

Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 30 June 2023
for
CFC 2001 Ltd

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for the Year Ended 30 June 2023

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CFC 2001 Ltd

Company Information
for the Year Ended 30 June 2023

DIRECTORS:	Mr J Croot Mr A Fantom Mr M W Goodwin Mr P A Kirk Mr A A Kirk Mr D T Simmonds Dr P C Stankard Mr W T Ward
SECRETARY:	Mr P Whiteley
REGISTERED OFFICE:	The SMH Group Stadium 1866 Sheffield Road Chesterfield United Kingdom S41 8NZ
REGISTERED NUMBER:	04273743 (England and Wales)
AUDITORS:	Sutton McGrath Hartley 5 Westbrook Court Sharrowvale Road Sheffield South Yorkshire S11 8YZ
BANKERS:	Barclays Bank Plc

Chairman's Report
for the Year Ended 30 June 2023

The Chairman presents his statement for the period.

This report represents the third full season since Chesterfield FC Community Trust purchased the football club. We always maintained that the Trust acted to ensure that Chesterfield would continue to have a professional club, knowing that this also meant the charity could continue to deliver the good work in our community. We always knew this would be a challenge and knew that in the medium-term external partners would be needed.

The annual accounts do show a significant loss, but it is clear to see steps are being taken both to stabilise the club and to show sufficient ambition to regain our league position. This approach is supported by Ashley and Phil Kirk and promotion would be a game changer in terms of the financial position.

Phil Kirk joined the board in March, a position that reflects his investment. His strategic input along with Ashley Kirks day-to-day support is vital in what we are trying to achieve. I am very happy that they recognise the community aspect of what can be achieved by the club.

Every year under the Trust, playing results have improved. Last Season saw an improvement in finishing position and going one stage further in terms of the play-offs. The extra round in the play-offs saw Chesterfield playing at Wembley for a place in the football league. Unfortunately, we suffered the heartache of a penalty shoot-out loss when we had been but minutes from promotion.

Thanks to a stable backroom staff led by a first-rate manager there has been no hang-over from that result. The brilliant recruitment of a stable pool of players, while still having regard to the budget, means that we are confident that this season will see us promoted- hopefully as Champions.

Each year of our tenure has seen attendances increasing. Last season we were dealing with sold out home areas and this has already happened for this season. The averages are looking to be the highest since the early eighties. Season tickets have also increased and are now sixty percent up on the pre-pandemic levels. Several attendance records will be set for games on Whittington Moor.

Last season and this the club continued with FA Cup success playing in four rounds each season, beating three League clubs and having more than creditable results against major Championship sides. These sorts of results, particularly when seen on terrestrial television not only financial benefits but pride to both supporters and the town as a whole.

I am pleased that work has been undertaken at the training ground. The pitches there are now first rate and there are plans for further facilities. Such investment can bring tangible results on the field of play but also in developing talent that brings playing or financial returns.

Mike Goodwin
Chairman

21 March 2024

Strategic Report
for the Year Ended 30 June 2023

The directors present their strategic report for the year ended 30 June 2023.

The 2022/23 financial year represents the second complete financial year since the takeover of the club by the Chesterfield FC Community Trust. Like the previous season it was a normal one from a football and attendances point of view, but it was the first with conventional commercial and hospitality.

REVIEW OF BUSINESS

We saw a full season of football under Paul Cooks stewardship. He put his mark on the squad and certainly the playing style. We started off well and led the National League but a sticky patch early in the new year saw Wrexham and Notts County pull away in a remarkable battle for the title.

Once again, we had a significant run in the FA Cup with wins over two League sides. This led to a home tie against West Bromwich Albion. In a terrific match in front of almost ten thousand fans, the Championship side only just equalised deep into injury time. The replay proved a match too far.

In the league results picked-up and a third placed finish meant a home game in the play-off semi-final. Bromley were dispatched in this match in front of nine thousand home fans meaning Chesterfield reached the Wembley final. With eighteen thousand Spireites in attendance the club came within three minutes of victory in normal time and led again in extra-time. Unfortunately, promotion came down to the lottery of penalties and Notts County prevailed.

