

# **AFC Wimbledon Limited**

Report and Financial Statements

Year Ended

29 June 2017

Company Number 04458490

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# **AFC Wimbledon Limited**

## **Company Information**

<b>Directors</b>	M A Buckley W D Charles I H Heller J E Samuelson
<b>Company secretary</b>	W D Charles
<b>Registered number</b>	04458490
<b>Registered office</b>	The Cherry Red Records Stadium 422A Kingston Road Kingston upon Thames Surrey KT1 3PB
<b>Independent auditors</b>	BDO LLP 55 Baker Street London W1U 7EU

# **AFC Wimbledon Limited**

## **Contents**

	<b>Page</b>
<b>Directors' Report</b>	<b>1 - 3</b>
<b>Independent Auditors' Report</b>	<b>4 - 6</b>
<b>Statement of Comprehensive Income</b>	<b>7</b>
<b>Statement of Financial Position</b>	<b>8</b>
<b>Statement of Changes in Equity</b>	<b>9</b>
<b>Notes to the Financial Statements</b>	<b>10 - 20</b>

# **AFC Wimbledon Limited**

## **Directors' Report For the Year Ended 29 June 2017**

The directors present their report and the financial statements for the year ended 29 June 2017.

### **Directors' responsibilities statement**

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.

### **Principal activity and business review**

The principal activities of the company throughout the year were those of an association football club. The profit for the year is shown on page 7. The financial position of the company was considered satisfactory by the directors who expect continued growth in the foreseeable future.

### **Results and dividends**

The profit for the year, after taxation, amounted to £50,154 (2016 – loss £86,460).

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

### **Directors**

The directors who served during the year were:

M A Buckley  
W D Charles  
I H Heller  
J E Samuelson

# **AFC Wimbledon Limited**

## **Directors' Report For the Year Ended 29 June 2017**

### **Future developments**

In December 2015 Merton Council unanimously approved a planning application for a new stadium with a capacity of 20,000, plus an associated development, on a site in Plough Lane. On 13 December 2017 protracted negotiations were completed and the s106 agreement was signed. Following the signing, Merton Council issued the official planning decision notice which represents final planning permission. As a result, we are now committed to building the first stage (with a capacity of between 9,000 and 10,000) of a 20,000 stadium. This stadium will largely be funded by means of a £14m contribution from Galliard Homes, with whom we made a joint planning application for the site, the proceeds of the sale of Kingsmeadow, our current stadium, with the balance to be financed from borrowings.

The new stadium will be held by a newly-formed company, The Wider Interests of Football Limited (TWIOF), a new subsidiary which is 100% owned by this company. If all goes to plan it is likely the land on which the new stadium is to be built will be transferred to TWIOF in the Summer of 2018 and construction of the new stadium will then start. It is this which will be occupying the boards of the company, its fellow subsidiaries and its parent companies over the coming months.

### **Sale of our current stadium**

On 27 May 2016 AFCW Stadium Ltd, a fellow subsidiary of AFCW PLC and the owner of The Cherry Red Records Stadium, Kingsmeadow, exchanged contracts with Chelsea Football Club Limited for the sale of the stadium. The sale is subject to a number of Conditions Precedent ('CP') and will not become final until all the CPs are met. The board specified that the sale should not become final until they were very confident that a new stadium would be built in Plough Lane. Therefore one of the CPs requires that the land on which the stadium will be built must be transferred to TWIOF before the sale is complete.

In May 2017 Chelsea Football Limited made an initial payment of £600,000 to AFC Wimbledon Limited in connection with the sale of the stadium. In the event that the contract is terminated 'a termination payment' equal to the £600,000 must be repaid to Chelsea.

### **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 auditors are 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 auditors are aware of that information.

### **Post balance sheet events**

Other than the signing of the s106 agreement, as described in 'Future developments' above, there have been no significant events affecting the Company since the year end.

### **Auditors**

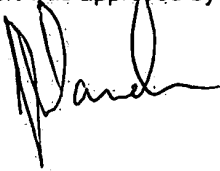
The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

# **AFC Wimbledon Limited**

## **Directors' Report For the Year Ended 29 June 2017**

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 April 2018 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'J E Samuelson', written over a horizontal line.

**J E Samuelson, Director**

# **AFC Wimbledon Limited**

## **Independent Auditors' 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 29 June 2017, 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 29 June 2017 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.

### **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.

# **AFC Wimbledon Limited**

## **Independent Auditors' Report to the Members of AFC Wimbledon Limited**

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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions from the requirement to prepare a Strategic report.

### **Responsibilities of Directors**

As explained more fully in the Directors' responsibilities statement, 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.



