

AFC Wimbledon Limited

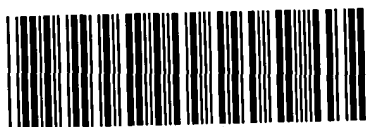
Report and Financial Statements

Year Ended

30 June 2019

Company Number 04458490

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AFC Wimbledon Limited

Company Information

Directors	M A Buckley	(resigned 1 November 2019)
	W D Charles	
	I H Heller	(resigned 20 December 2019)
	J E Samuelson	(resigned 6 April 2019)
	J B Palmer	
Company secretary	W D Charles	
Registered number	04458490	
Registered office	The Cherry Red Records Stadium 422A Kingston Road Kingston upon Thames Surrey KT1 3PB	
Independent auditors	BDO LLP 2 City Place Beehive Ring Road Gatwick West Sussex RH6 0PA	

AFC Wimbledon Limited

Contents

	Page
Directors' Report	1
Statement of Directors' Responsibilities	3
Independent Auditor's Report	4
Statement of Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10

AFC Wimbledon Limited

Directors' Report For the Year Ended 30 June 2019

The directors present their report and the financial statements for the year ended 30 June 2019.

Principal activity and future developments

The principal activities of the company throughout the year were those of an association football club. The result for the year is shown on page 7. The financial position of the company was considered satisfactory by the directors who expect continued revenue growth in the future once the club moves into its new stadium.

Results and dividends

The result for the year, after taxation, amounted to a profit of £989,678 (2018 – loss of £507,292).

In preparing these financial statements, the company has made use of the disclosure exemptions available to it under FRS 102, as set out in Note 2.2.

Directors

The directors who served during the year and to the date of this report were:

M A Buckley	(resigned 1 November 2019)
W D Charles	
I H Heller	(resigned 20 December 2019)
J E Samuelson	(resigned 6 April 2019)
J B Palmer	

Business review

The 2018/19 season was our third season in League One and proved to be our most challenging one yet. Following a disappointing sequence of results at the start of the season, we parted company with Neal Ardley and Neil Cox, who had been our manager and assistant manager for over six years, in November 2018. A thorough recruitment process ensued and in December 2018 Wally Downes was appointed manager with Glyn Hodges appointed assistant manager. On 20 October 2019, the club reached a settlement agreement with Wally Downes and Glyn Hodges replaced him as manager. Nick Daws, who had been the Head of Recruitment, became Assistant Manager.

The management team of Wally Downes and Glyn Hodges engineered a remarkable turnaround in fortune the 2018/19 season and we managed to escape relegation on the last game of the season away at Bradford City. Nearly 2,000 of our supporters made the trip to Yorkshire for that match and the scoreless draw led to celebrations in the stands and on the pitch following the final whistle. These scenes would have seemed particularly unlikely in February 2019 when we were ten points adrift of safety. Our final position of 20th directly correlated with, as per EFL definitions, our turnover and our wage spend in relation to the rest of the clubs in the division.

In the cup competitions, we progressed past the first round of the League Cup for the first time and met Premier League opponents West Ham in a televised tie at Kingsmeadow, where we exited the competition. Our journey to the fifth round of the FA Cup was encouraging and really helped to kick-start our season. During this run we were again drawn against West Ham and this time managed to beat them before we narrowly lost out to Millwall. The financial rewards gained from the cup run were immediately re-invested back into the club.

AFC Wimbledon Limited

Directors' Report For the Year Ended 30 June 2019

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 that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that 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 auditor is aware of that information.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

This report was approved by the board on 10 February 2020 and signed on its behalf.



J B Palmer
Director

AFC Wimbledon Limited

Statement of Directors' Responsibilities For the Year Ended 30 June 2019

Directors' responsibilities

The directors are responsible for preparing 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). 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 financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

AFC Wimbledon Limited

Independent Auditor's Report to the Members of AFC Wimbledon Limited

Opinion

We have audited the financial statements of AFC Wimbledon Limited ("the Company") for the year ended 30 June 2019, which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

AFC Wimbledon Limited

Independent Auditor's Report to the Members of AFC Wimbledon Limited

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 auditor's 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.

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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has 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 Director's 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; or
- the Directors were not entitled to take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

AFC Wimbledon Limited

Independent Auditor's Report to the Members of AFC Wimbledon Limited

Responsibilities of Directors

As explained more fully in the Statement of directors' responsibilities, 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.