Paul Cook spent the summer recruiting players to establish a talented but tight playing squad. Without the American backed Wrexham and high spending Notts County it looks to be Chesterfield's turn to dominate. Well respected football league players have been recruited without excessive wage demands and a nucleus of twenty-odd players who are all of a standard to influence games means some playing records look set to be beaten this time.

Attendance levels have been remarkable. Over the last year we have seen several games sell out for home fans. As well as playing records, we expect attendance records to be established for the SMH Group Stadium. As well as a massive number of ad hoc sales, the season ticket numbers are now at what is thought to be a record high in the history of the club.

It is pleasing to report that the SMH Group Stadium is once again hosting international football with the FA selecting the stadium for an age group game and the England Scotland schoolboys international to come later the season. A game between Real Betis and Olympic Marseilles, two European giants was held at the start of last season with the Spanish cup winners returning for another pre-season game this summer. Not only do these games give our supporter base the opportunity to see some of the best footballing talent, it brings much needed revenue into the club and high profile to the town.

Phil and Ashley Kirk have continued to invest in the club. This has allowed the stability for the team and supported the manager in his aim to return Chesterfield to the football league. This support has also allowed work to start at the training ground where two pitches identical to that at the SMH Group Stadium have been established. Work continues at Hasland to build the facilities to match the state-of-the-art surface. It is also good that many sponsors of the club have been able to support this improved facility.

Strategic Report
for the Year Ended 30 June 2023

Work continues around the stadium in terms of maintaining a facility that has had no significant improvements in 14 years. There are no issues around the safety of the stadium thanks to dedicated work from staff and volunteers. Minor structural work has been undertaken but there is also a need for cosmetic work inside and outside to improve the product we offer. We have also taken account of "Martyn's Law" in terms of making the facilities as risk averse as possible in terms of terrorism.

We have continued to champion the use of the internet for ticket sales and the use of e-tickets. This reduces the pressure on our staff whilst makes selling tickets a 24 hour business. The vast majority of ad-hoc tickets for matches are now bought online as e-tickets. Face-to-face sales also result in the customers accepting e-tickets. This move away from printed tickets will continue under a new ticketing system and hopefully will soon include season tickets being in virtual wallets. The change to a new ticketing provider will also allow the club's marketing to be developed further.

PRINCIPAL RISKS AND UNCERTAINTIES

With the country officially in a recession there remains a threat to businesses in the leisure industry. However, in the wider football industry and particularly at Chesterfield there is little evidence of a reduction in demand. Success on the field always helps, but crowds, hospitality and non-match day events have remained strong.

In this business it is what happens on the football field that generates most of the risks. This includes commercial activities and to a lesser extent non-football business. Everyone knows the rewards that promotion to the League mean but with only two promotion places available this is usually never guaranteed. Football is also an industry where as well as budgets, cashflow is a significant factor.

Apart from promotion and the prevailing economic environment the Club has amongst other uncertainties to manage: the risk of loss or non-availability of key players; the threat of future relegation; the safety of staff and supporters in general but particularly at matches; compliance with league and tax regulations; and the availability of appropriate finance.

FINANCIAL KEY PERFORMANCE INDICATORS

As always, the playing budget is an area that needs constant monitoring. Building a better squad while holding costs is essential. It is no longer just about delivering on the field but having attractive assets developed that can provide a financial return.

When the Trust took over the directors were essentially all had a public or third sector background. With the addition of executive directors, as well as Phil and Ashley Kirk, there is a much more diverse set of backgrounds at the club.

In terms of judging performance, we would want to see the turn-over rise each year. However, any rise should be generated by increased income. We are looking at more business away from matchdays and greater commercial opportunities. That said our primary business is football so having increased our season ticket numbers to 4500 from fewer than 2800 before we took over is significant.

