

Company Registration No. 04789632 (England and Wales)

NOTTS COUNTY FOOTBALL CLUB LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2018**

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NOTTS COUNTY FOOTBALL CLUB LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 JUNE 2018

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

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

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

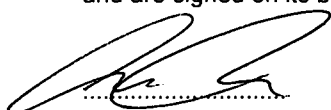
NOTTS COUNTY FOOTBALL CLUB LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 30 JUNE 2018**

		2018		2017	
				as restated	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	4		193,500		-
Tangible assets	5		768,672		190,378
			<u>962,172</u>		<u>190,378</u>
Current assets					
Stocks		110,071		28,172	
Debtors	6	507,328		242,804	
Cash at bank and in hand		139,542		94,302	
		<u>756,941</u>		<u>365,278</u>	
Creditors: amounts falling due within one year	7	<u>(9,235,531)</u>		<u>(6,295,890)</u>	
Net current liabilities			<u>(8,478,590)</u>		<u>(5,930,612)</u>
Total assets less current liabilities			<u>(7,516,418)</u>		<u>(5,740,234)</u>
Creditors: amounts falling due after more than one year	8		(559,341)		(531,375)
Pension commitment	9		(248,858)		(282,899)
Net liabilities			<u>(8,324,617)</u>		<u>(6,554,508)</u>
Capital and reserves					
Called up share capital	10		12,220,000		11,375,000
Profit and loss reserves			(20,544,617)		(17,929,508)
Total equity			<u>(8,324,617)</u>		<u>(6,554,508)</u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 21 Nov 2019 and are signed on its behalf by:



C Reedtz
Director

NOTTS COUNTY FOOTBALL CLUB LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

	Notes	Share capital £	Profit and loss reserves £	Total £
As restated for the period ended 30 June 2017:				
Balance at 1 July 2016		11,250,000	(16,092,818)	(4,842,818)
Prior period adjustment		-	(282,899)	(282,899)
As restated		11,250,000	(16,375,717)	(5,125,717)
Year ended 30 June 2017:				
Loss and total comprehensive income for the year		-	(1,553,791)	(1,553,791)
Issue of share capital	10	125,000	-	125,000
Balance at 30 June 2017		11,375,000	(17,929,508)	(6,554,508)
Year ended 30 June 2018:				
Loss and total comprehensive income for the year		-	(2,615,109)	(2,615,109)
Issue of share capital	10	845,000	-	845,000
Balance at 30 June 2018		12,220,000	(20,544,617)	(8,324,617)

NOTTS COUNTY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

Company information

Notts County Football Club Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Meadow Lane Stadium, Meadow Lane, Nottingham, NG2 3HJ.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Going concern

At 30 June 2018 the company had net liabilities of £8,324,617 (2017: £6,554,508) and was owned by Paragon Leisure Group Limited. In July 2019 the company was acquired by Reedtz Limited, a company incorporated in the Isle of Man. At the date of acquisition the new owners settled certain statutory and third party liabilities and a number of historic intercompany loans were waived, as disclosed in note 15. The company continues to be loss making and is reliant on the ongoing support of its ultimate parent company, Reedtz Limited.

The directors of Reedtz Limited have confirmed that it is their intention to provide ongoing support to the company to ensure the company can meet its liabilities as they fall due for a period of at least 12 months from the date of signing the financial statements. As a result, the directors consider it appropriate to prepare the financial statements on a going concern basis.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable, net of VAT, from football and related commercial activities in the normal course of business.

Match receipts, including season tickets, are recognised over the period of the football season as games are played.

Food, drink and shop income is recognised at the point of sale, when the goods have been transferred to the buyer.

Sponsorship, English Football League (EFL) grants and similar commercial income is recognised over the duration of the respective contracts.

TV and radio income received for live coverage or highlights are taken when earned at the point of broadcast.

Income from match receipts, sponsorship, and commercial contracts which have been received prior to the year end in respect of future football seasons is treated as deferred income.

NOTTS COUNTY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies (Continued)

Intangible fixed assets other than goodwill

The costs associated with acquiring players' registration, inclusive of EFL levies, or extending their contracts, including agent fees, are capitalised and amortised on a straight line basis over the period of the respective players' contracts after consideration of their residual values.

