Company registration number SC013690 (Scotland)

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

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 Merseryside L30 4GB

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THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2022

The directors present the strategic report and financial statements for the year ended 30 June 2022.

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

Covid-19

The previous financial year to 30 June 2021 was significantly adversely affected by Covid-19, and although we returned to a more normalised operational environment this year, the first half of the financial year ended 30 June 2022 saw a continuation of some of the restrictions imposed by the Scottish Government on society and business operations. We welcomed fans back into the stadium for matches in August 2021, however our first home match of the season against Rangers was limited to only 500 spectators. Then, due to a serious rise in Covid-19 cases in December 2021, the Boxing Day match against Hibernian was also restricted to 500 spectators, and the SPFL decided to bring the winter break forward, which pushed the St Mirren match back into a midweek slot in January.

In addition to this impact on match attendances and income, higher matchday operating costs continued to be incurred in meeting the ongoing requirements relating to maintaining social distancing within the football environment.

The 2022/23 season has started with no Covid-19 restrictions, and although we still have the winter months ahead, there are no indications that the current situation will change in the financial year to 30 June 2023, and we do not expect there to be any material impact on club operations as a result of Covid-19 during 2022/23.

Financial Overview

The Profit and Loss Account for the year ended 30 June 2022 shows a profit of £0.3m, which is an improvement of £2.8m on the loss of £2.5m that was reported last year.

Turnover more than doubled from £3.8m to £8.3m.

Total wage costs increased by 18% to £5.9m, with the wages/turnover ratio reducing from 132% to 71%.

The operating loss before interest and profit on sale of players was £1.9m, down from £2.3m in the previous year.

The profit on the sale of players during the year was £1.3m compared to only £0.1m last year.

Interest payable of £0.4m again relates entirely to a notional interest charge on Mark Ogren's loan account and the Scottish Government Covid-19 loan, as both these loans are provided interest free and financial reporting standards require notional interest to be charged on them through the Profit & Loss Account. This charge is added back through Other Reserves to the P&L Reserve (see Statement of Changes in Equity on Page 12), and therefore there is a net zero impact on the P&L Reserve. The actual increase in P&L Reserve in the year was therefore £0.6m.

Loss before taxation was £1.0m compared to a loss of £2.5m last year.

Tax credits relate to research & development tax credits in respect of claims for the years 2019/20 and 2020/21 that were paid by HMRC during the year to 30 June 2022.

Review of Football Operations

After consolidating our place in the Scottish Premiership in 2020/21, our objective for 2021/22 was a top-6 league finish in line with our Five-Year Performance Plan. Under the new management and coaching team, headed by Tam Courts who had been promoted from Our Academy into the position of Head Coach, not only did we achieve our objective, but exceeded our expectations by finishing in 4th position and thereby qualifying for UEFA competition for the first time since 2012.

Tam's remit was to continue with the Club's key vision of developing Our Academy players and increasing their first-team minutes 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. In achieving a 4th place finish and using a total of 16 Academy graduates during the season, 8 of whom made their first-team debuts, it is clear that Tam achieved the objectives that he was set.

Given the position the Club was in when Mark Ogren took control in December 2018, the scale of this achievement within 3½ years should not be underestimated.

The team also enjoyed some success in the domestic cups, reaching the Quarter Finals of both competitions.

The playing squad underwent many changes during the course of the 2021/22 season, with some of the key players of the 2019/20 promotion squad, such as Mark Reynolds, Jamie Robson, Lawrence Shankland and Louis Appéré all moving on to new clubs. As well as an influx of young players from Our Academy, we brought in some experienced players to strengthen the squad. Charlie Mulgrew, Scott McMann, Tony Watt, Dylan Levitt (loan from Manchester United), Ilmari Niskanen and Kevin McDonald were all recruited and played significant roles in the team's success in 2021/22.

As a result of the team's success in 2021/22, Tam Courts was tempted by offers from other clubs at the end of the season, and he chose to take up one of those options and further his career with a move to a club in Hungary. Jack Ross was then appointed in June as an experienced First Team Manager to build on last season and take the team into Europe for the first time in 10 years. Unfortunately things did not work out, and after a series of poor results, agreement was reached with Jack for him to leave the Club. After bringing some stability to team performances and results as Interim Manager, Liam Fox was formally promoted into the First Team Manager in September, and the Board are confident that Liam will lead the team to future success.

