**MILTON KEYNES DONS LIMITED**

**Annual Report and Financial Statements**

**for the year ended 30 June 2020**

Company Registration Number: 04787003

MILTON KEYNES DONS LIMITED

## CONTENTS

## MILTON KEYNES DONS LIMITED

## OFFICERS AND PROFESSIONAL ADVISERS

**DIRECTORS**
P Winkelman
B Winkelman
M Turner
J Cove
S Dawson
R Gawley
R Winkelman

**COMPANY SECRETARY**
R Gawley

**REGISTERED OFFICE**
Stadium MK
Stadium Way
Milton Keynes
MK1 1ST

**BANKERS**
Santander UK PLC
Milton Keynes

**SOLICITORS**
EMW LLP
Milton Keynes

**AUDITOR**
Deloitte LLP
Statutory Auditor
Cambridge
United Kingdom

MILTON KEYNES DONS LIMITED

## STRATEGIC REPORT

The directors, in preparing this Strategic report for Milton Keynes Dons Limited ("the Company"), have complied with s414C of the Companies Act 2006.

### PRINCIPAL ACTIVITY

The principal activity of the Company is the provision of football and other entertainment, together with related commercial activities.

### BUSINESS REVIEW AND KEY PERFORMANCE INDICATORS

The results for the year are set out on page 13.
The 2019/20 financial year was particularly challenging for the club as a result of the outbreak of the Covid-19 pandemic which suspended all football and ultimately led to the curtailment of the season. This clearly had a profound impact on revenue generated from season ticket and matchday revenue as well as commerical related revenue, albeit offset in part by maximising the use of the government's job retention scheme.
Despite this the Company generated turnover of £4.6m compared to £4.2m in 2019, due to the increase in receipts from the EFL as seen in Note 3. As with all football clubs, the challenge is to control player wages while remaining competitive. The Company is and will continue to be supported by Stadium MK Group Limited which is diversifying and generating future income from a hotel and from commercial property development.
During the year the Company generated £0.1m profit (2019 - £0.2m) from the disposal of players. Loss before tax for the year was £3.2m (2019 - £3.8m) as the group supported a large football wage budget to secure as high a finish as possible.
The primary objective of the Company is for the team to continue to play and challenge competitively in the highest league possible.
The Company views the following as its key performance indicators:

| | 2020 | 2019 |
|---|---|---|
| End of season league position in League One (2019 - League Two) | 19th | 3rd |
| Staff costs as percentage of turnover | 114% | 107% |
| Match day income as a percentage of turnover | 45% | 49% |

Staff costs increased during the financial year due to the commitment by the club to secure as high a finish as possible in League One.
Match day revenue increased year on year but formed a smaller part of total revenue compared to the previous year due to a significant increase in central EFL distributions and commercial income.

### FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The activities of Stadium MK Group Limited and its subsidiaries ("the Group") expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. Given the operational structure of the Group and the interdependencies present, these risks are assessed at a Group level.

***Credit risk***

The Group's principal financial assets are bank balances and cash, restricted cash, trade and other debtors.
The Group's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of allowances for doubtful debts. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.
The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.
The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

***Cash flow risk***

The Group's activities expose it primarily to the financial risks of changes in interest rates, as both the short term and long term debt incur interest at variable rates, based on LIBOR. In order to mitigate this risk, the directors prepare

**FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**
cash flow forecasts, including sensitivity analysis, which take account of a reasonably possible increase in interest rates.
***Liquidity risk***
In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses a mixture of long-term and short-term debt finance.