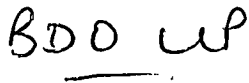
Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of report

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



Christopher Wingrave (Senior Statutory Auditor)
for and on behalf of BDO LLP, Statutory Auditor
Gatwick
United Kingdom

12 February 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

AFC Wimbledon Limited

Statement of Comprehensive Income For the Year Ended 30 June 2019

	Note	2019 £	2018 £
Turnover	4	5,803,165	5,056,934
Cost of sales		<u>(6,321,722)</u>	<u>(5,169,265)</u>
Gross (loss)		(518,557)	(112,331)
Administrative expenses		(907,248)	(816,814)
Other income		<u>262,863</u>	<u>-</u>
Operating (loss)	5	(1,162,942)	(929,145)
Gain on disposal of tangible assets		2,090,120	-
Gain on disposal of players' registrations		<u>62,500</u>	<u>421,853</u>
Profit/(loss) before tax		989,678	(507,292)
Taxation	8	<u>-</u>	<u>-</u>
Profit/(loss) for the year		989,678	(507,292)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income/(loss) for the year		<u>989,678</u>	<u>(507,292)</u>

All amounts relate to continuing activities.

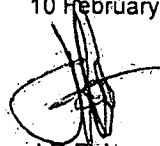
The notes on pages 10 to 22 form part of these financial statements.


AFC Wimbledon Limited

Statement of Financial Position As at 30 June 2019

	Note	£	2019 £	£	2018 £
Fixed assets					
Intangible assets	9		102,190		27,866
Tangible assets	10		<u>21,761</u>		<u>1,908,237</u>
			123,951		1,936,103
Current assets					
Stocks	11	153,056		198,974	
Debtors: amounts falling due within one year	12	3,757,562		2,576,866	
Cash at bank and in hand		<u>2,347,879</u>		<u>248,143</u>	
		6,258,497		3,023,983	
Creditors: amounts falling due within one year	13	<u>(5,260,951)</u>		<u>(4,635,764)</u>	
Net current assets/(liabilities)			<u>997,546</u>		<u>(1,611,781)</u>
Total assets less current liabilities			1,121,497		324,322
Creditors: amounts falling due after more than one year	14		<u>(493,115)</u>		<u>(685,618)</u>
Net assets/(liabilities)			<u>628,382</u>		<u>(361,296)</u>
Capital and reserves					
Called up share capital	15		2		2
Profit and loss account	16		<u>628,380</u>		<u>(361,298)</u>
Shareholders' funds			<u>628,382</u>		<u>(361,296)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 10 February 2020


J B Palmer
Director


W D Charles
Director

The notes on pages 10 to 22 form part of these financial statements..

AFC Wimbledon Limited

Statement of Changes in Equity For the Year Ended 30 June 2019

	Called up share capital £	Profit and loss account £	Total equity £
At 30 June 2018	2	(361,298)	(361,296)
Comprehensive income for the year	<u>-</u>	<u>989,678</u>	<u>989,678</u>
At 30 June 2019	<u><u>2</u></u>	<u><u>628,380</u></u>	<u><u>628,382</u></u>

Statement of Changes in Equity For the Year Ended 30 June 2018

	Called up share capital £	Profit and loss account £	Total equity £
At 30 June 2017	2	145,994	145,996
Comprehensive loss for the year	<u>-</u>	<u>(507,292)</u>	<u>(507,292)</u>
At 30 June 2018	<u><u>2</u></u>	<u><u>(361,298)</u></u>	<u><u>(361,296)</u></u>

The notes on pages 10 to 22 form part of these financial statements.

AFC Wimbledon Limited

Notes to the Financial Statements For the Year Ended 30 June 2019

1. General information

AFC Wimbledon Limited is a company incorporated in England & Wales under the Companies Act 2006. The address of the registered office is given in the Company Information page. The nature of the company's operations and its principal activities are given in the Directors' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with FRS 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).

Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates ('the functional currency'), being sterling.