# **AFC Wimbledon Limited**

## **Independent Auditors' Report to the Members of AFC Wimbledon Limited**

### **Auditor's responsibilities for the audit of the financial statements**

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.

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.



**Ian Clayden** (Senior statutory auditor)  
for and on behalf of BDO LLP, Statutory auditor  
London  
United Kingdom

10 April 2018

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 29 June 2017

	Note	2017 £	2016 £
Turnover	4	4,875,735	4,135,042
Cost of sales		<u>4,537,243</u>	<u>3,746,911</u>
<b>Gross profit</b>		338,492	388,131
Administrative expenses		<u>(644,569)</u>	<u>(575,551)</u>
<b>Operating (loss)</b>	5	(306,077)	(187,420)
Gain on disposal of players' registrations		<u>355,000</u>	<u>100,000</u>
<b>Profit/(loss) on ordinary activities before interest and tax</b>		48,923	(87,420)
Interest receivable	8	<u>1,231</u>	<u>960</u>
<b>Profit/(loss) before tax</b>		50,154	(86,460)
Taxation	9	<u>-</u>	<u>-</u>
<b>Profit/(loss) for the year</b>		50,154	(86,460)
Other comprehensive income		<u>-</u>	<u>-</u>
<b>Total comprehensive income/(loss) for the year</b>		<u>50,154</u>	<u>(86,460)</u>

All amounts relate to continuing activities.

The notes on pages 10 to 20 form part of these financial statements.

# AFC Wimbledon Limited

## Statement of Financial Position As at 29 June 2017

	Note	£	2017 £	£	2016 £
<b>Fixed assets</b>					
Intangible assets	10		30,733		36,030
Tangible assets	11		<u>1,874,851</u>		<u>1,865,576</u>
			1,905,584		1,901,606
<b>Current assets</b>					
Stocks	12	132,860		277,008	
Debtors: amounts falling due within one year	13	1,391,955		1,117,041	
Cash at bank and in hand		<u>425,115</u>		<u>706,334</u>	
		1,949,930		2,100,383	
Creditors: amounts falling due within one year	14	<u>(3,016,281)</u>		<u>(3,344,851)</u>	
<b>Net current assets/(liabilities)</b>			<u>(1,066,351)</u>		<u>(1,244,468)</u>
<b>Total assets less current liabilities</b>			839,233		657,138
Creditors: amounts falling due after more than one year	15		<u>(693,237)</u>		<u>(561,296)</u>
<b>Net assets</b>			<u>145,996</u>		<u>95,842</u>
<b>Capital and reserves</b>					
Called up share capital	16		2		2
Profit and loss account	17		<u>145,994</u>		<u>95,840</u>
<b>Shareholders' funds</b>			<u>145,996</u>		<u>95,842</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 10 April 2018

  
**J E Samuelson**  
Director

  
**I H Heller**  
Director

The notes on pages 10 to 20 form part of these financial statements.

## AFC Wimbledon Limited

### Statement of Changes in Equity For the Year Ended 29 June 2017

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2016	2	95,840	95,842
Profit for the year	-	50,154	50,154
<b>Other comprehensive income for the year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>	-	50,154	50,154
Other movement	-	-	-
<b>Total transactions with owners</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>At 29 June 2017</b>	<u>2</u>	<u>145,994</u>	<u>145,996</u>

### Statement of Changes in Equity For the Year Ended 30 June 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2015	2	182,300	182,302
(Loss) for the year	-	(86,460)	(86,460)
<b>Other comprehensive income for the year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive loss for the year</b>	-	(86,460)	(86,460)
Other movement	-	-	-
<b>Total transactions with owners</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>At 30 June 2016</b>	<u>2</u>	<u>95,840</u>	<u>95,842</u>

The notes on pages 10 to 20 form part of these financial statements

# **AFC Wimbledon Limited**

## **Notes to the Financial Statements For the Year Ended 29 June 2017**

### **1. General information**

AFC Wimbledon Limited is a company incorporated in England & Wales under the Companies Act. The address of the registered office is given in the company information page. The nature of the group'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 Section 1A Small Entities, 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;
- 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 29/06/2017 which may be obtained from Companies House, Crown Way, Cardiff, CF14 3VZ.

#### **2.3 Going concern**

The directors have considered their 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 its parent undertaking and consider that it is appropriate to draw up the financial statements on a going concern basis. As part of their considerations, the directors reviewed the likely cash flow demands upon the company and group in relation to the preparation for and construction of the proposed new stadium in Plough Lane and concluded that appropriate steps are in place to ensure that the necessary financing can be obtained. Further information regarding the stadium development is disclosed within the accounts of the company's immediate parent company, AFCW PLC.

