

The Dundee Football Club Limited
Filleted Financial Statements
31 May 2021

FOURM LIMITED

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

The Dundee Football Club Limited

Financial Statements

Year ended 31 May 2021

Contents	Page
Officers and professional advisers	1
Directors' responsibilities statement	2
Statement of financial position	3
Statement of changes in equity	5
Notes to the financial statements	6

The Dundee Football Club Limited

Officers and Professional Advisers

The board of directors	Mr R W Hynd Mr J Nelms Mr T Keyes Mr D J Gray (Resigned 28 July 2020) Mr A McGill (Appointed 28 July 2020)
Registered office	Dens Park Stadium Sandeman Street Dundee Scotland DD3 7JY
Auditor	FourM Limited Chartered Accountants & Statutory Auditor Stannergate House 41 Dundee Road West Broughty Ferry Dundee DD5 1NB
Bankers	Barclays Bank plc 24 High Street Dundee DD1 1SZ
Solicitors	Gilson Gray LLP 11 South Tay Street Dundee Scotland DD1 1NY

The Dundee Football Club Limited

Directors' Responsibilities Statement

Year ended 31 May 2021

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

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

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

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

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

The Dundee Football Club Limited

Statement of Financial Position

31 May 2021

		2021		2020
	Note	£	£	(restated) £
Fixed assets				
Intangible assets	5		3,333	6,667
Tangible assets	6		76,433	110,567
			<u>79,766</u>	<u>117,234</u>
Current assets				
Stocks		–		744
Debtors	7	497,281		432,520
Cash at bank and in hand		507,509		310,193
		<u>1,004,790</u>		<u>743,457</u>
Creditors: amounts falling due within one year	8	<u>2,968,473</u>		<u>2,846,354</u>
Net current liabilities			<u>1,963,683</u>	<u>2,102,897</u>
Total assets less current liabilities			<u>(1,883,917)</u>	<u>(1,985,663)</u>
Provisions for liabilities				
Other provisions	9		615,951	592,013
Net liabilities			<u>(2,499,868)</u>	<u>(2,577,676)</u>
Capital and reserves				
Called up share capital	11		3,153,661	3,151,047
Share premium account	12		2,088,840	2,087,925
Profit and loss account	12		(7,742,369)	(7,816,648)
Shareholders deficit			<u>(2,499,868)</u>	<u>(2,577,676)</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

The statement of financial position
continues on the following page.

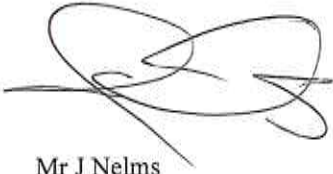
The notes on pages 6 to 12 form part of these financial statements.

The Dundee Football Club Limited

Statement of Financial Position *(continued)*

31 May 2021

These financial statements were approved by the board of directors and authorised for issue on 7 April 2022, and are signed on behalf of the board by:



Mr J Nelms
Director

Company registration number: SC004585

The notes on pages 6 to 12 form part of these financial statements.

The Dundee Football Club Limited

Statement of Changes in Equity

Year ended 31 May 2021

	Called up share capital £	Share premium account £	Profit and loss account £	Total £
At 1 June 2019	2,550,000	1,877,559	(7,007,679)	(2,580,120)
Loss for the year			(808,969)	(808,969)
Total comprehensive income for the year	–	–	(808,969)	(808,969)
Issue of shares	601,047	210,366	–	811,413
Total investments by and distributions to owners	601,047	210,366	–	811,413
At 31 May 2020	3,151,047	2,087,925	(7,816,648)	(2,577,676)
Profit for the year			74,279	74,279
Total comprehensive income for the year	–	–	74,279	74,279
Issue of shares	2,614	915	–	3,529
Total investments by and distributions to owners	2,614	915	–	3,529
At 31 May 2021	<u>3,153,661</u>	<u>2,088,840</u>	<u>(7,742,369)</u>	<u>(2,499,868)</u>

The notes on pages 6 to 12 form part of these financial statements.

The Dundee Football Club Limited

Notes to the Financial Statements

Year ended 31 May 2021

1. General information

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

2. Statement of compliance

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

3. Accounting policies

Basis of preparation

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

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

Going concern

The company has made a profit for the year of £74,279 (2020 - loss of £808,969). At the year-end, there was a deficit of £2,499,868 (2020 - deficit (restated) of £2,577,676) of shareholders' funds.