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of AFCW PLC as at 30 June 2019 which may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

2.3 Going concern

Having considered the company's forecast cash flow requirement for a period of not less than 12 months from the date of approval of the financial statements and made appropriate enquires of the company's parent undertaking, AFCW PLC, the directors deem it appropriate to draw up the financial statements on a going concern basis. The directors reviewed the likely cash flow demands upon the company and the group of which it is a member in relation to the construction of the proposed new stadium in Plough Lane. They concluded that appropriate steps are in place to ensure that the either a full or basic stadium specification can be built depending upon the route the members deem best for the long-term future of the club. They also considered the option of delaying the construction of the stadium until such a time as the group has the requisite level of financing in place and concluded that this would be viable. Further information regarding the stadium development is disclosed within the accounts of AFCW PLC.

AFC Wimbledon Limited

Notes to the Financial Statements For the Year Ended 30 June 2019

2.4 Turnover

Turnover represents gate receipts, commercial and other income associated with the principal activity of running a football club, arising wholly in the United Kingdom, exclusive of VAT. Season tickets and other revenues relating to future periods are accounted for in the period to which they relate. Merchandise and bar income are recognised as at the point of sale, whereas sponsorship, donations and youth development income are recognised in the relevant period in which they occur.

2.5 Intangible assets

The cost of players' registrations, comprising transfer fees payable and signing on fees (if any), is capitalised at the fair value of consideration payable as at the date of acquisition and is amortised over the period to which the registration relates. The carrying value is reviewed to take into account any perceived impairment of the value of the registrations. Contingent transfer fees payable are recognised once the contingent event occurs.

The directors do not consider it possible to determine the value in use of an individual player in isolation, as that player cannot generate cash flows on his own. However, in circumstances where it is apparent that as at the period end the player would not be available for selection to play for the club, the player is taken outside of the football club single cash generating unit and valued at the lower of amortised cost and recoverable amount, being the directors' best estimate of the player's fair value less cost to sell, with any resulting impairment charge being made in operating expenses.

Examples of such circumstances include: the player falling out of favour of the senior football management, career threatening injury and a clear intention on behalf of the player to leave the club. The directors' assessment of fair value will be based on:

- in the case of a player who has fallen out of favour with senior football management or intends to leave the club, either the agreed selling price if a transfer has been agreed subsequent to the year-end or, if a transfer has not yet been agreed, the directors' best estimate of disposal value taking into account relevant transfer market information; or
- in the case of a player who has suffered a career-threatening injury, the value attributed by the club's insurers.

Gains or losses on the disposal of player registrations are calculated as the fee received for the sale of the player registration, less the carrying value of the player registration at the date of sale.

AFC Wimbledon Limited

Notes to the Financial Statements For the Year Ended 30 June 2019

2.6 Tangible fixed assets

Tangible fixed assets 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.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Leasehold improvements	- lesser of period of lease or 50 years
Plant and machinery	- 5 years
Fixtures and fixtures	- 4 years
Computer equipment	- 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, after allowance for slow moving and obsolete stock. Cost is based on the cost of purchase on a first-in first-out basis.

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.

2.8 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.

AFC Wimbledon Limited

Notes to the Financial Statements For the Year Ended 30 June 2019

2.9 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

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 payables or receivables, 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 financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Short term debtors and creditors are measured at the transaction price, less any impairment in respect of debtor balances.

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.

2.10 Grants

Grants relating to expenditure on tangible fixed assets that require those assets to continue to comply with the terms of the grant are credited to the Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of such grants is included in creditors as deferred income.

Grants that have no ongoing obligations on the part of the company are recognised in the Statement of Comprehensive Income once all the conditions of entitlement have been met and the grantor has no right of repayment.

AFC Wimbledon Limited

Notes to the Financial Statements For the Year Ended 30 June 2019

2.11 Leased assets: the company as lessee

Assets obtained under hire purchase contract and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit and loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

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

2.12 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a change 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.

AFC Wimbledon Limited

Notes to the Financial Statements For the Year Ended 30 June 2019

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

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the company either as a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease-by-lease basis.
- Determine whether there are indicators of impairment of the company's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Determine whether, at the year end, players are available to play for the club. In circumstances where it is apparent that the player would not be available and has not yet been sold (for example, has suffered a career-threatening injury) that player is valued on a 'recoverable amount' basis which is based on the directors' best estimate of his valuation at the next available transfer opportunity. Any resulting impairment charge is recorded within operating expenses.