**PRINCIPAL RISKS AND UNCERTAINTIES**
There are potential risks and uncertainties which could have a significant impact on the Company's long-term performance.
The Company's management team actively review existing risks across the Company and identify new risks on a monthly basis. Suitable controls are put in place and action plans are established to mitigate risks.
***Operational risk***
The Company's income is affected by the performance and popularity of the first team and sources of revenue are derived from strong performances on the pitch. The Company seeks to maintain playing success by continually investing in the development of its playing squad and it enters into employment contracts with each of its players with a view to securing their services for the term of contract. Given the status of the club in League 1 and a highly competitive market, retention of personnel cannot be guaranteed. In addition, the activities of the Company's main competitors can determine trends in the market rates for transfers and wages that the Company may be required to follow in order to maintain the strength of its first team squad.
The Club is regulated by the rules of the FA, EFL, UEFA and FIFA. Any change to these regulations in the future could have an impact on the Company as the regulations cover areas such as the format of competitions, FFP, eligibility of players and the operation of the transfer market. The Company monitors its compliance with all applicable rules and regulations on a continuous bases and also monitors and considers the impact of any changes.
***Health and safety risk***
A rigorous process of risk assessment is in place and reviewed on an annual basis. Health and safety considerations are an integral part of individual employees' annual review and appraisals to ensure the company and its stakeholders have safety at the heart of the Company's business.
***People risk***
The Group is reliant upon a level of stability amongst employed management and staff and strong relationships with joint venture partners. Management development and succession planning policies are reviewed regularly by the Nominations Committee, a Board subcommittee which has the responsibility to oversee this important process.
***Brexit risk***
The Group is aware of the risk of changes in the UK's border customs procedures and tariffs as a result of the UK's withdrawal from the European Union. Due to the low level of trade the Group incurs outside the UK, management believe the risk to be low but will continue to assess any potential risks. Management believe the most significant risk to be a downturn in the wider UK economy impacting the hospitality and leisure industries which would subsequently result in a reduction in commercial revenue.
***Climate change risk***
Management review the potential climate risks associated with UK and Global climate change. Due to the nature of the Group's trade and being a single site business management do not believe there to be a significant risk to trade and performance. Management believe the largest risk to the Group would be a price rise of food and beverage due to delivery costs increasing with increased climate related duties.
***Covid-19 risk***
The Covid-19 crisis commenced in the UK in March 2020 and is ongoing at the date of approving these financial statements. A thorough analysis of its impact on the Group was performed by senior leadership, which included but was not limited to the revision of cash flow forecasts, the arrangement of additional external financing, a change in the delivery model of Group operations, and unfortunately the unavoidable redundancy of a number of employees. During the peak of the pandemic, the Group was forced to cease all operations, placing nearly all employees on the furlough scheme available to companies in the UK, whilst extensive cost saving measures were also implemented across the Group.

**PRINCIPAL RISKS AND UNCERTAINTIES (continued)**

The main risk facing the Group as it, and the country, recovers from the impact of Covid-19 is the reduction of demand for its services and goods, which will drive the number of events held, the occupancy within the hotel and attendance of football games. This in turn puts additional strain on the cash requirements of the Group as a whole. The directors will continue to monitor and adapt as the situation becomes clearer, with the next twelve months being critical in ensuring that the Group remain flexible enough to ensure maximisation of revenue generating opportunities whilst continuing with cost reduction measures, all within the constraints of the cash flow available to the Group.

**FUTURE DEVELOPMENTS**

Whilst the directors do not anticipate that there will be any change to the Company's principal activities in the foreseeable future, they do acknowledge that since March 2020 there has been a significant shift in the day to day operations of the business with fans only being allowed into the Stadium on a limited number of occassions due to social distancing measures put in as a result of Covid-19. As the country continues to progress through the roadmap laid out by the government, the Directors are hopeful that they will see the return of fans in the early part of the 2021/22 season.

Approved by the Board of Directors on 2 June 2021 and signed on behalf of the Board by

P Winkelman
Director

## DIRECTORS' REPORT

The directors present their annual report on the affairs of the Company, together with the audited financial statements, for the year ended 30 June 2020.
As permitted under section 414C(11) of the Companies Act 2006, the disclosures required by regulations made under 416(4) in relation to financial risk management objectives and policies have been included in the Strategic Report and form part of this report by cross-reference.

### GOING CONCERN

Despite the company having net current liabilities of £13.6m (2019 - £11.6m), the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.
To determine that the going concern basis is appropriate the company has received a letter of support from its parent company confirming that it will provide the necessary support to enable the company to continue as a going concern for the foreseeable future and for at least 12 months from the date of this report.
The directors of Stadium MK Group Limited, the ultimate parent company, have prepared financial projections for the Group, through to 30 June 2022 ("the Forecast"), which includes quarterly repayments against external borrowings and a prudent forecast of the ongoing impact of Covid-19. These show the Group continuing as a going concern. Accordingly, the directors of the Company, having received a letter of support from the Group, continue to adopt the going concern basis of preparation.

### FUTURE DEVELOPMENTS

Details of future developments can be found in the Strategic Report on page 6 and form part of this report by cross-reference.

### EVENTS AFTER THE BALANCE SHEET DATE

The emergence of Covid-19 has had a significant impact on economies and resulted in severe restrictions on movement of people. This is expected to have a significant impact on the Group's ability to realise its assets, together with the Group's abilities to fully provide the range of services and goods it offers. Subsequent to the date of the balance sheet a full lockdown was imposed in England, thus adding additional restrictions upon the Group.
The impact of Covid-19 has been considered in the preparation of these financial statements, together with the directors' assessment of the going concern. As a result of the outbreak of the Covid-19 pandemic, professional sport in the United Kingdom was initially suspended, with the League One season ultimately being curtailed in June 2020. When football returned for the 2020/21 season with the exception of two home games this was without the presence of fans at games. With the government's 'roadmap', announced on 22 February 2021, allowing for crowds for outdoor venues from 17 May 2021, the director's remain optimistic that the 2021/22 financial year will see the full return of fans to football games. This has been considered a non-adjusting post balance sheet event.