Football Income

The impact of Covid-19 on match day and non-match day revenues was substantially lower than last year, and this year's Covid-19 related losses were able to be fully mitigated through a final payment of £0.6m from the business interruption claim under the company's insurance policy and a Scottish Government grant of £0.1m. The insurance claim and government grant income is included within Other Income.

The loyalty of our fans was again demonstrated with their commitment to buying over 5,400 season tickets for the 2021/22 season. The vast majority of season ticket holders chose to waive their right to credits due to them from 2020/21 when renewing for the 2021/22 season, and donated the money to the Club. These donations totalling £1.0m are therefore reflected as income in the accounts for the year to 30 June 2022. The Board would like to express our extreme gratitude to every season ticket holder who donated their credit to the Club, as we are fully aware that many of our supporters will have suffered financial hardship over the last couple of very difficult years.

With fans back in the stadium from August 2021 after the lifting of most of the Covid-19 restrictions, this was the first year since 2015/16 that we had match ticket sales income in the Premiership. Although there was still some impact from Covid-19 restrictions, and some of our more vulnerable supporters remained uncomfortable about the potential health risks of coming to the stadium on matchdays, we are pleased to report total income of over £1.0m from match ticket sales.

The financial reward for the team finishing in 4th position in the Premiership, was an increase in SPFL prize money of £0.5m to £2.0m.

One of the financial benefits of being back in the Premiership is the eligibility for a share of the UEFA Club Participation Payment that is distributed to Premiership clubs who do not participate in UEFA competition. The payment received by the Club in 2021/2 was £0.2m.

A key element of the financial sustainability of the Club is player trading, not only in respect of Our Academy graduates but also recruiting and developing players to become valuable assets. The total profit during the year of £1.3m on the sale of players was made on players from both these categories, including the sale of 17 year-old Kerr Smith to Aston Villa after only 12 first team appearances, and profits on the sale of Lawrence Shankland and Jeando Fuchs.

Reported profits on the sale of players is primarily the guaranteed transfer fees from players sold during the year to 30 June 2022 less the amortised cost of those players. Contingent fees that are normally included in a transfer agreement, such as appearance triggers or sell-on fees, are not accounted for until they are received. The Club currently has several contingent assets in respect of players transferred to other clubs, which we believe have a reasonable prospect of bringing in further income as specific contingent payments are triggered.

One of the key objectives for Sporting Director, Tony Asghar, and his football department, is to achieve on-field success while maintaining a strong competitive squad of players and hitting financial targets, and this was achieved in 2021/22.

Review of Our Academy

The significant financial investment in Our Academy continued during 2021/22, and our Project Brave Elite status was again maintained. Overall, the investment in Our Academy facilities and operations since Mark Ogren acquired the Club in December 2018 now totals over £3.0m.

As well as extensively upscaling the number and experience levels of Our Academy coaching and support staff, there has been substantial investment made into the facilities at Gussie Park. In early 2022 £0.3m was spent on a state of the art FIFA-approved astro-turf pitch and new surrounding fencing. Further investment is planned at Gussie Park this year, with a 200-seat stand and modular buildings to house radically improved and extended facilities for Our Academy to operate from.

As evidenced by the ongoing financial investment being made, 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 the young players who have made first team appearances or are first team stars of the foreseeable future. As mentioned above in the Review of Football Operations, last season the first team used a total of 16 Our Academy graduates, 8 of whom made their Premiership debuts.

Our Academy players have also been selected regularly for Scotland youth squads.

Rory Macleod played for Scotland U16's in the Victory Shield tournament win in October 2021, and is now a regular member of the Scotland U17 squad.

Craig Moore and Lewis O'Donnell were both in the Scotland U17 squad for the Euro Finals in May 2022. Craig was recently selected for the U18 squad for the Limoges tournament in September 2022.

Chris Mochrie was involved with the U19 squad for the Euro Qualification Round in November 2021 and also at the Euro Elite Round in March 2022. Chris was then selected for the U21 squad for the matches against Northern Ireland in September 2022.