Other key sources of estimation uncertainty:

- Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

4. Turnover

	2019 £	2018 £
Match receipts and prize money	3,557,179	2,869,531
Merchandise and programmes	330,801	290,579
Sponsorships and advertising	727,967	595,472
Bar and catering	396,401	418,457
Donations and sundry	248,656	271,783
Youth development income	<u>542,161</u>	<u>611,112</u>
	<u>5,803,165</u>	<u>5,056,934</u>

All turnover arose within the United Kingdom.

AFC Wimbledon Limited

Notes to the Financial Statements For the Year Ended 30 June 2019

5. Operating loss

The operating loss is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets	43,219	105,503
Ground licence rentals	97,490	127,194
Amortisation of intangible fixed assets	142,366	88,623
Other income – release of grant income	(262,863)	-
Fees payable to the company's auditor for the audit of the financial statements	<u>23,500</u>	<u>23,000</u>

6. Employees

	2019 £	2018 £
Wages and salaries	4,193,441	3,431,278
Player and football staff expenses	67,926	46,062
Social security costs	<u>390,221</u>	<u>315,986</u>
	<u>4,651,588</u>	<u>3,793,326</u>

	2019 £	2018 £
The average number of employees during the year was:		
Football staff (including scholars and development squad)	58	54
Bar and part time staff	70	47
Administration	16	16
Youth Coaches	<u>33</u>	<u>37</u>
	<u>177</u>	<u>154</u>

A significant number of part-time bar staff work on an occasional basis. The number shown above is the average number of staff available "on call" during the year.

In addition to the numbers of paid staff described above, there are many unpaid volunteers who carry out a wide range of work. The nature of their involvement varies, as does the amount of time they spend, varying from an hour or two a month to full-time. Their importance to the club's operations is illustrated by the fact that about 30 volunteers provide assistance on a matchday to ensure that everything runs smoothly; other volunteers work during the week.

7. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	130,184	86,991
Amount paid to third parties in respect of a director's services	<u>40,232</u>	<u>27,265</u>
	<u>170,416</u>	<u>114,256</u>

AFC Wimbledon Limited

Notes to the Financial Statements For the Year Ended 30 June 2019

8. Taxation

	2019 £	2018 £
Total charge for the year	<u> </u>	<u> </u>

Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK. The differences are explained below:

	2019 £	2018 £
Profit/(loss) on ordinary activities before tax	<u>989,678</u>	<u>(507,292)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2018 – 19.00%)	188,039	(96,385)
Effects of:		
Depreciation in excess of capital allowances	8,211	20,046
Non-taxable income	(51,155)	(57,336)
Group rollover relief	(397,123)	-
Losses carried forward	<u>252,028</u>	<u>133,675</u>
Total tax charge for the year	<u> </u>	<u> </u>

Factors that may affect future tax charges

The deferred tax asset of £638,791 (2018 - £386,763) arising due to the availability of tax losses and depreciation in advance of capital allowances has not been recognised in the financial statements, as on available evidence it does not meet the recognition criteria stipulated by Section 29 of FRS 102.

AFC Wimbledon Limited

Notes to the Financial Statements For the Year Ended 30 June 2019

9. Intangible assets

	Player registrations £
Cost	
At 30 June 2018	76,391
Additions	216,690
Disposals	<u>(92,229)</u>
At 30 June 2019	<u>200,852</u>
Amortisation	
At 30 June 2018	48,525
Charge for the year	142,366
Disposals	<u>(92,229)</u>
At 30 June 2019	<u>98,662</u>
Net book value	
At 30 June 2019	<u>102,190</u>
At 29 June 2018	<u>27,866</u>

AFC Wimbledon Limited

Notes to the Financial Statements For the Year Ended 30 June 2019

10. Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Computer equipment £	Furniture and fixtures £	Total £
Cost or valuation					
At 30 June 2018	2,183,483	519,558	118,078	127,690	2,948,809
Additions	-	10,229	3,798	-	14,027
Disposals	(2,183,483)	-	-	-	(2,183,483)
Assets written off	-	(480,743)	(42,801)	(119,358)	(642,902)
At 30 June 2019	-	49,044	79,075	8,332	136,451
Depreciation					
At 30 June 2018	304,364	512,208	99,615	124,385	1,040,572
Charge for the year	21,835	3,718	17,387	279	43,219
Disposals	(326,199)	-	-	-	(326,199)
Assets written off	-	(480,743)	(42,801)	(119,358)	(642,902)
At 30 June 2019	-	35,183	74,201	5,306	114,690
Net book value					
At 30 June 2019	-	13,861	4,874	3,026	21,761
At 30 June 2018	1,879,119	7,350	18,463	3,305	1,908,237

On 24 December 2018 the group of which the company is a member completed the disposal of The Cherry Red Records Stadium, Kingsmeadow. The total proceeds received by the group were £7,600,000 of which £3,947,404 was allocated to the company's interest in the asset, resulting in a profit on disposal of £2,090,120.

