

The Dundee Football Club Limited
Filleted Financial Statements
31 May 2018

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COMPANIES HOUSE

FOURM LIMITED

Chartered Accountants & Statutory Auditor
Stannergate House
41 Dundee Road West
Broughty Ferry
Dundee
DD5 1NB

The Dundee Football Club Limited

Financial Statements

Year ended 31 May 2018

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The Dundee Football Club Limited

Officers and Professional Advisers

The board of directors	Mr I R Crighton (Resigned 9 August 2018) Mr S Martin (Resigned 1 December 2018) Mr R W Hynd Mr J Nelms Mr T Keyes Mr D J Gray (Appointed 9 August 2018)
Registered office	Dens Park Stadium Sandeman Street Dundee Scotland DD3 7JY
Auditor	FourM Limited Chartered Accountants & Statutory Auditor Stannergate House 41 Dundee Road West Broughty Ferry Dundee DD5 1NB
Bankers	Barclays Bank plc 24 High Street Dundee DD1 1SZ
Solicitors	Thorntons Law LLP Whitehall House 33 Yeaman Shore Dundee DD1 4BJ

The Dundee Football Club Limited

Directors' Responsibilities Statement

Year ended 31 May 2018

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

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

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

The Dundee Football Club Limited

Statement of Financial Position

31 May 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	5	–	15,250
Tangible assets	6	145,318	159,130
		<u>145,318</u>	<u>174,380</u>
Current assets			
Stocks		7,493	7,253
Debtors	7	939,251	904,415
Cash at bank and in hand		296,835	290,241
		<u>1,243,579</u>	<u>1,201,909</u>
Creditors: amounts falling due within one year	8	<u>2,832,790</u>	<u>2,420,646</u>
Net current liabilities		<u>1,589,211</u>	<u>1,218,737</u>
Total assets less current liabilities		<u>(1,443,893)</u>	<u>(1,044,357)</u>
Creditors: amounts falling due after more than one year	9	2,797	826
Provisions for liabilities			
Other provisions	10	560,432	536,391
Net liabilities		<u>(2,007,122)</u>	<u>(1,581,574)</u>
Capital and reserves			
Called up share capital	11	1,489,829	1,489,681
Share premium account	12	1,685,059	1,685,007
Profit and loss account	12	(5,182,010)	(4,756,262)
Shareholders deficit		<u>(2,007,122)</u>	<u>(1,581,574)</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

These financial statements were approved by the board of directors and authorised for issue on 19 February 2019, and are signed on behalf of the board by:



Mr J Nelms
Director

Company registration number: SC004585

The notes on pages 5 to 11 form part of these financial statements.

The Dundee Football Club Limited

Statement of Changes in Equity

Year ended 31 May 2018

	Called up share capital £	Share premium account £	Profit and loss account £	Total £
At 1 June 2016	1,489,681	1,685,007	(4,402,191)	(1,227,503)
Loss for the year	—	—	(354,071)	(354,071)
Total comprehensive income for the year	—	—	(354,071)	(354,071)
At 31 May 2017	1,489,681	1,685,007	(4,756,262)	(1,581,574)
Loss for the year	—	—	(425,748)	(425,748)
Total comprehensive income for the year	—	—	(425,748)	(425,748)
Issue of shares	148	52	—	200
Total investments by and distributions to owners	148	52	—	200
At 31 May 2018	<u>1,489,829</u>	<u>1,685,059</u>	<u>(5,182,010)</u>	<u>(2,007,122)</u>

The notes on pages 5 to 11 form part of these financial statements.

The Dundee Football Club Limited

Notes to the Financial Statements

Year ended 31 May 2018

1. General information

The company is a private company limited by shares, registered in Scotland. The address of the registered office is Dens Park Stadium, Sandeman Street, Dundee, DD3 7JY, Scotland.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost convention.

The financial statements are prepared in sterling, which is in the functional currency of the entity.

Going Concern

The company has prepared detailed financial projections for the period to 31 May 2020. The projections reflect the expected trading results for seasons 2018/19 and 2019/20, drawn up on the basis of conservative assumptions.

These projected results, together with an undertaking from the major shareholder to make additional funds available to the company, will ensure the company has sufficient funds available to meet its financial commitments as they fall due for the 12 months period from the date of signing the accounts.

