

Company Registration No. 07940335 (England and Wales)

PORTSMOUTH COMMUNITY FOOTBALL CLUB LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2021

Approved for and on behalf of the members

3 Acorn Business Centre
Northarbour Road
Cosham
Portsmouth
Hampshire
United Kingdom
PO6 3TH

PORTSMOUTH COMMUNITY FOOTBALL CLUB LIMITED

CONTENTS

	Page
Company information	1
Strategic report	2 - 5
Directors' report	6 - 7
Independent auditor's report	8 - 11
Statement of comprehensive income	12
Balance sheet	13 - 14
Statement of changes in equity	15
Statement of cash flows	16
Notes to the financial statements	17 - 30

PORTSMOUTH COMMUNITY FOOTBALL CLUB LIMITED

COMPANY INFORMATION

Directors	Mr. M Catlin Mr M Eisner Mr E Eisner Mr B Eisner Mr A Eisner Mr A Redman
Company number	07940335
Registered office	Fratton Park Frogmore Road Portsmouth Hampshire United Kingdom PO4 8RA
Auditor	TC Group 3 Acorn Business Centre Northarbour Road Cosham Portsmouth Hampshire United Kingdom PO6 3TH
Bankers	Barclays Bank Plc PO Box 6 Portsmouth Hampshire PO6 3DH
Solicitors	Verisona 1000 Lakeside North Harbour Portsmouth PO6 3EN

PORTSMOUTH COMMUNITY FOOTBALL CLUB LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2021

Football performance

Unfortunately, the 2020-21 season, like the end of the previous season saw fixtures played behind closed doors due to the lockdown restrictions imposed as a result of Covid-19.

In the summer 2020, we had overcome the sudden imposition of new League One salary cap rules to re-sign Lee Brown and Sean Raggett on two-year contracts before the deadline as well as recruiting Michael Jacobs, Callum Johnson, Jordy Hiwula on permanent deals within the new regulations. Loan transfers were also completed during the season for Rasmus Nicolaesen, Cameron Pring, Charlie Daniels, George Byers and Harvey White.

We reached the third round of the FA Cup, losing to Championship club, Bristol City in a tight match at Ashton Gate. We lost to Brighton and Hove Albion of the Premier League in the EFL Cup second round and went out of the Papa John's Cup away to Peterborough.

After a slow start to the league season on the pitch; the team picked up strong momentum to finish the 2020 calendar year as league leaders. Unfortunately, a Covid outbreak within the first team prior to Christmas, resulted in a four week break from league action from which we never recovered the rhythm or momentum and slipped to seventh place in the league. After defeat on penalties in the re-arranged 2020 Papa John's final to Salford, played at Wembley in March behind closed doors, Manager Kenny Jackett left the club after four years.

Danny Cowley was appointed in March as Head Coach on an interim contract until the end of the season where despite a promising start of four successive league wins, we ultimately missed out on a Play-Off spot after a home defeat to Accrington on the final day of the season. Danny was then immediately appointed as the new permanent Head Coach of the club.

Trading performance

We suffered a huge hole in club revenues directly from matches being played behind closed doors as a result of Covid-19 national lockdowns. The lack of fans at the stadium resulted in the loss of circa £6m revenue from gate receipts and other commercial revenues. We also incurred significant extra costs in the form of PPE equipment, additional cleaning costs and significant operational changes, all necessary to enable us to resume football operations, within a safe environment during lockdown and in adherence to EFL protocols.

This lost income was in part offset by national government support via rates relief and furlough which provided £1.2 million during the year. In addition, we received Premier League grants based on lost gate receipts of £1.9 million and we were able to operate ifollow to domestically broadcast all our matches to supporters which contributed £0.9 million.

We achieved a net profit of £9,000 on the transfer of players during the year. The traditional 'EBITDA' (Earnings before Interest Depreciation & Amortisation) showed a £2.1 million loss. The depreciation and amortisation charges of £1.8 million represent non-cash write-downs, which include depreciation on assets acquired when the club came out of administration, and £1.2 million in respect of the write-down of intangible player assets.

