

Company Registration No. SC013690 (Scotland)

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021



THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

COMPANY INFORMATION

Directors Mr D K Dorward MBE
Mr J Fyffe
Mr M Ogren
Mr S Ogren

Company number SC013690

Registered office Tannadice Park
Dundee
DD3 7JW

Auditor Thomson Cooper
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Carnegie Campus
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KY11 8PB

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Bridle Road
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L30 4GB

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

CONTENTS

| | Page |
|-----------------------------------|---------|
| Strategic report | 1 - 4 |
| Directors' report | 5 - 6 |
| Independent auditor's report | 7 - 9 |
| Profit and Loss Account | 10 |
| Balance Sheet | 11 |
| Statement of changes in equity | 12 |
| Statement of cash flows | 13 |
| Notes to the financial statements | 14 - 28 |

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2021

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

Strategy and Business Model

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

Review of the Business

The financial year ended 30 June 2021 was significantly affected by the Covid-19 global pandemic, and the sustained widespread restrictions that were imposed by the Scottish Government on society and business operations. These restrictions hit Scottish football particularly hard with all matches during the 2020/21 season being played behind closed doors with no supporters in attendance.

As well as the serious financial impact this had on the Club, it also had a major impact on the football department, with the players and coaching staff missing the important and influential backing of our supporters during the matches. While the extent of the financial impact can be measured reasonably accurately, the negative effect of playing in empty stadiums is difficult to gauge, however there were certainly many key moments during the season where we know that the team would have benefited from the backing of our supporters.

The loyalty of the fans in renewing season tickets, buying hospitality packages and making donations, despite all the uncertainties about whether fans would be in the stadium for matches, has enabled the Club to continue operating during these very challenging and uncertain times, and the Board would like to thank every supporter for their contribution.

Our first season back in the Premiership, under a new coaching team headed by Micky Mellon, was successful in that we consolidated our place in the top flight, however there was disappointment in missing out on a top-six place by only one point after spending most of the season in the top half of the league.

The team enjoyed a productive Scottish Cup run, including a memorable 3-0 victory at Pittodrie against Aberdeen in the Quarter-Finals. It was very disappointing for everyone at the Club that the fans were not able to enjoy a trip to Hampden for the Semi-Final match against Hibernian, and their support was definitely missed by the players on the day.

Micky Mellon parted company with the Club at the end of the season, and Tam Courts was promoted from his position within Our Academy to First Team Manager in July 2021. The strategy within the Club is to recruit and identify players (whether through Our Academy or robust and diligent recruitment) and develop them for success in the first team and potentially increase their value by utilising innovative and modern coaching methodology and leadership. Through our detailed appraisal of the candidates for the position of First Team Manager, it was clear that we had an exceptional candidate already within the Club who had carried out the role of Head of Tactical Performance for Our Academy and the development squad, as well as working with the first team in opposition analysis and game model development. When Tam took the reins of the first team against Livingston during a time when the coaching staff were self-isolating, it was clear that the players and staff were advocates that Tam would be a future head coach. When the role became available he was the outstanding candidate who was interviewed by the Board. Tam's remit is to continue with the Club's key vision of developing home grown players for the first team as well as cultivating a long-term game model across all teams and age groups within the Club, with the primary objective of attaining a regular top six Premiership league position.

Turning to the financial results for the year ended 30 June 2021, the Statement of Comprehensive Income shows an Operating Loss of £2.3m, which is a reduction of £0.9m on the 2020 Operating Loss of £3.2m. Given that the impact of Covid-19 on match day and non-match day revenues was an estimated £4.2m in lost income and £3.7m in increased net operating loss, the Board are pleased that these Covid-19 related losses were able to be substantially mitigated through a business interruption claim under the company's insurance policy, use of the UK Government Job Retention Scheme for non-first team staff, significant donations received from supporters, and Club staff and players agreeing to temporary wage cuts.

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

The Club has been working closely with our insurers to progress a claim under our business interruption policy, and we have received a total of £1.9m to date, with the £1.5m payment received after the financial year end being accrued at 30 June 2021. The claim process is still ongoing, and although the amount and timing of any future payments is uncertain, we are expecting to recoup further losses incurred, including those relating to matches at the start of the 2021/22 season when crowd restrictions were still in place.

