Company Registration No. 09112699 (England and Wales)

# PROJECT 92 LIMITED

# ANNUAL REPORT AND FINANCIAL STATEMENTS

# FOR THE YEAR ENDED 30 JUNE 2021

# PROJECT 92 LIMITED

## COMPANY INFORMATION

| | |
|---|---|
| **Directors** | G A Neville<br>R J Giggs<br>P J Neville<br>N Butt<br>L H Chan<br>D Beckham |
| **Company number** | 09112699 |
| **Registered office** | St Andrews Chambers<br>21 Albert Square<br>Manchester<br>M2 5PE |
| **Auditor** | Cowgill Holloway LLP<br>Regency House<br>45-53 Chorley New Road<br>Bolton<br>Greater Manchester<br>BL1 4QR |

# PROJECT 92 LIMITED

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# PROJECT 92 LIMITED

## STRATEGIC REPORT

### *FOR THE YEAR ENDED 30 JUNE 2021*

The directors present the strategic report for the year ended 30 June 2021.

**Fair review of the business**

| | 2021 | 2020 | 2019 |
|---|---|---|---|
| | £000's | £000's | £000's |
| Turnover | 3,187 | 3,416 | 1,636 |
| Administrative expenses | (7,940) | (7,045) | (5,122) |
| Operating loss | (4,753) | (3,629) | (3,486) |
| Interest payable | (134) | (139) | (144) |
| Loss before taxation | (4,887) | (3,768) | (3,630) |
| League | EFL League Two | EFL League Two | National League |
| Position | 8th | 11th | 3rd |
| Average League attendance | N/A | 3,022 | 2,501 |

2020-21 was a unique season for Salford City FC, as the extreme challenges that faced the entire global community in the previous 8 months, showed no signs of abating.

Having had the previous season curtailed due to the challenges raised by the global pandemic it caused a significant loss in revenue opportunities. Despite the 2020-21 season being allowed to commence, it was with the implementation of significant protocols, including the absence of fans attending fixtures. There was a glimmer of hope that limited numbers of fans would be allowed to attend games from December 2020, however, after one such fixture away at Barrow, events transpired that this would no longer be the case and the rest of the season was played behind closed doors.

Without the prospect of fans being able to attend fixtures, gate receipts for the season were non-existent and the number of people buying season tickets, giving access codes to live stream our fixtures, dropped significantly. There were also opportunities for fans to buy one off streaming codes for individual matches but take up on this offer was limited.

Despite promotion to the EFL for the first time in the Club's history in 2018-19, the Club is yet to enjoy a full season in the EFL without restrictions; meaning that we have not yet managed to maximise potential revenue opportunities against the increase in operational costs and administrative expenses that are associated with running an EFL football Club.

Investment continued to be made both on and off the pitch. New computer and administration systems were introduced Club wide, additional staff employed and work continued to upgrade the facilities at the Peninsula Stadium. This investment running alongside the recruitment and amassing of a playing squad deemed capable of achieving the desired objective of promotion from League 2 to League 1.

Results and performances sadly did not reflect this optimism and after two and a half years in his position as Manager, Graham Alexander along with Assistant Chris Lucketti, were removed from their positions in October 2020.

After a thorough recruitment process, which saw Paul Scholes take over managerial duties in the interim, several candidates were interviewed, with Richie Wellens being announced the new full time Manager in November 2020.

The hope was for a change in approach to the style of football played, from a more pragmatic set up, to faster free flowing football, that would get the best out of the current squad and in turn entertain and excite the fans.

There was an initial positive response with the team pushing to get a foothold in the League 2 playoff places, followed by the Papa John's Trophy Final victory against League 1 opposition Portsmouth in March 2021. This was the Club's first ever piece of EFL silverware and was the climax of the tournament that had started the season prior, only for the final to be postponed due to the curtailing of the season due to the COVID-19 pandemic. Sadly because of restrictions no fans were able to attend the final, however this did not stop them getting behind the club and being overwhelmed with pride at the accomplishment.

Hoping that this success would kick the team on to cement a play-off place at least, performances transpired that this would not be the case and the after the culmination of a few turbulent months Richie Wellens left the Club as Manager at the end of March 2021.

Gary Bowyer was brought in on a temporary basis under the instruction of trying to heal dressing room fallouts and make one last push for the play-offs. Despite bringing a renewed air of positivity to the team, the club agonisingly fell short of the play-offs on the last day of the season, finishing 8th in the table.

Despite a season of significant ups and downs the Club continued to build on its rapidly growing appeal, with Sky Sports televising the Club's Carabao Cup Round 2 fixture away at Everton of the Premier League, and the League 2 derby fixture away at Bolton Wanderers. The latest series of the Club's documentary Class of '92:Full Time was also released in December 2020, its continued success resulted in the commissioning of a further series due for release in December 2021.