Fratton Park re-development project

Following ongoing discussions with Portsmouth City Council building control department, the Heritage & Advisory Board and various supporter organisations, we commenced significant re-development of Fratton Park in June 2021 which is scheduled to be phased over several years. The infrastructure programme work is focussed on the North Stand, South Stand and the Milton End and is designed to enhance the Fratton Park atmosphere loved by our supporters.

PORTSMOUTH COMMUNITY FOOTBALL CLUB LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

Purchase of ROKO Facility

Just before the year-end the club completed the freehold purchase of ROKO training ground including the pitches, health club and outside facilities and it is believed that this is the first time in the club's history that it has owned its own training facility.

Balance sheet

The loss in the year reduced the Balance Sheet to a total of £11 million net assets with net current liabilities of £2.4 million. It should be noted that included within creditors due less than one year on the balance sheet is £1.1 million of deferred income in relation to advance season ticket, hospitality and commercial income which will be released to the profit and loss as games are played during the 2020/21 season and hence will not require repayment.

During the year we increased the spend by £645,000 on the renovation and improvement works on the Fratton Park facilities.

In terms of cash flows, the club recorded a net cash outflow from operating activities before working capital adjustments of £2.1 million for the year ended 30th June 2021.

Ownership

The club drew down £6 million from the Owner's investment fund during the year which surpassed the initial amount by £2 million at the year-end. This sum was converted into share capital in November 2021.

Financial risk management objectives and policies

Principal risks and uncertainties

The principal risk to the business is the performance of the team which may affect revenue obtained from games and sponsorship. The cost base of the business, in common with other football clubs, is relatively fixed in the short-term, hence unfavourable movements in revenue can lead to a significant variation in profits.

The company is aware of this risk and addresses the issue by seeking to strengthen the squad through the development and acquisition of players. It is the aim of the directors to maximise the flexibility of the cost base to deal with unexpected revenue reductions.

Financial risk management

The directors have reviewed the financial risk management objectives and policies of the company. They do not believe there to be significant risks in this area. The company does not enter any hedging instruments as there are not believed to be any material exposures. It does not enter into any financial instruments for speculative purposes.

Appropriate trade terms are negotiated with suppliers and customers. Management review these terms, the relationships with suppliers and customers and manages any exposure on normal trade terms. The company prepares regular forecasts of cash flow and liquidity, with which the directors assess the ongoing cash commitments of the company as part of a strict cash flow management programme.

Liquidity risk and going concern

The directors are satisfied that the company has access to sufficient resources to continue to meet its obligations as they fall due. The financial statements have been prepared on the going concern basis as the directors are satisfied that the company can continue to operate for the foreseeable future.

Details of the assumptions used by the directors in their assessment of the going concern basis, are provided within note 1.2 to the financial statements.

PORTSMOUTH COMMUNITY FOOTBALL CLUB LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

Section 172 Statement

Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders and other matters in their decision-making. The Directors continue to have the highest regard to the interest of the Club's employees, supporters, commercial partners and other stakeholders.

Community

The Club and its award-winning charity partner Pompey in the Community remain at the heart of the community, working to engage with a wide range of supporter demographics through various programmes to promote education, healthy living and sporting participation and achievement among vulnerable and disadvantaged people of all ages.

It was at the heart of a range of community initiatives to tackle short and longer-term effects of the pandemic including delivery of food parcels in conjunction with the first team squad. The programme, which forms part of their wider Covid-19 Community Aid Package, focuses on supporting UK charity partners who are meeting the immediate needs of people, including low-income families, those facing financial hardship, isolated elderly people and key workers.

Club Employees

Employee wellbeing is of the utmost importance to the club an issues highlighted across all industries by the various Covid lockdowns. Throughout this period, we conducted regular staff update calls via ZOOM providing up to date advice and guidance on physical and mental health to all our employees including those diagnosed with Covid-19 via specific wellbeing calls.