The severe impact of Covid-19 on the Club's cashflow was also eased by the Scottish Government providing the Club with a debt facility of £2.8m in February 2021. This loan is interest free and repayable over 21 years, with an 18 month payment holiday.

The loyalty of our fans was again demonstrated with their commitment to buying season tickets for the 2020/21 season despite not knowing if they would be able to attend the matches. These season tickets were sold with the guarantee of credits for matches played behind closed doors, with the credits being able to be used against season ticket renewals for the 2021/22 season. As it turned out, fans were unable to attend any matches, and were therefore due credits equating to 17/19 of what they had paid for their season ticket. These credits, totalling £1.1m, have been provided for in full in these accounts. The Board are delighted to report that the vast majority of season ticket holders chose to waive their right to credits when renewing for the 2021/22 season, and donated the money to the Club. These donations, totalling £1.0m will therefore be reflected as income in the accounts for the year to 30 June 2022.

With no fans being able to attend matches, the loss of income from match tickets, hospitality and other matchday related revenues amounted to an estimated total of £2.3m over the season.

The Club received £1.5m in prize money from the SPFL for our 9th place finish, and there was also £0.4m of prize money and broadcasting fees earned for reaching the Semi-Final of the Scottish Cup.

The Board were pleased with the continued support of our main sponsors and commercial partners, with Utilita, J.F. Kegs, Norman Jamieson, Paint-Tec and Newtyle Commercials all continuing as kit sponsors. We were also delighted to welcome Eden Mill as a new sponsor for 2020/21, and as they have now become the Club's main kit sponsor for the 2021/22 season, we look forward to continuing this partner relationship for many years.

Our retail shop was another area of the Club that was adversely affected by Covid-19, with no matchday sales income. Investment has been made in improving the online shopping experience and we have now seen a significant increase in online sales.

The player trading market was very subdued during 2020/21 as a direct result of Covid-19 on football clubs, particularly those clubs in leagues where matchday revenues make up a large percentage of their total income. This, combined with the Board's commitment to the continued development of players for the benefit of our first team squad, meant that there was no significant transfer fee income during the year, with the £0.1m of income received relating to add-on payments from previous player transfers.

The Board were extremely grateful to a number of supporters who made significant cash donations to the Club during the year, and we also received a donation of £0.1m from the Dundee United Supporters Foundation. The money from the DUSF is part of a commitment from the Club to develop and enhance the facilities at Gussie Park for Our Academy and Dundee United Community Trust. While this project was put on hold in 2020 due to the constraints that the Club was operating under, the Board have now committed to pushing ahead with this development and some of the work started in December 2021.

Total wages increased by £0.3m (7%) on the previous year, which reflects the net effect of increased player contracts in the Premiership and cost savings made from staff and players agreeing to take temporary wage cuts during the year to help the Club during the challenging period when no substantial income was coming in.

The significant investment in Our Academy continued during 2021 notwithstanding the challenges imposed by the Covid-19 restrictions, and our Project Brave Elite status was maintained. The Board made the decision to continue providing the required funding to Our Academy despite the loss of substantial income to the Club, and no significant cut-backs were made in this area. The Board continues to view Our Academy as the fundamental pillar of the Club's future success and we are very excited at the high quality of young players now becoming available for the first team.

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

Archie Meekison, Chris Mochrie, Lewis Neilson, Kai Fotheringham, Darren Watson and Flynn Duffy have now all played for the first team, while Chris and Lewis have also been involved with the Scotland U19 squad. Kerr Smith made his first team debut just a few weeks after turning 16, and was attracting interest from a number of English clubs before we agreed a deal for him with Aston Villa. Craig Moore was another youngster making his debut at only 16 in 2021, and he and Lewis O'Donnell both played for Scotland U17's in the Euro Qualifiers. Rory Macleod played for Scotland U16's in the Victory Shield tournament win, and has now been called up to the Scotland U17 squad.

