

Company Registration No. SC013690 (Scotland)

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020



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
3 Castle Court
Carnegie Campus
Dunfermline
Fife
KY11 8PB

Bankers Santander
Bridle Road
Bootle
Merseyside
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 - 29

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2020

The directors present the strategic report and financial statements for the year ended 30 June 2020.

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 last year has been unprecedented in many respects, with the Covid-19 global pandemic devastating people’s lives, businesses and local communities, as well as having a significant impact on football. When the pandemic hit the UK in early 2020, and it became clear there was going to be sustained and widespread restrictions on social activities and business operations, the SFA and SPFL took Scottish government advice and suspended football at all levels from 13th March 2020.

At this time we held a 14 point lead in the Championship with only 8 matches left to play. Like most clubs, we held a strong desire to complete the season and win the Championship on the pitch. However, as it became increasingly obvious that it would not be possible to complete season 2019/20 without having a significant knock-on impact to season 2020/21, and there could also be serious financial consequences for many Scottish clubs, an SPFL resolution was passed on 15th April 2020 to end the season, and Dundee United were declared Championship winners.

While we were obviously delighted to have won the league and achieve our objective of promotion back to the Premiership, the Board, coaching staff and players were all very disappointed that we were not able to enjoy achieving this success in front of our supporters at Tannadice.

Our plans for life back in the Premiership were severely disrupted in the summer of 2020 by a legal challenge against the SPFL resolution of 15th April by Heart of Midlothian and Partick Thistle, which sought to overturn the decision to promote us to the Premiership, as was our right as winners of the Championship. This legal case was both costly and absorbed a lot of valuable time of our executive team in defending our position. Fortunately the SFA Arbitration Tribunal rejected the petition raised by Heart of Midlothian and Partick Thistle in their determination issued on 27th July and, 5 days before the start of the 2020/21 season, our position in the Premiership was finally confirmed.

During the summer of 2020 there was also significant disruption in the football department as our first team manager Robbie Neilson decided to leave the Club and return to Heart of Midlothian where he had previously been Head Coach. Both of his assistant coaches, Gordon Forrest and Lee McCulloch also chose to leave and join Robbie at Hearts. Fortunately we had time to put together a new coaching team, headed by Micky Mellon, before the start of the 2020/21 season, and we started the season in reasonable shape on and off the pitch given all of the turmoil of the previous 5 months.

Turning to the financial results for the year ended 30 June 2020, the Profit and Loss Account shows a loss of £3,011,088 (2019- £3,759,220).

This second consecutive year of significant losses reflects the continued financial investment made by Mark Ogren into the Club to ensure the achievement of key objectives, including promotion to the Premiership, and further development of Our Academy, which is now recognised as one of the top youth academies in the UK.

Within the reported operating loss, there are some positive trends, including an increase in turnover of £783,973 (25%) on the previous year.

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

Gate receipts from league matches were up 37% on the previous season, despite losing an estimated £128,000 from the four cancelled matches, as we once again enjoyed the highest attendance figures in the Championship. This increased gate receipts income was offset by not having the income from the play-off matches that was received in 2018/19.

As Championship winners, we received more prize money from the SPFL this year (up 18%), but this was tempered by a reduced prize money pot due to compensation agreements between the SPFL and certain broadcasters in respect of the cancelled matches.

A key element of the Board's business plan is to expand and maximise commercial revenues in the Club. This included the decision to bring the retail operation back in-house as part of the new kit partnership with Macron in early 2019. Sales of the new kit exceeded our expectations in 2019/20, and generated retail sales of over £500,000, with all of this income now coming directly to the Club.

As reported last year, the Club was rewarded for the significant investment in Our Academy by attaining Project Brave Elite status in 2019, which meant an increase in the SFA Basic Award for 2020. We have also seen the fruits of this investment through an influx of academy graduates into the first team squad, with Kerr Smith being the latest addition having been introduced to the matchday squad only 3 weeks after signing his first professional contract on his 16th birthday. The Board has consistently emphasised the importance of creating a pipeline of top young players from Our Academy, and we are delighted with the progress made in this regard over the last 2 years. While we understand the higher demands of players in the Premiership than in the Championship, we are confident that many of Our Academy graduates can and will make a significant impact on the first team.

Included in Gain on Disposal of Players totalling £425,929 is the initial transfer fee from the sale of Scott Banks to Crystal Palace in January 2020, the compensation payment from Heart of Midlothian for Robbie Neilson, and some additional monies from previous player sales.