During this period, we produced monthly 'Pompey People' staff newsletters communicating important club information to increase engagement and guidance around mental and physical health. We also produced regular video links to fitness classes conducted by our players and scholars. We also set up a link with Solent NHS trust to offer free online mental health and wellbeing courses and counselling sessions and wellness Action Plans where applicable for individual employees.

Supporter Engagement

It was a season like no other in which we had only 4,000 fans inside Fratton Park during the entire season but we remain grateful for our fantastic support and remained in direct contact with our fans via regular online meetings with the Supporters Conference to update on the ever-changing government rules and regulations as well as discussing key club initiatives and priorities.

In addition, we hold quarterly Heritage & Advisory Board Meetings which comprises three members of the Pompey Supporters Trust and three members of The Presidents, which are frequently attended by the Team Manager, to seek their direct input on preserving the club's heritage and other significant club issues.

Business Relationships

The club continues to maintain and develop strong relationships with all our commercial partners via direct engagement for the sustainable growth of the club. We launched a number of initiatives with our main commercial partner; University of Portsmouth, which provided wider benefits across the local community including a new scholarship programme to enable disadvantaged youngsters in the city the opportunity to attend university.

PORTSMOUTH COMMUNITY FOOTBALL CLUB LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

Business relationships (continued)

The club also offered valuable work experience placements to students across all areas of the business resulting in a number of students gaining full time positions once finishing their studies. We also provided opportunities to university media students to manage and deliver our match day big screen production which has been shortlisted for a prestigious sports award.

Both parties benefit greatly from this partnership and we are committed to evolving the partnership for the mutual benefit of the wider community.

Portsmouth Football Club Carbon Footprint Statement

We are committed to becoming a key player on sustainability and energy awareness within the wider footballing community and reduce carbon footprint emissions across all our properties at Fratton Park, Anson Road ticket office & shop, and the training ground.

The carbon footprint at Fratton park contributes to 93.9% of our annual total energy consumption; the training ground 3.7% and the shop and ticket office 2.4%. Overall, the club reports 936K annual kWh usage for the period ending 30 June 2021. It is not practical for the Club to obtain information on total UK emissions (TCO2e), intensity ratios and any comparable information as per the exemption afforded by the SECR framework.

The club's sponsorship partnerships also reinforce our commitment to our becoming more environmentally sustainable. We remain committed to supporting educational school talks and beach litter picks in conjunction with our main partner University of Portsmouth and local sustainability charity Final Straw Solent. We aim via this work to educate the next generation on the importance of re-cycling and being more sustainable to protect our plant, animals and the ocean in the future. In addition, our Fratton end sponsor and energy provider Utlita Energy, launched the EnergyHigh5 campaign, educating and enlightening football fans across the country how making five small household changes which can save money as well as reduce carbon footprint and energy use. We have directly communicated this message to our supporters via our social media and digital marketing platforms.

On behalf of the board

22 March 2022

Mr A Redman
Director

PORTSMOUTH COMMUNITY FOOTBALL CLUB LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2021

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

Principal activities

The principal activity of the company continued to be that of operating a professional football club.

Results and dividends

The company's loss for the year was £3,860,477. The directors do not recommend the payment of a dividend.

Charitable contributions

The company makes donations to registered charities in the form of autographed kit, equipment and other memorabilia as well as providing substantial support to charities own fundraising activities on match days.

Disabled employees

The company actively encourages applications for employment from disabled people where the requirements of the job can be adequately fulfilled by that person. Where existing employees become disabled, it is the company's policy to make reasonable adjustments wherever practicable in order to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Directors

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

Mr. M Catlin

Mr M Eisner

Mr E Eisner

Mr B Eisner

Mr A Eisner

Mr A Redman

Employee involvement

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

PORTSMOUTH COMMUNITY FOOTBALL CLUB LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

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 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.