These are just a few of the academy players that potentially have a big future with the Club, and the Board are delighted that the last three years of substantial investment in Our Academy are starting to bear fruit.

Although the first team was fully functioning during the whole year, the Board reviewed other areas of the Club on an ongoing basis and were able to utilise the UK Government Job Retention Scheme with many staff working on a flexible part-time basis. The JRS grants received during the year were £0.4m.

Administrative expenses reduced by £0.1m (7%), including government Covid-19 business rates relief.

Interest charges of £0.35m relate entirely to notional interest charges on Mark Ogren's loan account and the Scottish Government Covid-19 loan, which have been discounted in line with accounting guidelines to reflect the loans not being interest bearing.

The net assets deficit of £5.0m, as reported in the Balance Sheet as at 30 June 2021, is distorted by the £9.0m funding provided by Mark Ogren, to the above date, being disclosed within Creditors rather than within Capital & Reserves (2020: £7.3m). This funding has been provided to the Club on an interest-free loan basis, with no intention in the short to medium term to seek any repayment of this debt.

The Board is confident looking forward without the detrimental impact of Covid-19 that the Club will be in a much stronger financial position and will no longer be reporting significant operating losses. With the easing of many of the restrictions relating to football stadiums in August 2021, the internal financial projections for the year to 30 June 2022 are predicting a return to a more normal trading period, and with the benefit of the season ticket credit donations we expect to report an Operating Profit for the year.

The Board would again like to thank the fans for their magnificent support and help in ensuring that the Club was able to successfully steer through the unique and hugely challenging times that the whole country has endured over the last two years.

The current strong position we are now in would also not have been possible without the staff at the Club, and the Board would like to formally thank them for all their dedication, hard work and financial sacrifices during the last year.

The Club has continued to work very closely with Dundee United Community Trust, and particularly during the hard times that many people have encountered recently we are extremely proud to be associated with the excellent work that DUCT undertake in the local community. There are plans to further expand and develop on this charitable work over the coming year, and the Board are fully committed to providing DUCT with whatever support is needed.

Principal risks and uncertainties

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

The performance of the team in previous years led to the company making significant financial losses, which have required substantial investment to maintain the company as a going concern. The principal risk to the business is therefore the possibility of the team being relegated to the Championship again.

The owners and Board are committed to providing the required funding and infrastructure in the Club to maintain it as a competitive team and going concern in the Premiership, and also to provide the platform to enhance the team's prospects of a top-6 finish and qualification for UEFA competitions.

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

Key performance indicators

| | 2021 | 2020 | 2019 |
|-------------------------|-------------|-------------|------------------|
| SPFL Premiership | 9th | N/A | N/A |
| SPFL Championship | N/A | 1st | 2nd |
| | | | (Play-off final) |
| SPFL Challenge Cup | N/A | 1st round | 2nd Round |
| Scottish Cup | Semi Final | 4th Round | Quarter Finals |
| Scottish League Cup | Group Stage | Group Stage | Group Stage |
| Turnover | £3.79m | £3.91m | £3.12m |
| Operating Loss | £2.27m | £3.19m | £3.81m |
| Wages to Turnover Ratio | 132% | 120% | 133% |
| Financial Year Loss | £2.52m | £3.01m | £3.76m |



Mr M Ogren

Director

4 February 2022

THE DUNDEE UNITED FOOTBALL COMPANY 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 is the operation of a professional football club within Scottish Professional Football League ("SPFL").

Directors

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

Mr D K Dorward MBE
Mr J Fyffe
Mr M Ogren
Mr S Ogren

Results and dividends

The results for the year are set out on page 10.

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

Auditor

In accordance with the company's articles, a resolution proposing that Thomson Cooper be reappointed as auditor of the company will be put at a General Meeting.

Statement of directors' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

On behalf of the board



Mr M Ogren

Director

4 February 2022

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

Opinion

We have audited the financial statements of The Dundee United Football Company Limited (the 'company') for the year ended 30 June 2021 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including 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.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. 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

We considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: existence and timing of recognition of income, posting of unusual journals along with complex transactions and manipulating the Company's key performance indicators to meet targets. We discussed these risks with management, designed audit procedures to test the timing and existence of revenue, tested a sample of journals to confirm they were appropriate and reviewed areas of judgement for indicators of management bias to address these risks.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the officers and other management (as required by the auditing standards).

