

Company Registration No. 08876768 (England and Wales)

PORT VALE FOOTBALL CLUB LIMITED

**UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2021**

PAGES FOR FILING WITH REGISTRAR

TUESDAY



ABØTD1XD

A23

29/03/2022

#193

COMPANIES HOUSE

PORT VALE FOOTBALL CLUB LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 30 JUNE 2021**

	Notes	2021 £	2020 £
Fixed assets			
Intangible assets	3	122,345	12,657
Tangible assets	4	1,490,229	1,377,383
		<u>1,612,574</u>	<u>1,390,040</u>
Current assets			
Stocks		410,897	107,493
Debtors	5	1,748,664	1,863,685
Cash at bank and in hand		203,133	438,865
		<u>2,362,694</u>	<u>2,410,043</u>
Creditors: amounts falling due within one year	6	<u>(6,721,072)</u>	<u>(4,510,899)</u>
Net current liabilities		<u>(4,358,378)</u>	<u>(2,100,856)</u>
Total assets less current liabilities		<u>(2,745,804)</u>	<u>(710,816)</u>
Creditors: amounts falling due after more than one year	7	<u>(124,444)</u>	<u>(1,167,576)</u>
Net liabilities		<u><u>(2,870,248)</u></u>	<u><u>(1,878,392)</u></u>
Capital and reserves			
Called up share capital		100	100
Profit and loss reserves		<u>(2,870,348)</u>	<u>(1,878,492)</u>
Total equity		<u><u>(2,870,248)</u></u>	<u><u>(1,878,392)</u></u>

PORT VALE FOOTBALL CLUB LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 JUNE 2021

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

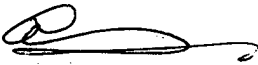
For the financial year ended 30 June 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of 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 26th March '22 and are signed on its behalf by:



C A Shanahan
Director



K J Shanahan
Director

PORT VALE FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

Company information

Port Vale Football Club Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Vale Park, Hamil Road, Burslem, Stoke-on-Trent, Staffordshire, ST6 1AW.

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

The ongoing Covid-19 global pandemic continued to impact professional football leagues throughout the 20-21 season.

During the 20-21 season the government had implemented a 5-stage framework for the phased return of elite support. Under these guidelines the 2020/21 season was played behind closed doors. This allowed for domestic matches to be played, with access being restricted to 'individuals with essential functional roles'.

Supporters were not permitted for the entirety of the 20-21 season.

Although the company balance sheet discloses net liabilities of £2,870,248 at the year end, the directors consider it appropriate that the financial statements are prepared on a going concern basis. Within creditors is an amount of £4,068,997 owed to Synectics Solutions Limited a company in which Mr and Mrs Shanahan are also directors and controlling shareholders. The company continues to pay its debts as and when they fall due. The company continues to receive the support of its related party by the way of not withdrawing the amount owed and introducing funds as and when necessary.

Turnover

Turnover, exclusive of value added tax, comprises net match receipts and League receipts and other income arising from the Club's activities. Revenue is recognised when substantially all of the obligations under a sales contract have been fulfilled. Revenue received from the League is recognised in the financial statements based on games played in the season. This is in accordance with the League's guidelines on income recognition. Performance related rewards are not recognised until achieved by the Club, as the income cannot be assumed with certainty. Turnover has been recognised on a games played basis.

PORT VALE FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies (Continued)

Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life of 10 years. In 2019 the goodwill was fully impaired and written off by £1,112,585.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Intangible fixed assets other than goodwill

The third party costs associated with the acquisition of the players' registrations are capitalised and amortised on a straight line basis over the period of their contracts. Any transfer fees payable as a result of the occurrence of one or more uncertain future events are capitalised when it is probable such event will occur. Provision for the impairment of registrations is made if, after assessing all relevant factors, it becomes clear that a diminution in value is required. No amounts are included for players developed within the Club.

Intangible assets purchased other than in a business combination are recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangibles assets are initially recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. 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:

Software	2 to 5 years
Player and manager registrations	Life of contract

Amortisation is revised prospectively for any significant change in useful life or residual value.

On disposal, the difference between the net disposal proceeds and the carrying amount of the intangible is recognised in profit or loss.

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:

Freehold buildings	2% straight line
Freehold land	Nil
Plant and equipment	25% on reducing balance
Computer equipment	33% on reducing balance
Motor vehicles	25% on reducing balance

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.

PORT VALE FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies (Continued)

Stocks

Stocks are valued at the lower of cost and estimated selling price less costs to sell. Cost is determined using the first in, first out cost basis.

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.

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 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

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, and bank loans 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.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of 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.

Taxation

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

PORT VALE FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies (Continued)

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.

