £69,894 (2020 - £50,086).

14. RELATED PARTY DISCLOSURES

Northampton Town Ventures Limited owns a controlling interest in the company. At the year end the company owed £1,191,028 (2020 - £1,291,028) to Northampton Town Ventures Limited.

Belle De Jour Limited is a related company by virtue of common directors who control both companies. At the year end the company owed £4,249,997 (2020 - £4,839,997) to Belle De Jour Limited.

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