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

We reviewed the laws and regulations in areas that directly affect the financial statements including financial and taxation legislation and considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.

With the exception of any known or possible non-compliance with relevant and significant laws and regulations, and as required by the auditing standards, our work in respect of these was limited to enquiry of the officers and management of the company.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

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. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. 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.



Sharon Collins (Senior Statutory Auditor)
For and on behalf of Thomson Cooper, Statutory Auditors
Dunfermline

4 February 2022

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2021

| | Notes | 2021 £ | 2020 £ |
|--|-----------|-------------|-------------|
| Turnover | 3 | 3,785,027 | 3,908,209 |
| Cost of sales | | (6,935,824) | (6,020,449) |
| | | <hr/> | <hr/> |
| Gross loss | | (3,150,797) | (2,112,240) |
| Administrative expenses | | (1,460,305) | (1,575,543) |
| Other operating income | | 2,336,732 | 495,484 |
| | | <hr/> | <hr/> |
| Operating loss | 4 | (2,274,370) | (3,192,299) |
| Interest receivable and similar income | 7 | - | 1,722 |
| Interest payable and similar expenses | 8 | (351,232) | (246,440) |
| Gain on disposal of player registrations | 9 | 102,124 | 425,929 |
| | | <hr/> | <hr/> |
| Loss before taxation | | (2,523,478) | (3,011,088) |
| Tax on loss | 10 | - | - |
| | | <hr/> | <hr/> |
| Loss for the financial year | | (2,523,478) | (3,011,088) |
| | | <hr/> <hr/> | <hr/> <hr/> |

The income statement has been prepared on the basis that all operations are continuing operations.

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

BALANCE SHEET

AS AT 30 JUNE 2021

| | Notes | 2021 £ | £ | 2020 £ | £ |
|--|-------|--------------|-------------|-------------|-------------|
| Fixed assets | | | | | |
| Intangible assets | 11 | 85,224 | | 200,818 | |
| Tangible assets | 12 | 5,452,140 | | 5,616,051 | |
| Investments | 13 | 1 | | 1 | |
| | | | | | |
| | | | 5,537,365 | | 5,816,870 |
| Current assets | | | | | |
| Stocks | 14 | 159,555 | | 94,707 | |
| Debtors | 15 | 2,054,035 | | 714,915 | |
| Cash at bank and in hand | | 1,976,623 | | 748,310 | |
| | | | | | |
| | | | 4,190,213 | | 1,557,932 |
| Creditors: amounts falling due within one year | 16 | (2,967,837) | | (3,053,414) | |
| | | | | | |
| Net current assets/(liabilities) | | | 1,222,376 | | (1,495,482) |
| | | | | | |
| Total assets less current liabilities | | | 6,759,741 | | 4,321,388 |
| | | | | | |
| Creditors: amounts falling due after more than one year | 17 | (11,800,677) | | (8,722,921) | |
| | | | | | |
| Net liabilities | | | (5,040,936) | | (4,401,533) |
| | | | | | |
| Capital and reserves | | | | | |
| Called up share capital | 22 | 9,882 | | 9,882 | |
| Share premium account | | 2,813,858 | | 2,813,858 | |
| Other reserves | 23 | 3,039,320 | | 1,506,477 | |
| Profit and loss reserves | | (10,903,996) | | (8,731,750) | |
| | | | | | |
| Total equity | | | (5,040,936) | | (4,401,533) |

The financial statements were approved by the board of directors and authorised for issue on 4 February 2022 and are signed on its behalf by:



Mr M Ogren
Director

Company Registration No. SC013690

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

| | Share capital £ | Share premium account £ | Other reserves £ | Profit and loss reserves £ | Total £ |
|---|-----------------------|----------------------------------|------------------------|-------------------------------------|-------------|
| Balance at 1 July 2019 | 9,882 | 2,813,858 | 875,186 | (5,967,102) | (2,268,176) |
| Year ended 30 June 2020: | | | | | |
| Loss and total comprehensive income for the year | - | - | - | (3,011,088) | (3,011,088) |
| Transfers | - | - | 631,291 | 246,440 | 877,731 |
| Balance at 30 June 2020 | 9,882 | 2,813,858 | 1,506,477 | (8,731,750) | (4,401,533) |
| Year ended 30 June 2021: | | | | | |
| Loss and total comprehensive income for the year | - | - | - | (2,523,478) | (2,523,478) |
| Other movements | - | - | 1,532,843 | 351,232 | 1,884,075 |
| Balance at 30 June 2021 | 9,882 | 2,813,858 | 3,039,320 | (10,903,996) | (5,040,936) |

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2021

| | Notes | 2021 £ | £ | 2020 £ | £ |
|---|-------|-----------|-------------|-------------|-------------|
| Cash flows from operating activities | | | | | |
| Cash (absorbed by)/generated from operations | 27 | | (1,929,301) | | 2,078,551 |
| Investing activities | | | | | |
| Purchase of intangible assets | | (130,000) | | (276,060) | |
| Proceeds on disposal of intangibles | | 102,124 | | 425,929 | |
| Purchase of tangible fixed assets | | (118,441) | | (1,353,461) | |
| Proceeds on disposal of tangible fixed assets | | 500 | | - | |
| Interest received | | - | | 1,722 | |
| Net cash used in investing activities | | | (145,817) | | (1,201,870) |
| Financing activities | | | | | |
| Net movement in financing | | 3,245,111 | | (275,000) | |
| Net movement of finance leases obligations | | 58,320 | | - | |
| Net cash generated from/(used in) financing activities | | | 3,303,431 | | (275,000) |
| Net increase in cash and cash equivalents | | | 1,228,313 | | 601,681 |
| Cash and cash equivalents at beginning of year | | | 748,310 | | 146,629 |
| Cash and cash equivalents at end of year | | | 1,976,623 | | 748,310 |

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

Company information

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

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The company incurred losses of £2,523,478 (2020: £3,011,088) during the year, net current assets of £1,222,376 (2020: liabilities £1,495,482) and a balance sheet deficit of £5,040,936 (2020: £4,401,533).

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

- Maintaining Scottish Premiership status
- Season ticket revenues and match day income being consistent with operating in the SPFL Premiership and being subject to complying with Covid related regulations;
- Sponsorship and commercial income being consistent with previous non Covid effected seasons;
- Overheads and payroll costs being similar to the level incurred in the current period;
- Income from net player transfer activities;
- Further insurance claims being received in respect of loss of earnings due to Covid;
- No repayment of the directors loan being made for a period of at least 12 months from the date of approval of the accounts

Discussions are ongoing with the insurance company regarding the loss of earnings due to Covid. The directors are confident that the claims are valid with £1.9m having already been received since the balance sheet date and is included in these accounts. Further claims are ongoing but have not been recognised as income as the final value of the claims have not yet been quantified.

The receipt of Scottish Government long term loan funding of £2.8M during the year has helped to provide additional financial support to the company.

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

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

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

1.3 Turnover

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

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

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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

Player registration

Over the term of the players contract

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

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

1.5 Tangible fixed assets

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

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

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

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

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

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

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.7 Impairment of fixed assets

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

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

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

1.8 Stocks

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

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

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

1.9 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.

1.10 Financial instruments

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

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

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

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Loans and receivables

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

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

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

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

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

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

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

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

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

1.12 Employee benefits

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

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

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

1.13 Retirement benefits

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

1.14 Leases

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 statement of financial position 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.

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

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

1.16 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 in the period are included in profit or loss.

THE DUNDEE UNITED FOOTBALL COMPANY 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.