The financial statements do not include any adjustments that would result if the going concern basis of preparation were to become no longer appropriate.

#### **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.

# AFC Wimbledon Limited

## Notes to the Financial Statements For the Year Ended 29 June 2017

### 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 wider 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.

### 2.6 Tangible fixed assets

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

The group 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 group. 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	- 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 prospectively 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.

# **AFC Wimbledon Limited**

## **Notes to the Financial Statements For the Year Ended 29 June 2017**

### **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.

### **2.8 Debtors**

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

### **2.9 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.

### **2.10 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, loans to related parties and investments in non-puttable 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 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.

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.

# **AFC Wimbledon Limited**

## **Notes to the Financial Statements For the Year Ended 29 June 2017**

### **2.11 Creditors**

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

### **2.12 Grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets 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 grants is included in creditors as deferred income.

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

### **2.13 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 the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

### **2.14 Interest income**

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

### **2.15 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



# AFC Wimbledon Limited

## Notes to the Financial Statements For the Year Ended 29 June 2017

determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

### 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 group either as a lessor or 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 group'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.

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

	2017 £	2016 £
Match receipts and prize money	2,718,770	2,053,257
Merchandise and programmes	258,832	310,055
Sponsorships and advertising	590,347	508,001
Bar and catering	399,805	410,943
Donations and sundry	305,888	345,142
Youth development income	602,093	507,644
	<u>4,875,735</u>	<u>4,135,042</u>

All turnover arose within the United Kingdom.

### 5. Operating (loss)

The operating (loss) is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	106,081	92,372
Ground licence rentals	125,467	111,373
Amortisation of intangible fixed assets	116,802	36,030
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>20,000</u>	<u>20,000</u>

# AFC Wimbledon Limited

## Notes to the Financial Statements For the Year Ended 29 June 2017

### 6. Employees

	2017 £	2016 £
Wages and salaries	2,519,528	2,305,057
Player and football staff expenses	21,504	34,321
Social security costs	288,772	218,658
	<u>2,829,804</u>	<u>2,558,036</u>

The average number of permanent non-football staff during the year was 12 (2016 – 11).

The average number of football staff during the playing season was 53 (2016 – 51).

The average number of Youth Development staff during the year was 30 (2016 – 31).

	2017 £	2016 £
<b>The number of employees at 29 June was:</b>		
Football staff (including scholars & development squad)	53	51
Bar and part time staff	51	45
Administration	12	11
Youth Coaches	<u>30</u>	<u>31</u>
	<u>146</u>	<u>136</u>

A significant number of part-time bar staff work on an occasional basis. The number shown above is the total number of staff available "on call" at 29 June 2017.

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 50 volunteers provide assistance on a matchday to ensure that everything runs smoothly; other volunteers work during the week.

### 7. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	43,155	46,101
Amount paid to third parties in respect of a director's services	<u>25,059</u>	<u>18,715</u>
	<u>68,214</u>	<u>64,816</u>

### 8. Interest receivable

	2017 £	2016 £
Bank interest receivable	<u>1,231</u>	<u>960</u>

### 9. Taxation

	2017 £	2016 £
Total charge for the year	<u>-</u>	<u>-</u>

# AFC Wimbledon Limited

## Notes to the Financial Statements For the Year Ended 29 June 2017

### Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19.75% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit/(loss) on ordinary activities before tax	<u>50,154</u>	<u>(86,460)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	9,905	(17,292)
<b>Effects of:</b>		
Depreciation in excess of capital allowances	20,952	18,474
Non-taxable income	(57,793)	(62,864)
Losses carried forward/(utilised)	26,936	54,294
Group relief	—	<u>7,388</u>
<b>Total tax charge for the year</b>	<u>—</u>	<u>—</u>

### Factors that may affect future tax charges

The deferred tax asset of £253,088 (2016 - £269,973) 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.

