

COMPANY REGISTRATION NUMBER: SC004585

The Dundee Football Club Limited
Filleted Financial Statements
31 May 2020

The Dundee Football Club Limited

Financial Statements

Year ended 31 May 2020

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The Dundee Football Club Limited

Officers and Professional Advisers

The board of directors

Mr R W Hynd
Mr J Nelms
Mr T Keyes
Mr D J Gray (Resigned 28 July 2020)
Mr A McGill (Appointed 28 July 2020)

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

Gilson Gray LLP
11 South Tay Street
Dundee
Scotland
DD1 1NY

The Dundee Football Club Limited

Directors' Responsibilities Statement

Year ended 31 May 2020

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 2020

		2020	2019
	Note	£	£
Fixed assets			
Intangible assets	5	6,667	—
Tangible assets	6	110,567	137,840
		<u>117,234</u>	<u>137,840</u>
Current assets			
Stocks		744	6,043
Debtors	7	432,520	520,329
Cash at bank and in hand		310,193	40,100
		<u>743,457</u>	<u>566,472</u>
Creditors: amounts falling due within one year	8	<u>3,454,992</u>	<u>2,704,769</u>
Net current liabilities		<u>2,711,535</u>	<u>2,138,297</u>
Total assets less current liabilities		(2,594,301)	(2,000,457)
Creditors: amounts falling due after more than one year	9	—	191
Provisions for liabilities			
Other provisions	10	592,013	579,472
Net liabilities		<u>(3,186,314)</u>	<u>(2,580,120)</u>
Capital and reserves			
Called up share capital	11	2,700,204	2,550,000
Share premium account	12	1,930,130	1,877,559
Profit and loss account	12	<u>(7,816,648)</u>	<u>(7,007,679)</u>
Shareholders deficit		<u>(3,186,314)</u>	<u>(2,580,120)</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 Section 1A of 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 28 May 2021 , and are signed on behalf of the board by:

Mr J Nelms

Director

Company registration number: SC004585

The Dundee Football Club Limited

Statement of Changes in Equity

Year ended 31 May 2020

	Called up share capital £	Share premium account £	Profit and loss account £	Total £
At 1 June 2018	1,489,829	1,685,059	(5,182,010)	(2,007,122)
Loss for the year	-----	-----	(1,825,669)	(1,825,669)
Total comprehensive income for the year	—	—	(1,825,669)	(1,825,669)
Issue of shares	1,060,171	192,500	—	1,252,671
Total investments by and distributions to owners	1,060,171	192,500	—	1,252,671
At 31 May 2019	2,550,000	1,877,559	(7,007,679)	(2,580,120)
Loss for the year	-----	-----	(808,969)	(808,969)
Total comprehensive income for the year	—	—	(808,969)	(808,969)
Issue of shares	150,204	52,571	—	202,775
Total investments by and distributions to owners	150,204	52,571	—	202,775
At 31 May 2020	2,700,204	1,930,130	(7,816,648)	(3,186,314)

The Dundee Football Club Limited

Notes to the Financial Statements

Year ended 31 May 2020

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 made a loss for the year of £808,969 (2019 - loss of £1,825,669). At the year-end, there was a deficit of £3,186,314 (2019 - deficit of £2,580,120) of shareholders' funds. In considering the company's ability to continue as a going concern in light of the level of loss and the level of deficit on shareholders' funds, the directors of the company have prepared detailed financial projections covering the period to 31 May 2022. The projections reflect the expected trading results for season 2021/22, which are expected to be an improvement on year end 31 May 2020. These projections have been drawn up on the basis of conservative assumptions as to the league position to be achieved by the football club, attendance levels at matches, and the management of all costs, including expenditure on players. The financial projections prepared anticipate that the company will be able to meet its ongoing financial commitments from funds generated from operations. The company does not have formal funding facilities in place to cover any financial deficits which might occur during the forecast period and it will require to again rely on financial support from the majority shareholder. The board of directors has received an undertaking in writing from the majority shareholder that it will continue to make additional funds available to the company as these funds are required, with the aim of ensuring that the company has sufficient funds available to meet its financial commitments as they fall due for at least the 12 months period from the date of signing these accounts. The directors are satisfied that the majority shareholder has sufficient financial resources to fulfil this undertaking. 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 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
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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.

Government grants

Government grants are recognised using the accrual model. Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

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 59 (2019: 69).