### DIRECTORS

The directors who served throughout the year and to the date of this report, unless otherwise stated, are:

P Winkelman
B Winkelman
M Turner
A Cullen (Resigned 29 May 2021)
J Cove
S Dawson
R Gawley (Appointed 26 June 2020)
R Winkelman
A Richens (Resigned 26 June 2020)

### DIVIDENDS

No dividend was paid or proposed during the year or after the year end (2019 - £nil).

## DIRECTORS' REPORT

### APPROVAL OF REDUCED DISCLOSURES

The Company, as a qualifying entity, has taken advantage, in respect of its separate financial statements, of the disclosure exemptions in FRS 102 paragraph 1.12. Exemptions have been taken in these separate Company financial statements in relation to share-based payments, financial instruments, presentation of a cash flow statement and remuneration of key management personnel. The Company's shareholder has been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.
The Company also intends to take advantage of these exemptions in the financial statements to be issued in the following year.

### DIRECTORS' INDEMNITIES

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

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### AUDITOR

Each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that she/he ought to have taken as a director to make herself/himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.
Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them as auditor will be proposed in the absence of an Annual General Meeting.

Approved by the Board of Directors on 2 June 2021 and signed on behalf of the Board by

P Winkelman
Director

MILTON KEYNES DONS LIMITED

## DIRECTORS' RESPONSIBILITIES STATEMENT

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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies 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.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILTON KEYNES DONS LIMITED

**Report on the audit of the financial statements**

**Opinion**

In our opinion the financial statements of Milton Keynes Dons Limited ('the company'):

- give a true and fair view of the state of the company's affairs as at 30 June 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 23.

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).

**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 Financial Reporting Council's (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 are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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.

We have nothing to report in respect of these matters.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILTON KEYNES DONS LIMITED (continued)

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our 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 respect of these matters.

**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.

**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 on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

**Report on other legal and regulatory requirements**

**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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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 any material misstatements in the strategic report or the directors' report.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILTON KEYNES DONS LIMITED (continued)

**Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

**Use of our report**

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

Matthew Hall

**Matthew Hall FCA (Senior statutory auditor)**
For and on behalf of Deloitte LLP
Statutory Auditor
Cambridge, United Kingdom
Date 2 June 2021

## PROFIT AND LOSS ACCOUNT
**Year ended 30 June 2020**

| | Note | 2020 £ | 2019 £ |
|---|---|---|---|
| **TURNOVER** | 3 | 4,590,071 | 4,165,844 |
| Operating expenses | | (8,440,084) | (8,205,768) |
| Other operating income | 4 | 536,517 | - |
| **OPERATING LOSS** | | (3,313,496) | (4,039,924) |
| Profit on disposal of player registrations | 5 | 122,955 | 229,710 |
| **LOSS BEFORE INTEREST AND TAXATION** | | (3,190,541) | (3,810,213) |
| Interest payable and similar charges | 6 | (25,946) | (12,299) |
| **LOSS BEFORE TAXATION** | 7 | (3,216,487) | (3,822,512) |
| Tax on loss | 9 | 1,379,879 | 2,383,665 |
| **LOSS FOR THE FINANCIAL YEAR ATTRIBUTABLE TO THE EQUITY SHAREHOLDERS OF THE COMPANY** | | (1,836,608) | (1,438,847) |

There is no comprehensive income or expense in either the current or previous year other than the loss disclosed in the profit and loss account. Accordingly, no statement of comprehensive income is presented.

All activities derive from continuing operations.

MILTON KEYNES DONS LIMITED

## BALANCE SHEET
**As at 30 June 2020**

| | Note | 2020 £ | 2019 £ |
|---|---|---|---|
| **FIXED ASSETS** | | | |
| Intangible assets | 10 | 309,002 | 160,664 |
| Tangible assets | 11 | 61,772 | 100,502 |
| Investments | 12 | - | - |
| | | 370,774 | 261,166 |
| **CURRENT ASSETS** | | | |
| Stocks | 13 | 28,425 | 115,854 |
| Debtors | 14 | 1,325,197 | 2,421,885 |
| Cash at bank and in hand | | 85,786 | 74,018 |
| | | 1,439,408 | 2,611,757 |
| **CREDITORS: Amounts falling due within one year** | 15 | (15,025,869) | (14,181,842) |
| **NET CURRENT LIABILITIES** | | (13,586,461) | (11,570,085) |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | (13,215,688) | (11,308,919) |
| **PROVISIONS FOR LIABILITIES** | 16 | (612,198) | (682,359) |
| **NET LIABILTIIES** | | (13,827,886) | (11,991,278) |
| **CAPITAL AND RESERVES** | | | |
| Called up share capital | 18 | 2,000,000 | 2,000,000 |
| Profit and loss account | 18 | (15,827,886) | (13,991,278) |
| **SHAREHOLDERS' DEFICIT** | | (13,827,886) | (11,991,278) |

The financial statements of Milton Keynes Dons Limited, registered number 04787003, were approved by the Board of Directors and authorised for issue on 2 June 2021.