Total wages increased by £445,303, which includes contractual promotion bonuses payable to football department staff and players, further investment in Our Academy coaching staff, strengthening of the development squad, and the expansion of the commercial department to bring the retail operation in-house.

In March 2020, after the league season was terminated early, the Board took the decision to utilise the government Job Retention Scheme to support staff wage costs during the 3-month period that the Club was effectively closed down, with only essential key staff working from home. We received a total of £442,303 in grant support under the Job Retention Scheme in the financial year. From mid-June we had to take the football department staff off furlough and start preparing for the new season, and so the Job Retention Scheme grants dropped significantly from then on. Unlike other business sectors that have been affected by the Covid-19 restrictions, we are in an unfortunate position that significant revenue streams have been cut-off but we cannot take full advantage of this government funded support.

Administrative expenses reduced by £100,866 (6%). There was a saving in property rent following the commitment to repurchase the Gussie Park property being honoured in December 2019. The Club now owns both Tannadice and Gussie Park with no debt secured on either property. There was also a reduction in general repairs and maintenance costs following some significant spend in the previous year to bring areas of the stadium up to an acceptable standard. However, the Club did spend substantial money on upgrading the Centenary Suite and Captain's Box hospitality areas, with these costs being capitalised within Fixed Assets.

Interest charges of £246,440 relate entirely to a notional interest charge on Mark Ogren's loan account, which has been discounted in line with accounting guidelines to reflect the loan not being interest bearing.

The net assets deficit of £4,401,533, as reported in the Balance Sheet as at 30 June 2020, is distorted by the £7,289,449 funding provided by Mark Ogren, to the above date, being disclosed within Creditors rather than within Capital & Reserves. 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 internal financial projections for the year to 30 June 2021 are predicting a further operating deficit, principally due to the loss of an estimated £2.1m of matchday income as a direct result of all the matches being played without spectators in the stadium. The Club is also incurring significant incremental costs in meeting all the Covid-19 regulations imposed by the government and football governing bodies, including regular testing of all first team staff and players.

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

Since the financial year-end, the Scottish government has provided the Club with a debt facility of £2.8m, which is interest free and repayable over 21 years, with a 1 year payment holiday. The Club is also working closely with our insurers to progress a claim under our business interruption policy. While this process may take some time to complete, we do expect to recover the money lost by the Club as a direct result of the Covid-19 trading restrictions.

The Board is confident looking forward that with a full season in the Premiership, and without the detrimental impact of Covid-19, the Club will be in a much stronger financial position and will no longer be reporting significant operating losses. The investment that has been made in the last 2 years into Our Academy will bring long-term benefits through a pipeline of top players that will enhance and strengthen the first team and support the long term future of the Club. The first team is also now a Premiership squad of players, having proven they can compete in the top league. Decisions will be made to sell players, but only when the time is right for the Club and not to the detriment of the strategic plan or against the transfer policy endorsed by the Board, the Executive Team and the Head Coach.

The Board would like to thank the fans for their unwavering support since Mark Ogren took ownership of the Club in December 2018, but particularly in helping the Club successfully navigate all the challenges we faced in 2020. From the fund raising efforts during the legal case in summer 2020, to substantial donations made by the Dundee United Supporters Foundation and by individual supporters, the Board truly appreciates all the help the Club has received.

2020 was also a very difficult year for all of our staff, and the Board would like to formally thank them for their commitment, loyalty and hard work during what has been extremely testing times for everyone.

The Board would like to congratulate Dundee United Community Trust for being one of the 2020 winners of UEFA's Grassroots Awards, recognising them as one of Europe's top professional clubs for their work in the community. This follows the Community Trust being recognised as the best in Scotland in 2019. The work that it carries out across many sectors in the community, as the Club's charitable body, is to be highly commended.

It is also important to recognise the support received from the Club's commercial partners. Utilita, J.F. Kegs, Norman Jamieson, Paint-Tec and Newtyle Commercials have all remained kit sponsors from 2019/20 into season 2020/21. Carling has continued to support the Club, being the naming rights partner of the Carling Stand. In addition, the support that the Club has received from its community of commercial partners is greatly valued and highlights what being part of Dundee United is all about.

We are determined that United together we will do whatever it takes to make Dundee United successful on and off the pitch once again.

