
SHREWSBURY TOWN FOOTBALL CLUB LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

SHREWSBURY TOWN FOOTBALL CLUB LIMITED

COMPANY INFORMATION

Directors	R E Wycherley MBE J Hughes D P Delves (appointed 4 February 2020)
Company secretary	B Caldwell
Registered number	00315587
Registered office	Montgomery Waters Meadow Oteley Road Shrewsbury SY2 6ST
Independent auditors	WR Partners Chartered Accountants & Statutory Auditors Belmont House Shrewsbury Business Park Shrewsbury Shropshire SY2 6LG

SHREWSBURY TOWN FOOTBALL CLUB LIMITED

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**CHAIRMAN'S REPORT (INCORPORATING STRATEGIC REPORT)
FOR THE YEAR ENDED 30 JUNE 2020**

Introduction

The Chairman presents his report for the year ended 30 June 2020.

Business review and principal risks and uncertainties

The Board of Directors regrettably have to report a loss for the first time in five years of £723k, reflecting the ongoing impact of the COVID-19 pandemic which we consider will have an ongoing negative effect on all Clubs finances. This year's loss was added to by the change in accounting treatment reflected in the extraordinary profit shown in the June 2019 Accounts where transfer fees were accounted for at invoice date but cash received at later agreed dates.

On behalf of the board of directors, I would like to take this opportunity to thank you, our season ticket holders, sovereign members, box holders, sponsors and all our stakeholders for their wholehearted support with around 90% of our season ticket holders recognising the Club's plight and leaving monies in the Club rather than request refunds for the loss of the final five home league matches in the 2019-20 season caused by the enforced curtailment of the season.

Financial key performance indicators

During the 2019-20 season we enjoyed another very memorable FA Cup run including the second half performance against the then World and European Champions, Liverpool turning a 2-0 deficit to earn a replay. I am sure this match at Montgomery Waters Meadow will now live long in the memory for many of our supporters. Much has been written and said about the ill-fated replay at Anfield, not only were we outdone on the pitch by a VAR decision which to this day we still dispute but off the pitch the treatment of our Club was at best 'disappointing'. As soon as their Manager announced immediately after the initial tie that he would not be in attendance at the replay and the match would be played utilising their U23 team, instead of a big windfall estimated at a minimum of £500k, and would have included a live TV replay which all Clubs in the lower leagues dream of receiving, we were left with no alternative but to reluctantly agree to drastically lower the agreed admission prices due to playing their U23 team. When we reported Liverpool to the FA for breaching the FA Cup rules and 'not fielding their strongest team' we were astonished that the Professional Game Board at the FA did not uphold our complaint, much to our solicitors' shock.

Due to the onset of the COVID-19 pandemic and subsequent lockdown in March, it was eventually decided sensibly to curtail the 2019/20 season early, rather than amass the considerable costs of testing and staging of matches behind closed doors to complete the season without any income. We also felt it would be morally wrong to put the health of our players and staff at risk at the beginning of a global pandemic. The remaining matches were taken on a 'points per game' basis and STFC finished 15th in Sky Bet League One which was our second highest finish in 30 years and resulted in 2020/21 season being our sixth successive season in Sky Bet League One.

In November 2020 we reluctantly decided to part company with Sam Ricketts as Manager and were fortunate to be able to replace Sam with Steve Cotterill in a very quick timeframe. I have known Steve for 20+ years and hope he can replicate the many successes he has brought to other Clubs to Shrewsbury Town FC. The form the team has been in since his arrival has been fantastic and it is great to see him lead the team well away from the relegation zone we were in when he took over despite his ill health and being unable to attend training or matches for such a long spell. We hope that he can continue his recovery and fully fit for the start of the 2021/22 season.

To assist cash flow in the early days of the pandemic, the EFL provided League One Clubs with an interest free loan of £182,800 which was an advance of future years central monies which has helped our bank position at the year end, albeit this will have an effect on our future years' central distributions.