Critical judgements

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

Impairment of non-financial assets

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

3 Turnover and other revenue

| | 2021 £ | 2020 £ |
|---|------------------|------------------|
| Turnover analysed by class of business | | |
| Football | 2,435,596 | 2,482,829 |
| Commercial | 1,088,365 | 1,367,617 |
| Other | 261,066 | 57,763 |
| | <u>3,785,027</u> | <u>3,908,209</u> |
| | | |
| | 2021 £ | 2020 £ |
| Other significant revenue | | |
| Interest income | - | 1,722 |
| Grants received | 436,732 | 495,484 |
| Gain on disposal of player registrations | 102,124 | 425,929 |
| | <u></u> | <u></u> |

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

4 Operating loss

| | 2021 £ | 2020 £ |
|--|-------------------|-------------------|
| Operating loss for the year is stated after charging/(crediting): | | |
| Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss | 66 | (139) |
| Government grants | (436,732) | (495,484) |
| Fees payable to the company's auditor for the audit of the company's financial statements | 12,505 | 8,570 |
| Depreciation of owned tangible fixed assets | 282,352 | 275,648 |
| Profit on disposal of tangible fixed assets | (500) | - |
| Amortisation of intangible assets | 245,594 | 138,834 |
| Operating lease charges | 149,629 | 125,478 |
| | <u> </u> | <u> </u> |

5 Employees

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

| | 2021 Number | 2020 Number |
|-------------------------------|-------------------|-------------------|
| Football | 69 | 67 |
| Administration and management | 18 | 18 |
| Ground Staff | 9 | 6 |
| Directors | 1 | 1 |
| | <u> </u> | <u> </u> |
| Total | 97 | 92 |
| | <u> </u> | <u> </u> |

Their aggregate remuneration comprised:

| | 2021 £ | 2020 £ |
|---------------------------------------|-------------------|-------------------|
| Wages and salaries | 4,442,172 | 4,148,258 |
| Social security costs | 500,964 | 466,037 |
| Pension costs | 54,052 | 64,965 |
| | <u> </u> | <u> </u> |
| | 4,997,188 | 4,679,260 |
| | <u> </u> | <u> </u> |
| Redundancy payments made or committed | 193,768 | 207,394 |
| | <u> </u> | <u> </u> |

6 Directors' remuneration

| | 2021 £ | 2020 £ |
|--------------------------------------|-------------------|-------------------|
| Remuneration for qualifying services | 15,000 | 22,500 |
| | <u> </u> | <u> </u> |

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

7 Interest receivable and similar income

| | 2021 £ | 2020 £ |
|---------------------------|-------------------|-------------------|
| Interest income | | |
| Interest on bank deposits | - | 1,722 |
| | <u> </u> | <u> </u> |

Investment income includes the following:

| | | |
|--|-------------------|-------------------|
| Interest on financial assets not measured at fair value through profit or loss | - | 1,722 |
| | <u> </u> | <u> </u> |

8 Interest payable and similar expenses

| | 2021 £ | 2020 £ |
|--------------------------------|-------------------|-------------------|
| Other finance costs: | | |
| Unwinding of discount on loans | 351,232 | 246,440 |
| | <u> </u> | <u> </u> |

9 Gains on disposals of player registrations

| | 2021 £ | 2020 £ |
|------------------------|-------------------|-------------------|
| Other gains and losses | 102,124 | 425,929 |
| | <u> </u> | <u> </u> |

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

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

10 Taxation

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

| | 2021 £ | 2020 £ |
|--|-------------|-------------|
| Loss before taxation | (2,523,478) | (3,011,088) |
| Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%) | (479,461) | (572,107) |
| Tax effect of expenses that are not deductible in determining taxable profit | 67,006 | - |
| Tax effect of income not taxable in determining taxable profit | (2,008) | - |
| Unutilised tax losses carried forward | 367,919 | 586,754 |
| Permanent capital allowances in excess of depreciation | 46,544 | (14,647) |
| Taxation charge for the year | - | - |

11 Intangible fixed assets

| | Player registration £ |
|------------------------------------|-----------------------------|
| Cost | |
| At 1 July 2020 | 399,483 |
| Additions | 130,000 |
| At 30 June 2021 | 529,483 |
| Amortisation and impairment | |
| At 1 July 2020 | 198,665 |
| Amortisation charged for the year | 245,594 |
| At 30 June 2021 | 444,259 |
| Carrying amount | |
| At 30 June 2021 | 85,224 |
| At 30 June 2020 | 200,818 |

