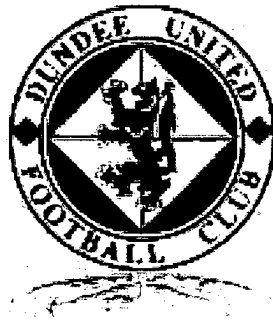
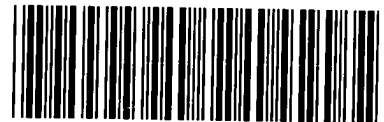


**THE DUNDEE UNITED FOOTBALL COMPANY LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**



WEDNESDAY



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SCT 13/03/2019 #39  
COMPANIES HOUSE

# THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr D K Dorward	(Appointed 15 December 2017)
	Mr J Fyffe	(Appointed 15 December 2017)
	Mr M Ogren	(Appointed 18 December 2018)
	Mr S Ogren	(Appointed 18 December 2018)

**Company number** SC013690

**Registered office** Tannadice Park  
Dundee  
DD3 7JW

**Auditor** Thomson Cooper  
3 Castle Court  
Carnegie Campus  
Dunfermline  
Fife  
KY11 8PB

**Bankers** Santander (Bootle)  
Bridle Road  
Bootle  
Merseyside  
L30 1PH

**Solicitors** Harper MacLeod LLP  
The Ca'd'oro  
45 Gordon Street  
Glasgow  
Lanarkshire  
G1 3PE

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# THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

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# THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 30 JUNE 2018**

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The directors present the strategic report and financial statements for the year ended 30 June 2018.

### Strategy and business model

Dundee United Football Club (the “company” and the “Club”) is committed to be a sustainable and enduring competitor in the top half of the Scottish Premiership, with a philosophy both on and off the field of continuous personal and team development supported by first class facilities, staff, coaching, youth development and Club infrastructure. It aims to be the Club of choice for highly talented players and aspiring youngsters, and through a thriving senior football and academy set-up we will ensure our players are developed to their highest level possible.

### Review of the business

The last 12 months have seen significant changes in the management and ownership of Dundee United. Stephen Thompson, whose family had been majority shareholders in the Club since 2002, stepped down as Chairman in March 2018, being replaced by Mike Martin, and then subsequently sold his 51.8% shareholding to Mike Martin and James Fyfe in July 2018.

In December 2018, following an extensive due diligence process, Mark Ogren acquired the entire shareholdings of Mike Martin and James Fyfe, and he now owns 85.6% of the issued share capital of the company. Mark replaced Mike Martin as Chairman, when he and his son Scott were appointed directors of the company on 18 December 2018.

James Fyfe and David Dorward remain as non-executive directors and provide important continuity and links to the supporter base and local community in Dundee.

Since acquiring a majority shareholding, Mark Ogren has taken immediate steps to form a strong operational Board to manage the Club. This has included the appointment in January 2019 of Malachy Brannigan as Managing Director and Tony Asghar as Sporting Director. Work has now started in restructuring and improving performance across all areas of the Club, with the primary focus on the playing squad, coaching staff, the academy and commercial operations.

While many of the benefits of the new financial investment in the Club and restructuring work being undertaken will not be realised until next season, the short-term focus and vision for everyone at the Club is achieving promotion to the Premiership.

The financial results for the year ended 30 June 2018 show a loss of £218,993 (2017 – loss £1,042,855), which is a significant improvement on the last two years.

During the year the Club benefitted from substantial additional monies relating to sell-on clauses in transfer contracts for players that were sold by Dundee United in previous seasons, most notably Andy Robertson who was sold by Hull City to Liverpool in July 2017, and Stuart Armstrong who was sold by Celtic to Southampton in June 2018. The total profit on the sale of players, including sell-on clauses in historic transfer deals was £1,481,682 (2017 - £482,421).

In February 2018 the Club completed the sale of the property at Gussie Park to Mike Martin for £1,000,000. This deal realised a gain of £438,727 and enabled the repayment of £720,000 of loan funding. The Club has an option to repurchase the property at the same price, and there is a commitment to completing this transaction in 2019, which will bring the property back under the ownership of the Club.