CHAIRMAN'S REPORT INCORPORATING STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020

Other comments

2020 has been an unprecedented year with so many people's lives affected by COVID-19. I don't think many of us expected to be in lockdown one year on and this has created real challenges for football and our Club having to continue to play football matches in 2020/21 without any income yet higher costs for COVID testing, two team coaches and single rooms in hotels for away fixtures, stewarding/medical/ambulance costs of behind closed doors home matches. Clubs in the lower leagues rely on matchday income far more than Premier League and Championship due to the high broadcast revenues higher up the football pyramid so Leagues One and Two have been badly affected.

Football is not an industry like many others as Clubs don't tend to attempt to make profit like 'normal businesses' but to achieve break even which is extremely hard in itself in football.

I would like to take this opportunity to thank all of our sponsors for continuing to support the Club throughout the pandemic. It has been heartening to have the continued backing of our main sponsors, all local companies, such as Montgomery Waters, Tuffins Supermarkets, Shropshire Homes, Salop Leisure, Jim Dorricott Construction, Emcon Utility Management, DM Recruitment and Planet Doughnut.

Our charity partner, Shrewsbury Town in The Community, continues to take Shrewsbury Town Football Club into the heart of Shropshire.

The work they have carried out through the pandemic has been truly inspirational. In partnership with Club staff, they delivered many isolation packs all around the county and beyond to those in need and also regularly made phone calls to many of older season ticket holders to check on their welfare.

Over 100,000 local people attended 7,200 sessions run by the charity over 2019/20 culminating in 11,695 hours of delivery. The charity is a credit to Shropshire and our Football Club.

It is continuing to increase not just their number and variety of community programmes but also the number of local staff employed and facilities.

I would also like to take this opportunity to thank all staff at the Club for their hard work and commitment throughout the year, many of whom have been on furlough or flexible furlough which we understand cannot have been easy for such a lengthy period.

On behalf of everyone at STFC, I would like to pass on our sincere condolences to all those who have lost loved ones or friends to this awful pandemic. I also hope that those whose lives have been affected in any way come through this and better times lie ahead.

This report was approved by the board and signed on its behalf.

.....
R E Wycherley MBE
Director

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

The directors present their report and the financial statements for the year ended 30 June 2020.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 to 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.

Results and dividends

The loss for the year, after taxation, amounted to £723,840 (2019 - profit £2,253,671).

The directors do not propose a dividend for the current year.

Directors

The directors who served during the year were:

R E Wycherley MBE

J Hughes

D P Delves (appointed 4 February 2020)

Future developments

Please refer to the Chairmans report for details of future developments.

SHREWSBURY TOWN FOOTBALL CLUB LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020**

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, WR Partners, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

.....
R E Wycherley MBE
Director

Date: 18 May 2021

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SHREWSBURY TOWN FOOTBALL CLUB LIMITED

Opinion

We have audited the financial statements of Shrewsbury Town Football Club Limited (the 'Company') for the year ended 30 June 2020, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, 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 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 United Kingdom, including the Financial Reporting Council'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

SHREWSBURY TOWN FOOTBALL CLUB LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SHREWSBURY TOWN FOOTBALL CLUB LIMITED (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the 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 or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SHREWSBURY TOWN FOOTBALL CLUB LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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.

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 an Auditors' 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.

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 Auditors' Report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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.

Andrew Malpass BA FCA (Senior Statutory Auditor)

for and on behalf of

WR Partners

Chartered Accountants
Statutory Auditors

Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

18 May 2021

SHREWSBURY TOWN FOOTBALL CLUB LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 £	2019 £
Turnover	4	5,451,472	5,366,554
Cost of sales		(5,539,144)	(5,652,088)
Gross loss		(87,672)	(285,534)
Administrative expenses		(1,155,557)	(1,288,644)
Other operating income	5	507,042	3,818,549
Operating (loss)/profit	6	(736,187)	2,244,371
Interest receivable and similar income	8	12,347	9,300
(Loss)/profit before tax		(723,840)	2,253,671
(Loss)/profit for the financial year		(723,840)	2,253,671
Other comprehensive income for the year			
Unrealised surplus on revaluation of tangible fixed assets		-	742,770
Other comprehensive income for the year		-	742,770
Total comprehensive income for the year		(723,840)	2,996,441

The notes on pages 14 to 29 form part of these financial statements.