Strategic Report
for the Year Ended 30 June 2023

We continue to have sell-out matches and envisage a full SMH Group Stadium as a regular occurrence rather than a once in a decade highlight! Last season's average attendance was the equivalent of the first season on Whittington Moor; this season's crowds currently show an extra 600 fans per game. This season it is likely that the average will be the highest since the 1979/80. These numbers clearly mean more income but also help the community reach of a club that is part of the social infrastructure of the town.

ON BEHALF OF THE BOARD:

Mr J Croot - Director

21 March 2024

Report of the Directors
for the Year Ended 30 June 2023

The directors present their report with the financial statements of the company for the year ended 30 June 2023.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a football club.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2022 to the date of this report unless otherwise stated.

Mr J Croot
Mr A Fantom
Mr M W Goodwin
Mr A A Kirk
Mr D T Simmonds
Dr P C Stankard
Mr W T Ward
Mr P A Kirk - appointed 24 March 2023

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The directors have been granted a qualifying third party indemnity provision under Section 234 of the Companies Act 2006. This indemnity does not provide cover in the event of a director acting fraudulently or dishonestly.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

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

STATEMENT 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 or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Report of the Directors
for the Year Ended 30 June 2023

AUDITORS

The auditors, Sutton McGrath Hartley, were approved for re-appointment at the forthcoming Annual General Meeting held on 13th March 2024 and the directors were authorised to fix their remuneration.

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:

Mr M W Goodwin - Director

21 March 2024

Report of the Independent Auditors to the Members of
CFC 2001 Ltd

Opinion

We have audited the financial statements of CFC 2001 Ltd (the 'company') for the year ended 30 June 2023 which comprise the Income Statement, Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, 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 2023 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Emphasis of matter

We draw attention to note 2 to the financial statements in relation to going concern, which explains other factors that may impact the Company over the next 12 months. 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 Annual Report, 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.

Report of the Independent Auditors to the Members of
CFC 2001 Ltd

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 Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors 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 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 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 six, 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.

Report of the Independent Auditors to the Members of
CFC 2001 Ltd

Auditors' responsibilities for the audit of the financial statements

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

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

Our assessment of the susceptibility to material misstatement, whether by fraud or error, is made in a risk based approach.

In this approach, laws and regulations applicable to the entity, such as the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102, the relevant tax compliance regulations within the UK, employment law, and Health and Safety law is considered, and the policies and controls the entity has in place to comply with these laws are reviewed, by discussion, reviews of correspondence and registrations monitored by external bodies. The engagement team remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Policies and controls relating to the risk of material misstatement as a result of fraud are also considered. These are assessed by obtaining an understanding of the company's operations and control environment. The policies and controls have been reviewed by discussion, review and sample testing of accounting entries, challenging assumptions and judgements, including the going concern basis, reviewing and evaluating related parties transactions, and wider background searches. Testing of contract amortisation, cut off and carrying value of assets is also completed.

We have ensured that the engagement team have appropriate levels of competence and experience to effectively monitor these risks and carry out work relevant to our assessment of each risk, including consideration of the industry the company operates in and its size and complexity.

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.

Other matters which we are required to address

The financial statements for the prior period were audited by the predecessor auditor, Shorts. The prior period audit report was unqualified and dated 28 February 2023.

Report of the Independent Auditors to the Members of
CFC 2001 Ltd

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.

Howard Matthews BA FCA (Senior Statutory Auditor)
for and on behalf of Sutton McGrath Hartley
5 Westbrook Court
Sharrowvale Road
Sheffield
South Yorkshire
S11 8YZ

21 March 2024

Income Statement
for the Year Ended 30 June 2023

	Notes	2023 £	2022 £
TURNOVER	3	4,577,446	3,928,007
Cost of sales		<u>611,956</u>	<u>531,210</u>
GROSS PROFIT		3,965,490	3,396,797
Administrative expenses		<u>6,204,218</u>	<u>6,412,926</u>
		(2,238,728)	(3,016,129)
Other operating income	4	<u>225,504</u>	<u>646,234</u>
OPERATING LOSS	6	(2,013,224)	(2,369,895)
Interest receivable and similar income		<u>89,308</u>	<u>16,486</u>
		(1,923,916)	(2,353,409)
Interest payable and similar expenses	8	<u>226,756</u>	<u>12,808</u>
LOSS BEFORE TAXATION		(2,150,672)	(2,366,217)
Tax on loss	9	<u>(4,454)</u>	<u>4,454</u>
LOSS FOR THE FINANCIAL YEAR		<u>(2,146,218)</u>	<u>(2,370,671)</u>