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

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

12 Tangible fixed assets

| | Stadium Property £ | Fixtures & fittings £ | Motor vehicles £ | Total £ |
|------------------------------------|--------------------------|-----------------------------|------------------------|------------|
| Cost | | | | |
| At 1 July 2020 | 9,417,563 | 2,465,753 | 48,497 | 11,931,813 |
| Additions | - | 90,674 | 27,767 | 118,441 |
| At 30 June 2021 | 9,417,563 | 2,556,427 | 76,264 | 12,050,254 |
| Depreciation and impairment | | | | |
| At 1 July 2020 | 4,379,259 | 1,894,845 | 41,658 | 6,315,762 |
| Depreciation charged in the year | 188,177 | 92,465 | 1,710 | 282,352 |
| At 30 June 2021 | 4,567,436 | 1,987,310 | 43,368 | 6,598,114 |
| Carrying amount | | | | |
| At 30 June 2021 | 4,850,127 | 569,117 | 32,896 | 5,452,140 |
| At 30 June 2020 | 5,038,304 | 570,908 | 6,839 | 5,616,051 |

13 Fixed asset investments

| | 2021 £ | 2020 £ |
|----------------------|-----------|-----------|
| Unlisted investments | 1 | 1 |

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

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

14 Stocks

| | 2021 £ | 2020 £ |
|------------------|-----------|-----------|
| Goods for resale | 159,555 | 94,707 |

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

15 Debtors

| | 2021 £ | 2020 £ |
|---|------------------|----------------|
| Amounts falling due within one year: | | |
| Trade debtors | 112,161 | 501,852 |
| Other debtors | 14,049 | 5,227 |
| Prepayments and accrued income | 1,927,825 | 207,836 |
| | <u>2,054,035</u> | <u>714,915</u> |

16 Creditors: amounts falling due within one year

| | Notes | 2021 £ | 2020 £ |
|----------------------------------|-------|------------------|------------------|
| Obligations under finance leases | 19 | 17,414 | - |
| Trade creditors | | 306,354 | 255,637 |
| Taxation and social security | | 208,726 | 728,531 |
| Deferred income | 20 | 1,089,290 | 1,184,784 |
| Other creditors | | 1,183,885 | 169,677 |
| Accruals | | 162,168 | 714,785 |
| | | <u>2,967,837</u> | <u>3,053,414</u> |

17 Creditors: amounts falling due after more than one year

| | Notes | 2021 £ | 2020 £ |
|----------------------------------|-------|-------------------|------------------|
| Obligations under finance leases | 19 | 40,906 | - |
| Other borrowings | 18 | 1,361,036 | - |
| Deferred income | 20 | 1,380,654 | 1,433,472 |
| Other creditors | | 9,018,081 | 7,289,449 |
| | | <u>11,800,677</u> | <u>8,722,921</u> |

Other creditors due after more than one year represent a loan from Mr M Ogren of £9,018,081 (2020: £7,289,449). As the loan is interest free and due after more than one year the loan has been discounted to reflect the net present value of the loan. The undiscounted value of the loan is £10,607,939 (2020: £8,795,925).

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

18 Loans and overdrafts

| | 2021 £ | 2020 £ |
|------------------------|------------------|-----------|
| Other loans | 1,361,036 | - |
| | <u>1,361,036</u> | <u>-</u> |
| Payable after one year | 1,361,036 | - |
| | <u>1,361,036</u> | <u>-</u> |

Other loans due after more than one year represent a loan from the Scottish Government of £1,361,036 (2020: £Nil). As the loan is interest free and due after more than one year the loan has been discounted to reflect the net present value of the loan. The undiscounted value of the loan is £2,818,000 (2020: £Nil).