**Risks and Uncertainties**

Fans have now been allowed to return to the Peninsula Stadium, but it is still too early to evaluate what the effects of the previous two year's challenges, both for the Club and individual fans, will have on the Club as a whole. Despite the positive place we now find ourselves in in terms of COVID management, any major reoccurrence of the Covid pandemic to the levels seen previously, could change this.

Once again, we would like to put on record our thanks to our main sponsors, TalkTalk and Peninsula, who have continued to show us tremendous support and encouragement throughout this difficult time.

**Development & Performance**

The Club's focus continues to be on gaining promotion through the football league pyramid, and as such investment has been made in playing staff and player recruitment. Gary Bowyer has now been installed permanently as 1st Team Manager.

The Club continues its commitment to youth development, with a new cohort of Academy Scholars and the expansion of the Elite Development Squad (EDS).

The emergence of Brandon Thomas-Asante as an important first team regular for the Club alongside other EDS players making an impact for the first team including Luke Burgess and Alex Denny is something the Club is extremely proud of.

Additionally, over the last two seasons, several scholars from the Academy have been given professional contracts, again illustrating our commitment to youth.

The Salford City Lionesses (Women's Team) continue to progress rapidly through the regional game with the ambition of reaching the national game well within their sights.

Investment continues to be made into our technology strategy and systems, improving productivity, communication, collaboration and data security within the Club. Expansion in staffing across the Club has continued to help manage the expanding workload that is associated with being a progressive Football League Club.

# PROJECT 92 LIMITED

## STRATEGIC REPORT (CONTINUED)

## *FOR THE YEAR ENDED 30 JUNE 2021*

**Key Performance Indicators**
In terms of KPI's against our business plan, the unprecedented circumstances of the global pandemic that made the 2019/20 season an anomaly in real terms, continued for the duration of the 2020/21 season.

The excitement and fervour that had been amassed due to promotion to the EFL was negatively impacted by the curtailment of the previous season and the restrictions implemented, specifically around fan attendance, engagement and participation only went to exacerbate this.

The result of this being that the metrics were adversely affected for the season against what would be expected. We are already seeing signs of positivity that things are heading towards a 'more normal' season for 2021/22, in which we would hope KPI's and forecasts can be reviewed against a more traditional set of circumstances.

**Future Developments**
The Club remains steadfast in the aim of seeking promotion, backed primarily by the resources of our Shareholders and Directors and supplemented with a new commercial sponsorship strategy and in house marketing systems to drive revenues.

The relationship between Club and Fan is at the forefront of the Club's current strategy, with investment being made to enhance our engagement with the fan base and their experience as a supporter, both on and offline. As well as looking at new and innovative ways the Club can engage with fans and beyond, the Club is also developing a Fan Manifesto; a number of pledges the Club will make to the Fans that the Club can be held accountable to.

The Club is looking to continue to expand and strengthen its relationships with Premier League and Championship Clubs with a focus on to better utilisation of the loan market, enhancing our squad with talented youth and providing them with invaluable first team experience, that they cannot obtain at their current clubs.

We are currently in discussions with Manchester United Football Club to access some of their high-quality Training Ground facilities off Littleton Road in Salford, just 5 minutes from our Peninsula Stadium, which has now become the base for all staff.

On behalf of the board

DocuSigned by:
Gary Neville
D85163970214E0...
G A Neville
**Director**

Date: 29/3/2022 | 2:06 PM BST

# PROJECT 92 LIMITED

## DIRECTORS' REPORT

## *FOR THE YEAR ENDED 30 JUNE 2021*

The directors present their annual report and financial statements for the year ended 30 June 2021.

**Principal activities**
The principal activity of the company and group continued to be that of a professional football club.

**Results and dividends**
The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

**Directors**
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

G A Neville
R J Giggs
P J Neville
N Butt
L H Chan
D Beckham

**Auditor**
The auditor, Cowgill Holloway LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

**Statement of directors' responsibilities**
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). 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 group and company, and of the profit or loss of the group 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Statement of disclosure to auditor**
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

DocuSigned by:
Gary Neville
D6516357021 44E0...

G A Neville
**Director**

Date: 29/3/2022 | 2:06 PM BST

# PROJECT 92 LIMITED

## INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF PROJECT 92 LIMITED

### Opinion

We have audited the financial statements of Project 92 Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2021 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 June 2021 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our 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.