The notes form part of these financial statements

Other Comprehensive Income
for the Year Ended 30 June 2023

	Notes	2023 £	2022 £
LOSS FOR THE YEAR		(2,146,218)	(2,370,671)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(2,146,218)</u>	<u>(2,370,671)</u>

The notes form part of these financial statements

Statement of Financial Position
30 June 2023

	Notes	£	2023 £	£	2022 £
FIXED ASSETS					
Intangible assets	10		-		-
Tangible assets	11		<u>12,516,048</u>		<u>12,552,604</u>
			12,516,048		12,552,604
CURRENT ASSETS					
Stocks	12	84,857		56,921	
Debtors	13	645,970		347,793	
Cash at bank and in hand		<u>201,612</u>		<u>512,316</u>	
		932,439		917,030	
CREDITORS					
Amounts falling due within one year	14	<u>2,545,628</u>		<u>2,715,828</u>	
NET CURRENT LIABILITIES			(1,613,189)		(1,798,798)
TOTAL ASSETS LESS CURRENT LIABILITIES			10,902,859		10,753,806
CREDITORS					
Amounts falling due after more than one year	15		<u>5,163,564</u>		<u>3,868,293</u>
NET ASSETS			<u>5,739,295</u>		<u>6,885,513</u>
CAPITAL AND RESERVES					
Called up share capital	18		10,837,784		10,000,000
Share premium			5,931,216		5,769,000
Retained earnings			<u>(11,029,705)</u>		<u>(8,883,487)</u>
SHAREHOLDERS' FUNDS			<u>5,739,295</u>		<u>6,885,513</u>

The financial statements were approved by the Board of Directors and authorised for issue on 21 March 2024 and were signed on its behalf by:

Mr M W Goodwin - Director

Statement of Changes in Equity
for the Year Ended 30 June 2023

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 July 2021	5,000,000	(6,512,816)	-	(1,512,816)
Changes in equity				
Issue of share capital	5,000,000	-	5,769,000	10,769,000
Total comprehensive income	-	(2,370,671)	-	(2,370,671)
Balance at 30 June 2022	10,000,000	(8,883,487)	5,769,000	6,885,513
Changes in equity				
Issue of share capital	837,784	-	162,216	1,000,000
Total comprehensive income	-	(2,146,218)	-	(2,146,218)
Balance at 30 June 2023	10,837,784	(11,029,705)	5,931,216	5,739,295

Statement of Cash Flows
for the Year Ended 30 June 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	(1,466,572)	(821,346)
(Decrease)/increase in group debts		<u>(949,433)</u>	<u>417,202</u>
Net cash from operating activities		<u>(2,416,005)</u>	<u>(404,144)</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(148,750)	(482,500)
Purchase of tangible fixed assets		(86,256)	(29,167)
Interest received		<u>89,308</u>	<u>16,486</u>
Net cash from investing activities		<u>(145,698)</u>	<u>(495,181)</u>
Cash flows from financing activities			
New loans in year		1,351,479	847,623
Loan repayments in year		(14,985)	(137,681)
Share issue		1,000,000	-
Interest paid		<u>(85,495)</u>	<u>(2,186)</u>
Net cash from financing activities		<u>2,250,999</u>	<u>707,756</u>
Decrease in cash and cash equivalents		<u>(310,704)</u>	<u>(191,569)</u>
Cash and cash equivalents at beginning of year	2	512,316	703,885
Cash and cash equivalents at end of year	2	<u>201,612</u>	<u>512,316</u>