Auditor

The auditor, TC Group, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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

Mr A Redman
Director

22 March 2022

PORTSMOUTH COMMUNITY FOOTBALL CLUB LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PORTSMOUTH COMMUNITY FOOTBALL CLUB LIMITED

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2021 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

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

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

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

PORTSMOUTH COMMUNITY FOOTBALL CLUB LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF PORTSMOUTH COMMUNITY FOOTBALL CLUB LIMITED

Other information

The directors are responsible for the other information. The other information comprises the information included in the Strategic report and Directors report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

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 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.

PORTSMOUTH COMMUNITY FOOTBALL CLUB LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF PORTSMOUTH COMMUNITY FOOTBALL CLUB LIMITED

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations;
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102 and the Companies Act 2006) and the relevant tax compliance regulations in the UK;
- We considered the nature of the industry, the control environment and business performance, including the key drivers for management's remuneration;
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;
- We considered the procedures and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

PORTSMOUTH COMMUNITY FOOTBALL CLUB LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF PORTSMOUTH COMMUNITY FOOTBALL CLUB LIMITED

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

<https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-re>

. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

James Blake FCA (Senior Statutory Auditor)

For and on behalf of TC Group

Statutory Auditor

22 March 2022

Office: Portsmouth

PORTSMOUTH COMMUNITY FOOTBALL CLUB LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2021

		2021	2020
	Notes	£	£
Turnover	3	7,380,733	11,284,126
Cost of sales		(7,021,310)	(7,946,198)
Gross profit		359,423	3,337,928
Administrative expenses		(3,095,173)	(4,089,505)
Profit on disposal of player registrations		9,106	2,236,360
Other operating income		647,893	581,954
EBITDA	4	(2,078,751)	2,066,737
Depreciation and amortisation		(1,781,726)	(1,806,787)
(Loss)/profit before taxation		(3,860,477)	259,950
Taxation	6	-	-
(Loss)/profit for the financial year		(3,860,477)	259,950
Other comprehensive income		-	-
Total comprehensive income for the year		(3,860,477)	259,950

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

The notes on pages 17 to 30 form part of these financial statements

PORTSMOUTH COMMUNITY FOOTBALL CLUB LIMITED

BALANCE SHEET

AS AT 30 JUNE 2021

		2021	2020
	Notes	£	£
Fixed assets			
Intangible assets	7	966,468	2,045,847
Tangible assets	8	15,221,041	11,992,843
		<u>16,187,509</u>	<u>14,038,690</u>
Current assets			
Stocks	9	6,958	23,685
Debtors	10	994,623	5,924,834
Cash at bank and in hand		1,013,600	3,280,465
		<u>2,015,181</u>	<u>9,228,984</u>
Creditors: amounts falling due within one year	11	<u>(4,435,242)</u>	<u>(5,719,074)</u>
Net current (liabilities)/assets		<u>(2,420,061)</u>	<u>3,509,910</u>
Total assets less current liabilities		<u>13,767,448</u>	<u>17,548,600</u>
Creditors: amounts falling due after more than one year	13	<u>(2,687,443)</u>	<u>(2,608,118)</u>
Net assets		<u><u>11,080,005</u></u>	<u><u>14,940,482</u></u>

PORTSMOUTH COMMUNITY FOOTBALL CLUB LIMITED

BALANCE SHEET (CONTINUED)

AS AT 30 JUNE 2021

		2021		2020	
	Notes	£	£	£	£
Capital and reserves					
Called up share capital	16	10,005,673		10,005,673	
Share premium account		5,667,327		5,667,327	
Profit and loss reserves		(4,592,995)		(732,518)	
Total equity		11,080,005		14,940,482	

The financial statements were approved by the board of directors and authorised for issue on 22 March 2022 and are signed on its behalf by:

Mr A Redman
Director

Company Registration No. 07940335

The notes on pages 17 to 30 form part of these financial statements

PORTSMOUTH COMMUNITY FOOTBALL CLUB LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2021

	Share capital	Share premium account	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 July 2019	10,005,673	5,667,327	(992,468)	14,680,532
Year ended 30 June 2020:				
Profit and total comprehensive income for the year	-	-	259,950	259,950
Balance at 30 June 2020	10,005,673	5,667,327	(732,518)	14,940,482
Year ended 30 June 2021:				
Loss and total comprehensive income for the year	-	-	(3,860,477)	(3,860,477)
Balance at 30 June 2021	10,005,673	5,667,327	(4,592,995)	11,080,005

The notes on pages 17 to 30 form part of these financial statements

PORTSMOUTH COMMUNITY FOOTBALL CLUB LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2021

		2021	2020
	Notes	£	£
Cash flows from operating activities			
Cash absorbed by operations	21	(4,368,816)	(211,450)
Investing activities			
Purchase of intangible assets		(145,990)	(2,323,080)
Proceeds on disposal of intangibles		41,475	2,273,123
Purchase of tangible fixed assets		(3,803,911)	(2,452,105)
Proceeds on disposal of tangible fixed assets		16,503	-
Net cash used in investing activities		(3,891,923)	(2,502,062)
Financing activities			
Funding received from parent company		6,000,000	2,000,000
Payment of finance leases obligations		(6,126)	-
Net cash generated from financing activities		5,993,874	2,000,000
Net decrease in cash and cash equivalents		(2,266,865)	(713,512)
Cash and cash equivalents at beginning of year		3,280,465	3,993,977
Cash and cash equivalents at end of year		1,013,600	3,280,465

The notes on pages 17 to 30 form part of these financial statements

PORTSMOUTH COMMUNITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

Company information

Portsmouth Community Football Club Limited is a private company limited by shares incorporated in England and Wales. The registered office is Fratton Park, Frogmore Road, Portsmouth, Hampshire, United Kingdom, PO4 8RA.

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 on the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

As set out in the Directors' Responsibilities Statement on page 7, in preparing these financial statements the directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Portsmouth Community Football Club Limited ("PCFC") currently has no bank lending facilities in place and operates entirely from its bank current account to meet its commitments as they fall due, receiving further funding from the principal shareholder periodically to assist with working capital and continued investment in PCFC's infrastructure. The profitability of PCFC is dependant on a number of factors both in and out of PCFC's control, but the principal factor is the success of the team.

In assessing the appropriateness of the going concern assumption, PCFC have produced cash flow forecasts that extend to the end of the 2022/23 football season, taking into account several potential scenarios to reflect the inherent uncertainty of changes to PCFC's league position. Within the scenarios forecasted, PCFC acknowledges that further financial resources will be required from the owners, and although such funding is not contracted at this time, the directors believe that sufficient funds will be made available as required.

Based on the cash flow forecasts prepared, and considering the reasonably foreseeable scenarios expected in relation to the ongoing football season and expectation for the subsequent season, together with the availability of further funding from the owners as required, the directors are satisfied that PCFC has sufficient resources to continue to meet its obligations as they fall due. Accordingly, the directors have concluded that it is appropriate for the financial statements to be prepared on the going concern basis.

1.3 Turnover

Turnover represents the total amount receivable from football and related commercial activities, excluding transfer fees receivable, and is stated net of VAT. Income from broadcasting, match days and those elements of commercial activities relating to matches is recognised when the related matches are played. Income from advance ticket sales, including season tickets, is deferred accordingly. Other commercial income is recognised on a receivables basis.

PORTSMOUTH COMMUNITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

1.4 Intangible fixed assets - player registrations

Player costs

The costs associated with acquiring players' registrations or extending their contracts are capitalised as intangible assets and amortised, in equal installments, over the period of the respective players' contracts. Where a contract is renegotiated prior to the expiry of its original term, the net book value at that time, and any new costs relating to the contract extension, are amortised over the remaining revised contract life.