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

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

**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 parent 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussions with the directors (as required by auditing standards) and discussed with the directors the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: The English Football League, The FA policies and regulations, laws related to health and safety, employment laws, gender pay gap and consumer protection.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Through these procedures we did not become aware of any actual or suspected non-compliance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

We design procedures in line with our responsibilities, outlined below to detect material misstatement due to fraud:

· Matters are discussed amongst the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud

· Identifying and assessing the design and effectiveness of controls that management have in place to prevent and detect fraud

· Detecting and responding to the risks of fraud following discussions with management and enquiring as to whether management have knowledge of any actual, suspected or alleged fraud;

A further description of our responsibilities is available on the Financial Reporting Council's website at: https:// www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

**Other matters which we are required to address**

The financial statements for the year ended 30 June 2019 were not audited and consolidated accounts were not prepared, as an exemption was claimed under s382 of the Companies Act 2006.

**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.

DocuSigned by:
alex hesketh
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**Alex Hesketh (Senior Statutory Auditor)**
**For and on behalf of Cowgill Holloway LLP**

Date: 29/3/2022 | 2:16 PM BST

**Chartered Accountants**
**Statutory Auditor**

Regency House
45-53 Chorley New Road
Bolton
Greater Manchester
BL1 4QR

# PROJECT 92 LIMITED

## GROUP STATEMENT OF COMPREHENSIVE INCOME

### *FOR THE YEAR ENDED 30 JUNE 2021*

| | Notes | 2021<br>£ | 2020<br>£ |
|---|---|---|---|
| **Turnover** | 3 | 3,178,831 | 3,416,151 |
| Administrative expenses | | (7,939,879) | (7,045,246) |
| Other operating income | | 8,000 | - |
| **Operating loss** | 4 | (4,753,048) | (3,629,095) |
| Interest payable and similar expenses | 7 | (134,186) | (138,929) |
| **Loss before taxation** | | (4,887,234) | (3,768,024) |
| Tax on loss | 8 | 62,708 | - |
| **Loss for the financial year** | 23 | (4,824,526) | (3,768,024) |

Loss for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

# PROJECT 92 LIMITED

## GROUP BALANCE SHEET

## *AS AT 30 JUNE 2021*

| | Notes | 2021 £ | 2021 £ | 2020 £ | 2020 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Intangible assets | 10 | | - | | 230,033 |
| Tangible assets | 11 | | 3,785,334 | | 4,848,393 |
| | | | 3,785,334 | | 5,078,426 |
| **Current assets** | | | | | |
| Stocks | 14 | 10,049 | | 10,174 | |
| Debtors | 15 | 316,893 | | 154,373 | |
| Cash at bank and in hand | | 94,261 | | 945,442 | |
| | | 421,203 | | 1,109,989 | |
| **Creditors: amounts falling due within one year** | 16 | (1,562,086) | | (2,119,699) | |
| **Net current liabilities** | | | (1,140,883) | | (1,009,710) |
| **Total assets less current liabilities** | | | 2,644,451 | | 4,068,716 |
| **Creditors: amounts falling due after more than one year** | 17 | | (17,939,992) | | (14,539,731) |
| **Net liabilities** | | | (15,295,541) | | (10,471,015) |
| **Capital and reserves** | | | | | |
| Called up share capital | 22 | | 10 | | 10 |
| Profit and loss reserves | 23 | | (15,295,551) | | (10,471,025) |
| **Total equity** | | | (15,295,541) | | (10,471,015) |

The financial statements were approved by the board of directors and authorised for issue on 29/3/2022 | 2:06 and are signed on its behalf by:

DocuSigned by:
Gary Neville
065163570214 4E0...
G A Neville
**Director**

# PROJECT 92 LIMITED

## COMPANY BALANCE SHEET

### *AS AT 30 JUNE 2021*

| | Notes | 2021 £ | 2021 £ | 2020 £ | 2020 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | 11 | | 3,723,751 | | 4,795,353 |
| Investments | 12 | | 2,500,002 | | 2,500,002 |
| | | | 6,223,753 | | 7,295,355 |
| **Current assets** | | | | | |
| Debtors | 15 | 9,560,689 | | 5,884,827 | |
| Cash at bank and in hand | | 42,584 | | 859,603 | |
| | | 9,603,273 | | 6,744,430 | |
| **Creditors: amounts falling due within one year** | 16 | (799,067) | | (1,053,621) | |
| **Net current assets** | | | 8,804,206 | | 5,690,809 |
| **Total assets less current liabilities** | | | 15,027,959 | | 12,986,164 |
| **Creditors: amounts falling due after more than one year** | 17 | | (17,859,992) | | (14,439,831) |
| **Net liabilities** | | | (2,832,033) | | (1,453,667) |
| **Capital and reserves** | | | | | |
| Called up share capital | 22 | | 10 | | 10 |
| Profit and loss reserves | 23 | | (2,832,043) | | (1,453,677) |
| **Total equity** | | | (2,832,033) | | (1,453,667) |

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £1,378,366 (2020 - £365,385 loss).