Ross Graham, Archie Meekison and Kieran Freeman have all established themselves in the United first team squad as well as being selected for Scotland U21s.

These are just a few of the young players that potentially have a big future with the Club, and the Board are delighted that the substantial investment being made in Our Academy continues to bear fruit.

Andy Goldie left the Club and his position as Head of Academy in July 2022 to take up a new role at English Championship club Swansea City. In his 3 years at the Club, Andy built the academy infrastructure and recruited a host of top youth coaches, very quickly attaining SFA Club Academy Elite Status. The Board would like to thank Andy for his huge contribution to making Our Academy one of the top youth academies in the country. Paul Cowie has been promoted from his previous role as Head of Academy Coaching to lead Our Academy through the next phase of strategic development.

The financial investment into Our Academy has been supported by some substantial donations made by the Dundee United Supporters Foundation (DUSF), including a donation of £0.2m towards the cost of infrastructure improvements at Gussie Park being made in June 2022. The Board are delighted with the relationship that the Club has with the DUSF and their commitment to providing further ongoing financial support through their 2,000 plus membership. Special thanks go to Ged Bell, Martin Manzi, Andy McCarle and Mike Evans, who have been instrumental in building the relationship between the DUSF and the Club, and in driving the membership of the DUSF.

Commercial Income

The Board were pleased with the continued support of our main sponsors and commercial partners, with Eden Mill, J.F. Kegs, Norman Jamieson, Paint-Tec and Utilita all continuing as kit sponsors.

With matchday operations being able to return to a level of normality from August 2021, we were able to welcome back hospitality clients to the stadium and generate income of over £0.5m from hospitality and events. The Board would like to thank Mark Bulle and his catering company for their flexibility over the last two years and being able to maintain a provision of hospitality during very difficult times. For the 2022/23 season we have brought hospitality in-house and our resident head chef Manuel Rascon will oversee the provision of top class matchday catering as well as continuing to provide the playing squad and coaching staff with the nutritious food they require during the week.

The retail shop was another area of the Club that was adversely affected in the previous year by Covid-19, with no matchday sales income. The online sales experience has been significantly improved, and with the shop doors open again on matchdays, we saw an increase of over 50% in retail sales in the year to 30 June 2022.

2021/22 was the penultimate year of our kit supply agreement with Macron, and we are now into the final year of the contract. While we have been delighted with the relationship with Macron and the quality of kit that has been supplied since 2019, it makes commercial sense for the Club to consider all options before committing to another kit supply agreement from 2023. We are currently undertaking a full competitive appraisal process and will make an announcement on this in due course.

Wage Costs

Total wage costs increased by £0.9m (18%) on the previous year, which mainly reflects the investment of increased revenues into the playing squad and in further expansion of the coaching structure within Our Academy.

Average staff numbers during the year increased from 97 to 108, with the main increase being in the football department and academy, and some of this relates to giving contracts to previously part-time casual coaching staff.

The wages/turnover ratio reduced from 132% to 71%, and it is worth noting that this KPI is calculated without including £0.8m of insurance claim and government grant income that was received in respect of lost income principally due to Covid-19.

Operational & Administration Costs

Direct cost of sales, excluding wage costs, increased by £0.9m (43%) mainly because of a return to more normal matchday operations and the increase in retail and hospitality sales.

Administrative expenses increased by £1.0m (82%).

Since taking over the Club in December 2018, there has been substantial spend on bringing areas of the stadium up to required standard and improving the infrastructure for players, staff and spectators. In the previous year, with the stadium being effectively closed for long periods due to Covid-19, some of the planned maintenance work was postponed until 2021/22. Over £0.2m was spent during the year to 30 June 2022 on stadium repairs, improvements and maintenance and a further £0.5m was spent on new Fixtures & Fittings, including £0.3m on Gussie Park, which resulted in an increase of £0.1m in fixed asset depreciation.

Other property costs, including rent, rates and utility costs increased by £0.1m (32%) due to taking on additional working space at our leased St Andrews University training centre, Covid-19 business rates relief coming to an end, and a significant increase in gas and electricity prices.