Under the conditions of certain transfer agreements or contract renegotiations, further fees will be payable in the event of the players concerned making a certain number of first-team appearances or on the occurrence of certain other specified future events. Liabilities in respect of these additional transfer fees are accounted for, as provisions, when it becomes probable that the number of appearances will be achieved or the specified future events will occur.

Provision is made for any impairment and player registrations are written down for impairment when the carrying amount exceeds the amount recoverable through use or sale.

Signing on fees are charged evenly to the profit and loss account over the period of the player's contract

Profit or loss on disposal of player's registrations

Profits or losses arising on the disposal of players' contracts are credited or charged to the profit and loss account in the year in the player is sold. They are calculated as the difference arising between the transfer fees receivable and the net book value of the contracts at the time of this disposal. Any excess of net book value of a player's contract over its net realisable value is taken to the profit and loss account as and when it arises.

Amortisation

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:

Negative Goodwill	5 years straight line
Player Registrations	straight line over the period of the contracts
Trademarks	5 years straight line

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.

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

Freehold Property	25 years straight line
Leasehold Property	straight line over the lease term
Other fixed assets	5 years straight line

PORTSMOUTH COMMUNITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

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.

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.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Stocks

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

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

PORTSMOUTH COMMUNITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies (Continued)

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 balance sheet when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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, 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 receipts 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.

1.10 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.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

PORTSMOUTH COMMUNITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

1.11 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.

1.12 Retirement benefits

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

1.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.14 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.

Deferred government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

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.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

PORTSMOUTH COMMUNITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

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.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Depreciation of tangible fixed assets

The company establishes a reliable estimate of the useful life of tangible fixed assets from their acquisition. This estimate is based on the expected use of the assets, any legal, regulatory or contractual provisions that can limit useful and historical evidence of the useful life of similar assets.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2021	2020
	£	£
Turnover		
Football League Basic Award	4,102,588	2,274,676
Ticket sales	144,935	5,410,330
Income from sponsors and partners	712,589	981,089
Hospitality income	58,643	999,011
Players on loan	93,904	94,410
Other football related income	749,091	399,882
Broadcasting and related income	1,376,038	984,327
Other non-football revenues	142,945	140,401
	<hr/>	<hr/>
	7,380,733	11,284,126
	<hr/>	<hr/>

PORTSMOUTH COMMUNITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

4 Loss before taxation

	2021	2020
(loss)/profit for the year is stated after charging/(crediting):	£	£
Exchange gains	(57)	-
Fees payable to the company's auditor for the audit of the company's financial statements	14,375	14,000
Depreciation of owned tangible fixed assets	587,009	557,168
Depreciation of tangible fixed assets held under finance leases	1,718	-
(Profit)/loss on disposal of fixed assets	(825)	-
Amortisation of intangible assets	1,192,999	1,249,619
Profit on disposal of intangible assets	(9,106)	(2,236,360)
Government grants - Income released in respect of deferred capital grants	(61,548)	(61,549)
Government grants - Coronavirus Job Retention Scheme grants	(647,893)	(520,406)
Operating lease charges	56,773	88,173
	=====	=====

5 Employees

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

	2021	2020
	Number	Number
Players	45	46
Office and football management	72	73
	=====	=====
Total	117	119
	=====	=====

In addition the company employed 126 (2020 - 204) casual staff on average, for matchdays.

The aggregate remuneration of all employees comprised:

	2021	2020
	£	£
Wages and salaries	7,048,284	7,182,298
Social security costs	743,569	816,909
Pension costs	68,132	70,324
	=====	=====
	7,859,985	8,069,531
	=====	=====

PORTSMOUTH COMMUNITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

6 Taxation

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

	2021 £	2020 £
(Loss)/profit before taxation	(3,860,477)	259,950
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(733,491)	49,391
Tax effect of expenses that are not deductible in determining taxable profit	47,275	58,824
Tax effect of utilisation of tax losses not previously recognised	-	(108,215)
Increase in unutilised tax losses carried forward	686,216	-
Tax expense for the year	-	-

Factors that may affect future tax charges

The company has approximately circa £7m of tax losses carried forward available for future use. The related deferred tax asset has not been recognised as it does not meet the recognition criteria required by paragraph 29.7 of FRS 102.