The operating loss for the year, excluding the gain on sale of Gussie Park and income from player transfers, was £2,037,921, which was an increase of £581,936 (40%) on the reported operating loss for the previous year.

Turnover decreased by £310,062 (9%), which mainly relates to reduced match attendance figures and gate receipts in the Club's second season in the Championship. Although average match attendance figures at Tannadice were down by about 16% from the previous season, Dundee United still had the highest average home attendance in the Championship in season 2017/18.

# THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 30 JUNE 2018

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Total wage costs increased by £180,735 (6%), reflecting the investment in the playing squad and coaching staff made by the previous Board.

Administrative expenses increased by £249,029 (21%), excluding the gain on sale of Gussie Park.

The projections for the year to 30 June 2019 are showing a significant operating loss. The continued loss of income from the larger crowds generated for matches against Premiership teams, as well as the significant gap in prize money and commercial opportunities that are available to Clubs in the Premiership, is a substantial financial burden to Dundee United while they remain in the Championship. In addition, the Club benefitted significantly from income from historic player transfers in the year to 30 June 2018 (£1,481,682), and while some profits will be made on player trading in the year to 30 June 2019, they will be substantially reduced.

The Board are determined to address the ongoing operating losses through their commitment to providing the funds and framework within the Club to maximise the team's chances of achieving promotion, and also to provide longer-term financial stability through the creation of new incremental commercial revenue streams, as well as investment in the coaching and academy set-ups to develop top players that will be valuable assets to the Club.

The Board would like to thank all staff for their loyalty and hard work during very difficult and uncertain times at the Club, and together we can make Dundee United successful on and off the pitch once again.

#### Principal risks and uncertainties

Due to the principal activity of the company, the revenues of the business are inherently linked to the on-field performance and success of the football team.

The performance of the team in recent years has led to the company making significant financial losses, which have required substantial investment to maintain the company as a going concern. The principal risk to the business is therefore the possibility of the team remaining in the Championship for a prolonged period of time.

As noted above, the new owners and Board are committed to providing the required funding to the Club to maintain it as a going concern in the Championship, and also to provide the platform to enhance the team's prospects of promotion to the Premiership.

#### Key performance indicators

	2018	2017
SPFL Championship final placing	3rd	3rd
SPFL Challenge Cup final placing	Quarter Final	Winner
Scottish Cup	5th Round	4th Round
Scottish League Cup	2nd Round	Quarter Final
Turnover	£3.2m	£3.5m
Operating Loss	£1.6m	£1.5m
Wages to Turnover Ratio	94%	81%
Financial Year Loss	£0.22m	£1.04m

On behalf of the board



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**Mr M Ogren**  
Director  
5 February 2019

# THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 30 JUNE 2018**

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The directors present their annual report and financial statements for the year ended 30 June 2018.

### Principal activities

The principal activity of the company is the operation of a professional football club within Scottish Professional Football League ("SPFL").

### Directors

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

Mr J M Martin	(Resigned 18 December 2018)
Mr D K Dorward	(Appointed 15 December 2017)
Mr J Fyffe	(Appointed 15 December 2017)
Mr S E Thompson	(Resigned 2 March 2018)
Mr M Ogren	(Appointed 18 December 2018)
Mr S Ogren	(Appointed 18 December 2018)

### Results and dividends

The results for the year are set out on page 8.

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

### Post reporting date events

On 18 December 2018 OPG-4 UK Limited, a company incorporated in the United Kingdom, acquired 85.6% of the ordinary share capital of the company. OPG-4 UK Limited is a 100% subsidiary of OPG-4 Inc. a company incorporated in the United States of America.

On 18 December 2018 OPG-4 UK Limited transferred £2,500,000 to the company to assist with managing the company's working capital requirement.

### Auditor

Thomson Cooper were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

### 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 company and of 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 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 company will continue in business.

# THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 JUNE 2018**

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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.

### **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 company's auditor 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 company's auditor is aware of that information.

On behalf of the board



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**Mr M Ogren**

*Director*

5 February 2019

# THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

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#### Opinion

We have audited the financial statements of The Dundee United Football Company Limited (the 'company') for the year ended 30 June 2018 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of 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 company's affairs as at 30 June 2018 and of its 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

We have nothing to report in respect of the following matters in relation to which the ISA's (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.



# THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

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#### **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 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

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

The financial statements of The Dundee United Football Company Limited for the year ended 30 June 2017 were audited by Condie & Co who expressed an unmodified opinion on those statements on 7 March 2018.

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.



**Sharon Collins (Senior Statutory Auditor)**  
for and on behalf of Thomson Cooper  
Accountants &  
Statutory Auditor

6 February 2019

3 Castle Court  
Carnegie Campus  
Dunfermline  
Fife  
KY11 8PB

# THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 £	2017 £
Turnover	3	3,189,550	3,499,612
Cost of sales		(3,863,119)	(3,838,727)
<b>Gross loss</b>		<b>(673,569)</b>	<b>(339,115)</b>
Administrative expenses		(980,353)	(1,170,051)
Other operating income		54,728	53,181
<b>Operating loss</b>	4	<b>(1,599,194)</b>	<b>(1,455,985)</b>
Interest receivable and similar income	7	19	255
Interest payable and similar expenses	8	(101,500)	(69,546)
Gain on disposal of player registrations	9	1,481,682	482,421
<b>Loss before taxation</b>		<b>(218,993)</b>	<b>(1,042,855)</b>
Tax on loss	10	-	-
<b>Loss for the financial year</b>		<b>(218,993)</b>	<b>(1,042,855)</b>

The Income Statement has been prepared on the basis that all operations are continuing operations.

# THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018

	Notes	2018		2017	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	11		25,818		28,069
Tangible assets	12		4,578,663		4,778,876
Investments	13		1		1
			<u>4,604,482</u>		<u>4,806,946</u>
<b>Current assets</b>					
Stocks	15	3,899		3,587	
Debtors	16	1,113,979		1,274,303	
Cash at bank and in hand		86,986		169,951	
		<u>1,204,864</u>		<u>1,447,841</u>	
<b>Creditors: amounts falling due within one year</b>	17	<u>(3,717,267)</u>		<u>(2,763,939)</u>	
<b>Net current liabilities</b>			<u>(2,512,403)</u>		<u>(1,316,098)</u>
<b>Total assets less current liabilities</b>			2,092,079		3,490,848
<b>Creditors: amounts falling due after more than one year</b>	18		<u>(1,543,562)</u>		<u>(2,707,254)</u>
<b>Net assets</b>			<u>548,517</u>		<u>783,594</u>
<b>Capital and reserves</b>					
Called up share capital	23		9,877		9,876
Share premium account			2,812,180		2,811,851
Equity reserve			-		16,414
Profit and loss reserves			<u>(2,273,540)</u>		<u>(2,054,547)</u>
<b>Total equity</b>			<u>548,517</u>		<u>783,594</u>

The financial statements were approved by the board of directors and authorised for issue on 5 February 2019 and are signed on its behalf by:



Mr M Ogren  
Director

Company Registration No. SC013690

# THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2018

	Notes	Share capital £	Share premium account £	Equity reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 July 2016</b>		9,876	2,811,851	-	(1,011,692)	1,810,035
<b>Year ended 30 June 2017:</b>						
Loss and total comprehensive income for the year		-	-	-	(1,042,855)	(1,042,855)
Issue of convertible loan	20	-	-	16,414	-	16,414
<b>Balance at 30 June 2017</b>		9,876	2,811,851	16,414	(2,054,547)	783,594
<b>Year ended 30 June 2018:</b>						
Loss and total comprehensive income for the year		-	-	-	(218,993)	(218,993)
Issue of share capital	23	1	329	-	-	330
Other movements		-	-	(16,414)	-	(16,414)
<b>Balance at 30 June 2018</b>		9,877	2,812,180	-	(2,273,540)	548,517

# THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 £	£	2017 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	27	(1,828,053)		(1,801,415)	
Interest paid		(107,838)		(63,208)	
Income taxes paid		-		(1,223)	
<b>Net cash outflow from operating activities</b>		<b>(1,935,891)</b>		<b>(1,865,846)</b>	
<b>Investing activities</b>					
Purchase of intangible assets		(26,694)		(59,856)	
Proceeds on disposal of intangibles		1,481,682		714,247	
Purchase of tangible fixed assets		(11,139)		(5,738)	
Proceeds on disposal of tangible fixed assets		438,727		522,077	
Interest received		19		255	
<b>Net cash generated from investing activities</b>		<b>1,882,595</b>		<b>1,170,985</b>	
<b>Financing activities</b>					
Proceeds from issue of shares		330		-	
Issue of convertible loans		-		500,000	
Repayment of convertible loans		(489,924)		-	
Proceeds from borrowings		459,925		240,000	
<b>Net cash (used in)/generated from financing activities</b>		<b>(29,669)</b>		<b>740,000</b>	
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(82,965)</b>		<b>45,139</b>	
Cash and cash equivalents at beginning of year		169,951		124,812	
<b>Cash and cash equivalents at end of year</b>		<b>86,986</b>		<b>169,951</b>	

# THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 30 JUNE 2018**

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### **1 Accounting policies**

#### **Company information**

The Dundee United Football Company Limited is a private company limited by shares incorporated in Scotland. The registered office is Tannadice Park, Dundee, DD3 7JW.

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

#### **1.2 Going concern**

The current and future cash position of the company has been reviewed by the Board. This included a comprehensive review of the cash-flow projections, covering a period beyond one year from the date of approval of the financial statements. The projections make key assumptions around:

- should promotion not be achieved to the SPFL Premiership for season 2019/20 the impact on working capital of the company;
- season ticket revenues and match day income being consistent with operating the company in the SPFL Championship;
- sponsorship and commercial income being consistent with the current period levels;
- contingent receipts on player trading not being recognised;
- overheads and payroll costs being similar to the level incurred in the current period;
- the owner's assurances to provide adequate funding to support the working capital requirement of the company.

The directors acknowledge that the company's liquidity position is reliant on the continued funding from Mark Ogren and without this support a material uncertainty would exist which may cast doubt over the company's ability to continue as a going concern.

After due consideration of the above, including the potential impact of key assumptions not materialising and having received assurances from the owners of the company the Board are satisfied that there is reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Board consider it appropriate to prepare the financial statements on the going concern basis.

#### **1.3 Turnover**

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes. All turnover originates in the United Kingdom.

Season ticket sales are deferred and, together with gate and other matchday revenues, recognised through the football season as games are played. Sponsorship and similar commercial income is recognised over the duration of the respective contracts. The fixed element of broadcasting revenues is recognised over the duration of the football season where facility fees for live coverage or highlights are recognised when earned. Income from commissions is recognised when known with reasonable accuracy. Merit awards are recognised once they are certain.

# THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 30 JUNE 2018**

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### **1 Accounting policies**

#### **1.4 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 cost or value of the asset can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Player registration	Over the term of the players contract
---------------------	---------------------------------------

Amounts paid to third parties for football registrations, football league levies and agent commissions are capitalised as intangible assets and amortised on a straight-line basis over the periods of the individual contracts. Gains or losses on fees receivable from other football clubs on the transfer of players' or manager's registrations are recorded in the profit and loss account in the accounting period in which the transfer takes place.

Where contingencies are contained within those contracts for further payments, these costs are not recognised until it is probable that the events crystallising such payments shall take place. Payments or receipts which are contingent on the performance of the team or players are not recognised until the events crystallising such payments or receipts have taken place. Signing on fees are capitalised as intangible assets and loyalty bonuses are charged to the profit and loss account as incurred. However, future instalments that are contingent on continued service are not recognised until it is probable that the events crystallising such payments shall take place.

#### **1.5 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

In considering the risk of impairment the directors take into account the expected future cash flows to be generated by the company's activities. Given the company's long-term track record in generating significant transfer fees from the identification and developments of its player pool, the directors take into account potential future transfer income in their assessment of impairment.

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:

Stadium Property	2% straight line
Fixtures & fittings	15% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is credited or charged to profit or loss.



# THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 30 JUNE 2018**

---

### **1 Accounting policies**

#### **1.6 Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

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

#### **1.7 Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost comprises purchase price and those overheads that have been incurred in bringing the stocks to their present location and condition.

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

#### **1.8 Cash at bank and in hand**

Cash at bank and in hand 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.

