

**PREPARED FOR THE REGISTRAR
CHELTENHAM TOWN ASSOCIATION FOOTBALL CLUB LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

Cheltenham Town Association Football Club Limited

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Cheltenham Town Association Football Club Limited

Company Information

Directors	D Beesley P Bence D Bloxham P Godfrey C Gowing J Murphy M Toms
Company secretary	P Godfrey
Registered office	Whaddon Road Cheltenham Gloucestershire GL52 5NA
Auditors	Hazlewoods LLP Staverton Court Staverton Cheltenham Gloucestershire GL51 0UX

Cheltenham Town Association Football Club Limited

(Registration number: 00324807)

Balance Sheet as at 31 May 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	<u>4</u>	130,742	16,000
Tangible assets	<u>5</u>	2,880,650	1,679,544
		<u>3,011,392</u>	<u>1,695,544</u>
Current assets			
Stocks	<u>6</u>	29,066	21,730
Debtors	<u>7</u>	512,725	456,071
Debtors: Amounts falling due after more than one year	<u>7</u>	-	150,000
Cash at bank and in hand		819,424	2,060,318
		<u>1,361,215</u>	<u>2,688,119</u>
Creditors: Amounts falling due within one year	<u>8</u>	(1,063,442)	(1,060,271)
Net current assets		<u>297,773</u>	<u>1,627,848</u>
Total assets less current liabilities		3,309,165	3,323,392
Creditors: Amounts falling due after more than one year	<u>8</u>	(1,587,661)	(1,220,671)
Net assets		<u>1,721,504</u>	<u>2,102,721</u>
Capital and reserves			
Called up share capital	<u>11</u>	1,098,375	1,048,375
Share premium reserve		2,229,543	2,129,543
Capital contribution reserve		45,316	45,316
Revaluation reserve		68,025	69,583
Profit and loss account		(1,719,755)	(1,190,096)
Total equity		<u>1,721,504</u>	<u>2,102,721</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 28 February 2024 and signed on its behalf by:

C Gowing
Director

The notes on pages 3 to 9 form an integral part of these financial statements.

Cheltenham Town Association Football Club Limited

Notes to the Financial Statements for the Year Ended 31 May 2023

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Whaddon Road
Cheltenham
Gloucestershire
GL52 5NA

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A smaller entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006 (as applicable to companies subject to the small companies' regime).

Basis of preparation

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

Going concern

The Directors have prepared projections through to 31 May 2025 that they believe are prudent and anticipate that the Company will be able to operate within the cash resources available. The margin of headroom within the resources is however not great, necessitating careful financial management. The directors, closely monitor the cash position. The directors have prepared the accounts on a going concern basis on the assumption that the directors will be able to control costs to operate within the funds available.

Judgements

No significant judgements have been made by management in preparing these financial statements.

Revenue recognition

Turnover represents net gate income (including season ticket sales), Football League subscriptions, Football League distributions, commercial income, media income, player transfer fees, fees for player loans and donations net of Value Added Tax (where applicable). Income is recognised in the period to which it related and services provided, gate and season ticket income is allocated to the periods which matches the provision of the service.

Grants

Grants including government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset.

Tax

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

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 taxable income.

Cheltenham Town Association Football Club Limited

Notes to the Financial Statements for the Year Ended 31 May 2023

Intangible assets

The costs associated with acquiring players' registrations, including agents' fees, are capitalised and amortised, in equal instalments, over the period of the respective players' contracts. Where the acquisition of a player registration involves a non-cash consideration, such as an exchange for another player registration, the transaction is accounted for using an estimate of the market value for the non-cash consideration. Provision is made for any impairment and player registrations are written down for impairment when the carrying amount exceeds the amount recoverable through use or sale.

Under the conditions of certain transfer agreements or contract renegotiations, further fees will be payable in the event of the players concerned making a certain number of First Team appearances or on the occurrence of certain other specified future events. Liabilities in respect of these additional fees are accounted for, as provisions, when it becomes probable that the number of appearances will be achieved or the specified future events will occur.

Profits or losses on the sale of players represent the transfer fee receivable, net of any transaction costs, less the unamortised cost of the player's registration.

Remuneration of players is charged in accordance with the terms of the applicable contractual arrangements and any discretionary bonuses when there is a legal or constructive obligation.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Costs of acquiring player registrations	Over the length of the contract

Tangible assets

Tangible assets are stated in the balance sheet at cost or valuation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold land and buildings	2% - 20% straight line
Long leasehold land and buildings	2% - 20% straight line
Plant and machinery	10% - 20% straight line

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits.

Trade debtors

Trade debtors are amounts due from customers in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. All trade debtors are repayable within one year and hence are included at the undiscounted cost of cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtors.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out method.

At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs of sale; the impairment loss is recognised immediately in profit or loss.

Cheltenham Town Association Football Club Limited

Notes to the Financial Statements for the Year Ended 31 May 2023

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

Leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Financial instruments

Classification

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when, there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Impairment

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets:

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets:

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Cheltenham Town Association Football Club Limited

Notes to the Financial Statements for the Year Ended 31 May 2023

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 106 (2022 - 106).