Where a contract is renegotiated, the unamortised cost, together with the new costs relating to the contract extension, are amortised over the term of the new contract. Residual values are reviewed by the board on an ongoing basis over the course of the season by reference to active market values.

Under the conditions of certain transfer agreements, further fees may become payable in the event of players or the company achieving certain outcomes. Costs are capitalised at the date of achievement with any future costs treated as contingent liabilities.

The profit or loss on sale of players' registrations represents the proceeds of sale less the net book value of the registration, levies and associated costs.

The company undertakes annual impairment reviews on player registrations.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Player transfer costs	Over the duration of the contract
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Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	10% - 33% straight line
Fixtures and fittings	5% - 33% straight line
Computer equipment	20% - 33% straight line
Motor vehicles	20% - 40% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

NOTTS COUNTY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies (Continued)

At each reporting year end date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to sell. The impairment loss is recognised immediately in profit and loss account.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include trade and other debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, amounts owed to group undertakings and preference shares classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

NOTTS COUNTY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies (Continued)

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs.

Taxation

Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease.

Pension

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 but makes provision for the expected future cost of funding its obligations to fund benefits accrued at the reporting date, as advised by the Trustees (see note 9).

The company also contributes to individuals' money purchase pension schemes with contributions being charged to the profit and loss account as they become payable.

NOTTS COUNTY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

2 Prior period adjustment

Reconciliation of changes in equity

	1 July 2016 £	30 June 2017 £
Equity as previously reported	(4,842,818)	(6,271,609)
Adjustments to prior year		
Multi-employer defined benefit scheme	(282,899)	(282,899)
Equity as adjusted	<u>(5,125,717)</u>	<u>(6,554,508)</u>

Notes to reconciliation

Multi-employer defined benefit scheme

As disclosed in note 9, the company participates in a multi-employer defined benefit scheme. The company's liability in relation to the scheme has not previously been recognised in the balance sheet, however contributions to the scheme have been paid appropriately and recognised in the income statement. The impact on the restatement therefore affects opening reserves.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 283 (2017 - 198).

4 Intangible fixed assets

	Player transfer costs £
Cost	
Additions	193,500
At 30 June 2018	<u>193,500</u>
Carrying amount	
At 30 June 2018	<u>193,500</u>
At 30 June 2017	<u>-</u>

NOTTS COUNTY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

5 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 July 2017	1,242,732
Additions	756,058
Disposals	(6,000)
At 30 June 2018	1,992,790
Depreciation and impairment	
At 1 July 2017	1,052,354
Depreciation charged in the year	177,764
Eliminated in respect of disposals	(6,000)
At 30 June 2018	1,224,118
Carrying amount	
At 30 June 2018	768,672
At 30 June 2017	190,378

6 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	64,364	77,098
Other debtors	442,964	165,706
	<u>507,328</u>	<u>242,804</u>

NOTTS COUNTY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

7 Creditors: amounts falling due within one year

	2018	2017
	£	as restated £
Trade creditors	608,398	315,488
Amounts owed to group undertakings	6,564,592	4,364,139
Taxation and social security	296,168	328,255
Other creditors	1,766,373	1,288,008
	<u>9,235,531</u>	<u>6,295,890</u>

Finance lease obligations of £21,554 (2017: £19,204) are included within other creditors and are secured upon the assets to which they relate.

Loans totalling £6,564,592 (2017: £4,364,139) due to related parties are unsecured and have no fixed repayment terms. Interest is charged on these loan balances at a rate of 4% per annum.

8 Creditors: amounts falling due after more than one year

	2018	2017
	£	£
Other creditors	<u>559,341</u>	<u>531,375</u>

Finance lease obligations of £40,841 (2017: £Nil) are included within other creditors and are secured upon the assets to which they relate.

Included in other creditors are bonds totalling £150,000 (2017: £150,000), issued to previous directors. These bonds are unsecured and interest is charged at a rate of 3.75% per annum. At the end of the 2020/21 season, the bonds shall be converted into preference shares of equivalent value, unless events on which the bonds become repayable have occurred.