Principal risks and uncertainties

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

The performance of the team in 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 to 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 2020

Key Performance Indicators

	2020	2019	2018
SPFL Championship	1st	2nd (Play-off final)	3rd (Play-off)
SPFL Challenge Cup	1st round	2nd Round	Quarter Finals
Scottish Cup	4th Round	Quarter Finals	5th Round
Scottish League Cup	Group Stage	Group Stage	2nd Round
Turnover	£3.91m	£3.12m	£3.19m
Operating Loss	£3.19m	£3.81m	£1.60m
Wages to Turnover Ratio	120%	133%	94%
Financial Year Loss	£3.01m	£3.76m	£0.22m



Mr M Ogren
Director

31 March 2021

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

The directors present their annual report and financial statements for the year ended 30 June 2020.

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 2020

On behalf of the board



Director

31 March 2021

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 2020 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

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 respect solely of the limitation on our work relating to stock, described above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records had been maintained.

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

S Coll

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

31 March 2021

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 £	2019 £
Turnover	3	3,908,209	3,124,236
Cost of sales		(6,020,449)	(5,313,502)
Gross loss		(2,112,240)	(2,189,266)
Administrative expenses		(1,575,543)	(1,676,409)
Other operating income		495,484	53,181
Operating loss	4	(3,192,299)	(3,812,494)
Interest receivable and similar income	6	1,722	64
Interest payable and similar expenses	7	(246,440)	(113,726)
Gain on disposal of player registrations	8	425,929	166,936
Loss before taxation		(3,011,088)	(3,759,220)
Tax on loss	9	-	-
Loss for the financial year		(3,011,088)	(3,759,220)

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 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Intangible assets	10		200,818		63,592
Tangible assets	11		5,616,051		4,538,238
Investments	12		1		1
			<u>5,816,870</u>		<u>4,601,831</u>
Current assets					
Stocks	13	94,707		19,775	
Debtors	14	714,915		699,570	
Cash at bank and in hand		748,310		146,629	
		<u>1,557,932</u>		<u>865,974</u>	
Creditors: amounts falling due within one year	15	<u>(3,053,414)</u>		<u>(2,431,813)</u>	
Net current liabilities			<u>(1,495,482)</u>		<u>(1,565,839)</u>
Total assets less current liabilities			<u>4,321,388</u>		<u>3,035,992</u>
Creditors: amounts falling due after more than one year	16		<u>(8,722,921)</u>		<u>(5,304,168)</u>
Net liabilities			<u>(4,401,533)</u>		<u>(2,268,176)</u>
Capital and reserves					
Called up share capital	20		9,882		9,882
Share premium account			2,813,858		2,813,858
Other reserves	21		1,506,477		875,186
Profit and loss reserves			<u>(8,731,750)</u>		<u>(5,967,102)</u>
Total equity			<u>(4,401,533)</u>		<u>(2,268,176)</u>

The financial statements were approved by the board of directors and authorised for issue on 31 March 2021 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 2020

	Notes	Share capital £	Share premium account £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 July 2018		9,877	2,812,180	-	(2,273,540)	548,517
Year ended 30 June 2019:						
Loss and total comprehensive income for the year		-	-	-	(3,759,220)	(3,759,220)
Issue of share capital	20	5	1,678	-	-	1,683
Transfers		-	-	875,186	65,658	940,844
Balance at 30 June 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)
Other movements		-	-	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)

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020		2019	
		£	£	£	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	26		2,078,551		(2,921,573)
Interest paid			-		(48,068)
Net cash inflow/(outflow) from operating activities			2,078,551		(2,969,641)
Investing activities					
Purchase of intangible assets		(276,060)		(85,053)	
Proceeds on disposal of intangibles		425,929		166,936	
Purchase of tangible fixed assets		(1,353,461)		(177,705)	
Interest received		1,722		64	
Net cash used in investing activities			(1,201,870)		(95,758)
Financing activities					
Proceeds from issue of shares		-		1,683	
Repayment of borrowings		(275,000)		(1,635,000)	
Dividends paid		-		4,758,359	
Net cash (used in)/generated from financing activities			(275,000)		3,125,042
Net increase in cash and cash equivalents			601,681		59,643
Cash and cash equivalents at beginning of year			146,629		86,986
Cash and cash equivalents at end of year			748,310		146,629

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

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 £3,011,088 (2019: 3,759,220) during the year, net current liabilities of £1,495,482 (2019: £1,565,839) and a balance sheet deficit of £4,401,533 (2019: £2,268,176).