SHREWSBURY TOWN FOOTBALL CLUB LIMITED
REGISTERED NUMBER: 00315587

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	10	199,024	259,547
Tangible assets	11	13,148,790	13,107,579
Investments	12	1	1
		<u>13,347,815</u>	<u>13,367,127</u>
Current assets			
Stocks	13	68,350	112,738
Debtors: amounts falling due within one year	14	1,560,368	3,168,763
Cash at bank and in hand	15	3,349,958	2,708,217
		<u>4,978,676</u>	<u>5,989,718</u>
Creditors: amounts falling due within one year	16	(1,488,521)	(1,977,835)
Net current assets		<u>3,490,155</u>	<u>4,011,883</u>
Total assets less current liabilities		<u>16,837,970</u>	<u>17,379,010</u>
Creditors: amounts falling due after more than one year	17	(182,800)	-
Provisions for liabilities			
Deferred tax	18	(174,230)	(174,230)
		<u>(174,230)</u>	<u>(174,230)</u>
Net assets		<u><u>16,480,940</u></u>	<u><u>17,204,780</u></u>
Capital and reserves			
Called up share capital	20	2,526,283	2,526,283
Revaluation reserve	21	742,770	742,770
Profit and loss account	21	13,211,887	13,935,727
		<u><u>16,480,940</u></u>	<u><u>17,204,780</u></u>

SHREWSBURY TOWN FOOTBALL CLUB LIMITED
REGISTERED NUMBER: 00315587

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 JUNE 2020

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....
R E Wycherley MBE
Director

Date: 18 May 2021

The notes on pages 14 to 29 form part of these financial statements.

SHREWSBURY TOWN FOOTBALL CLUB LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 July 2018	2,526,283	-	11,682,056	14,208,339
Comprehensive income for the year				
Profit for the year	-	-	2,253,671	2,253,671
Surplus on revaluation of freehold property	-	742,770	-	742,770
Total comprehensive income for the year	-	742,770	2,253,671	2,996,441
At 1 July 2019	2,526,283	742,770	13,935,727	17,204,780
Comprehensive income for the year				
Loss for the year	-	-	(723,840)	(723,840)
Total comprehensive income for the year	-	-	(723,840)	(723,840)
At 30 June 2020	2,526,283	742,770	13,211,887	16,480,940

The notes on pages 14 to 29 form part of these financial statements.

SHREWSBURY TOWN FOOTBALL CLUB LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020**

	2020 £	2019 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(723,840)	2,253,671
Adjustments for:		
Amortisation of intangible assets	276,958	341,493
Depreciation of tangible assets	33,443	38,251
Impairments of fixed assets	-	81,350
Government grants	(393,607)	-
Interest received	(12,347)	(9,300)
Decrease/(increase) in stocks	44,388	(55,616)
Decrease/(increase) in debtors	1,608,396	(2,306,233)
(Decrease)/increase in creditors	(306,515)	78,535
Fees paid included in amortisation	(95,500)	-
Gain on disposal of player contracts	(113,435)	-
Net cash generated from operating activities	317,941	422,151
Cash flows from investing activities		
Purchase of intangible fixed assets	(157,500)	(530,200)
Sale of intangible assets	150,000	53,833
Purchase of tangible fixed assets	(74,654)	(134,146)
Government grants received	393,607	-
Interest received	12,347	9,300
Net cash from investing activities	323,800	(601,213)
Net increase/(decrease) in cash and cash equivalents	641,741	(179,062)
Cash and cash equivalents at beginning of year	2,708,217	2,887,279
Cash and cash equivalents at the end of year	3,349,958	2,708,217
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3,349,958	2,708,217
	3,349,958	2,708,217

The notes on pages 14 to 29 form part of these financial statements.