The financial statements were approved by the board of directors and authorised for issue on 29/3/2022 | 2:06 F and are signed on its behalf by:

DocuSigned by:
Gary Neville
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G A Neville
**Director**

**Company Registration No. 09112699**

# PROJECT 92 LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY

### *FOR THE YEAR ENDED 30 JUNE 2021*

| | Share capital | Profit and loss reserves | Total |
|---|---|---|---|
| | £ | £ | £ |
| **Balance at 1 July 2019** | 10 | (6,703,001) | (6,702,991) |
| **Year ended 30 June 2020:** | | | |
| Loss and total comprehensive income for the year | - | (3,768,024) | (3,768,024) |
| **Balance at 30 June 2020** | 10 | (10,471,025) | (10,471,015) |
| **Year ended 30 June 2021:** | | | |
| Loss and total comprehensive income for the year | - | (4,824,526) | (4,824,526) |
| **Balance at 30 June 2021** | 10 | (15,295,551) | (15,295,541) |

# PROJECT 92 LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY

### *FOR THE YEAR ENDED 30 JUNE 2021*

| | Share capital | Profit and loss reserves | Total |
|---|---|---|---|
| | £ | £ | £ |
| **Balance at 1 July 2019** | 10 | (1,088,292) | (1,088,282) |
| ***Year ended 30 June 2020:*** | | | |
| Loss and total comprehensive income for the year | - | (365,385) | (365,385) |
| **Balance at 30 June 2020** | 10 | (1,453,677) | (1,453,667) |
| ***Year ended 30 June 2021:*** | | | |
| Loss and total comprehensive income for the year | - | (1,378,366) | (1,378,366) |
| **Balance at 30 June 2021** | 10 | (2,832,043) | (2,832,033) |

# PROJECT 92 LIMITED

## GROUP STATEMENT OF CASH FLOWS
### *FOR THE YEAR ENDED 30 JUNE 2021*

| | Notes | 2021 £ | 2021 £ | 2020 £ | 2020 £ |
|---|---|---|---|---|---|
| **Cash flows from operating activities** | | | | | |
| Cash absorbed by operations | 27 | | (4,179,997) | | (2,861,515) |
| Interest paid | | | (134,186) | | (138,929) |
| **Net cash outflow from operating activities** | | | (4,314,183) | | (3,000,444) |
| **Investing activities** | | | | | |
| Purchase of intangible assets | | (156,500) | | (280,875) | |
| Proceeds on disposal of intangibles | | 237,500 | | - | |
| Purchase of tangible fixed assets | | (38,168) | | (458,459) | |
| **Net cash generated from/(used in) investing activities** | | | 42,832 | | (739,334) |
| **Financing activities** | | | | | |
| Proceeds from borrowings | | 3,550,000 | | 3,800,000 | |
| Repayment of bank loans | | (90,000) | | (90,000) | |
| Payment of finance leases obligations | | (39,830) | | (39,831) | |
| **Net cash generated from financing activities** | | | 3,420,170 | | 3,670,169 |
| **Net decrease in cash and cash equivalents** | | | (851,181) | | (69,609) |
| Cash and cash equivalents at beginning of year | | | 945,442 | | 1,015,051 |
| **Cash and cash equivalents at end of year** | | | 94,261 | | 945,442 |

# PROJECT 92 LIMITED

## COMPANY STATEMENT OF CASH FLOWS

### *FOR THE YEAR ENDED 30 JUNE 2021*

| | Notes | 2021 £ | 2021 £ | 2020 £ | 2020 £ |
|---|---|---|---|---|---|
| **Cash flows from operating activities** | | | | | |
| Cash absorbed by operations | **28** | | (4,095,025) | | (516,500) |
| Interest paid | | | (134,186) | | (138,929) |
| **Net cash outflow from operating activities** | | | (4,229,211) | | (655,429) |
| **Investing activities** | | | | | |
| Purchase of tangible fixed assets | | (7,978) | | (432,825) | |
| Purchase of subsidiaries | | - | | (2,500,000) | |
| **Net cash used in investing activities** | | | (7,978) | | (2,932,825) |
| **Financing activities** | | | | | |
| Proceeds from borrowings | | 3,550,000 | | 3,800,000 | |
| Repayment of bank loans | | (90,000) | | (90,000) | |
| Payment of finance leases obligations | | (39,830) | | (39,831) | |
| **Net cash generated from financing activities** | | | 3,420,170 | | 3,670,169 |
| **Net (decrease)/increase in cash and cash equivalents** | | | (817,019) | | 81,915 |
| Cash and cash equivalents at beginning of year | | | 859,603 | | 777,688 |
| **Cash and cash equivalents at end of year** | | | 42,584 | | 859,603 |

## 1 Accounting policies

**Company information**

Project 92 Limited ("the company") is a private company limited by shares incorporated in England and Wales. The registered office is St Andrews Chambers, 21 Albert Square, Manchester, M2 5PE.