The notes form part of these financial statements

Notes to the Statement of Cash Flows
for the Year Ended 30 June 2023

1. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2023	2022
	£	£
Loss before taxation	(2,150,672)	(2,366,217)
Depreciation charges	159,570	580,627
Loss on disposal of fixed assets	111,992	-
Government grants	-	(51,069)
Finance costs	226,756	12,808
Finance income	(89,308)	(16,486)
	(1,741,662)	(1,840,337)
Increase in stocks	(27,936)	(20,473)
(Increase)/decrease in trade and other debtors	(298,177)	426,330
Increase in trade and other creditors	601,203	613,134
Cash generated from operations	<u>(1,466,572)</u>	<u>(821,346)</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 30 June 2023

	30/6/23	1/7/22
	£	£
Cash and cash equivalents	<u>201,612</u>	<u>512,316</u>

Year ended 30 June 2022

	30/6/22	1/7/21
	£	£
Cash and cash equivalents	<u>512,316</u>	<u>703,885</u>

Notes to the Statement of Cash Flows
for the Year Ended 30 June 2023

3. **ANALYSIS OF CHANGES IN NET DEBT**

	At 1/7/22	Cash flow	At 30/6/23
	£	£	£
Net cash			
Cash at bank and in hand	<u>512,316</u>	<u>(310,704)</u>	<u>201,612</u>
	<u>512,316</u>	<u>(310,704)</u>	<u>201,612</u>
Debt			
Debts falling due within 1 year	(19,847)	(131,414)	(151,261)
Debts falling due after 1 year	<u>(1,927,679)</u>	<u>(1,346,340)</u>	<u>(3,274,019)</u>
	<u>(1,947,526)</u>	<u>(1,477,754)</u>	<u>(3,425,280)</u>
Total	<u>(1,435,210)</u>	<u>(1,788,458)</u>	<u>(3,223,668)</u>

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 30 June 2023

1. STATUTORY INFORMATION

CFC 2001 Ltd 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.

CFC 2001 Ltd is a private company, limited by shares, registered in England and Wales. Its registered number is 04273743 and its registered office is:
The SMH Group Stadium
1866 Sheffield Road
Chesterfield
United Kingdom
S41 8NZ

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" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

At 30 June 2023 the Company had net current assets/(liabilities) amounting to (£1,613,189) (2022: (£1,798,798)). The Club had just narrowly failed to win promotion to the Football League after the Wembley play-off defeat.

The board looked forward to the 2023/24 season and with the backing of the Trust agreed that Kirk brothers would underwrite the campaign and ensure the company would meet its debts as they fell due. The brothers gave that comfort to the board, the Trustees and the Charity Commissioners. The Club continues to face uncertainty in its operations and financial performance. Income from catering and concourse sales together with commercial activity and obviously sponsorship and ticket sales are driven by success on the field.

At 30 June 2023, and as at the date of these accounts, the Trust is the majority owner of the Club. However, as it becomes more likely that the Club could achieve promotion the Company has secured further financing from the Kirk brothers which will ensure any match and season end bonuses can be paid, players contracts extended, working capital covered and future seasons football appropriately planned. This equity funding was formally approved by shareholders at the Annual general Meeting held on 13th March 2024 AGM and will secure the financial position of the Club. The proposals have the backing of the board and were formally approved by the Trust on 4 March 2024. As part of these proposals Phil Kirk will personally guarantee the Club can meet its debts as they fall due, fulfil its fixture commitments and continue as a going concern for the next two seasons (or in excess of 24 months).

Notes to the Financial Statements - continued
for the Year Ended 30 June 2023

2. ACCOUNTING POLICIES - continued

Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue received in advance of a period end but relating to events occurring in future periods, principally season ticket income, is treated as deferred income. The deferred income is released to turnover as and when the Company performs its contractual obligations, for example as each home game is played.

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 Income and Retained Earnings in the same period as the related expenditure.

Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

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 Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

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.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Transfer fees are capitalised and fully amortised immediately upon the registration of the player, because in the league in which the club operates, the future value of players is generally very uncertain.