AFC Wimbledon Limited

Notes to the Financial Statements For the Year Ended 30 June 2019

11. Stocks

	2019 £	2018 £
Goods for resale – merchandise and bar stocks	<u>153,056</u>	<u>198,974</u>

12. Debtors

	2019 £	2018 £
Trade debtors	52,448	78,112
Amounts owed by group undertakings	3,263,507	593,248
Other debtors	11,337	1,629,236
Other taxes and social security	254,349	-
Prepayments and accrued income	<u>175,921</u>	<u>276,270</u>
	<u>3,757,562</u>	<u>2,576,866</u>

Amounts owed by group companies are interest free and repayable on demand.

The impairment loss recognised in profit and loss for the year in respect of bad and doubtful trade debtors was £Nil (2018 - £23,868).

13. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	1,627,115	765,729
Amounts owed to group undertakings	2,792,587	2,438,372
Taxation and social security	139,242	114,735
Accruals and deferred income	<u>702,007</u>	<u>1,316,928</u>
	<u>5,260,951</u>	<u>4,635,764</u>

Amounts owed by group undertakings are interest free and repayable on demand.

Included in accruals and deferred income falling due within one year is an unamortised grant of £Nil (2018 - £15,258) received in respect of leasehold improvements which is being released to profit and loss over the useful economic life of those improvements.

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

	2019 £	2018 £
Accruals and deferred income	<u>493,115</u>	<u>685,618</u>

Included in accruals and deferred income falling due after more than one year is an unamortised grant of £219,744 (2018 - £471,638) received in respect of leasehold improvements which is being released to profit and loss over the useful economic life of those improvements.

15. Share capital

	2019 £	2018 £
Authorised, allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

16. Reserves

The company's capital and reserves are as follows:

Share capital

The called up share capital represents the nominal value of the shares issued.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

17. Commitments under operating leases

At 30 June 2019 the company had total future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Due not later than one year	-	60,000
Due later than one year but not later than five years	-	240,000
Due later than five years	<u>-</u>	<u>720,000</u>
	<u>-</u>	<u>1,020,000</u>

The amount due in respect of leases which expire in more than five years previously comprised the total amount payable up to the end date of the agreement with fellow group undertaking AFCW Stadium Limited. The agreement was for the use of the stadium at Kingsmeadow and expired in 2035. During the year, a Section 106 agreement was signed which will allow a new stadium to be built and subsequently the Kingsmeadow stadium was sold and this commitment was released.

18. Related party transactions

During the year the company paid for a number of transactions on behalf of AFC Wimbledon Foundation, an independent charity which has two Trustees who were formerly directors of the company. The total of such transactions during the year was £333,978 (2018 - £179,739) and £11,337 was outstanding at 30 June 2019 (2018 - £6,913). In addition the company was charged £30,000 (2018 - £60,000) by AFCW Stadium Limited, a fellow group undertaking, for the licence to use the Kingsmeadow stadium.

19. Contingent liabilities

The company was included within a cross guarantee arrangement with Barclays Bank Plc with regard to loans issued to AFCW Stadium Limited, a fellow group undertaking. As at 30 June 2018, amounts due from AFCW Stadium Limited to Barclays Bank Plc, and therefore the potential liability to which the company was exposed, amounted £285,706. The bank loan was secured by way of a legal mortgage over the long leasehold property held by AFCW Stadium Limited.

As part of a series of transactions that took place on 24 December 2018 when the sale of the leasehold property was completed, the bank loan was repaid, thereby extinguishing the contingent liability.

20. Controlling party

The immediate parent is AFCW PLC which owns 100% of the issued share capital of the company and is the parent company of the smallest and largest group to prepare financial statements which include the results of the company. The consolidated financial statements of AFCW PLC are available to the public and can be obtained from Companies House.

The ultimate parent company is Wimbledon Football Club Supporters' Society Limited, a registered society under the Co-operative and Community Benefit Societies Act 2004.