Signed on behalf of the Board of Directors

P Winkelman
Director

## MILTON KEYNES DONS LIMITED

## STATEMENT OF CHANGES IN EQUITY
**Year ended 30 June 2020**

| | Called up share capital | Profit and loss account | Total |
|---|---|---|---|
| | £ | £ | £ |
| **At 1 July 2019** | 2,000,000 | (12,552,431) | (10,552,431) |
| Loss for the financial year | - | (1,438,847) | (1,438,847) |
| **Total comprehensive loss** | - | (1,438,847) | (1,438,847) |
| **At 30 June 2019** | 2,000,000 | (13,991,278) | (11,991,278) |
| Loss for the financial year | - | (1,836,608) | (1,836,608) |
| **Total comprehensive loss** | - | (1,836,608) | (1,836,608) |
| **At 30 June 2020** | 2,000,000 | (15,827,886) | (13,827,886) |

## NOTES TO THE FINANCIAL STATEMENTS
**Year ended 30 June 2020**

### 1 ACCOUNTING POLICIES

The principal accounting policies adopted are summarised below. They have been applied consistently throughout the year and preceding year.

***General information and basis of accounting***

Milton Keynes Dons Limited is a private company limited by shares incorporated in the United Kingdom and is registered in England and Wales under the Companies Act 2006. The address of the registered office is given on page 3. The nature of the Company's operations and its principal activities are set out in the Strategic Report.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operated. The Company's financial statements are therefore presented in pounds sterling.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions in relation to financial instruments, presentation of a cash flow statement, intra-group transactions and remuneration of key management personnel.

The results of the Company are included in the consolidated accounts of its ultimate parent company, Stadium MK Group Limited, and therefore in accordance with Section 400 of the Companies Act 2016 no group accounts have been prepared for Milton Keynes Dons Limited and its subsidiaries on the basis that it is a wholly owned subsidiary.

***Going concern***

The Company is a wholly owned subsidiary of Stadium MK Group Limited. All subsidiaries within the Group are operationally inter-dependent and subject to cross-guarantees. To determine that the going concern basis is appropriate the company has received a letter of support from its parent company confirming that it will provide the necessary support to enable the company to continue as a going concern for the foreseeable future and for at least 12 months from the date of this report.

The directors of Stadium MK Group Limited, the ultimate parent company, have prepared financial projections for the Group, through to 30 June 2022 ("the Forecast"), which includes quarterly repayments against external borrowings and a prudent forecast of the ongoing impact of Covid-19. These show the Group continuing as a going concern. Accordingly, the directors of the Company, having received a letter of support from the Group, continue to adopt the going concern basis of preparation.

***Turnover***

Turnover represents income receivable, net of VAT, from football, entertainment and related commercial activities. Gate and other match/event day revenue is recognised over the period of the football season as games are played and events are staged. Sponsorship and similar commercial income is recognised over the duration of the respective contracts. The fixed element of broadcasting revenues is recognised over the duration of the football season whilst facility fees for live coverage or highlights are taken when earned. Merit awards for the teams' end of season achievements are accounted for only when known at the end of the financial period.

Turnover is recognised in respect of barter transactions only where services are exchanged for dissimilar services and the transaction is deemed to have commercial substance. Such transactions are measured at the fair value of the services received, adjusted by any amount of cash and cash equivalents transferred.

All turnover in the current year and preceding year was derived in the United Kingdom.

***Goodwill***

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on business combinations in respect of acquisitions since 1 January 1998 is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life.

**1 ACCOUNTING POLICIES (continued)**

***Intangible assets - Player registrations***

When acquired the costs of obtaining players' registrations are capitalised and amortised evenly over the period of the associated player's contract. Provision is made where, in the opinion of the directors, an impairment of the carrying value of the players' registrations has occurred. Potential future registration fees, contingent on certain conditions agreed in the registration contracts with the selling company, are disclosed as contingent liabilities.
Profits or losses on the disposal of these registrations represent the fair value of the consideration receivable, net of any transaction costs, less the carrying value of the original registration.
Signing on fees, including agent fees, are initially capitalised as intangible assets and amortised evenly over the period covered by the players' contracts.

***Investments***

Investments are stated at cost less provision for impairment.

***Tangible fixed assets***

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Tangible fixed assets are capitalised when the cost of the item is at least £1,000 or when collectively a number of items have a cost of £1,000 and individually have a cost of more than £100 and are deemed to be functionally independent.
Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

| | |
|---|---|
| Buildings | 5 years |
| Furniture & Fittings | 3 years |
| Plant & machinery | 5 years |
| Motor vehicles | 5 years |

Freehold land is not depreciated.
The recognition of profit or loss on sale of fixed assets is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

***Taxation***

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.
Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.
Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.
Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

***Stocks***

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Stocks, which comprise consumables, are stated using the FIFO (first-in, first-out) method. Provision is made for obsolete, slow-moving or defective items where appropriate.