SHREWSBURY TOWN FOOTBALL CLUB LIMITED

ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 30 JUNE 2020

	At 1 July 2019	Cash flows	At 30 June
	£	£	2020 £
Cash at bank and in hand	2,708,217	641,741	3,349,958
	<u>2,708,217</u>	<u>641,741</u>	<u>3,349,958</u>

The notes on pages 14 to 29 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

1. General information

The entity is a limited liability company limited by shares incorporated in England. The principal activity of the Company is the running of a professional football club.

The registered address of the Company is Oteley Road, Shrewsbury, SY2 6ST.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Exemption from preparing consolidated financial statements

The Company is exempt from the requirement to prepare consolidated financial statements as all of its subsidiaries are required to be excluded from consolidation by section 402 of the Companies Act 2006.

2.3 Going concern

After making enquires, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

The Directors have also assessed the potential impact on the future operations of the Company with regard to the Covid-19 outbreak. The Company is considered to be well positioned given the current environment with no impact on the going concern basis of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.9 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

2.10 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives on a straight line and reducing balance basis.

Depreciation is provided on the following basis:

Freehold property	-	Not depreciated
Plant and machinery	-	15% Reducing balance
Motor vehicles	-	25% Reducing balance
Fixtures and fittings	-	25% Reducing balance

The stadium is held by the Company as at 30 June 2018 £11,266,025 after allocating the capital grant received in relation to the building of the stadium.

The stadium is not depreciated on the basis that it is constantly maintained and updated.

This policy represents a departure from the statutory accounting principals which require depreciation to be provided on all fixed assets. The directors consider this policy is necessary in order that the Financial Statements show a true and fair view because the current value is of prime importance rather than the systematic annual depreciation.

2.11 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Statement of Financial Position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.12 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.14 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.15 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.16 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.17 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.19 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgments are continually elevated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates, will by definition, seldom equal the relates actual results. In the opinion of the directors there are no estimates and assumptions that have a significant risk of causing material adjustment to the carrying amount of the assets and liabilities within the next financial year.

4. Turnover

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Ticket sales	1,923,737	1,931,560
Football League income	1,646,271	1,473,298
Contingent fees received	109,266	136,818
Sundry income	1,003,602	1,007,046
Television and internet portal income	248,205	187,201
Contributions from supporter organisations	39,704	47,354
Food & beverage sales	480,687	583,277
	<u>5,451,472</u>	<u>5,366,554</u>

All turnover arose within the United Kingdom.

5. Other operating income - exceptional items

	2020 £	2019 £
Government grants receivable	393,607	-
Profit on sale of intangible fixed assets	113,435	3,818,549
	<u>507,042</u>	<u>3,818,549</u>

SHREWSBURY TOWN FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

6. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2020	<i>2019</i>
	£	£
Amortisation of Fixed Assets	276,958	<i>341,493</i>
Depreciation of tangible fixed assets	33,443	<i>38,251</i>
Fees payable to the Company's auditors and its associates for the audit of the company's annual financial statements.	6,000	<i>6,500</i>
Defined contribution pension costs	40,511	<i>31,899</i>
	<u>356,912</u>	<u><i>418,043</i></u>

7. Employees

Staff costs were as follows:

	2020	<i>2019</i>
	£	£
Wages and salaries	3,886,439	<i>3,740,776</i>
Social security costs	350,059	<i>340,984</i>
Cost of defined contribution scheme	43,140	<i>31,899</i>
	<u>4,279,638</u>	<u><i>4,113,659</i></u>

The average monthly number of employees, including the directors, during the year was as follows:

	2020	<i>2019</i>
	No.	No.
Players	46	<i>49</i>
Administrative	35	<i>36</i>
Other Staff	39	<i>39</i>
Stewards & Security	47	<i>86</i>
	<u>167</u>	<u><i>210</i></u>

SHREWSBURY TOWN FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

8. Interest receivable

	2020	<i>2019</i>
	£	<i>£</i>
Bank and other interest receivable	12,347	<i>9,300</i>
	<u>12,347</u>	<u><i>9,300</i></u>

9. Taxation

Factors affecting tax charge for the year

The tax assessed for the year is higher than (*2019 - lower than*) the standard rate of corporation tax in the UK of 19% (*2019 - 19%*). The differences are explained below:

	2020	<i>2019</i>
	£	<i>£</i>
(Loss)/profit on ordinary activities before tax	<u>(723,840)</u>	<u><i>2,253,671</i></u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (<i>2019 - 19%</i>)	(137,530)	<i>428,197</i>
Effects of:		
Capital allowances for year in excess of depreciation	(7,988)	<i>(4,399)</i>
Utilisation of tax losses	145,518	<i>(423,798)</i>
Total tax charge for the year	<u>-</u>	<u><i>-</i></u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

SHREWSBURY TOWN FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

10. Intangible assets

	Trademarks	Player Transfer Fees	Total
	£	£	£
Cost			
At 1 July 2019	3,190	755,200	758,390
Additions	-	157,500	157,500
Disposals	-	(462,700)	(462,700)
	<u>3,190</u>	<u>450,000</u>	<u>453,190</u>
At 30 June 2020	3,190	450,000	453,190
	<u>3,190</u>	<u>450,000</u>	<u>453,190</u>
Amortisation			
At 1 July 2019	-	498,843	498,843
Charge for the year on owned assets	-	181,458	181,458
On disposals	-	(426,135)	(426,135)
	<u>-</u>	<u>254,166</u>	<u>254,166</u>
At 30 June 2020	-	254,166	254,166
	<u>-</u>	<u>254,166</u>	<u>254,166</u>
Net book value			
At 30 June 2020	<u>3,190</u>	<u>195,834</u>	<u>199,024</u>
<i>At 30 June 2019</i>	<u>3,190</u>	<u>256,357</u>	<u>259,547</u>

SHREWSBURY TOWN FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

11. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 July 2019	13,677,735	511,682	17,400	41,192	14,248,009
Additions	54,520	13,685	6,449	-	74,654
At 30 June 2020	13,732,255	525,367	23,849	41,192	14,322,663
Depreciation					
At 1 July 2019	687,018	418,317	9,471	25,624	1,140,430
Charge for the year on owned assets	-	26,763	2,788	3,892	33,443
At 30 June 2020	687,018	445,080	12,259	29,516	1,173,873
Net book value					
At 30 June 2020	13,045,237	80,287	11,590	11,676	13,148,790
At 30 June 2019	12,990,717	93,365	7,929	15,568	13,107,579

SHREWSBURY TOWN FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

11. Tangible fixed assets (continued)

The net book value of land and buildings may be further analysed as follows:

	2020 £	2019 £
Freehold	13,045,237	12,990,717
	<u>13,045,237</u>	<u>12,990,717</u>

Included within freehold property is land & buildings which has been revalued as at 30 June 2019 by an independent valuer on a replacement cost basis. A revaluation gain of £917,000 was recognised in the year and applied to land & buildings.