19 Finance lease obligations

| | 2021 £ | 2020 £ |
|---|---------------|-----------|
| Future minimum lease payments due under finance leases: | | |
| Within one year | 17,413 | - |
| In two to five years | 40,907 | - |
| | <u>58,320</u> | <u>-</u> |

20 Deferred income

| | 2021 £ | 2020 £ |
|---|------------------|------------------|
| Other deferred income | 2,469,944 | 2,618,256 |
| | <u>2,469,944</u> | <u>2,618,256</u> |
| Deferred income is included in the financial statements as follows: | | |
| Current liabilities | 1,089,290 | 1,184,784 |
| Non-current liabilities | 1,380,654 | 1,433,472 |
| | <u>2,469,944</u> | <u>2,618,256</u> |

Football grounds improvement grants of £1,433,654 (2020: £1,486,653) are included in deferred income and released to the Income Statement at a rate equal to the depreciation rate of the asset to which the grant relates. Amounts falling due within one year are £53,000 (2020: £53,181).

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

21 Retirement benefit schemes

| | 2021 £ | 2020 £ |
|---|-----------|-----------|
| Defined contribution schemes | | |
| Charge to profit or loss in respect of defined contribution schemes | 54,052 | 64,965 |

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.

22 Share capital

| | 2021 Number | 2020 Number | 2021 £ | 2020 £ |
|-------------------------------|----------------|----------------|-----------|-----------|
| Ordinary share capital | | | | |
| Issued and fully paid | | | | |
| Ordinary shares of 10p each | 98,821 | 98,821 | 9,882 | 9,882 |

23 Other reserves

Loans provided to the company due after more than one year at an interest rate below market value have been discounted to their net present value. Other reserves represent the contribution to capital of a market rate of interest that would have been charged on the loans to the company. These contributions to capital are unwound as the loan matures.

The loans are discounted over 6 to 6½ years at a rate of 3.5%. During the year £304,959 (2020: £246,440) of interest has been unwound and transferred to retained profit and loss reserves.

Loans from the Scottish Government are interest free and repayable by 1 August 2042. The loan has been discounted over that period at an interest rate of 3.5%. During the year £46,292 of interest has been unwound and transferred to retained profit and loss reserves.

24 Related party transactions

Transactions with related parties

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

| | Purchases 2021 £ | 2020 £ |
|-----------------------------------|------------------------|-----------|
| Entities with directors in common | 12,867 | 95,637 |

25 Directors' transactions

The loan from Mr M Ogren is interest free and repayable after more than year. The net present value of the loan at the year end was £9,018,081 (2020: £7,289,448). The undiscounted value of the loan is £10,607,939 (2020: £8,795,925).

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

26 Ultimate controlling party

Mr M Ogren, director, is considered to be the company's ultimate controlling party.

27 Cash (absorbed by)/generated from operations

| | 2021 £ | 2020 £ |
|--|--------------------|------------------|
| Loss for the year after tax | (2,523,478) | (3,011,088) |
| Adjustments for: | | |
| Finance costs | 351,232 | 246,440 |
| Investment income | - | (1,722) |
| Gain on disposal of tangible fixed assets | (500) | - |
| Amortisation and impairment of intangible assets | 245,594 | 138,834 |
| Depreciation and impairment of tangible fixed assets | 282,352 | 275,648 |
| Other gains and losses | (102,124) | (425,929) |
| Decrease in provisions | (351,232) | (246,440) |
| Movements in working capital: | | |
| Increase in stocks | (64,848) | (74,932) |
| Increase in debtors | (1,339,120) | (15,345) |
| Increase in creditors | 1,721,135 | 5,023,087 |
| (Decrease)/increase in deferred income | (148,312) | 169,998 |
| Cash (absorbed by)/generated from operations | (1,929,301) | 2,078,551 |

28 Analysis of changes in net funds

| | 1 July 2020 £ | Cash flows £ | Market value movements £ | 30 June 2021 £ |
|----------------------------------|------------------|------------------|--------------------------------|-------------------|
| Cash at bank and in hand | 748,310 | 1,228,313 | - | 1,976,623 |
| Borrowings excluding overdrafts | - | 523,039 | (1,884,075) | (1,361,036) |
| Obligations under finance leases | - | (58,320) | - | (58,320) |
| | <u>748,310</u> | <u>1,693,032</u> | <u>(1,884,075)</u> | <u>557,267</u> |