7 Intangible fixed assets

	Player Registrations £	Trademarks £	Total £
Cost			
At 1 July 2020	3,818,299	61,871	3,880,170
Additions	139,520	6,470	145,990
Disposals	(996,547)	-	(996,547)
At 30 June 2021	2,961,272	68,341	3,029,613
Amortisation and impairment			
At 1 July 2020	1,817,073	17,251	1,834,324
Amortisation charged for the year	1,143,018	49,981	1,192,999
Disposals	(964,178)	-	(964,178)
At 30 June 2021	1,995,913	67,232	2,063,145
Carrying amount			
At 30 June 2021	965,359	1,109	966,468
At 30 June 2020	2,001,227	44,620	2,045,847

PORTSMOUTH COMMUNITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

8 Tangible fixed assets

	Freehold Property	Leasehold Property	Assets under construction	Other fixed assets	Total
	£	£	£	£	£
Cost					
At 1 July 2020	9,853,201	2,802,999	369,243	2,010,744	15,036,187
Additions	3,645,489	3,865	6,240	177,009	3,832,603
Disposals	-	-	-	(16,503)	(16,503)
Transfers	1,341,196	(1,341,196)	-	-	-
At 30 June 2021	14,839,886	1,465,668	375,483	2,171,250	18,852,287
Depreciation and impairment					
At 1 July 2020	1,583,562	221,224	-	1,238,558	3,043,344
Depreciation charged in the year	395,935	54,710	-	138,082	588,727
Eliminated in respect of disposals	-	-	-	(825)	(825)
Transfers	176,109	(176,109)	-	-	-
At 30 June 2021	2,155,606	99,825	-	1,375,815	3,631,246
Carrying amount					
At 30 June 2021	12,684,280	1,365,843	375,483	795,435	15,221,041
At 30 June 2020	8,269,639	2,581,775	369,243	772,186	11,992,843

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2021	2020
	£	£
Motor vehicles	24,058	-
9 Stocks		
	2021	2020
	£	£
Food and beverage stocks	6,958	23,685

PORTSMOUTH COMMUNITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

10 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	150,952	1,117,274
Amount due from parent undertaking	-	4,000,000
Other debtors	500,228	516,427
Prepayments and accrued income	343,443	291,133
	<u>994,623</u>	<u>5,924,834</u>

11 Creditors: amounts falling due within one year

	Notes	2021	2020
		£	£
Obligations under finance leases	12	3,693	-
Trade creditors		336,837	913,603
Amounts owed to group undertakings		2,000,000	-
Taxation and social security		441,360	1,013,442
Other creditors		589,099	1,948,683
Accruals and deferred income		1,064,253	1,843,346
		<u>4,435,242</u>	<u>5,719,074</u>

On the 17th November 2021 the amounts owed to group undertakings were satisfied following the parent company's investment to subscribe to a further £5,000,000 of shares in the company.

12 Finance lease and hire purchase obligations

	2021	2020
	£	£
Future minimum lease payments due under finance leases and hire purchase contracts:		
Within one year	4,002	-
In two to five years	20,341	-
	<u>24,343</u>	<u>-</u>
Less: future finance charges	(1,777)	-
	<u>22,566</u>	<u>-</u>

Obligations under finance leases are secured creditors, secured on the assets to which they relate.

