

Company Registration No. 04789632 (England and Wales)

NOTTS COUNTY FOOTBALL CLUB LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

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NOTTS COUNTY FOOTBALL CLUB LIMITED

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NOTTS COUNTY FOOTBALL CLUB LIMITED

BALANCE SHEET

AS AT 30 JUNE 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Intangible assets	4		138,750		220,500
Tangible assets	5		563,809		638,191
			<u>702,559</u>		<u>858,691</u>
Current assets					
Stocks		50,224		62,701	
Debtors	6	259,362		45,837	
Cash at bank and in hand		1,100,386		132,878	
		<u>1,409,972</u>		<u>241,416</u>	
Creditors: amounts falling due within one year	7	<u>(8,502,057)</u>		<u>(11,336,697)</u>	
Net current liabilities			<u>(7,092,085)</u>		<u>(11,095,281)</u>
Total assets less current liabilities			<u>(6,389,526)</u>		<u>(10,236,590)</u>
Creditors: amounts falling due after more than one year	8		(153,647)		(180,779)
Provisions for liabilities			<u>(282,920)</u>		<u>(296,104)</u>
Net liabilities			<u><u>(6,826,093)</u></u>		<u><u>(10,713,473)</u></u>
Capital and reserves					
Called up share capital			12,620,000		12,620,000
Profit and loss reserves			<u>(19,446,093)</u>		<u>(23,333,473)</u>
Total equity			<u><u>(6,826,093)</u></u>		<u><u>(10,713,473)</u></u>

The directors of the company have elected not to include a copy of the profit and loss account 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 22 December 2020 and are signed on its behalf by:

Mr C Reedtz
Director

Company Registration No. 04789632

NOTTS COUNTY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

Company information

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

1.1 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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

In July 2019 the company was acquired by Reedtz Limited, a company incorporated in the Isle of Man. The company continues to be loss making and is reliant on the ongoing support of its parent company, Reedtz Limited and its ultimate beneficial owners Mr C Reedtz and Mr A Reedtz.

Mr C Reedtz, Mr A Reedtz and 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.

The directors would like to reiterate that they are fully committed to supporting the club during the ongoing Covid -19 crisis. In assessing the appropriateness of the going concern assumption, the directors have reviewed detailed cash flow forecasts, considering all reasonably foreseeable potential scenarios and material uncertainties in relation to income and costs. Based on these cash flow forecasts the Club can meet its liabilities as they fall due and the directors have therefore concluded that the virus does not create a material uncertainty, and it is appropriate for the financial statements to be prepared on the going concern basis.

NOTTS COUNTY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

1.3 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.

1.4 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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1.5 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, fittings & equipment	5%-33% straight line
Computer equipment	20%-33% straight line
Motor vehicles	20%-40% straight line

NOTTS COUNTY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

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.

1.6 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

NOTTS COUNTY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

1.9 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 in the company's balance sheet 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 debtors and cash and bank balances, 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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 creditors, bank loans, loans from fellow group companies and preference shares that are 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Equity instruments

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

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

NOTTS COUNTY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

1.11 Taxation

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 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.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 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 balance sheet 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 except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.15 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.

In accordance with FRS102, the company records in the financial statements a liability equal to the net present value of the future deficit reduction payments.

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 2020

1 Accounting policies

(Continued)

1.16 Other income

Other income predominately relates to government grants in respect of the Job Retention Scheme. Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020 Number	2019 Number
Total	235	291

3 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	Notes	2020 £	2019 £
In respect of:			
Intangible assets	4	-	42,500

NOTTS COUNTY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

4 Intangible fixed assets

	Other £
Cost	
At 1 July 2019	429,750
Additions	75,000
Disposals	(52,500)
At 30 June 2020	<u>452,250</u>
Amortisation and impairment	
At 1 July 2019	209,250
Amortisation charged for the year	156,750
Disposals	(52,500)
At 30 June 2020	<u>313,500</u>
Carrying amount	
At 30 June 2020	<u>138,750</u>
At 30 June 2019	<u>220,500</u>

5 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 July 2019	2,080,811
Additions	153,813
Disposals	(30,919)
At 30 June 2020	<u>2,203,705</u>
Depreciation and impairment	
At 1 July 2019	1,442,620
Depreciation charged in the year	214,421
Eliminated in respect of disposals	(17,145)
At 30 June 2020	<u>1,639,896</u>
Carrying amount	
At 30 June 2020	<u>563,809</u>
At 30 June 2019	<u>638,191</u>

NOTTS COUNTY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

6 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	173,472	9,826
Other debtors	85,890	36,011
	<u>259,362</u>	<u>45,837</u>

7 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	144,941	822,220
Taxation and social security	92,272	1,125,106
Other creditors	8,264,844	9,389,371
	<u>8,502,057</u>	<u>11,336,697</u>

Finance lease obligations of £25,260 (2019: £23,237) are included within other creditors and are secured upon the assets to which they relate.

8 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Other creditors	<u>153,647</u>	<u>180,779</u>

Finance lease obligations of £3,647 (2019: £30,779) are included within other creditors and are secured upon the assets to which they relate.

Included in other creditors are bonds totalling £150,000 (2019: £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 2020

9 Pensions commitment

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 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 accruals. 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 £37,976 per annum which increases at 5% 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.

In accordance with FRS102, a liability of £253,168 has been recorded in the financial statements equal to the net present value of the future deficit reduction payments

10 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 auditor's report was unqualified.

The senior statutory auditor was Mr Stephen Anthony Harcourt FCCA.
The auditor was Azets Audit Services.

11 Contingent asset

The company has entered into 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 £810,000 (2019: £165,000).

NOTTS COUNTY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

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 (2019: £Nil).

13 Operating lease commitments

Lessee

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

	2020	2019
	£	£
	2,660,000	2,690,000
	<u>2,660,000</u>	<u>2,690,000</u>

14 Events after the reporting date

The ongoing impact of the Covid-19 pandemic has been apparent globally. The directors have assessed the current and future impact of this outbreak on the football club and are of the view that the business is well placed to deal with any financial difficulties that may arise, albeit they are of the view that the likelihood of any such issues occurring is remote and as such continue to prepare the accounts on the going concern basis.

15 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Loans advanced		Consultancy	
	2020	2019	2020	2019
	£	£	£	£
Entities with control, joint control or significant influence over the company	3,000,000	-	-	-
Other related parties	4,750,000	-	110,000	-
	<u>7,750,000</u>	<u>-</u>	<u>110,000</u>	<u>-</u>

	2020	2019
	£	£
Amounts due to related parties		
Entities with control, joint control or significant influence over the company	3,000,000	-
Other related parties	4,860,000	-
	<u>7,860,000</u>	<u>-</u>

NOTTS COUNTY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

16 Parent company

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

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.