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

- 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 restrictions;
- Sponsorship and commercial income being consistent with the current period levels;
- Overheads and payroll costs being similar to the level incurred in the current period;
- Loan facilities being received from the Scottish Government;
- Income from net player transfer activities;
- 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

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.

Discussions are ongoing with the insurance company regarding the loss of earnings due to Covid. The directors are confident that the claim is valid but no income has been recognised for the period from 21 March to 30 June 2020.

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 2020

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 2020

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 2020

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 2020

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 2020

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

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 2020

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

	2020	2019
	£	£
Turnover analysed by class of business		
Football	2,482,829	2,194,697
Commercial	1,367,617	899,938
Other	57,763	29,601
	<u>3,908,209</u>	<u>3,124,236</u>
	2020	2019
	£	£
Other significant revenue		
Interest income	1,722	64
Grants received	495,484	53,181
Gain on disposal of player registrations	425,929	166,936
	<u>923,135</u>	<u>220,181</u>

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

4 Operating loss

	2020	2019
	£	£
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	(139)	-
Government grants	(495,484)	(53,181)
Fees payable to the company's auditor for the audit of the company's financial statements	8,570	11,181
Depreciation of owned tangible fixed assets	275,648	218,130
Amortisation of intangible assets	138,834	47,279
Operating lease charges	125,478	212,115
	<u> </u>	<u> </u>

5 Employees

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

	2020	2019
	Number	Number
Football	67	65
Administration and management	18	17
Ground Staff	6	3
Directors	1	2
	<u> </u>	<u> </u>
Total	92	87
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2020	2019
	£	£
Wages and salaries	4,148,258	3,702,955
Social security costs	466,037	409,232
Pension costs	64,965	46,873
	<u> </u>	<u> </u>
	4,679,260	4,159,060
	<u> </u>	<u> </u>
Redundancy payments made or committed	207,394	181,801
	<u> </u>	<u> </u>

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

6 Interest receivable and similar income

	2020	2019
	£	£
Interest income		
Interest on bank deposits	1,722	64

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	1,722	64
--	-------	----

7 Interest payable and similar expenses

	2020	2019
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	-	(7)
Other interest on financial liabilities	-	48,075
	-	48,068
Other finance costs:		
Unwinding of discount on loans	246,440	65,658
	246,440	113,726

8 Gains on disposals of player registrations

	2020	2019
	£	£
Other gains and losses	425,929	166,936

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 2020

9 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:

	2020 £	2019 £
Loss before taxation	(3,011,088)	(3,759,220)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(572,107)	(714,252)
Tax effect of expenses that are not deductible in determining taxable profit	-	16,456
Tax effect of income not taxable in determining taxable profit	-	(3,331)
Unutilised tax losses carried forward	586,754	671,084
Permanent capital allowances in excess of depreciation	(14,647)	30,043
Taxation charge for the year	-	-

10 Intangible fixed assets

	Player registration £
Cost	
At 1 July 2019	157,131
Additions	276,060
Disposals	(33,708)
At 30 June 2020	399,483
Amortisation and impairment	
At 1 July 2019	93,539
Amortisation charged for the year	138,834
Disposals	(33,708)
At 30 June 2020	198,665
Carrying amount	
At 30 June 2020	200,818
At 30 June 2019	63,592

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 2020

11 Tangible fixed assets

	Stadium Property £	Fixtures & fittings £	Motor vehicles £	Total £
Cost				
At 1 July 2019	8,366,197	2,163,658	48,497	10,578,352
Additions	1,051,366	302,095	-	1,353,461
At 30 June 2020	9,417,563	2,465,753	48,497	11,931,813
Depreciation and impairment				
At 1 July 2019	4,191,082	1,809,653	39,379	6,040,114
Depreciation charged in the year	188,177	85,192	2,279	275,648
At 30 June 2020	4,379,259	1,894,845	41,658	6,315,762
Carrying amount				
At 30 June 2020	5,038,304	570,908	6,839	5,616,051
At 30 June 2019	4,175,115	354,005	9,118	4,538,238

12 Fixed asset investments

	2020 £	2019 £
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.