The group consists of Project 92 Limited and all of its subsidiaries.

### 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.

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.

### 1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

### 1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Project 92 Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 30 June 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

### 1.4 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company is reliant on the continued support of its directors and shareholders, it has been confirmed that this support will continue for the foreseeable future. On this basis the directors consider it appropriate to prepare the financial statements on the going concern basis.

**1 Accounting policies** **(Continued)**

**1.5 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**1.6 Intangible fixed assets other than goodwill**

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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:

| | |
|---|---|
| Players' registrations | Straight line basis over period of contract |

**1.7 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 land and buildings | 2% straight line |
| Plant and equipment | 33% straight line |
| Computer equipment | 33% straight line |
| Equipment | 25% reducing balance |
| Fixtures and fittings | 33% 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 recognised in the profit and loss account.

**1.8 Fixed asset investments**

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

**1 Accounting policies** **(Continued)**

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

**1.9 Impairment of fixed assets**

At each reporting period end date, the group 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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.

**1.10 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 the lower of cost and replacement 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.

**1.11 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.

**1 Accounting policies** **(Continued)**

**1.12 Financial instruments**

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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.

***Other financial assets***

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, 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.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal 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 group 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 group after deducting all of its liabilities.

**1 Accounting policies** **(Continued)**

***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.

***Other financial liabilities***
Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

***Derecognition of financial liabilities***
Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

**1.13 Equity instruments**
Equity instruments issued by the group 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 group.

**1.14 Taxation**
The tax expense represents the sum of the tax currently payable and deferred tax.

***Current tax***
The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

**1 Accounting policies** **(Continued)**

***Deferred tax***

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 if, and only if, there is 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.

**1.15 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.

**1.16 Retirement benefits**

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

**1.17 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 leased asset are consumed.

**1.18 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.

## 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

## 3 Turnover and other revenue

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| **Turnover analysed by class of business** | | |
| Matchday | 216,420 | 643,234 |
| Commercial | 2,962,411 | 2,772,917 |
| | 3,178,831 | 3,416,151 |

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| **Other significant revenue** | | |
| Grants received | 8,000 | - |

## 4 Operating loss

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Operating loss for the year is stated after charging/(crediting): | | |
| Government grants | (8,000) | - |
| Depreciation of owned tangible fixed assets | 43,537 | 47,781 |
| Impairment of owned tangible fixed assets | 1,057,690 | - |
| Amortisation of intangible assets | 311,533 | 251,092 |
| Profit on disposal of intangible assets | (162,500) | - |
| Operating lease charges | 1,800 | 1,800 |

## 5 Auditor's remuneration

| | 2021 | 2020 |
|---|---|---|
| Fees payable to the company's auditor and associates: | £ | £ |
| **For audit services** | | |
| Audit of the financial statements of the group and company | 8,000 | 8,000 |

## 6 Employees

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

| | Group 2021 Number | 2020 Number | Company 2021 Number | 2020 Number |
|---|---|---|---|---|
| | 113 | 122 | 6 | 6 |

Their aggregate remuneration comprised:

| | Group 2021 £ | 2020 £ | Company 2021 £ | 2020 £ |
|---|---|---|---|---|
| Wages and salaries | 3,961,638 | 3,614,096 | 67,614 | 85,000 |
| Social security costs | 537,359 | 486,739 | 3,747 | 8,416 |
| Pension costs | 36,457 | 39,970 | 438 | 1,315 |
| | 4,535,454 | 4,140,805 | 71,799 | 94,731 |

## 7 Interest payable and similar expenses

| | 2021 £ | 2020 £ |
|---|---|---|
| ***Interest on financial liabilities measured at amortised cost:*** | | |
| Interest on bank overdrafts and loans | 119,782 | 124,525 |
| **Other finance costs:** | | |
| Interest on finance leases and hire purchase contracts | 14,404 | 14,404 |
| Total finance costs | 134,186 | 138,929 |

## 8 Taxation

| | 2021 £ | 2020 £ |
|---|---|---|
| **Current tax** | | |
| Adjustments in respect of prior periods | (62,708) | - |