In considering the company's ability to continue as a going concern in relation to the continuing significant level of deficit on shareholders' funds, the directors of the company has considered interim financial statements and detailed financial projections prepared covering the period to 31 May 2022, as well as further financial projections covering the year to 31 May 2023. The projections reflect the expected trading results for season 2021/22 as well as for season 2022/23, which are expected to be worse than the results reported for year end 31 May 2021. These projections have been drawn up on the basis of conservative assumptions as to the league position to be achieved by the football club, attendance levels at matches, and the management of all costs, including expenditure on players costs. The financial projections which have been prepared anticipate that the company will be able to meet its ongoing financial commitments from funds generated from operations.

As the company does not have formal funding facilities in place to cover any financial deficits which might occur during the forecast period, the directors recognise that the company might again require to obtain further financial support from the company's majority shareholder, Football Partners Scotland L.P. The board of directors has received an undertaking in writing from Football Partners Scotland L.P. that it will continue to make additional funds available to the company in situations where these funds are required, with the aim of ensuring that the company has sufficient funds available to meet its financial commitments as they fall due and that this undertaking is given for at least the 12 months period from the date of signing these financial statements. The directors are satisfied that Football Partners Scotland L.P. has sufficient financial resources to fulfill this undertaking.

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

The Dundee Football Club Limited

Notes to the Financial Statements *(continued)*

Year ended 31 May 2021

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty

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

Revenue recognition

Turnover comprises amounts invoiced or received by the company in respect of season ticket sales, gate receipts, donations and other commercial income, exclusive of Value Added Tax. Season ticket and commercial income sales which relate to the next football season starting after the year end date are deferred and recognised in the following year. Turnover also includes amounts receivable for the year in relation to insurance compensation for business interruption due to Covid 19.

Other Operating income reflects Government grant support related to Covid 19.

Operating leases

Operating lease rentals require to be accounted for on a straight line basis over the full lease term. Where there is a difference between the rental amounts accounted for on that basis and the rentals actually paid per the terms of the lease, then the difference is charged or credited to the statement of comprehensive income and adjusted against the provision (see note 13).

Amortisation

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

Player registration - Straight line over length of contract

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

Tangible assets

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

Depreciation

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

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

The Dundee Football Club Limited

Notes to the Financial Statements *(continued)*

Year ended 31 May 2021

3. Accounting policies *(continued)*

Impairment of fixed assets

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

Stocks

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

Finance leases and hire purchase contracts

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

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

Government grants

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

Provisions

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

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

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

The Dundee Football Club Limited

Notes to the Financial Statements *(continued)*

Year ended 31 May 2021

3. Accounting policies *(continued)*

Financial instruments

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

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

Debt instruments are subsequently measured at amortised cost.

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

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

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

Pension cost

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

4. Employee numbers

The average number of persons employed by the company during the year amounted to 43 (2020: 59).

5. Intangible assets

	Player registration £
Cost	
At 1 June 2020 (as restated) and 31 May 2021	10,000
Amortisation	
At 1 June 2020	3,333
Charge for the year	3,334
At 31 May 2021	6,667
Carrying amount	
At 31 May 2021	3,333
At 31 May 2020	6,667

The Dundee Football Club Limited

Notes to the Financial Statements *(continued)*

Year ended 31 May 2021

6. Tangible assets

	Tenant's improvements £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 June 2020 (as restated) and 31 May 2021	<u>149,734</u>	<u>83,219</u>	<u>90,299</u>	<u>25,210</u>	<u>348,462</u>
Depreciation					
At 1 June 2020	88,524	60,817	74,792	13,762	237,895
Charge for the year	<u>14,974</u>	<u>7,252</u>	<u>7,966</u>	<u>3,942</u>	<u>34,134</u>
At 31 May 2021	<u>103,498</u>	<u>68,069</u>	<u>82,758</u>	<u>17,704</u>	<u>272,029</u>
Carrying amount					
At 31 May 2021	<u>46,236</u>	<u>15,150</u>	<u>7,541</u>	<u>7,506</u>	<u>76,433</u>
At 31 May 2020	<u>61,210</u>	<u>22,402</u>	<u>15,507</u>	<u>11,448</u>	<u>110,567</u>

7. Debtors

	2021 £	2020 <i>(restated)</i> £
Trade debtors	32,280	24,780
Prepayments and accrued income	456,518	395,454
Other debtors	8,483	12,286
	<u>497,281</u>	<u>432,520</u>

