

HARTLEPOOL UNITED FOOTBALL CLUB LIMITED

**Filleted Annual Report and Unaudited Financial Statements
for the Period from 1 July 2017 to 31 July 2018**

Hartlepool United Football Club Limited

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Hartlepool United Football Club Limited

Company Information

Directors	Mr S Singh Mr I Scobbie
Registered office	Victoria Ground Clarence Road Hartlepool TS24 8BZ
Solicitors	Blacks Solicitors LLP City Point 29 King Street Leeds LS1 2HL
Bankers	Yorkshire Bank 118-120 York Road Hartlepool TS26 9DE

Hartlepool United Football Club Limited

(Registration number: 00098191)

Statement of Financial Position as at 31 July 2018

	Note	31 July 2018 £	30 June 2017 £
Fixed assets			
Tangible assets	<u>5</u>	229,412	223,330
Current assets			
Stocks		24,081	5,282
Debtors	<u>6</u>	488,938	601,113
Cash at bank and in hand		345,222	95,837
		<u>858,241</u>	<u>702,232</u>
Creditors: Amounts falling due within one year	<u>7</u>	<u>(1,107,902)</u>	<u>(1,887,584)</u>
Net current liabilities		<u>(249,661)</u>	<u>(1,185,352)</u>
Total assets less current liabilities		(20,249)	(962,022)
Creditors: Amounts falling due after more than one year	<u>7</u>	<u>(1,146,984)</u>	<u>(15,323)</u>
Net liabilities		<u>(1,167,233)</u>	<u>(977,345)</u>
Capital and reserves			
Called up share capital		3,501,121	3,501,121
Profit and loss account		(6,065,535)	(4,478,466)
Capital contribution reserve		1,397,181	-
Total equity		<u>(1,167,233)</u>	<u>(977,345)</u>

For the financial period ending 31 July 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies' regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies' regime and the option not to file the Income Statement has been taken.

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

Hartlepool United Football Club Limited

(Registration number: 00098191)

Statement of Financial Position as at 31 July 2018 (continued)

Approved and authorised by the Board on 18 April 2019 and signed on its behalf by:

.....

Mr S Singh

Director

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

Hartlepool United Football Club Limited

Statement of Changes in Equity for the Period from 1 July 2017 to 31 July 2018

	Share capital £	Profit and loss account £	Total £
At 1 July 2016	3,501,121	(3,548,170)	(47,049)
Loss for the period	-	(930,296)	(930,296)
Total comprehensive income	-	(930,296)	(930,296)
At 30 June 2017	3,501,121	(4,478,466)	(977,345)

	Share capital £	Capital contribution reserve £	Profit and loss account £	Total £
At 1 July 2017	3,501,121	-	(4,478,466)	(977,345)
Loss for the period	-	-	(1,587,069)	(1,587,069)
Total comprehensive income	-	-	(1,587,069)	(1,587,069)
Other capital contribution reserve movements	-	1,397,181	-	1,397,181
At 31 July 2018	3,501,121	1,397,181	(6,065,535)	(1,167,233)

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

Hartlepool United Football Club Limited

Notes to the Financial Statements for the Period from 1 July 2017 to 31 July 2018

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is Victoria Ground, Clarence Road, Hartlepool, TS24 8BZ.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

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

Going concern

At the period end the company had net current liabilities of £249,661 (2017: £1,185,352) and net liabilities of £1,167,233 (2017: £977,345). The going concern basis of the company depends on continued financial support from Clarence 18 Limited, the immediate parent undertaking, which has undertaken to provide financial support to the company to the extent necessary for a period of at least the next 12 months.

Revenue recognition

Turnover is stated exclusive of value added tax. Gate receipts and other match day income are recognised on receipt. Season ticket sales, Football League distributions and sponsorship income are recognised equally across the football season. Transfer fees are recognised on the date of execution of the transfer, unless they are contingent in which case they are recognised upon achievement of the contingent event.

Players' contracts

The cost associated with the acquisition of players' registrations are capitalised as intangible fixed assets. The costs are amortised fully over the contract period. Permanent diminution in value below the amortised value, such as through injury or loss of form, is provided for when management become aware that the diminution is permanent.

Hartlepool United Football Club Limited

Notes to the Financial Statements for the Period from 1 July 2017 to 31 July 2018 (continued)

2 Accounting policies (continued)

Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the profit and loss account over the expected useful lives of the assets concerned. Other grants are credited to the profit and loss account as the related expenditure is incurred.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Stands, turnstiles and fixtures	10% on reducing balance
Leasehold improvements	10% on cost
Fixtures and fittings	15% on reducing balance
Motor vehicles	25% on cost

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

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

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.