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.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Government grants

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.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Signing on fees

The board consider that signing on fees represent a normal part of the employment cost of players and the manager as such should be charged to the income statement evenly over the period of the players' and managers' contract. At the time of a player disposal any excess signing on fees accrued or paid but not recognised are allocated in full against the profit on disposal of the players' registrations in the year in which the player disposal is made.

PORT VALE FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

2 Employees

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

	2021 Number	2020 Number
Total	122	198

3 Intangible fixed assets

	Goodwill	Software	Player and manager registrations	Total
	£	£	£	£
Cost				
At 1 July 2020	1,854,305	-	52,955	1,907,260
Additions	-	1,529	179,707	181,236
At 30 June 2021	1,854,305	1,529	232,662	2,088,496
Amortisation and impairment				
At 1 July 2020	1,854,305	-	40,298	1,894,603
Amortisation charged for the year	-	-	71,548	71,548
At 30 June 2021	1,854,305	-	111,846	1,966,151
Carrying amount				
At 30 June 2021	-	1,529	120,816	122,345
At 30 June 2020	-	-	12,657	12,657

PORT VALE FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

4 Tangible fixed assets

	Freehold land and buildings	Plant and equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 July 2020	1,331,632	117,184	8,028	24,500	1,481,344
Additions	27,683	129,827	5,556	-	163,066
At 30 June 2021	1,359,315	247,011	13,584	24,500	1,644,410
Depreciation and impairment					
At 1 July 2020	25,234	55,573	7,202	15,952	103,961
Depreciation charged in the year	22,442	24,631	1,010	2,137	50,220
At 30 June 2021	47,676	80,204	8,212	18,089	154,181
Carrying amount					
At 30 June 2021	1,311,639	166,807	5,372	6,411	1,490,229
At 30 June 2020	1,306,398	61,611	826	8,548	1,377,383

5 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	51,581	129,513
Amounts owed by group undertakings	1,600,909	1,600,909
Other debtors	96,174	133,263
	1,748,664	1,863,685

The amounts owed by group undertakings is to be repaid during 2022 due to additional funding from Synectics Solutions Limited to Synsol Holdings Limited.

6 Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans	5,556	
Trade creditors	624,920	208,151
Taxation and social security	153,038	90,046
Deferred income	755,532	427,841
Amounts owed to related parties	4,068,997	2,478,616
Other creditors	1,083,322	1,268,914
Accruals and deferred income	29,707	37,331
	6,721,072	4,510,899

PORT VALE FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

7 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Bank loans	44,444	50,000
Other borrowings	80,000	1,117,576
	<u>124,444</u>	<u>1,167,576</u>

The company has taken out a bounce back loan with Barclays in June 2020. The agreement specifies that interest on the loan is charged at a rate of 2.5%. The loan term is ten years from the date in which the loan was made. There is an interest only period of 12 months from the date the loan was made. In this period the UK government pay the interest on behalf of the company. The bounce back loan scheme provides the lender with a government-backed guarantee of 100%.

The company has a debenture in respect of a fixed charge over Port Vale Football Ground held in respect of the monies due to N Smurthwaite. At the year end this amounted to £1,037,576.

Amounts included above which fall due after five years are as follows:

Payable by instalments	22,222	-
	<u>22,222</u>	<u>-</u>

8 Operating lease commitments

Lessor

At the reporting end date the company had contracted with tenants for the following minimum lease payments:

	2021 £	2020 £
Within one year	28,058	19,689
	<u>28,058</u>	<u>19,689</u>

9 Related party transactions

In May 2019 the company entered into a loan facility with a company under common control allowing them to draw funding of up to £3,000,000 (2020: £3,000,000) up to 30 June 2021 at an interest rate of 0.75% and provided an unconditional letter of support to the entity to the period ended 30 June 2021. A balance of £4,068,997 (2020: £2,478,616) is owed to the company under common control at the year end, interest of £3,238 (2020: £9,830) has been charged in the year on this loan. In line with accounting standards the loan has been discounted at a market rate of interest of £255,443 (2020: £130,275) during the year. In addition to the loan purchases of £421 (2020: £5,635) and sales of £428,333 (2020: £63,345) have been made to the entity. The amount owed from this connected company at year end was £nil (2020: £70,263).

During the year the company recharged £nil (2020: £9,005) of expenditure to a related party in which a director is a trustee. At the year end £9,005 (2020: £9,005) was due from the related party.

During the year the company recharged £204 (2020: £13,230) of expenditure to another related party in which a director is a trustee. The company also received £nil (2020: £10,984) in the year from this related party. At the year end £3,450 (2020: £3,246) was due from the related party.