Consequently, the directors consider that it is appropriate to prepare the accounts on the going concern basis.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

Turnover comprises amounts invoiced or received by the company in respect of season ticket sales, gate receipts, donations and other commercial income, exclusive of Value Added Tax. Season ticket and commercial income sales which relate to the next football season starting after the year end date are deferred and recognised in the following year.

Operating leases

Operating lease rentals require to be accounted for on a straight line basis over the full lease term. Where there is a difference between the rental amounts accounted for on that basis and the rentals actually paid per the terms of the lease, then the difference is charged or credited to the statement of comprehensive income and adjusted against the provision (see note 10).

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Player registration - Straight line over length of contract

The Dundee Football Club Limited

Notes to the Financial Statements *(continued)*

Year ended 31 May 2018

3. Accounting policies *(continued)*

Amortisation *(continued)*

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Tenant's improvements	-	Straight line over the remaining life of the lease
Plant and machinery	-	10%-33% Reducing balance and Straight line
Fixtures and fittings	-	10%-33% Straight line
Motor vehicles	-	20% Straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Finance leases and hire purchase contracts

Assets held under finance leases are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

The Dundee Football Club Limited

Notes to the Financial Statements *(continued)*

Year ended 31 May 2018

3. Accounting policies *(continued)*

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in the statement of comprehensive income unless the provision was originally recognised as part of the cost of an asset.

The terms of the stadium lease provide for an annual escalation of rentals payable. On adoption of FRS 102, the company has established a significant provision for additional rental costs recognised in the accounts as a result of the change in accounting to a straight line basis to comply with FRS 102.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the statement of comprehensive income immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in the statement of comprehensive income immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Pension cost

The pension cost charged in the financial statements represents the contributions payable by the company during the year.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 67 (2017: 65).

The Dundee Football Club Limited

Notes to the Financial Statements *(continued)*

Year ended 31 May 2018

5. Intangible assets

	Player registration £
Cost	
At 1 June 2017	75,000
Additions	–
Disposals	(75,000)
At 31 May 2018	–
Amortisation	
At 1 June 2017	59,750
Charge for the year	15,250
Disposals	(75,000)
At 31 May 2018	–
Carrying amount	
At 31 May 2018	–
At 31 May 2017	15,250

6. Tangible assets

	Tenant's improvements £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 June 2017	149,734	66,599	60,177	11,500	288,010
Additions	–	–	13,380	10,800	24,180
Disposals	–	–	–	(6,000)	(6,000)
At 31 May 2018	149,734	66,599	73,557	16,300	306,190
Depreciation					
At 1 June 2017	43,604	28,669	46,107	10,500	128,880
Charge for the year	14,973	10,157	9,702	2,160	36,992
Disposals	–	–	–	(5,000)	(5,000)
At 31 May 2018	58,577	38,826	55,809	7,660	160,872
Carrying amount					
At 31 May 2018	91,157	27,773	17,748	8,640	145,318
At 31 May 2017	106,130	37,930	14,070	1,000	159,130

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Plant and machinery £	Motor vehicles £	Total £
At 31 May 2018	9,966	8,640	18,606
At 31 May 2017	13,823	–	13,823

The Dundee Football Club Limited

Notes to the Financial Statements *(continued)*

Year ended 31 May 2018

7. Debtors

	2018	2017
	£	£
Trade debtors	293,184	352,373
Prepayments and accrued income	628,240	511,858
Other debtors	17,827	40,184
	<u>939,251</u>	<u>904,415</u>

8. Creditors: amounts falling due within one year

	2018	2017
	£	£
DFC 50 Bonds	50,000	50,000
Trade creditors	177,423	186,429
Accruals and deferred income	699,388	664,319
Social security and other taxes	319,153	237,329
Obligations under finance leases and hire purchase contracts	3,685	5,706
Other creditors	1,583,141	1,276,863
	<u>2,832,790</u>	<u>2,420,646</u>

The DFC 50 Bonds totalling £50,000 (2017: £200,000) are redeemable at any time at the option of the directors.