## 8 Taxation (Continued)

The actual (credit)/charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

| | 2021 £ | 2020 £ |
|---|---|---|
| Loss before taxation | (4,887,234) | (3,768,024) |
| Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%) | (928,574) | (715,925) |
| Tax effect of expenses that are not deductible in determining taxable profit | 6,781 | - |
| Unutilised tax losses carried forward | 661,641 | 715,925 |
| Amortisation on assets not qualifying for tax allowances | 59,191 | - |
| Adjustments in respect of financial assets | 200,961 | - |
| Research and development tax credit | (62,708) | - |
| Taxation credit | (62,708) | - |

## 9 Impairments

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

| | Notes | 2021 £ | 2020 £ |
|---|---|---|---|
| In respect of: | | | |
| Property, plant and equipment | 11 | 1,057,690 | - |
| Recognised in: | | | |
| Administrative expenses | | 1,057,690 | - |

The impairment losses in respect of financial assets are recognised in other gains and losses in the profit and loss account.

# PROJECT 92 LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### *FOR THE YEAR ENDED 30 JUNE 2021*

**10 Intangible fixed assets**

| Group | Players' registrations |
|---|---|
| | £ |
| **Cost** | |
| At 1 July 2020 | 380,875 |
| Additions | 156,500 |
| Disposals | (380,875) |
| At 30 June 2021 | 156,500 |
| **Amortisation and impairment** | |
| At 1 July 2020 | 150,842 |
| Amortisation charged for the year | 311,533 |
| Disposals | (305,875) |
| At 30 June 2021 | 156,500 |
| **Carrying amount** | |
| At 30 June 2021 | - |
| At 30 June 2020 | 230,033 |

The company had no intangible fixed assets at 30 June 2021 or 30 June 2020.

More information on impairment movements in the year is given in note 9.

## 11 Tangible fixed assets

| Group | Freehold land and buildings | Buildings under construction | Plant and equipment | Computer equipment | Equipment | Fixtures and fittings | Total |
|---|---|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ | £ | £ |
| **Cost** | | | | | | | |
| At 1 July 2020 | - | 4,749,712 | 84,844 | 72,083 | 26,664 | 5,795 | 4,939,098 |
| Additions | - | 7,978 | - | 11,636 | 17,234 | 1,320 | 38,168 |
| Transfers | 4,757,690 | (4,757,690) | - | - | - | - | - |
| At 30 June 2021 | 4,757,690 | - | 84,844 | 83,719 | 43,898 | 7,115 | 4,977,266 |
| **Depreciation and impairment** | | | | | | | |
| At 1 July 2020 | - | - | 30,269 | 48,616 | 10,904 | 916 | 90,705 |
| Depreciation charged in the year | - | - | 22,909 | 12,882 | 5,814 | 1,932 | 43,537 |
| Impairment losses | 1,057,690 | - | - | - | - | - | 1,057,690 |
| At 30 June 2021 | 1,057,690 | - | 53,178 | 61,498 | 16,718 | 2,848 | 1,191,932 |
| **Carrying amount** | | | | | | | |
| At 30 June 2021 | 3,700,000 | - | 31,666 | 22,221 | 27,180 | 4,267 | 3,785,334 |
| At 30 June 2020 | - | 4,749,712 | 54,575 | 23,467 | 15,760 | 4,879 | 4,848,393 |

| Company | Freehold land and buildings | Buildings under *construction* | Plant and equipment | Computer equipment | Total |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| **Cost** | | | | | |
| At 1 July 2020 | - | 4,749,712 | 55,543 | 10,415 | 4,815,670 |
| Additions | - | 7,978 | - | - | 7,978 |
| Transfers | 4,757,690 | (4,757,690) | - | - | - |
| At 30 June 2021 | 4,757,690 | - | 55,543 | 10,415 | 4,823,648 |
| **Depreciation and impairment** | | | | | |
| At 1 July 2020 | - | - | 16,306 | 4,011 | 20,317 |
| *Depreciation charged in the year* | - | - | 18,514 | 3,376 | 21,890 |
| Impairment losses | 1,057,690 | - | - | - | 1,057,690 |
| At 30 June 2021 | 1,057,690 | - | 34,820 | 7,387 | 1,099,897 |
| **Carrying amount** | | | | | |
| At 30 June 2021 | 3,700,000 | - | 20,723 | 3,028 | 3,723,751 |
| At 30 June 2020 | - | 4,749,712 | 39,237 | 6,404 | 4,795,353 |

More information on impairment movements in the year is given in note 9.