**1 ACCOUNTING POLICIES (continued)**

***Leases***

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

***Financial instruments***

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

*Financial assets and liabilities*

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

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

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

***Pensions***

The company contributes to the Football League Limited Pension and Life Assurance Scheme for certain former employees, the assets of which are held separately from those of the company in independently administered funds. The company is not able to identify its share of the assets and liabilities of the scheme and therefore accounts for the scheme as a defined contribution scheme, in accordance with FRS 102 'employee benefits'. The pension cost charges represent contributions payable by the company during the year towards an actuarial deficit on the scheme, and a provision for the future settlement of the deficit in the Scheme, as advised by the Trustees (see Note 18).

***Government grants***

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received. Government grants are recognised as income on a systematic basis over the periods in which the Company recognises the related costs for which the grants are intended to compensate.

## 2 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in Note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The directors are of the opinion that there are no accounting judgements. The directors are of the opinion that the key sources of estimation uncertainty are as follows:

*Key source of estimation uncertainty – Present value of pension obligation*
The funding objective of the Trustees of the Scheme is to have sufficient assets to meet the Technical Provisions of the Scheme. In order to remove the deficit revealed at the previous actuarial valuation (dated 31 August 2017), deficit contributions are payable by all participating clubs. Payments are made in accordance with a pension contribution schedule. As the Scheme is closed to accrual, there are no additional costs associated with the accruing of members' future benefits. In the case of a club being relegated from the Football League and being unable to settle its debt then the remaining clubs may, in exceptional circumstances, have to share the deficit. Upon the wind-up of the Scheme with a surplus, any surplus will be used to augment benefits. Under the more likely scenario of there being a deficit, this will be split amongst the clubs in line with their contribution schedule. Should an individual club leave the Scheme, they may be required to pay their share of the deficit based on a proxy buyout basis (i.e. valuing the benefits on a basis consistent with buying out the benefits with an insurance company). The pension scheme deficit is recorded on the balance sheet at £0.6m (2019 - £0.7m) as per Note 16.

## 3 TURNOVER

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Broadcasting | 53,592 | 13,325 |
| Match day receipts | 2,072,407 | 2,056,458 |
| Commercial (including league distributions) | 2,314,370 | 1,858,577 |
| Other (parking and stadium events) | 149,702 | 237,484 |
| | 4,590,071 | 4,165,844 |

## 4 OTHER OPERATING INCOME

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Grant income | 536,517 | - |

The £537k grant income relates to the UK Government's Coronavirus job retention scheme.

## 5 PROFIT ON DISPOSAL OF PLAYER REGISTRATIONS

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Consideration | 123,551 | 229,710 |
| Net book value of disposal | (596) | - |
| | 122,955 | 229,710 |

MILTON KEYNES DONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2020

## 6 INTEREST PAYABLE AND SIMILAR CHARGES

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Interest payable on pension deficit | 25,946 | 12,299 |

## 7 LOSS BEFORE TAXATION

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| **Loss before taxation is stated after charging / (crediting)** | | |
| The analysis of auditor's remuneration is as follows: | | |
| Fees payable to the Company's auditor for the audit of the Company's annual financial statements | 12,000 | 11,800 |
| Depreciation on tangible fixed assets - owned | 47,428 | 44,795 |
| ~~Amortisation on player registrations~~ | 261,821 | 315,851 |
| Profit on disposal of player registrations | (122,955) | (229,710) |
| Inventories recognised as expenses during the period | 80,868 | 116,323 |

## 8 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

| **Directors' remuneration** | 2020 | 2019 |
|---|---|---|
| Emoluments | 115,799 | 120,937 |
| Company contributions to money purchase pension schemes | 8,444 | 6,875 |
| | 124,243 | 127,811 |

During the current year the highest paid director was paid £115,799 (2019 - £120,937). The Company contributed £8,444 (2019 - £6,875) to money purchase pension schemes in favour of this director.

| **The monthly average number of employees of the Company during the year were:** | 2020 | 2019 |
|---|---|---|
| | No. | No. |
| Directors | 1 | 1 |
| Full-time playing, training and management | 82 | 77 |
| Administration and commercial | 41 | 50 |
| | 123 | 128 |

The Company also employs an average of approximately 135 (2019 - 135) temporary staff on match days.

| **Staff costs incurred during the year in respect of these employees were:** | £ | £ |
|---|---|---|
| Wages and salaries | 4,615,847 | 3,971,287 |
| Social security costs | 572,907 | 446,117 |
| Pension costs | 34,053 | 24,774 |
| Agency costs | - | 9,021 |
| | 5,222,807 | 4,451,199 |