In 2019/20 the football department commenced a programme of innovative R&D projects, and engaged specialist consultants to assist in these projects, including ensuring eligibility for claiming tax relief through the R&D Credit scheme. This culminated in two claims totalling £1.3m being lodged and paid out during the year ended 30 June 2022, and the consultants' fees for their work in respect of the innovation projects and R&D Credit claims being paid. Work on these and additional innovation projects continued in 2021/22 and we expect to submit a further R&D claim to HMRC in 2022/23.

Interest Charges

Interest charges of £0.4m again 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. These charges have been added back to the P&L Reserve through Other Reserves as shown on Page 12.

Net Assets

The net assets deficit of £4.8m, as reported in the Balance Sheet as at 30 June 2022, is distorted by the £9.3m (£10.6m undiscounted value) of funding provided by Mark Ogren to the above date being disclosed within Creditors rather than within Capital & Reserves (2021: £9.0m). 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 pleased that the Club has returned to profitability, even in a year that saw some residual effects of Covid-19 restrictions. At the time of writing there appears to be no current threat of Covid-19 having a significant impact on Scottish society or football, however we are aware that the threat has not been fully eliminated. Based on the on-field success achieved in season 2021/22, the return of European football to Tannadice for the first team in 10 years, cumulative investment in the first team and Our Academy, and the current public health climate, the Board have an optimistic and positive outlook for the year ahead.

The Board would again like to thank the fans for their magnificent support and unbelievable passion for the Club. Those who made the journey to Dingwall for the last game of the season, and witnessed a victory that secured 4th position in the league and European qualification, helped make it a very memorable day for the Club. We all hope that there are many more days like that for the supporters to enjoy in the coming seasons.

The journey the Club has been on since December 2018 has been remarkable. From treading water in the Championship to 4th place in the Premiership in such a short period is beyond the aspirations that we had when Mark Ogren took over the Club, particularly when you factor in the massive financial and operational impact that Covid-19 has had over the last two years. None of the success we have enjoyed would have been possible without all the staff at the Club, and the Board would like to formally thank them for all their dedication and hard work.

Dundee United Community Trust

The Club has continued to work very closely with Dundee United Community Trust (DUCT), and particularly during the hard times that many people have encountered in the last couple of years we are extremely proud to be associated with the excellent work that DUCT undertake in the local community.

By empowering and supporting DUCT, the Club continues to play a key role in improving the lives of local people. During the past year, DUCT engaged over 2,600 individuals in activities ranging from education projects with local schools, food provision for families in need of support and sport and physical activity for all. Over 1 in 3 of the beneficiaries of DUCT activity live in the 15% most deprived areas in the City and 325 are living with a disability, as two examples of how the Club, through DUCT, is using its special place in the City to help those in most need.

The Club and DUCT have entered into an agreement for allowing DUCT extensive use of the newly upgraded facilities at Gussie Park, and the Board are delighted to see the facilities busy almost every day with the extensive range of community programmes being run by DUCT.

Dundee United Women's Team

Since the launch of the Dundee United Football Club Women's Team in 2015, it has been successfully operated by Dundee United Community Trust. Seven years of hard work and dedication were rewarded in May 2022 when the team played at Tannadice in front of over 700 fans to beat St Johnstone WFC before lifting the SWPL 2 trophy.

With DUWFC about to make their debut in the SWPL 1 and compete against all the top Scottish women's teams, the Board reached agreement with DUCT to bring DUWFC under the direct control and administration of Dundee United Football Club.

While DUCT have done fantastic work in establishing DUWFC and laying the foundations for future growth and success, the enhanced support that will be available through the Club will give the team greater prospects of a successful transition into the top flight of Scottish women's football.

As part of the agreement with the Club, Graeme Hart will remain as Head Coach and the team will now be based at the regenerated Gussie Park. The proposed 200-seat stand is only the first part of an enhanced infrastructure at Gussie Park that DUWFC will benefit from. The Player Pathway to the first team will be strengthened by DUCT's Girls Academy, which will maintain a strong link between the DUWFC and DUCT. The Board are committed to making DUWFC competitive in the SWPL 1 and will provide the necessary financial and operational support to achieve that aim.

Jim McLean Statue

After a huge amount of work by the Jim McLean Statue Steering Group, and a significant delay due to Covid-19, the bronze statue celebrating the life and legacy of the Club's most successful manager was finally unveiled at Tannadice in September 2021.