## 12 Fixed asset investments

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | 2021 | 2020 | 2021 | 2020 |
| | Notes | £ | £ | £ | £ |
| Investments in subsidiaries | 13 | - | - | 2,500,002 | 2,500,002 |

**Movements in fixed asset investments**

| Company | Shares in subsidiaries |
|---|---|
| | £ |
| **Cost or valuation** | |
| At 1 July 2020 and 30 June 2021 | 2,500,002 |
| **Carrying amount** | |
| At 30 June 2021 | 2,500,002 |
| At 30 June 2020 | 2,500,002 |

## 13 Subsidiaries

Details of the company's subsidiaries at 30 June 2021 are as follows:

## 13 Subsidiaries (Continued)

| Name of undertaking | Registered office | Class of shares held | % Held Direct |
|---|---|---|---|
| Salford City Football Club Limited | England & Wales | Ordinary | 100.00 |
| Powerscale Limited | England & Wales | Ordinary | 100.00 |

## 14 Stocks

| | Group 2021 £ | 2020 £ | Company 2021 £ | 2020 £ |
|---|---|---|---|---|
| Finished goods and goods for resale | 10,049 | 10,174 | - | - |

## 15 Debtors

| | Group 2021 £ | 2020 £ | Company 2021 £ | 2020 £ |
|---|---|---|---|---|
| **Amounts falling due within one year:** | | | | |
| Trade debtors | 181,141 | 103,052 | - | - |
| Corporation tax recoverable | 62,708 | - | - | - |
| Other debtors | 2,275 | 32,357 | 2,274 | 5,833 |
| Prepayments and accrued income | 70,769 | 18,964 | 2,740 | 2,740 |
| | 316,893 | 154,373 | 5,014 | 8,573 |
| **Amounts falling due after more than one year:** | | | | |
| Amounts owed by group undertakings | - | - | 9,555,675 | 5,876,254 |
| **Total debtors** | 316,893 | 154,373 | 9,560,689 | 5,884,827 |

## 16 Creditors: amounts falling due within one year

| | Notes | Group 2021 £ | 2020 £ | Company 2021 £ | 2020 £ |
|---|---|---|---|---|---|
| Bank loans | 18 | 90,000 | 90,000 | 90,000 | 90,000 |
| Obligations under finance leases | 19 | 39,830 | 39,821 | 39,830 | 39,821 |
| Trade creditors | | 307,617 | 437,261 | 22,736 | 74,157 |
| Other taxation and social security | | 198,191 | 646,090 | - | 1,503 |
| Deferred income | 20 | 512,345 | 597,639 | 392,000 | 597,639 |
| Other creditors | | 291,493 | 282,101 | 245,001 | 245,001 |
| Accruals | | 122,610 | 26,787 | 9,500 | 5,500 |
| | | 1,562,086 | 2,119,699 | 799,067 | 1,053,621 |

## 17 Creditors: amounts falling due after more than one year

| | Notes | Group 2021 £ | 2020 £ | Company 2021 £ | 2020 £ |
|---|---|---|---|---|---|
| Bank loans and overdrafts | 18 | 2,300,000 | 2,390,000 | 2,300,000 | 2,390,000 |
| Obligations under finance leases | 19 | 10,002 | 49,841 | 10,002 | 49,841 |
| Other creditors | | 15,629,990 | 12,099,890 | 15,549,990 | 11,999,990 |
| | | 17,939,992 | 14,539,731 | 17,859,992 | 14,439,831 |

## 18 Loans and overdrafts

| | Group 2021 £ | 2020 £ | Company 2021 £ | 2020 £ |
|---|---|---|---|---|
| Bank loans | 2,390,000 | 2,480,000 | 2,390,000 | 2,480,000 |
| Payable within one year | 90,000 | 90,000 | 90,000 | 90,000 |
| Payable after one year | 2,300,000 | 2,390,000 | 2,300,000 | 2,390,000 |

The long-term loans are secured by a fixed and floating charge over all the property of the company.

# PROJECT 92 LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

## *FOR THE YEAR ENDED 30 JUNE 2021*

### 19 Finance lease obligations

| | Group 2021 £ | 2020 £ | Company 2021 £ | 2020 £ |
|---|---|---|---|---|
| Future minimum lease payments due under finance leases: | | | | |
| Within one year | 39,830 | 39,821 | 39,830 | 39,821 |
| In two to five years | 10,002 | 49,841 | 10,002 | 49,841 |
| | 49,832 | 89,662 | 49,832 | 89,662 |

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 2 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

### 20 Deferred income

| | Group 2021 £ | 2020 £ | Company 2021 £ | 2020 £ |
|---|---|---|---|---|
| Other deferred income | 512,345 | 597,639 | 392,000 | 597,639 |

### 21 Retirement benefit schemes

| Defined contribution schemes | 2021 £ | 2020 £ |
|---|---|---|
| Charge to profit or loss in respect of defined contribution schemes | 36,457 | 39,970 |

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

### 22 Share capital

| Ordinary share capital | 2021 Number | 2020 Number | 2021 £ | 2020 £ |
|---|---|---|---|---|
| **Issued and fully paid** | | | | |
| Ordinary 'A' shares of £1 each | 6 | 6 | 6 | 6 |
| Ordinary 'B' shares of £1 each | 4 | 4 | 4 | 4 |
| | 10 | 10 | 10 | 10 |

### 23 Reserves

**Profit and loss reserves**

Profit and loss reserves represent retained earnings and accumulated losses to date.