Notes to the Financial Statements - continued
for the Year Ended 30 June 2023

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

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

Freehold property	- 2% on cost
Long leasehold	- 10% on cost
Plant and machinery	- 20% on reducing balance
Fixtures and fittings	- 10% on reducing balance
Motor vehicles	- 25% on reducing balance

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 first in, first out basis.

At each balance sheet 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.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position 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.

Notes to the Financial Statements - continued
for the Year Ended 30 June 2023

2. ACCOUNTING POLICIES - continued

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 re-measured. It 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.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet 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.

Judgements in applying accounting policies and key sources of estimation uncertainty

No significant judgements have had to be made by management in preparing these financial statements.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

(i) Useful economic lives of tangible assets and intangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually and are amended when necessary to reflect current estimates, based on technological advancement and the physical condition of the assets. See note 10 for the carrying amount of tangible fixed assets, and note 2 above for the depreciation rates applied to each category of assets.

The annual amortisation charge for intangible assets (transfer fees for players) is sensitive to changes in the estimated useful economic lives. The useful economic lives are re-assessed annually and are amended when necessary to reflect current estimates, based on management's assessment. See note 10 for the carrying amount of intangible fixed assets, and note 2 above for the amortisation policy.

Notes to the Financial Statements - continued
for the Year Ended 30 June 2023**3. TURNOVER**

The turnover and loss before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2023	2022
	£	£
Gates and season tickets	2,083,162	2,049,046
TV and football awards	178,203	257,539
Transfer fees	265,000	40,000
Commercial income	1,707,934	1,311,932
Other income	343,147	269,490
	<u>4,577,446</u>	<u>3,928,007</u>

4. OTHER OPERATING INCOME

	2023	2022
	£	£
Insurance claims receivable	168,835	589,565
Amortisation of government grants receivable	51,069	51,069
Lease premium income	5,600	5,600
	<u>225,504</u>	<u>646,234</u>

5. EMPLOYEES AND DIRECTORS

	2023	2022
	£	£
Wages and salaries	3,510,413	3,077,898
Social security costs	317,961	262,569
Other pension costs	69,019	75,505
	<u>3,897,393</u>	<u>3,415,972</u>

The average number of employees during the year was as follows:

	2023	2022
Management, players and coaches	36	35
Admin, commercial, community, C&B	91	81
Matchday	54	61
	<u>181</u>	<u>177</u>

Directors remuneration paid by Chesterfield FC Community Trust re-charged to CFC 2001 Ltd in the year totalled £95,300 (2022: £28,636). These totals are included in staff costs above.

Notes to the Financial Statements - continued
for the Year Ended 30 June 2023

6. OPERATING LOSS

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

	2023	2022
	£	£
Depreciation - owned assets	95,820	98,126
Profit on disposal of fixed assets	(8,008)	-
Players registrations amortisation	63,750	482,500
Auditors' remuneration	<u>10,000</u>	<u>9,500</u>

7. EXCEPTIONAL ITEMS

	2023	2022
	£	£
Exceptional items	<u>(28,400)</u>	<u>-</u>

Relates to the recognition of bad debt following the liquidation of the previous sponsors of the ground - Technique Learning Solutions Ltd.

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2023	2022
	£	£
Bank loan interest	983	769
Other loan interest	<u>225,773</u>	<u>12,039</u>
	<u>226,756</u>	<u>12,808</u>

9. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the loss for the year was as follows:

	2023	2022
	£	£
Current tax:		
UK corporation tax	<u>(4,454)</u>	<u>4,454</u>
Tax on loss	<u>(4,454)</u>	<u>4,454</u>

Notes to the Financial Statements - continued
for the Year Ended 30 June 2023**9. TAXATION - continued****Reconciliation of total tax (credit)/charge included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2023 £	2022 £
Loss before tax	<u>(2,150,672)</u>	<u>(2,366,217)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2022 - 19%)	(408,628)	(449,581)
Effects of:		
Expenses not deductible for tax purposes	5,514	5,682
Capital allowances in excess of depreciation	(21,416)	-
Depreciation in excess of capital allowances	-	13,096
Adjustments to tax charge in respect of previous periods	(4,454)	443,648
Other timing differences leading to a (decrease)/increase in tax	-	536
Non-taxable income	(9,703)	(8,927)
Losses to carry forward	434,233	-
Total tax (credit)/charge	<u>(4,454)</u>	<u>4,454</u>