Hartlepool United Football Club Limited

Notes to the Financial Statements for the Period from 1 July 2017 to 31 July 2018 (continued)

2 Accounting policies (continued)

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

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.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Staff numbers

The average number of persons employed by the company (including directors) during the period, was 128 (year ended 30 June 2017 - 128).

Hartlepool United Football Club Limited

Notes to the Financial Statements for the Period from 1 July 2017 to 31 July 2018 (continued)

4 Intangible assets

	Player registrations £
Cost or valuation	
At 1 July 2017	93,750
Disposals	<u>(93,750)</u>
At 31 July 2018	<u>-</u>
Amortisation	
At 1 July 2017	93,750
Amortisation eliminated on disposals	<u>(93,750)</u>
At 31 July 2018	<u>-</u>
Carrying amount	
At 31 July 2018	<u><u>-</u></u>
At 30 June 2017	<u><u>-</u></u>

Hartlepool United Football Club Limited

Notes to the Financial Statements for the Period from 1 July 2017 to 31 July 2018 (continued)

5 Tangible assets

	Land and buildings £	Fixtures and fittings £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation					
At 1 July 2017	594,358	449,023	3,627,063	84,679	4,755,123
Additions	30,650	8,918	4,034	-	43,602
At 31 July 2018	625,008	457,941	3,631,097	84,679	4,798,725
Depreciation					
At 1 July 2017	563,708	360,184	3,526,190	81,711	4,531,793
Charge for the period	8,030	15,146	11,376	2,968	37,520
At 31 July 2018	571,738	375,330	3,537,566	84,679	4,569,313
Carrying amount					
At 31 July 2018	53,270	82,611	93,531	-	229,412
At 30 June 2017	30,650	88,839	100,873	2,968	223,330

Hartlepool United Football Club Limited

Notes to the Financial Statements for the Period from 1 July 2017 to 31 July 2018 (continued)

6 Debtors

	Note	31 July 2018 £	30 June 2017 £
Trade debtors		155,669	169,244
Amounts owed by group undertakings	<u>9</u>	-	334,991
Prepayments		179,719	-
Other debtors		153,550	96,878
		<u>488,938</u>	<u>601,113</u>

7 Creditors

Creditors: amounts falling due within one year

	Note	31 July 2018 £	30 June 2017 £
Due within one year			
Trade creditors		260,951	45,099
Amounts owed to group undertakings	<u>9</u>	-	1,142,313
Taxation and social security		168,539	215,556
Accruals and deferred income		512,491	-
Other creditors		165,921	484,616
		<u>1,107,902</u>	<u>1,887,584</u>

Creditors: amounts falling due after more than one year

		31 July 2018 £	30 June 2017 £
Due after one year			
Government grants		13,549	15,323
Amounts owed to group undertakings		848,435	-
Other creditors		285,000	-
		<u>1,146,984</u>	<u>15,323</u>

The company received government grants of £46,558 to purchase certain equipment. The income has been deferred and continues to be released over the useful economic life of the equipment purchased. Amounts totalling £4,774 (year ended 30 June 2017: £4,676) were released to the income statement in the period.

Hartlepool United Football Club Limited

Notes to the Financial Statements for the Period from 1 July 2017 to 31 July 2018 (continued)

8 Financial commitments, guarantees and contingencies

Amounts not provided for in the statement of financial position

The total amount of financial commitments not included in the statement of financial position is £882,000 (30 June 2017 - £900,000). The above represents amount due under an operating lease.

9 Related party transactions

Summary of transactions with parent

During the period Clarence 18 Limited, the company's immediate parent undertaking, provided loans and paid expenses to the value of £848,435 on behalf of the company. The full amount remained outstanding at the period end. During the period the former shareholders of the business, Sage Investments Limited, consolidated the amounts owed to it by the company totalling £1,727,181 into a formal loan agreement. The repayment of the loan in terms of timing and amount is dependent upon the on-field success of the football team. The directors have calculated the fair value of the likely amounts payable under the agreement and have reflected a total liability of £330,000 at the year end. The balance of £1,397,181 has been treated as a capital contribution from the previous shareholders and is shown in equity.

At 30 June 2017, the company was owed £334,991 by companies controlled by former shareholders, and owed £1,142,313 to companies controlled by former shareholders.

10 Parent and ultimate parent undertaking

The company's immediate parent is Clarence 18 Limited, its ultimate parent is Prestige Group Investments Limited. The ultimate controlling party is Mr S Singh.

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.