## 9 TAX ON LOSS

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| **Current tax** | | |
| United Kingdom corporation tax at standard rate of 19% (2019 - 19%) based on the loss for the year | - | - |
| Group relief receivable | (1,136,492) | (2,462,903) |
| Adjustments in respect of prior periods | (561,020) | (37,676) |
| Total current tax credit | (1,697,512) | (2,500,579) |
| **Deferred tax** | | |
| Origination and reversal of timing differences | 18,601 | 53,289 |
| Adjustments in respect of prior periods | 318,873 | - |
| Effect of tax rate change on opening balances | (19,841) | 63,625 |
| Total tax credit per profit and loss account | (1,379,879) | (2,383,665) |

The credit for the year can be reconciled to the loss per the profit and loss account as follows:

| | 2020 | 2019 |
|---|---|---|
| Loss before tax | (3,216,487) | (3,822,512) |
| Tax on loss at standard rate of 19% (2019 - 19%) | (611,133) | (726,277) |
| Transfer pricing adjustments | (84,456) | (79,854) |
| Effects of group relief / other reliefs | 217,884 | 831,865 |
| Receipt for group relief | (1,136,492) | (2,462,903) |
| Adjustment to charge in respect of previous periods | (242,147) | (37,676) |
| Deferred tax not recognised | 529,095 | 1,036 |
| Tax rate differences | - | 90,144 |
| Remeasurement of deferred tax for changes in tax rates | (52,630) | - |
| Total tax credit for the year | (1,379,879) | (2,383,665) |
| **Elements of deferred tax:** | | |
| Fixed asset timing differences | (52,419) | (52,641) |
| Short term timing differences | (117,462) | (116,001) |
| Losses and other deductions | - | (318,872) |
| | (169,881) | (487,514) |

In the UK Finance Bill 2016 enacted provisions to reduce the main rate of UK corporation tax to 17% from 1 April 2020. However, in the March 2020 Budget it was announced that the reduction in the UK rate to 17% will now not occur and the Corporation Tax Rate will be held at 19%. The March 2021 Budget announced a further increase to the main rate of corporation tax to 25% from April 2023. This rate had not been substantively enacted at the balance sheet date and as a result deferred tax balances as at 30 June 2020 continue to be measured at 19%. If all of the deferred tax was to reverse at the amended 25% rate the impact on the closing position would be to increase the deferred tax liability by £54k. There are no expiry dates on elements of deferred tax that have been recognised. Deferred tax assets and liabilities are offset only where the Company has the legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

**9 TAX ON LOSS (continued)**

Deferred tax assets of £807,812 (2019 - £278,716) have not been recognised on the basis that they are never expected to materialise.

**10 INTANGIBLE FIXED ASSETS**

| | Goodwill | Player registrations | Total |
|---|---|---|---|
| | £ | £ | £ |
| **Cost** | | | |
| At 1 July 2019 | 234,333 | 897,285 | 1,131,618 |
| Additions | - | 410,755 | 410,755 |
| Disposals | - | (111,580) | (111,580) |
| At 30 June 2020 | 234,333 | 1,196,460 | 1,430,793 |
| **Accumulated amortisation** | | | |
| At 1 July 2019 | 234,333 | 736,621 | 970,954 |
| Disposals | - | (110,984) | (110,984) |
| Charge for the year | - | 261,821 | 261,821 |
| At 30 June 2020 | 234,333 | 887,458 | 1,121,791 |
| **Net book value** | | | |
| At 30 June 2020 | - | 309,002 | 309,002 |
| At 30 June 2019 | - | 160,664 | 160,664 |

Included within player registrations at the year-end is an amount being carried at £178,755 (2019 - £nil) held in relation to Rhys Healey that is due to be amortised on a straight line basis until 30 June 2022.

**11 TANGIBLE FIXED ASSETS**

| | Freehold land and buildings | Furniture & fittings | Plant & machinery | Motor vehicles | Total |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| **Cost** | | | | | |
| At 1 July 2019 | 344,085 | 357,407 | 783,056 | 190,176 | 1,674,724 |
| Additions | - | 8,698 | - | - | 8,698 |
| At 30 June 2020 | 344,085 | 366,105 | 783,056 | 190,176 | 1,683,421 |
| **Accumulated depreciation** | | | | | |
| At 1 July 2019 | 344,085 | 340,653 | 749,187 | 140,297 | 1,574,221 |
| Charge for the year | - | 17,913 | 14,386 | 15,129 | 47,428 |
| At 30 June 2020 | 344,085 | 358,566 | 763,573 | 155,426 | 1,621,650 |
| **Net book value** | | | | | |
| At 30 June 2020 | - | 7,539 | 19,483 | 34,749 | 61,772 |
| At 30 June 2019 | - | 16,755 | 33,869 | 49,878 | 100,502 |

## 12 INVESTMENTS

| | £ |
|---|---|
| **Cost** | |
| At 1 July 2019 and 30 June 2020 | 3,000 |
| **Provision for impairment** | |
| At 1 July 2019 and 30 June 2020 | 3,000 |
| **Net book value** | |
| At 30 June 2020 and 30 June 2019 | - |

The Company has investments in the following subsidiary undertakings:

| Subsidiary undertaking | Registered office | Principal activity | Description and proportion of nominal value of shares held | Capital and reserves at 30 June 2020 |
|---|---|---|---|---|
| Milton Keynes City Football Club Limited | Stadium MK Stadium Way Milton Keynes MK1 1ST | Non-trading | 100% of Ordinary £1 shares | £3 |
| Milton Keynes Football Club Limited | Stadium MK Stadium Way Milton Keynes MK1 1ST | Non-trading | 100% of Ordinary £1 shares | £3 |

## 13 STOCKS

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Finished goods and goods for resale | 28,425 | 115,854 |

There is no material difference between the balance sheet value of stocks and their replacement cost.