#### **1.9 Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **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.

# THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2018

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#### 1.9 Financial instruments (continued)

##### **Loans and receivables**

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

##### **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.

##### **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 company 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 company after deducting all of its liabilities.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

# THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2018

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#### 1.9 Financial instruments (continued)

##### ***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 company's contractual obligations expire or are discharged or cancelled.

#### 1.10 Compound instruments

The component parts of compound instruments issued by the company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity net of income tax effects and is not subsequently remeasured.

#### 1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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

#### 1.13 Retirement benefits

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

#### 1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

# THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 30 JUNE 2018**

### 1 Accounting policies

#### 1.15 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.

Grants from the Football Grounds Improvement Trust, in respect of capital expenditure, are credited to deferred income in the balance sheet, and are released to the profit and loss account over the expected useful life of the relevant asset in equal annual amounts.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company'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.

#### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### *Impairment of non-financial assets*

Where there are indicators of impairment of individual assets, the company performs impairment tests based on fair value less costs to sell. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset.

### 3 Turnover and other revenue

	2018 £	2017 £
<b>Turnover analysed by class of business</b>		
Football	2,216,356	2,532,783
Commercial	598,349	578,991
Other	374,845	387,838
	<u>3,189,550</u>	<u>3,499,612</u>

# THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

### 3 Turnover and other revenue

	2018 £	2017 £
<b>Other significant revenue</b>		
Interest income	19	255
Grants received	54,728	53,181

	2018 £	2017 £
<b>Turnover analysed by geographical market</b>		
Scotland	3,189,550	3,499,612

### 4 Operating loss

	2018 £	2017 £
Operating loss for the year is stated after charging/(crediting):		
Government grants	(54,728)	(53,181)
Fees payable to the company's auditor for the audit of the company's financial statements	10,939	12,119
Depreciation of owned tangible fixed assets	211,351	270,053
(Profit)/loss on disposal of tangible fixed assets	(438,727)	4,202
Amortisation of intangible assets	28,945	32,196
Cost of stocks recognised as an expense	1,003,162	1,063,090
Operating lease charges	63,424	39,135

During the year the company sold the property at Gussie Park and realised a gain totalling £438,727.

### 5 Employees

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

	2018 Number	2017 Number
Football	51	51
Administration and management	17	17
Ground Staff	4	4
	72	72

# THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

### 5 Employees

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	2,696,833	2,541,093
Social security costs	283,712	268,508
Pension costs	20,791	11,000
	<u>3,001,336</u>	<u>2,820,601</u>
Redundancy payments made or committed	<u>81,900</u>	<u>105,578</u>

### 6 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	73,500	12,978
Compensation for loss of office	23,600	-
	<u>97,100</u>	<u>12,978</u>

Stephen Thomson received £23,600 compensation following the termination of his directors' service contract.

### 7 Interest receivable and similar income

	2018 £	2017 £
Interest income		
Interest on bank deposits	<u>19</u>	<u>255</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>19</u>	<u>255</u>
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### 8 Interest payable and similar expenses

	2018 £	2017 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	67	-
Interest on convertible loan notes	(6,338)	6,338
Other interest on financial liabilities	<u>107,771</u>	<u>63,208</u>
	<u>101,500</u>	<u>69,546</u>

# THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2018

#### 9 Gains on disposals of player registrations

	2018 £	2017 £
Other gains and losses	1,481,682	482,421

The disposal includes values receivable as a result of sell on clauses contained within the players contracts.

#### 10 Taxation

The actual 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:

	2018 £	2017 £
Loss before taxation	(218,993)	(1,042,855)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.00%)	(41,609)	(198,142)
Tax effect of expenses that are not deductible in determining taxable profit	12,496	1,204
Tax effect of income not taxable in determining taxable profit	(10,399)	(10,104)
Gain on sale of Gussie Park not taxable	(83,358)	-
Tax effect of utilisation of tax losses not previously recognised	-	(2,099)
Unutilised tax losses carried forward	89,902	165,725
Permanent capital allowances in excess of depreciation	32,968	43,416
Taxation charge for the year	-	-

#### 11 Intangible fixed assets

	Player registration £
<b>Cost</b>	
At 1 July 2017	45,384
Additions - internally developed	26,694
At 30 June 2018	72,078
<b>Amortisation and impairment</b>	
At 1 July 2017	17,315
Amortisation charged for the year	28,945
At 30 June 2018	46,260
<b>Carrying amount</b>	
At 30 June 2018	25,818
At 30 June 2017	28,069

Amortisation of the players registration is included within cost of sales.

# THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

### 12 Tangible fixed assets

	Stadium Property £	Fixtures & fittings £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 July 2017	8,361,927	1,979,084	48,497	10,389,508
Additions	-	11,139	-	11,139
At 30 June 2018	8,361,927	1,990,223	48,497	10,400,647
<b>Depreciation and impairment</b>				
At 1 July 2017	3,854,817	1,723,528	32,288	5,610,633
Depreciation charged in the year	167,240	40,059	4,052	211,351
At 30 June 2018	4,022,057	1,763,587	36,340	5,821,984
<b>Carrying amount</b>				
At 30 June 2018	4,339,870	226,636	12,157	4,578,663
At 30 June 2017	4,507,110	255,557	16,209	4,778,876

During the year the company sold Gussie Park for a consideration of £1,000,000 before fees. The asset was transferred out of fixed assets during the year to 30 June 2017 and recognised as a current asset during that period included within other debtors.

Loan notes totalling £1,400,000 (2017: £1,900,000) are secured through a fixed charge over the stadium property of the company.

### 13 Fixed asset investments

	2018 £	2017 £
Unlisted investments	1	1

The company has not designated any financial assets that are not classified as financial assets at fair value through profit or loss.

The company holds 1 ordinary share of £1 in the Scottish Professional Football League Limited for which a consideration of £1 was paid. This represents a 2.38% interest in the company.



# THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

### 13 Fixed asset investments (continued)

#### Movements in fixed asset investments

	Investments other than loans £
<b>Cost or valuation</b>	
At 1 July 2017 & 30 June 2018	1
<b>Carrying amount</b>	
At 30 June 2018	1
At 30 June 2017	1

### 14 Financial instruments

	2018 £	2017 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	968,066	971,100
Equity instruments measured at cost less impairment	1	1
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	2,596,143	2,587,577

### 15 Stocks

	2018 £	2017 £
Raw materials and consumables	3,899	3,587

### 16 Debtors

	2018 £	2017 £
<b>Amounts falling due within one year:</b>		
Trade debtors	946,303	449,081
Other debtors	21,763	522,019
Prepayments and accrued income	145,913	303,203
	1,113,979	1,274,303

At the year end the company had trading losses of £7.9m (2017 £7.4m) which are available to utilise against future trading profits. A deferred tax asset has not been recognised in the financial statements as the directors are of the opinion that there is insufficient evidence that the losses will be fully recovered in the foreseeable future.

# THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

### 17 Creditors: amounts falling due within one year

	Notes	2018 £	2017 £
Other borrowings	19	1,910,000	820,000
Trade creditors		542,692	501,376
Other taxation and social security		260,792	286,923
Deferred income	21	860,332	999,363
Other creditors		2,892	55,802
Accruals and deferred income		140,559	100,475
		<u>3,717,267</u>	<u>2,763,939</u>

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

	Notes	2018 £	2017 £
Convertible loans	20	-	489,924
Other borrowings	19	-	620,000
Deferred income	21	1,543,562	1,597,330
		<u>1,543,562</u>	<u>2,707,254</u>

### 19 Loans and overdrafts

	2018 £	2017 £
Other loans	<u>1,910,000</u>	<u>1,440,000</u>
Payable within one year	1,910,000	820,000
Payable after one year	<u>-</u>	<u>620,000</u>

Loan notes of £1,400,000 are secured through a fixed charge over the stadium. They bear an interest rate of 6% and are repayable in various instalments with a final payment in 2019. Where the company does not make a payment on the due date, additional interest of 4 % becomes due on the outstanding amount. The principal amount outstanding will then fall due on the next anniversary of the issue of the loan notes.

# THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

### 20 Convertible loan notes

	2018 £	2017 £
Liability component of convertible loan notes	-	489,924

The net proceeds received from the issue of the convertible loan notes have been split between the financial liability element and an equity component, representing the fair value of the embedded option to convert the financial liability into equity.

The liability component is measured at amortised cost, and the difference between the carrying amount of the liability at the date of issue and the amount reported in the Statement Of Financial Position represents the effective interest rate less interest paid to that date.

The effective rate of interest is 6.17%.

The equity component of the convertible loan notes has been credited to the equity reserve. The loan notes were repaid in full during the year.

### 21 Deferred income

	2018 £	2017 £
Other deferred income	2,403,894	2,596,693
Deferred income is included in the financial statements as follows:		
Current liabilities	860,332	999,363
Non-current liabilities	1,543,562	1,597,330
	2,403,894	2,596,693

Football grounds improvement grants of £1,597,633 (2017: £1,647,745) are included in deferred income and released to the Income Statement at a rate equal to the depreciation rate of the asset to which the grant relates. Amounts falling due within one year are £49,545 (2017: £50,415).

### 22 Retirement benefit schemes

	2018 £	2017 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	20,791	11,000

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

**THE DUNDEE UNITED FOOTBALL COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**23 Share capital**

	2018 £	2017 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
98,770 Ordinary shares of 10p each	9,877	9,876
	<u>9,877</u>	<u>9,876</u>

During the year the company issued 10 ordinary 0.10p shares for a consideration of £330.

**Reconciliation of movements during the year:**

	Number
At 1 July 2017	9,876
Issue of fully paid shares	<u>1</u>
At 30 June 2018	<u>9,877</u>

**24 Events after the reporting date**

On 18 December 2018 OPG-4 UK Limited, a company incorporated in the United Kingdom, acquired 85.6% of the ordinary share capital of the company. OPG-4 UK Limited is a 100% subsidiary of OPG-4 Inc. a company incorporated in the United States of America.

On 18 December 2018 OPG-4 UK Limited transferred £2,500,000 to the company to assist with managing the company's working capital requirement.

**25 Related party transactions**

**Remuneration of key management personnel**

The remuneration of key management personnel is as follows.

	2018 £	2017 £
Aggregate compensation	<u>73,500</u>	<u>12,978</u>

**Transactions with related parties**

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

	Purchase of goods 2018 £	2017 £
Entities under common control at 30 June	<u>53,909</u>	<u>19,379</u>

# THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

### 25 Related party transactions

	Loan received in year		Sale of property	
	2018 £	2017 £	2018 £	2017 £
Entities under common control at 30 June	400,000	-	1,000,000	-
			2018 £	2017 £
Amounts owed to related parties				
Entities under common control at 30 June			180,180	18,514

### 26 Directors' transactions

The director loans are interest free and repayable on demand. The maximum liability during the year was that due at the year-end date.

Description	Opening balance £	Amounts advanced £	Amounts repaid £	Closing balance £
Mr J M Martin	29,844	25,674	(66,066)	(10,548)
Mr J Fyffe	-	150,000	-	150,000
Mr S E Thompson	18,126	47,790	(65,916)	-
	47,970	223,464	(131,982)	139,452
Description	Opening balance £	Amounts advanced £	Amounts repaid £	Closing balance £
Mr D K Dorward	-	50,000	-	50,000
	-	50,000	-	50,000

# THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

### 27 Cash generated from operations

	2018 £	2017 £
Loss for the year after tax	(218,993)	(1,042,855)
<b>Adjustments for:</b>		
Finance costs	101,500	69,546
Investment income	(19)	(255)
(Gain)/loss on disposal of tangible fixed assets	(438,727)	4,202
Amortisation and impairment of intangible assets	28,945	32,196
Depreciation and impairment of tangible fixed assets	211,351	270,053
Gain on sale of players registration	(1,481,682)	(482,421)
<b>Movements in working capital:</b>		
(Increase) in stocks	(312)	-
Decrease/(increase) in debtors	160,324	(661,484)
Increase/(decrease) in creditors	2,359	(39,197)
(Decrease)/increase in deferred income	(192,799)	48,800
<b>Cash absorbed by operations</b>	<u>(1,828,053)</u>	<u>(1,801,415)</u>