### 10. Intangible assets

	Players £
<b>Cost</b>	
At 1 July 2016	93,740
Additions	111,505
Disposals	<u>(152,245)</u>
At 29 June 2017	<u>53,000</u>
<b>Amortisation</b>	
At 1 July 2016	57,710
Charge for the year	116,802
Disposals	<u>(152,245)</u>
At 29 June 2017	<u>22,267</u>

# AFC Wimbledon Limited

## Notes to the Financial Statements For the Year Ended 29 June 2017

### Net book value

At 29 June 2017	<u>30,733</u>
At 30 June 2016	<u>36,030</u>

### 11. Tangible fixed assets

	Leasehold improvements	Plant and machinery	Computer equipment	Furniture and fixtures	Total
	£	£	£	£	£
<b>Cost or valuation</b>					
At 1 July 2016	2,021,316	510,371	49,501	113,376	2,694,564
Additions	41,866	-	63,583	9,907	115,356
At 29 June 2017	<u>2,063,182</u>	<u>510,371</u>	<u>113,084</u>	<u>123,283</u>	<u>2,809,920</u>
<b>Depreciation</b>					
At 1 July 2016	219,570	464,161	44,881	100,376	828,988
Charge for the year	41,124	31,834	15,768	17,355	106,081
At 29 June 2017	<u>260,694</u>	<u>495,995</u>	<u>60,649</u>	<u>117,731</u>	<u>935,069</u>
<b>Net book value</b>					
At 29 June 2017	<u>1,802,488</u>	<u>14,376</u>	<u>52,435</u>	<u>5,552</u>	<u>1,874,851</u>
At 30 June 2016	<u>1,801,746</u>	<u>46,210</u>	<u>4,620</u>	<u>13,000</u>	<u>1,865,576</u>

### 12. Stocks

	2017 £	2016 £
Goods for resale - merchandise and bar stocks	<u>132,860</u>	<u>277,008</u>

# AFC Wimbledon Limited

## Notes to the Financial Statements For the Year Ended 29 June 2017

### 13. Debtors

	2017 £	2016 £
Trade debtors	131,786	33,544
Amounts owed by group undertakings	330,048	155,633
Other debtors	737,349	716,120
Prepayments and accrued income	<u>192,772</u>	<u>211,744</u>
	<u>1,391,955</u>	<u>1,117,041</u>

Amounts due from group companies are interest free and repayable on demand.

The impairment loss recognised in the company Statement of Comprehensive Income for the year in respect of bad and doubtful trade debtors was £Nil (2016 - £9,361).

### 14. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	253,630	331,682
Amounts owed to group undertakings	1,417,271	1,263,663
Taxation and social security	267,007	351,893
Other creditors	446	7,999
Accruals and deferred income	<u>1,077,927</u>	<u>1,389,614</u>
	<u>3,016,281</u>	<u>3,344,851</u>

The intercompany creditor is interest free and repayable on demand. Included in accruals and deferred income falling due within one year is an unamortised grant of £10,157 (2016 - £10,968) received in respect of leasehold improvements.

# AFC Wimbledon Limited

## Notes to the Financial Statements For the Year Ended 29 June 2017

### 15. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Accruals and deferred income	<u>693,237</u>	<u>561,296</u>

Included in accruals and deferred income falling due after more than one year is an unamortised grant of £487,551 (2016 - £507,865) received in respect of leasehold improvements.

### 16. Share capital

	2017 £	2016 £
<b>Authorised, allotted, called up and fully paid</b>		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

### 17. 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.

### 18. Commitments under operating leases

At 29 June 2017 the Company had total future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than one year	83,447	83,496
Later than one year but not later than five years	240,000	240,000
Later than five years	<u>780,000</u>	<u>840,000</u>
	<u>1,103,447</u>	<u>1,163,496</u>

The amount due in respect of leases which expire in more than five years comprises the total payable up to the end date of the agreement with AFCW Stadium Limited. The agreement is for the use of the stadium and expires in 2035. Since the year end a s106 agreement has been signed which will allow a new stadium to be built and, as a consequence, this stadium to be sold and this commitment will be liquidated at that time.

# **AFC Wimbledon Limited**

## **Notes to the Financial Statements For the Year Ended 29 June 2017**

### **19. 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 are also members of the AFC Wimbledon board. The total of such transactions during the year was £13,481 (2016 £67,744) and £62,614 was outstanding at 29 June 2017 (2016 £67,744). In addition the company was charged £60,000 (2016, £60,000) by AFCW Stadium Limited, a fellow subsidiary, for the licence to use the stadium.

### **20. Contingent liabilities**

The Company is included within a cross guarantee arrangement with Barclays Bank Plc with regard to loans issued to AFCW Stadium Limited, a fellow group company. As at 29 June 2017, amounts due from AFCW Stadium Limited to Barclays Bank Plc, and therefore the potential liability, amounted to £349,620 (2016 - £412,359). The bank loan is secured by way of a legal mortgage over the long leasehold property held within the companies.

### **21. Controlling party**

The immediate parent company is AFCW PLC which owns 100% of the issued share capital of the company. AFCW PLC prepares consolidated financial statements, in which the results of this company are included and are available to the public from Companies House.

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