Cost or valuation at 30 June 2020 is as follows:

	Land and buildings £
At cost	12,815,255
At valuation: 30 June 2019	<u>917,000</u>
	<u>13,732,255</u>

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2020 £	2019 £
Cost	12,815,255	12,760,734
Accumulated depreciation	(687,018)	(687,018)
Net book value	<u>12,128,237</u>	<u>12,073,716</u>

SHREWSBURY TOWN FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

12. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 July 2019	1
	<hr/>
At 30 June 2020	<u>1</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Class of shares	Holding
STFC 2007 Limited	Ordinary	100 %

The aggregate of the share capital and reserves as at 30 June 2020 and the profit or loss for the year ended on that date for the subsidiary undertaking was as follows:

Name	Aggregate of share capital and reserves
STFC 2007 Limited	1

SHREWSBURY TOWN FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

13. Stocks

	2020 £	2019 £
Raw materials and consumables	20,119	19,632
Finished goods and goods for resale	48,231	93,106
	<u>68,350</u>	<u>112,738</u>

Stock recognised in cost of sales during the year as an expense was £82,248 (2019 - £146,739).

14. Debtors

	2020 £	2019 £
Trade debtors	1,075,398	2,658,880
Other debtors	349,320	186,697
Prepayments and accrued income	135,650	323,184
	<u>1,560,368</u>	<u>3,168,761</u>

15. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	3,349,958	2,708,217
	<u>3,349,958</u>	<u>2,708,217</u>

16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Payments received on account	296,530	530,355
Trade creditors	461,797	764,221
Other taxation and social security	559,810	179,503
Other creditors	13,807	76,545
Accruals and deferred income	156,577	427,211
	<u>1,488,521</u>	<u>1,977,835</u>

SHREWSBURY TOWN FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

17. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Other creditors	182,800	-
	<u>182,800</u>	<u>-</u>

18. Deferred taxation

	2020 £
At beginning of year	(174,230)
Charged to other comprehensive income	-
At end of year	<u>(174,230)</u>

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Revaluation of land & buildings	(174,230)	(174,230)
	<u>(174,230)</u>	<u>(174,230)</u>

19. Accruals and deferred income

The grant relates to monies received from the Football Trust in relation to the building of the new all-seater stadium in 2007. Under the terms of the grant it would not fall as potentially repayable once the facility had been in use for 10 years. This criteria was met as at the 30 June 2017 and therefore the grant balance has been allocated against the cost of the stadium within fixed assets.

20. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
1,010,513 (2019 - 1,010,513) Ordinary shares of £2.50 each	<u>2,526,283</u>	<u>2,526,283</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

21. Reserves

Revaluation reserve

The revaluation reserve comprises the cumulative revaluation surplus of fixed assets revalued to the balance sheet date.

Profit and loss account

The profit and loss account comprises the cumulative retained earnings of the Company since incorporation.

22. Pension commitments

Eligible staff are members of the Football League Limited Pension Life Assurance Scheme, which is a defined benefit scheme. The assets of this scheme are held separately from those of the Company, being invested with an insurance Company.

The total pension costs charged in the year amounted to £40,511 (2019: £31,899) and there were no payments outstanding at year end.

23. Related party transactions

During the year the Company made sales of £nil (2019: £6,250) to Commonwealth Mint Worldwide Ltd, a Company of which J Hughes is a director. At the end of the year there was no monies due from Commonwealth Mint Worldwide Ltd (2019: £nil)

The Company made sales of £93,750 (2019: £34,198) to Shrewsbury Town in the Community, a Charitable Organisation of which J Hughes is a trustee. At the end of the year there was £nil (2019: £19,167) monies due from Shrewsbury Town in the Community.

The company purchased £1,210 (2019: £1,453) from Shrewsbury Town in the Community, a Charitable Organisation of which J Hughes is a trustee. At the year end a creditor of £nil (2019: £1,389) is owed to Shrewsbury Town in the community.

The Company made sales of £36,866 (2019: £nil) to Delves & Co Limited, a Company of which D P Delves is a director. At the end of the year there was £1,951 (2019: £nil) due from Delves & Co Limited.

The Company purchased £3,762 (2019: £nil) from Montgomery Waters Limited, a Company of which D P Delves is a director. At the year end a creditor of £nil (2019: £nil) is owed to Montgomery Waters Limited.

24. Controlling party

The Company is under the control of R Wycherley who owns more than 50% of the share capital.

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