8. Creditors: amounts falling due within one year

	2021 £	2020 <i>(restated)</i> £
DFC 50 Bonds	50,000	50,000
Trade creditors	291,411	156,985
Accruals and deferred income	359,754	251,198
Social security and other taxes	120,162	261,270
Obligations under finance leases and hire purchase contracts	–	811
Other creditors	2,147,146	2,126,090
	<u>2,968,473</u>	<u>2,846,354</u>

The DFC 50 Bonds totalling £50,000 (2020: £50,000) are redeemable at any time at the option of the directors.

The Dundee Football Club Limited

Notes to the Financial Statements *(continued)*

Year ended 31 May 2021

9. Provisions for liabilities

	Stadium rental £
At 1 June 2020 (as restated)	592,013
Charge against provision	<u>23,938</u>
At 31 May 2021	<u>615,951</u>

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

The company's stadium lease provides for an annual escalation in rentals payable. With the transition to FRS 102, a transitional adjustment was needed to reflect additional rental charges for earlier years. The total of these earlier years' differences was deferred as a provision.

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

10. Prior period adjustment

On 8 February 2020, 45,084,253 Ordinary shares of £0.01 were allotted at par plus a premium of £0.0035 per share, for a total consideration of £608,637. The shares were subscribed the company's majority shareholder, Football Partners Scotland L.P., and the consideration was met by reducing the company's indebtedness to Football Partners Scotland L.P. by £608,637. The share issue and the corresponding reduction in the balance due by the company were not reflected in the accounts to 31 May 2020 by reason of an error of omission. Had the accounts reflected this transaction, the net deficit on the Statement of financial position would have been £2,577,676 and not £3,186,314 as reported. The comparative amounts in these accounts have been re-stated to correct this.

11. Called up share capital

Issued, called up and fully paid

	2021		2020 <i>(restated)</i>	
	No.	£	No.	£
Ordinary shares of £0.01 each	299,890,828	2,998,908	299,629,346	2,996,293
Ordinary A shares of £0.01 each	<u>15,475,300</u>	<u>154,753</u>	<u>15,475,300</u>	<u>154,753</u>
	<u>315,366,128</u>	<u>3,153,661</u>	<u>315,104,646</u>	<u>3,151,046</u>

12. Reserves

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

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

The Dundee Football Club Limited

Notes to the Financial Statements *(continued)*

Year ended 31 May 2021

13. Operating leases

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

	2021	2020 <i>(restated)</i>
	£	£
Not later than 1 year	207,831	213,287
Later than 1 year and not later than 5 years	445,477	543,380
Later than 5 years	1,026,969	1,147,804
	<u>1,680,277</u>	<u>1,904,471</u>

Included in the above are amounts for the stadium rental (see Note 10). The future payments are split as follows: Not later than 1 year £84,500 (2020 - £78,000); later than 1 year and not later than 5 years £425,035 (2020 - £388,700) and later than 5 years £1,026,969 (2020 - £1,147,804).

14. Summary audit opinion

The auditor's report for the year dated 7 April 2022 was unqualified.

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

15. Related party transactions

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

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

The transaction: During the year, FPS advanced further loan funds amounting to £Nil (2020 - £978,020) to DFC. The full amount outstanding at the year-end is £1,971,949 (2020 - £1,950,196) and is included in Other creditors in the above note 12 - Creditors: amounts falling due within one year. The loan has no set repayment dates and interest is being charged at 1% per year.

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

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

The transaction: During the year, DBPH advanced loan funds amounting to £Nil (2020 - £150,000) to DFC and has repaid £Nil (2020 - £Nil) The full amount outstanding at the year-end is £160,737 (2020 - £161,055) and is included in Other creditors in the above note 12 - Creditors: amounts falling due within one year. The loan has no set repayment dates and interest is being charged at 1% per year.

Name of related party: Ashton McGill Limited

Nature of relationship: Ashton McGill shares a common director with The Dundee Football Club Limited (DFC).

The transaction: During the year, Ashton McGill charged DFC fees amounting to £13,500 (2020 - £5,700).

16. Controlling party

At the year end the company was under the control, due to their majority shareholding of 75% (2020: 75%), of Football Partners Scotland L.P. This entity is controlled by T. Keyes, a director of the company.