5. Intangible assets

	Player registration £
Cost	
Additions	10,000
At 31 May 2020	10,000
Amortisation	
Charge for the year	3,333
At 31 May 2020	3,333
Carrying amount	
At 31 May 2020	6,667
At 31 May 2019	—

6. Tangible assets

	Tenant's improvements £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 June 2019	149,734	73,835	87,707	25,210	336,486
Additions	—	9,384	2,592	—	11,976
At 31 May 2020	149,734	83,219	90,299	25,210	348,462
Depreciation					
At 1 June 2019	73,551	49,778	65,497	9,820	198,646
Charge for the year	14,973	11,040	9,294	3,942	39,249
At 31 May 2020	88,524	60,818	74,791	13,762	237,895
Carrying amount					
At 31 May 2020	61,210	22,401	15,508	11,448	110,567
At 31 May 2019	76,183	24,057	22,210	15,390	137,840

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:

	Motor vehicles £
At 31 May 2020	4,320
At 31 May 2019	6,480

7. Debtors

	2020 £	2019 £
Trade debtors	24,780	159,573
Prepayments and accrued income	395,454	352,083
Other debtors	12,286	8,673
	432,520	520,329

8. Creditors: amounts falling due within one year

	2020	2019
	£	£
DFC 50 Bonds	50,000	50,000
Trade creditors	156,985	237,138
Accruals and deferred income	251,198	618,218
Social security and other taxes	261,270	218,370
Obligations under finance leases and hire purchase contracts	811	3,022
Other creditors	2,734,728	1,578,021
	<u>3,454,992</u>	<u>2,704,769</u>

The DFC 50 Bonds totalling £50,000 (2019: £50,000) are redeemable at any time at the option of the directors.

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

	2020	2019
	£	£
Obligations under finance leases and hire purchase contracts	—	191
	<u>---</u>	<u>---</u>

10. Provisions for liabilities

	Stadium rental £
At 1 June 2019	579,472
Charge against provision	12,541
	<u>-----</u>
At 31 May 2020	592,013
	<u>-----</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 was needed to reflect additional rental charges for earlier years. The total of these earlier years' differences was 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.

11. Called up share capital**Issued, called up and fully paid**

	2020		2019	
	No.	£	No.	£
Ordinary shares of £ 0.01 each	254,545,093	2,545,451	239,524,714	2,395,247
Ordinary A shares of £ 0.01 each	15,475,300	154,753	15,475,300	154,753
	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>
	270,020,393	2,700,204	255,000,014	2,550,000
	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>

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:

	2020	2019
	£	£
Not later than 1 year	213,287	114,197
Later than 1 year and not later than 5 years	543,380	431,818
Later than 5 years	1,147,804	1,257,654
	<u>1,904,471</u>	<u>1,803,669</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 £78,000 (2019 - £71,000); later than 1 year and not later than 5 years £388,700 (2019 - £356,850) and later than 5 years £1,147,804 (2019 - £1,257,654).

14. Events after the end of the reporting period

After the year end, an additional 229,260 £0.01 ordinary shares were issued on 29 September 2020 and each were taken up at a price of £0.0135 to the value of £3,230. A further 22,222 £0.01 ordinary shares were issued on 03 November 2020 at £0.0135 per share to the value of £300. The post year-end trading activities of the company have been significantly impacted by the Government measures imposed as a response to tackle the Covid 19 Pandemic. Specifically, as a result of fans not being allowed to attend games for the entire season, the company has not enjoyed income from gate receipts or match-day hospitality income and has been denied associated commercial opportunities. These negatives have been mitigated by Government assistance through furlough and other business support grants, as well as significant value compensation following a successful claim under the Business Interruption insurance policy.

15. Summary audit opinion

The auditor's report for the year dated 28 May 2021 was unqualified.

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

16. 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 £978,020 (2019 - £1,248,947) to DFC. The full amount outstanding at the year-end is £2,559,133 (2019 - £1,561,514) 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 £150,000 (2019 - £Nil) to DFC and has repaid £Nil (2019 - £18,200) The full amount outstanding at the year-end is £161,055 (2019 - £9,957) 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.

17. Controlling party

At the year end the company was under the control, due to their majority shareholding of 71% (2019: 75%), of Football Partners Scotland L.P. This entity is controlled by T. Keyes, a director of the company.

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