## 14 DEBTORS

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Trade debtors | 282,826 | 1,016,243 |
| Other debtors | 845,937 | 704,627 |
| Prepayments and accrued income | 26,552 | 213,500 |
| Deferred tax (Note 17) | 169,881 | 487,514 |
| | 1,325,197 | 2,421,885 |

Included within other debtors is an amount of £707,128 (2019 - £690,705) which relates to committed direct debit instructions from season ticket holders, which is also recognised within deferred income.

Any balance owed by group companies is repayable on demand but there is no intention of recalling these amounts unless cashflow permits. No interest is charged and the balance is unsecured.

Provisions for deferred tax relate to permanent timing differences primarily from differences between capital allowances and accumulated depreciation. The entire amount is expected to reverse in the next financial year.

## 15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Trade creditors | 255,547 | 1,384,568 |
| Accruals | 330,916 | 60,431 |
| Amounts owed to group undertakings | 12,338,474 | 11,000,250 |
| Other creditors | 123,804 | 39,251 |
| Tax and social security | 1,050,231 | 500,970 |
| Deferred income | 926,896 | 1,196,372 |
| | 15,025,869 | 14,181,842 |

The balance owed to group undertakings is repayable on demand but the directors have received written assurances from the Board of Directors of Stadium MK Group Limited that no group company will seek repayment unless the Company's cash flow permits this. No interest is charged on these amounts and there are no securities held by group companies in relation to these amounts.
Included in tax and social security in the current year is £201,771 (2019 - £nil) which is owed to HMRC under the VAT Deferral Scheme and will be paid in 11 equal monthly instalments from March 2021. In addition, the tax and social security balance in the current year includes £713,317 (2019 - £nil) owed to HMRC in relation to PAYE which will be repaid under a Time to Pay arrangement via equal weekly instalments from 14th August 2020, with a final balancing payment being paid on 26th March 2021.

## 16 PROVISIONS FOR LIABILITIES

| | £ |
|---|---|
| At 1 July 2019 | 682,359 |
| Interest charged to profit and loss account | 18,827 |
| Club contributions | (88,988) |
| At 30 June 2020 | 612,198 |

*Pension scheme*
MK Dons Football Club ('the Club') participates in the Football League Pension and Life Assurance Scheme ('the Scheme'). The Scheme is a funded multi-employer defined benefit scheme, with 92 participating employers, and where members may have periods of service attributable to several participating employers. The Club is unable to identify its share of the assets and liabilities of the Scheme and therefore accounts for its contributions as if they were paid to a defined contribution scheme.
The last actuarial valuation was carried out at 31 August 2017 where the total deficit on the on-going valuation basis was £30.4 million. The key assumptions used to calculate the deficit at the 31 August 2017 were:

| | |
|---|---|
| Discount rate: | Gilt Yield Curve + 2.0% per annum |
| RPI inflation: | Bank of England Inflation Curve |
| Pension increases: | Fixed 3.0% per annum for benefits accrued prior to 6 April 1997, and modelled using the RPI inflation assumption with a cap of 5.0% per annum and a floor of 3.0% per annum for benefits accrued after 6 April 1997 |
| Mortality (pre-retirement): | None |
| Mortality (post-retirement): | SAPS CMI_2016, 1.5% p.a. long term improvement rate |

The accrual of benefits ceased within the Scheme on 31 August 1999, therefore there are no contributions relating to current accrual. The Club pays monthly contributions based on a notional split of the total expenses and deficit contributions of the Scheme.
The results of the 2017 valuation were rolled forward to 30 June 2020 on the same assumptions as detailed above, and the Club's notional share of the deficit was £478,301 (£544,925 as at 30 June 2019).

## 16 PROVISIONS FOR LIABILITIES (continued)

As at 30 June 2020, the Club was paying total contributions of £7,475 per month (increasing by 5% p.a. since 1 September 2018) and based on the actuarial valuation assumptions detailed above will be sufficient to pay off the deficit by 31 May 2026.
As at 30 June 2020, based on an appropriate discount rate of 0.7% per annum (1.3% per annum as at 30 June 2019), the present value of the Club's outstanding contributions (i.e. their future liability) is £612,198 (£682,359 as at 30 June 2019). This amounts to £93,437 (2019 - £88,988) due within one year and £518,761 (2019 - £593,371) due after more than one year.