## 24 Financial commitments, guarantees and contingent liabilities

There is in place a charge in favour of The Football Stadia Improvement Fund, over the leasehold property held in the group relating to loans within group.

## 25 Related party transactions

**Transactions with related parties**

The group takes advantage of Para 33.1A of FRS 102 exempting it to disclosure transactions within a 100% owned group whose accounts are consolidated.

Included in other creditors amounts falling due within one year is a loan of £245,000 (2020: £245,000) owed to Class of 92 Ltd, a company with common directors.

Included in other creditors amounts falling due after more than one year is a loan from a shareholder of £12,949,995 (2020: £10,199,995).

Zerum Construction Management Limited has supplied goods and services to Project 92 Limited totalling £nil (2020: £140,388). Zerum Construction Management Limited are a related party by virtue of common directorship.

Ultimate recoverability of the intercompany loan owed from Salford City Football Club Limited has been guaranteed by the shareholders of Project 92 Limited.

Old Trafford Supporters Club Limited supplied goods to the group totalling £28,475 (2020: £69,688). The amount owed to Old Trafford Supporters Club Limited at the year end was £570 (2020: £13,016).

Relentless Management Services Limited supplied goods to the group totalling £(10,610) (2020: £15,110). The amount owed to Relentless Management Services Limited at the year end was £nil (2020: £13,016).

The group supplied goods and services to Foundation 92 totalling £4,300 (2020: £792). The amount owed from Foundation 92 at the year end was £593 (2020: owed to £8,100).

Further sales in the year to companies with common directorship total £15,000 (2020: £nil).

The group supplied goods and services to Buzz 16 Productions Limited totalling £260,000 (2020: £260,000).

## 26 Controlling party

No one individual has ultimate control over the group.

## 27 Cash absorbed by group operations

| | 2021 £ | 2020 £ |
|---|---|---|
| Loss for the year after tax | (4,824,526) | (3,768,024) |
| **Adjustments for:** | | |
| Taxation credited | (62,708) | - |
| Finance costs | 134,186 | 138,929 |
| Gain on disposal of intangible assets | (162,500) | - |
| Amortisation and impairment of intangible assets | 311,533 | 251,092 |
| Depreciation and impairment of tangible fixed assets | 1,101,227 | 47,781 |
| **Movements in working capital:** | | |
| Decrease/(increase) in stocks | 125 | (5,251) |
| (Increase)/decrease in debtors | (99,812) | 127,633 |
| (Decrease)/increase in creditors | (492,228) | 128,685 |
| (Decrease)/increase in deferred income | (85,294) | 217,640 |
| **Cash absorbed by operations** | (4,179,997) | (2,861,515) |

## 28 Cash absorbed by operations - company

| | 2021 £ | 2020 £ |
|---|---|---|
| Loss for the year after tax | (1,378,366) | (365,385) |
| **Adjustments for:** | | |
| Finance costs | 134,186 | 138,929 |
| Depreciation and impairment of tangible fixed assets | 1,079,580 | 19,513 |
| **Movements in working capital:** | | |
| Increase in debtors | (3,675,862) | (421,674) |
| Decrease in creditors | (48,924) | (105,523) |
| (Decrease)/increase in deferred income | (205,639) | 217,640 |
| **Cash absorbed by operations** | (4,095,025) | (516,500) |

## 29 Analysis of changes in net debt - group

| | 1 July 2020 £ | Cash flows £ | Market value movements £ | 30 June 2021 £ |
|---|---|---|---|---|
| Cash at bank and in hand | 945,442 | (851,181) | - | 94,261 |
| Borrowings excluding overdrafts | (2,480,000) | 3,640,000 | (3,550,000) | (2,390,000) |
| Obligations under finance leases | (89,662) | 39,830 | - | (49,832) |
| | (1,624,220) | 2,828,649 | (3,550,000) | (2,345,571) |

## 30 Analysis of changes in net debt - company

| | 1 July 2020 | Cash flows | Market value movements | 30 June 2021 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Cash at bank and in hand | 859,603 | (817,019) | - | 42,584 |
| Borrowings excluding overdrafts | (2,480,000) | 3,640,000 | (3,550,000) | (2,390,000) |
| Obligations under finance leases | (89,662) | 39,830 | - | (49,832) |
| | (1,710,059) | 2,862,811 | (3,550,000) | (2,397,248) |