9. Creditors: amounts falling due after more than one year

	2018	2017
	£	£
Obligations under finance leases and hire purchase contracts	<u>2,797</u>	<u>826</u>

10. Provisions for liabilities

	Stadium rental £
At 1 June 2017	536,391
Charge against provision	<u>24,041</u>
At 31 May 2018	<u>560,432</u>

Under FRS 102, rental amounts payable in relation to leases require to be accounted for on a straight line basis over the full lease term.

The company's stadium lease provides for an annual escalation in rentals payable. With the transition to FRS 102, a transitional adjustment has been needed to reflect additional rental charges for earlier years and this is set out in Note 13. The total of these earlier years' differences has been deferred as a provision.

Each year, the difference between the straight line rental amount and the amount payable per the lease will be charged (where amounts payable are lower) or credited (where amounts payable are higher) to the statement of comprehensive income and adjusted against the provision.

The Dundee Football Club Limited

Notes to the Financial Statements *(continued)*

Year ended 31 May 2018

11. Called up share capital

Issued, called up and fully paid

	2018		2017	
	No.	£	No.	£
Ordinary shares of £0.01 each	133,507,614	1,335,076.14	133,492,800	1,334,928.00
Ordinary A shares of £0.01 each	15,475,300	154,753.00	15,475,300	154,753.00
	<u>148,982,914</u>	<u>1,489,829.14</u>	<u>148,968,100</u>	<u>1,489,681.00</u>

The number of shares outstanding at the year end date for all other classes of shares is consistent with the prior year.

12. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

Share premium account - This reserve records the amount above the nominal value received for shares issued, less transaction costs.

13. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2018	2017
	£	£
Not later than 1 year	129,210	127,332
Later than 1 year and not later than 5 years	334,214	379,160
Later than 5 years	1,359,055	1,452,004
	<u>1,822,479</u>	<u>1,958,496</u>

Included in the above are amounts for the stadium rental (see Note 10). The future payments are split as follows: Not later than 1 year £65,000 (2017 - £60,000); Later than 1 year and not later than 5 years £326,950 (2017 - £299,000) and Later than 5 years £1,359,054 (2017 - £1,452,004).

14. Contingencies

Under the terms of contracts with other football clubs in respect of the transfer of player registrations, additional amounts would be payable by the company if specific future conditions are met, such as a player achieving a specified number of first team competitive appearances. At 31 May 2018, the maximum amount payable which could result from such contract term is £10,000 (2017: £10,000).

15. Events after the end of the reporting period

On the 9th August 2018 the company issued new share capital. 50,982,300 shares were issued at nominal value (£0.01) adding share capital to the value of £509,823. All shares were issued to Football Partners Scotland L.P. and an equivalent amount was written off their loan to the company.

16. Summary audit opinion

The auditor's report for the year dated 19 February 2019 was unqualified.

The senior statutory auditor was Iain McBride MA CA, for and on behalf of FourM Limited.

The Dundee Football Club Limited

Notes to the Financial Statements *(continued)*

Year ended 31 May 2018

17. Related party transactions

Name of related party: Football Partners Scotland L.P. (FPS)

Nature of relationship: FPS is the majority shareholder of The Dundee Football Club Limited (DFC).

The transaction: During the year, FPS advanced further loan funds amounting to £325,965 (2017 - £715,000) to DFC. The full amount outstanding at the year-end is £1,524,251 (2017 - £1,198,286) and is included in Other creditors in the above note 8 - Creditors: amounts falling due within one year. The loan has no set repayment dates and interest is being charged at 1% per year.

Name of related party: Dark Blue Property Holdings Limited (DBPH)

Nature of relationship: DBPH shares two common directors with The Dundee Football Club Limited (DFC).

The transaction: During the year, DBPH advanced loan funds amounting to £140,000 (2017 - £60,000) to DFC and was repaid £172,000 (2017 - £nil). The full amount outstanding at the year-end is £28,000 (2017 - £60,000) and is included in Other creditors in the above note 8 - Creditors: amounts falling due within one year. The loan has no set repayment dates and interest is being charged at 1% per year.

18. Controlling party

At the year end the company was under the control, due to their majority shareholding of 57%, of Football Partners Scotland L.P. This entity is controlled by T. Keyes, a director of the company.