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Present value of defined benefit obligation | 612,198 | 682,359 |
| Defined benefit obligation at start of the year | 682,359 | 747,691 |
| Net interest charge (unwinding of discount) | 8,151 | 11,371 |
| Club contribution (deficit contribution) | (88,988) | (84,749) |
| Remeasurement (changes in assumptions) | 10,676 | 8,046 |
| Defined benefit obligation at end of year | 612,198 | 682,359 |

| | 2020 | 2019 |
|---|---|---|
| Discount rate (based on AA corporate bond yields of appropriate currency/duration) | 0.7% | 1.3% |

The funding objective of the Trustees of the Scheme is to have sufficient assets to meet the Technical Provisions of the Scheme. In order to remove the deficit revealed at the previous actuarial valuation (31 August 2017), deficit contributions are payable by all participating clubs. Payments are made in accordance with a pension contribution schedule. As the Scheme is closed to accrual, there are no additional costs associated with the accruing of members' future benefits. In the case of a club being relegated from the Football League and being unable to settle its debt then the remaining clubs may, in exceptional circumstances, have to share the deficit. Upon the wind-up of the Scheme with a surplus, any surplus will be used to augment benefits. Under the more likely scenario of there being a deficit, this will be split amongst the clubs in line with their contribution schedule. Should an individual club leave the Scheme, they may be required to pay their share of the deficit based on a proxy buyout basis (i.e. valuing the benefits on a basis consistent with buying out the benefits with an insurance company).

## 17 DEFERRED TAX ASSET

| | £ |
|---|---|
| At 1 July 2019 | 487,514 |
| Credited to profit and loss account | (317,633) |
| At 30 June 2020 | 169,881 |

Provisions for deferred tax relate primarily to short term timing differences primarily from differences between capital allowances and accumulated depreciation. The deferred tax asset is expected to reverse over the following five years.

## 18 CALLED UP SHARE CAPITAL AND RESERVES

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| **Called up, allotted, authorised and fully paid** | | |
| 2,000,000 Ordinary shares of £1 each | 2,000,000 | 2,000,000 |

The Company has one class of ordinary share which carries no right to fixed income.
The Company's other reserve is the profit and loss reserve which represents the cumulative profits and losses.

## 19 CONTINGENT LIABILITIES AND ASSETS

*Player registration fees*
At the year end, £160,000 of transfer fees payable (2019 - £nil) will arise contingent upon certain contractual events occurring after the year end, such as players making specific numbers of appearances and gaining international honours. Additional transfer fees may become receivable should certain contingent events occur in respect of players already sold by the year end. No amounts have been recognised in these financial statements in respect of these fees, as they are dependent on future events.

## 20 GUARANTEES

At the balance sheet date, there were cross guarantees between the Company and other Group entities, as part of the group's financing arrangements. As at 30 June 2020, the balance owing on this facility was £4,522,486 (2019 - £4,799,471). Security is held as part of this facility in relation to assets owned by the Group.

## 21 RELATED PARTY TRANSACTIONS

As a wholly owned subsidiary of the Group headed by Stadium MK Group Limited, the Company has taken advantage of the exemption granted by paragraph 33.1 of Financial Reporting Standard 102, not to disclose transactions with 100% owned group entities.

## 22 ULTIMATE PARENT COMPANY

The Company is a subsidiary undertaking of Stadium MK Group Limited, a company incorporated in England and Wales. Mr P Winkelman, a director of the Company, controls the Company as a result of controlling, directly or indirectly, 100% of the issued share capital of the Company.
The largest and smallest group which consolidates the results of the company is that headed by Stadium MK Group Limited, which is considered to be the ultimate parent company. The consolidated accounts of Stadium MK Group Limited are available to the public and may be obtained from Stadium MK, Stadium Way, Milton Keynes, MK1 1ST.

### 23 EVENTS AFTER THE BALANCE SHEET DATE

The emergence of Covid-19 has had a significant impact on economies and resulted in severe restrictions on movement of people. This is expected to have a significant impact on the Group's ability to realise its assets, together with the Group's abilities to fully provide the range of services and goods it offers. Subsequent to the date of the balance sheet a full lockdown was imposed in England, thus adding additional restrictions upon the Group.

The impact of Covid-19 has been considered in the preparation of these financial statements, together with the directors' assessment of the going concern. As a result of the outbreak of the Covid-19 pandemic, professional sport in the United Kingdom was initially suspended, with the League One season ultimately being curtailed in June 2020. When football returned for the 2020/21 season with the exception of two home games this was without the presence of fans at games. With the government's 'roadmap', announced on 22 February 2021, allowing for crowds for outdoor venues from 17 May 2021, the director's remain optimistic that the 2021/22 financial year will see the full return of fans to football games. This has been considered a non-adjusting post balance sheet event.