NOTTS COUNTY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

9 Pension commitment

	2018 £	2017 £
Pension commitment	248,858	282,899

Notts County 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 94 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 actuarial valuation are:

Discount Rate:	3.5% p.a. for the 1st 4 years, 2.5% p.a. for the following years and 1.5% p.a. thereafter.
RPI inflation:	3.4% p.a.
Pension Increases:	3.0% p.a. for benefits accrued prior to 6 April 1997, and 3.7% p.a. for benefits accrued after 6 April 1997.
Mortality (pre-retirement):	None
Mortality (post-retirement):	SAPS CMI_2016 1.5%

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 Club currently pays total contributions of £36,168 per annum which increases at 5.0% per annum (increases applying each year on 1 September) and based on the valuation assumptions detailed above, will be sufficient to pay off the deficit by 31 May 2026.

As at 30 June 2018, the Club's notional share of the deficit was £248,858 (2017: £282,899).

The company also operates a defined contribution pension scheme for qualifying employees. Total pension payments recognised as an expense during the year amounted to £39,610 (2017: £40,751). Pension contributions outstanding as at 30 June 2018 totalled £9,532 (2017: £1,758).

10 Called up share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
12,220,000 Ordinary shares of £1 each	12,220,000	11,375,000
	12,220,000	11,375,000

On 27 October 2017 375,000 Ordinary £1 shares were issued at par.

On 26 March 2018 470,000 Ordinary £1 shares were issued at par.

NOTTS COUNTY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

11 Contingent asset

The company has also entered agreements with other football clubs in respect of the sale of players from which the company may receive a fixed percentage of net profit on the sale of the player to another club.

The maximum asset receivable based on potential future events is £75,000 (2017: £75,000).

12 Financial commitments, guarantees and contingent liabilities

The company has entered agreements with other football clubs in respect of the purchase of players from which the company may make payments on a fixed percentage of net profit on the sale of the player to another club.

The maximum liability payable based on potential future events is £75,000 (2017: £32,000).

13 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2018 £	2017 £
Acquisition of tangible fixed assets	-	47,000

14 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018 £	2017 £
Within one year	20,720	20,720
Between one and five years	82,880	82,880
In over five years	2,722,953	2,722,953
	<u>2,826,553</u>	<u>2,826,553</u>

15 Events after the reporting date

Share transfer

On 26 July 2019, Reedtz Limited; a company incorporated in the Isle of Man, purchased 100% of the shares of the company.

As part of the sale, a loan of £3,500,000, repayable upon demand, was granted to the company. No interest is charged on this balance. £7,889,329 in other debts owed by the company were written off.

16 Related party transactions

During the year, the company made sales of £900, purchases of £737,827 and cash receipts of £1,484,728 to and from entities under common control. At the year end, £152,060 (2017: £Nil) was owed from entities under common control and £7,044,592 (2017: £4,664,319) was owed to entities under common control.

NOTTS COUNTY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

17 Directors' transactions

At the year end an amount of £13,739 (2017: £6,021) was owed by a director of the company, who held office during the year. The amount is interest free and repayable upon demand, and is included in other debtors.

18 Parent company

During the year to 30 June 2018, the company was a subsidiary of Paragon Leisure Group Limited, which is the smallest group for which consolidated financial statements are prepared. The registered office of Paragon Leisure Group Limited is Goverton Heights Goverton, Bleasby, Nottingham, England, NG14 7FN. Ownership of the company has changed post year end and are disclosed in note 15.

NOTTS COUNTY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

19 Audit report Information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The senior statutory auditor was Alan Summerfield CA.

The auditor was RSM UK Audit LLP.

The auditor's report was qualified as follows:

Basis for qualified opinion

With respect to revenue having a value of £1,476,713, included in the total revenue of £5,535,434, the audit evidence available was limited and we are unable to determine whether the revenue having a value of £1,476,713 is free from material misstatement. Owing to the nature of the company's records, we were therefore unable to obtain sufficient appropriate audit evidence over revenue by using other procedures. Consequently we were unable to determine whether any adjustment to revenue was necessary.

Matters on which are are required to report by exception

In respect solely of the limitation on the work relating to revenue, described above:

- we have not obtained all the information and explanations that are considered necessary for the purpose of the audit; and
- we were unable to determine whether adequate accounting records had been kept