PORTSMOUTH COMMUNITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

13 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Obligations under finance leases	12	18,873	-
Deferred income		2,546,570	2,608,118
Other creditors		122,000	-
		<u>2,687,443</u>	<u>2,608,118</u>

Deferred income relates to monies the company received towards specified capital expenditure, which qualified to be accounted for as government grants. The income is released to the profit and loss account evenly over the useful life of the assets acquired, to match the depreciation of those specified assets purchased using the proceeds.

14 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (before offset) for financial reporting purposes:

	Liabilities 2021 £	Liabilities 2020 £	Assets 2021 £	Assets 2020 £
Balances:				
Accelerated capital allowances	581,037	458,083	-	-
Tax losses available	-	-	(581,037)	(458,083)
	<u>581,037</u>	<u>458,083</u>	<u>(581,037)</u>	<u>(458,083)</u>

The deferred tax asset arising on the tax losses available for future use has been capped to offset the deferred tax liability arising on the fixed asset timing differences.

15 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	68,132	70,324
	<u>68,132</u>	<u>70,324</u>

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.

PORTSMOUTH COMMUNITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

16 Share capital

	2021	2020	2021	2020
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	10,005,673	10,005,673	10,005,673	10,005,673
Heritage share of 0.0001p each	1	1	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The Ordinary shares, which are held exclusively by Portsmouth FC LLC, carry full voting rights and participation rights over the equity of the company.

The Heritage share, which is held by Pompey Heritage Share Holdco Limited, does not entitle the holder to voting rights in the company, or to receive dividends from the company.

On the 17th November 2021 the principal shareholder subscribed for a further 5,000,000 Ordinary shares of £1 each at par.

17 Financial commitments, guarantees and contingent liabilities

In the event that Portsmouth Football Club should be promoted to the Football Association Premier League prior to 30th June 2023, Portsmouth Community Football Club Limited shall be required to pay further purchase consideration of £3,000,000.

18 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021	2020
	£	£
Within one year	131,104	191,622
Between two and five years	235,785	454,122
In over five years	1,162,427	1,173,664
	<u> </u>	<u> </u>
	<u>1,529,316</u>	<u>1,819,408</u>

PORTSMOUTH COMMUNITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

19 Related party transactions

In accordance with Section 33.1A of FRS 102 the company has taken exemption from disclosing transactions and balances between group undertakings which are wholly owned by members of the group.

In the previous year, the company provided a £300,000 loan to Pompey In The Community, a registered charity in which a director of the company is a trustee. The loan is interest free and does not require repayment until February 2030.

20 Ultimate controlling party

The company is wholly owned by Portsmouth FC LLC, which is wholly owned by The Tornante Company LLC, both Portsmouth FC LLC and The Tornante Company LLC are registered in the United States of America. Mr M. Eisner is considered to be the ultimate controlling party of the company, by virtue of his controlling interest in The Tornante Company LLC.

21 Cash generated from operations

	2021	2020
	£	£
(Loss)/profit for the year after tax	(3,860,477)	259,950
Adjustments for:		
Gain on disposal of tangible fixed assets	(825)	-
Gain on disposal of intangible assets	(9,106)	(2,236,360)
Amortisation and impairment of intangible assets	1,192,999	1,249,619
Depreciation and impairment of tangible fixed assets	588,727	557,168
Movements in working capital:		
Decrease/(increase) in stocks	16,727	(11,663)
Decrease in debtors	930,211	2,494,857
(Decrease) in creditors	(3,165,524)	(2,463,472)
(Decrease) in deferred income	(61,548)	(61,549)
Cash absorbed by operations	(4,368,816)	(211,450)

PORTSMOUTH COMMUNITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

22 Analysis of changes in net funds

	1 July 2020	Cash flows	New finance leases	30 June 2021
	£	£	£	£
Cash at bank and in hand	3,280,465	(2,266,865)	-	1,013,600
Obligations under finance leases	-	6,126	(28,692)	(22,566)
	<u>3,280,465</u>	<u>(2,260,739)</u>	<u>(28,692)</u>	<u>991,034</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.