Factors that may affect future tax charges

At 30 June 2023, the Company had trading losses totalling £2,728,000 (2022: £693,000) and capital losses totalling £137,000 (2022: £137,000) to carry forward to utilise against taxable profits arising in future periods. No deferred tax asset has been provided in respect of these losses, due to the uncertainty as to the future profitability of the Company. There is no material unprovided deferred taxation liability, and it is expected that there will continue to be small differences between the amount of depreciation charged in the accounts and capital allowances claimed.

Notes to the Financial Statements - continued
for the Year Ended 30 June 2023

10. INTANGIBLE FIXED ASSETS

	Players registrations £
COST	
At 1 July 2022	532,500
Additions	68,750
Disposals	(350,000)
At 30 June 2023	<u>251,250</u>
AMORTISATION	
At 1 July 2022	532,500
Amortisation for year	63,750
Eliminated on disposal	(345,000)
At 30 June 2023	<u>251,250</u>
NET BOOK VALUE	
At 30 June 2023	<u>-</u>
At 30 June 2022	<u>-</u>

11. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold £	Plant and machinery £
COST			
At 1 July 2022	13,046,778	111,279	38,840
Additions	-	81,347	3,790
Disposals	-	-	-
At 30 June 2023	<u>13,046,778</u>	<u>192,626</u>	<u>42,630</u>
DEPRECIATION			
At 1 July 2022	782,807	111,279	35,967
Charge for year	65,234	687	708
Eliminated on disposal	-	-	-
At 30 June 2023	<u>848,041</u>	<u>111,966</u>	<u>36,675</u>
NET BOOK VALUE			
At 30 June 2023	<u>12,198,737</u>	<u>80,660</u>	<u>5,955</u>
At 30 June 2022	<u>12,263,971</u>	<u>-</u>	<u>2,873</u>

Notes to the Financial Statements - continued
for the Year Ended 30 June 2023

11. TANGIBLE FIXED ASSETS - continued

	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 July 2022	766,313	81,077	14,044,287
Additions	1,119	-	86,256
Disposals	(5,791)	(41,958)	(47,749)
At 30 June 2023	<u>761,641</u>	<u>39,119</u>	<u>14,082,794</u>
DEPRECIATION			
At 1 July 2022	515,252	46,378	1,491,683
Charge for year	25,126	4,065	95,820
Eliminated on disposal	(4,074)	(16,683)	(20,757)
At 30 June 2023	<u>536,304</u>	<u>33,760</u>	<u>1,566,746</u>
NET BOOK VALUE			
At 30 June 2023	<u>225,337</u>	<u>5,359</u>	<u>12,516,048</u>
At 30 June 2022	<u>251,061</u>	<u>34,699</u>	<u>12,552,604</u>

The long leasehold additions in the year relate to the upgrade to the training ground.

12. STOCKS

	2023 £	2022 £
Stocks	<u>84,857</u>	<u>56,921</u>

13. DEBTORS

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	302,372	40,305
Other debtors	40,597	1,779
Prepayments and accrued income	<u>219,668</u>	<u>305,709</u>
	<u>562,637</u>	<u>347,793</u>
Amounts falling due after more than one year:		
Trade debtors	<u>83,333</u>	<u>-</u>
Aggregate amounts	<u>645,970</u>	<u>347,793</u>

Notes to the Financial Statements - continued
for the Year Ended 30 June 2023**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023	2022
	£	£
Bank loans and overdrafts (see note 16)	10,000	9,225
Other loans (see note 16)	141,261	10,622
Trade creditors	868,973	509,329
Amounts owed to group undertakings	85,812	1,035,245
Tax	-	4,454
Social security and other taxes	88,666	113,165
VAT	177,853	87,065
Other creditors	4,280	20,528
Deferred income	1,100,328	621,334
Accrued expenses	68,455	304,861
	<u>2,545,628</u>	<u>2,715,828</u>

Deferred income relates to 2023/24 season tickets and sponsorships.