4 Intangible assets

	Costs of acquiring player registrations £
Cost	
At 1 June 2022	57,750
Additions	150,000
Disposals	(37,750)
At 31 May 2023	170,000
Amortisation	
At 1 June 2022	41,750
Amortisation charge	35,258
Amortisation eliminated on disposals	(37,750)
At 31 May 2023	39,258
Carrying amount	
At 31 May 2023	130,742
At 31 May 2022	16,000

5 Tangible assets

	Freehold land and buildings £	Leasehold land and buildings £	Plant and machinery £	Total £
Cost or valuation				
At 1 June 2022	-	2,893,867	998,004	3,891,871
Additions	1,272,466	-	19,184	1,291,650
At 31 May 2023	1,272,466	2,893,867	1,017,188	5,183,521
Depreciation				
At 1 June 2022	-	1,321,050	891,277	2,212,327
Charge for the year	13,524	56,638	20,382	90,544
At 31 May 2023	13,524	1,377,688	911,659	2,302,871
Carrying amount				
At 31 May 2023	1,258,942	1,516,179	105,529	2,880,650
At 31 May 2022	-	1,572,817	106,727	1,679,544

Included in freehold land and buildings is freehold land held at valuation of £548,566 which is not depreciated.

Historical cost of long leasehold land and buildings included at valuation

This class of asset includes items which have a historical cost of £135,722 (2022 - £135,722). The accumulated depreciation on this historical cost would be £69,532 (2022 - £66,818). They are included in the balance sheet at a valuation less accumulated depreciation of £134,215 (2022 - £138,487).

Cheltenham Town Association Football Club Limited

Notes to the Financial Statements for the Year Ended 31 May 2023

6 Stocks

	2023 £	2022 £
Goods for re-sale	29,066	21,730

7 Debtors

	2023 £	2022 £
Trade debtors	241,123	457,993
Other debtors	271,602	148,078
Total trade and other debtors	512,725	606,071
Less non-current portion	-	(150,000)
Total current trade and other debtors	512,725	456,071

Details of non-current trade and other debtors

£Nil (2022 -£150,000) of trade debtors is classified as non current as amounts fall due for payment after more than one year.

8 Creditors

	Note	2023 £	2022 £
Due within one year			
Loans	9	87,272	39,800
Trade creditors		309,105	315,914
Other creditors		455,806	525,148
Other taxation and social security		211,259	179,409
		1,063,442	1,060,271
Due after one year			
Loans	9	654,971	255,727
Grants	10	845,110	873,715
Deferred income		87,580	91,229
		1,587,661	1,220,671

Loans include an amount of £71,068 (2022 - £67,684) in respect of the net present value of an interest free loan received of £100,000 (2022 - £100,000) repayable after more than five years.

Cheltenham Town Association Football Club Limited

Notes to the Financial Statements for the Year Ended 31 May 2023

9 Loans and borrowings

	2023 £	2022 £
Current loans and borrowings		
Bank borrowings	47,472	-
Other borrowings	39,800	39,800
	<u>87,272</u>	<u>39,800</u>
	2023 £	2022 £
Non-current loans and borrowings		
Bank borrowings	436,460	-
Other borrowings	-	40,200
Shareholder loans	218,511	215,527
	<u>654,971</u>	<u>255,727</u>

The other borrowings relate to an interest free loan payable in instalments by April 2024.

The bank borrowings relate to a £500,000 loan facility that was taken out in July 2022. The loan is on a term of 15 years and is due for repayment in 180 monthly instalments from the first drawdown date.

Shareholder loans are detailed in note 15.

10 Grants

	Grants £
Amount advanced	
At 1 June 2022 and at 31 May 2023	<u>1,430,299</u>
Amortisation	
At 1 June 2022	556,584
Amortisation	<u>28,605</u>
At 31 May 2023	<u>585,189</u>
Carrying amount	
At 31 May 2023	<u>845,110</u>
At 31 May 2022	<u>873,715</u>

The grants relate to grants advanced by the Football Trust to finance stadium developments.

11 Share capital

Allotted, called up and fully paid shares

	2023		2022	
	No.	£	No.	£
Ordinary shares of £0.50 each	2,196,750	1,098,375	2,096,750	1,048,375

During the year, 100,000 50p Ordinary Shares were issued for £150,000.

Cheltenham Town Association Football Club Limited

Notes to the Financial Statements for the Year Ended 31 May 2023

12 Commitments

Operating lease commitments

The company has future operating lease commitments of £1,650,285 (2022 - £1,686,770). This includes the lease of the stadium at the current rental rate for the term of the lease until 1 January 2105.

13 Related party transactions

Transactions with shareholders

In 2021, an interest free loan from a shareholder of £100,000 for a fixed term of ten years was received. In addition, further interest free loans to shareholders of £154,150 is repayable at one year's notice of repayment. In accordance with the Company's accounting policy and UK financial reporting standards such loans are reported in the balance sheet at their fair value which is calculated based on a commercial rate of interest for a similar loan. This fair value of these loans has been calculated by assuming a commercial rate of interest of 5% and is included in creditors payable after more than one year in the sum of £218,511 (2022 - £215,527). The difference between the reported liability and amount advanced was taken directly to equity and amounts to £45,316 on inception of the loan, during the year interest of £3,384 (2022 - £6,293) has been recognised on the loan recognised at fair value.

14 Non adjusting events after the financial period

On the 27 October 2023, the company issued 33,333 ordinary shares for consideration of £0.50 per share. The number of shares in issue after this transaction was 2,196,285. The total funds raised amounted to £50,000.

On the 8 January 2024, the company issued 66,667 ordinary shares for consideration of £0.50 per share. The number of shares in issue after this transaction was 2,296,295. The total funds raised amounted to £100,000.

15 Audit report

The Independent Auditor's Report was unqualified and there were no matters to which the auditors drew attention by emphasis. The name of the Senior Statutory Auditor who signed the audit report on 28 February 2024 was Ryan Hancock, who signed for and on behalf of Hazlewoods LLP.

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.