Movements in fixed asset investments

	Investments other than loans £
Cost or valuation	
At 1 July 2019 & 30 June 2020	1
Carrying amount	
At 30 June 2020	1
At 30 June 2019	1

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

13 Stocks

	2020 £	2019 £
Goods for resale	94,707	19,775

14 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	501,852	525,758
Other debtors	5,227	28,693
Prepayments and accrued income	207,836	145,119
	<u>714,915</u>	<u>699,570</u>

15 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Other borrowings	17	-	275,000
Trade creditors		255,637	357,728
Taxation and social security		728,531	388,310
Deferred income	18	1,184,784	961,605
Other creditors		169,677	72,906
Accruals		714,785	376,264
		<u>3,053,414</u>	<u>2,431,813</u>

16 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Deferred income	18	1,433,472	1,486,653
Other creditors		7,289,449	3,817,515
		<u>8,722,921</u>	<u>5,304,168</u>

Included in other creditors due after more than one year is a loan from Mr M Ogren of £7,289,449 (2019: £3,817,515). 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 DUNDEE UNITED FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

17 Loans and overdrafts		
	2020	2019
	£	£
Other loans	-	275,000
	<u> </u>	<u> </u>
Payable within one year	-	275,000
	<u> </u>	<u> </u>

18 Deferred income		
	2020	2019
	£	£
Other deferred income	2,618,256	2,448,258
	<u> </u>	<u> </u>
Deferred income is included in the financial statements as follows:		
Current liabilities	1,184,784	961,605
Non-current liabilities	1,433,472	1,486,653
	<u> </u>	<u> </u>
	2,618,256	2,448,258
	<u> </u>	<u> </u>

Football grounds improvement grants of £1,486,653 (2019: £1,539,834) 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 £53,181 (2019: £53,181).

19 Retirement benefit schemes		
	2020	2019
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	64,965	46,873
	<u> </u>	<u> </u>

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

20 Share capital				
	2020	2019	2020	2019
	Number	Number	£	£
Ordinary share capital Issued and fully paid				
Ordinary shares of 10p each	98,821	98,821	9,882	9,882
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

21 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 £246,440 (2019: £65,658) of interest has been unwound and transferred to retained profit and loss reserves.

22 Operating lease commitments

Lessee

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

	2020	2019
	£	£
Within one year	-	50,000
Between two and five years	-	200,000
In over five years	-	187,500
	<u>-</u>	<u>437,500</u>
	<u>-</u>	<u>437,500</u>

There are no operating lease commitments this year as the company acquired Gussie Park during the year.

23 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020	2019
	£	£
Aggregate compensation	-	52,387
	<u>-</u>	<u>52,387</u>

Transactions with related parties

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

	Purchases	
	2020	2019
	£	£
Entities with directors in common	95,637	89,931
	<u>95,637</u>	<u>89,931</u>

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

23 Related party transactions

(Continued)

	Loan received in year	
	2020	2019
	£	£
Entities with directors in common	-	225,000
	<u> </u>	<u> </u>

Amounts due to related parties	2020	2019
	£	£
Other related parties	-	62,500
	<u> </u>	<u> </u>

The loans are unsecured and interest free.

Amounts due from related parties	2019
	£
Other related parties	25,000
	<u> </u>

24 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 £7,289,448 (2019: £3,817,515). The undiscounted value of the loan is £8,795,925 (2019: £4,692,700).

25 Ultimate controlling party

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

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

26 Cash generated from/(absorbed by) operations

	2020 £	2019 £
Loss for the year after tax	(3,011,088)	(3,759,220)
Adjustments for:		
Finance costs	246,440	113,726
Investment income	(1,722)	(64)
Amortisation and impairment of intangible assets	138,834	47,279
Depreciation and impairment of tangible fixed assets	275,648	218,130
Amounts written off investments	(425,929)	(166,936)
Decrease in provisions	(246,440)	(65,658)
Movements in working capital:		
Increase in stocks	(74,932)	(15,876)
(Increase)/decrease in debtors	(15,345)	414,409
Increase in creditors	5,023,087	248,273
Increase in deferred income	169,998	44,364
Cash generated from/(absorbed by) operations	<u>2,078,551</u>	<u>(2,921,573)</u>

27 Analysis of changes in net funds/(debt)

	1 July 2019 £	Cash flows £	30 June 2020 £
Cash at bank and in hand	146,629	601,681	748,310
Borrowings excluding overdrafts	(275,000)	275,000	-
	<u>(128,371)</u>	<u>876,681</u>	<u>748,310</u>