Amounts owed to group undertakings related to Chesterfield FC Community Trust. Details of movements in this balance are in Note 21, and the loans transferred are detailed in Note 16.

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

	2023	2022
	£	£
Bank loans (see note 16)	23,333	34,094
Other loans (see note 16)	3,250,686	1,893,585
Accruals and deferred income	1,889,545	1,940,614
	<u>5,163,564</u>	<u>3,868,293</u>

The accruals and deferred income value of £1,889,545 relates to a grant for the building of the Stadium, and is being amortised on a straight line basis over 50 years.

16. LOANS

An analysis of the maturity of loans is given below:

	2023	2022
	£	£
Amounts falling due within one year or on demand:		
Bank loans	10,000	9,225
Other loans	141,261	10,622
	<u>151,261</u>	<u>19,847</u>

Notes to the Financial Statements - continued
for the Year Ended 30 June 2023**16. LOANS - continued**

	2023	2022
	£	£
Amounts falling due between one and two years:		
Bank loans - 1-2 years	10,000	9,274
Other loans - 1-2 years	5,622	-
	<u>15,622</u>	<u>9,274</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	13,333	24,820
Other loans - 2-5 years	226,619	222,672
	<u>239,952</u>	<u>247,492</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Other loans more 5yrs instal	<u>3,018,445</u>	<u>1,670,913</u>

Loans total £3,425,280 and represent the following:

£1,393,585 (2022: £1,393,585) from Sport England for Summer and Winter Survival payments, and is repayable over 20 years at a fixed rate of 2% per annum, with a capital and interest holiday for the first 4 years.

£33,333 (2022: £43,319) from a Bounce Back loan financed through Barclays. The Bounce Back loan is repayable over 6 years at an interest rate of 2.5% per annum.

£1,056,277 (2022: 505,622) from Phil Kirk, which is repayable no earlier than 31 March 2032 at an interest rate of 6% per annum.

£942,085 (2022: Nil) in council loans, previously disclosed as a payable to the Trust within creditors due within one year but now agreed as a debt of the Club to the councils payable in line with the loan agreements. The Chesterfield Borough Council and Derbyshire County Council loans are repayable over 15 years with an interest rate of 2.2% above the Bank of England base rate.

£Nil (2022: £5,000) was due to Mr Simmonds and paid in the year.

A number of fixed and floating charges have been given over the assets of the Company in relation to some of the loans noted above.

17. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2023	2022
	£	£
Within one year	3,727	-
Between one and five years	5,279	-
	<u>9,006</u>	<u>-</u>

Notes to the Financial Statements - continued
for the Year Ended 30 June 2023

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2023 £	2022 £
1,000,000	Ordinary	1	10,000,000	10,000,000
3,351,135	Ordinary A	£0.25	837,784	-
			10,837,784	10,000,000

The following shares were allotted and fully paid for cash at par during the year:

0 Ordinary shares of 1 each

3,351,135 Ordinary A shares of £0.25 each

The share issue in the year was for £1,000,000. An additional £162,216 went to the share premium reserve in respect of the issue.

19. PENSION COMMITMENTS

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £69,019 (2022: £75,505). At the year end pension contributions of £4,280 (2022: £8,566) were payable to the scheme and are included in other creditors.

No provision is included in the financial statements for additional payments to other clubs and employees which would become payable on the attainment of specific future events.

20. ULTIMATE PARENT COMPANY

Chesterfield FC Community Trust is regarded by the directors as being the company's ultimate parent company.

21. RELATED PARTY DISCLOSURES

The Company was under the control of Chesterfield FC Community Trust throughout the year.

	£
Opening balance	1,035,245
Loans transferred	(851,479)
Lease premium income & interest	(94,591)
Other transactions	<u>(3,362)</u>
Closing balance	<u>85,812</u>

Transactions with directors in the year with Phil Kirk are disclosed in Note 16.

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.