The steering group worked closely with renowned sculptor Alan Heriot and the McLean family to produce the statue that now sits on a platform behind the Eddie Thompson Stand, showing Jim in an iconic pose proudly holding aloft the Premier Division Trophy that was won in 1983.

This statue was commissioned with the support of hundreds of fans who made donations and raised the required £62,000.

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. This is evidenced by turnover more than doubling from £3.9m in 2019/20 when the team were in the Championship to £8.3m in 2021/22 when the team finished 4th in the Premiership.

In December 2018 when Mark Ogren took control of the Club, the team were languishing in the Championship and the Club was in a very precarious financial position as a direct result of the poor performance of the team.

Since then, over £13m has been invested into the Club to enhance the infrastructure, the playing squad, Our Academy and the facilities, and this investment has been part of a long term plan to ensure the financial security and viability of the Club. This financial year has seen the Club return to financial self-sustainability, and we expect this to continue.

The principal risk to the business is the possibility of the team being relegated to the Championship again. The owners and Board are committed to ensuring that the required funding and infrastructure is in place to maintain the Club 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.

Key performance indicators

	2022	2021	2020
SPFL Premiership	4th	9th	n/a
SPFL Championship	n/a	n/a	1st
Scottish Cup	Quarter-Final	Semi-Final	4th Round
Scottish League Cup	Quarter-Final	Group Stage	Group Stage
Turnover	£8.28m	£3.79m	£3.91m
Operating Loss	£1.90m	£2.27m	£3.19m
Wages to Turnover Ratio	71%	132%	120%
Financial Year Profit/(Loss)	£0.28m	(£2.52m)	(£3.01m)

Mr M Ogren
Director
22 November 2022

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2022

The directors present their annual report and financial statements for the year ended 30 June 2022.

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 13.

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.

On behalf of the board

Mr M Ogren
Director
22 November 2022

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 2022 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 Financial Reporting Standard 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 2022 and of its profit 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.

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 or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

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).

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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. 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

22 November 2022

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 £	2021 £
Turnover	**3**	8,280,741	3,785,027
Cost of sales		(8,579,353)	(6,935,824)
Gross loss		(298,612)	(3,150,797)
Administrative expenses		(2,476,726)	(1,460,305)
Other operating income		872,534	2,336,732
Operating loss	**4**	(1,902,804)	(2,274,370)
Interest receivable and similar income	**7**	1	-
Interest payable and similar expenses	**8**	(363,723)	(351,232)
Gain on disposal of player registrations	**9**	1,268,906	102,124
Loss before taxation		(997,620)	(2,523,478)
Tax on loss	**10**	1,277,390	-
Profit/(loss) for the financial year		279,770	(2,523,478)

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 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Intangible assets	**11**		345,323		85,224
Tangible assets	**12**		5,909,437		5,452,140
Investments	**13**		1		1
			6,254,761		5,537,365
Current assets					
Stocks	**14**	94,872		159,555	
Debtors	**15**	1,493,741		2,054,035	
Cash at bank and in hand		2,723,234		1,976,623	
		4,311,847		4,190,213	
Creditors: amounts falling due within one year	**16**	(3,153,534)		(2,967,837)	
Net current assets			1,158,313		1,222,376
Total assets less current liabilities			7,413,074		6,759,741
Creditors: amounts falling due after more than one year	**17**		(12,172,699)		(11,800,677)
Net liabilities			(4,759,625)		(5,040,936)
Capital and reserves					
Called up share capital	**22**		9,882		9,882
Share premium account			2,813,858		2,813,858
Other reserves			2,677,138		3,039,320
Profit and loss reserves			(10,260,503)		(10,903,996)
Total equity			(4,759,625)		(5,040,936)

The financial statements were approved by the board of directors and authorised for issue on 22 November 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 2022

	Share capital	Share premium account	Other reserves	Profit and loss reserves	Total
	£	£	£	£	£
Balance at 1 July 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)
Transfers	-	-	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)
Year ended 30 June 2022:					
Profit and total comprehensive income for the year	-	-	-	279,770	279,770
Other movements	-	-	(362,182)	363,723	1,541
Balance at 30 June 2022	9,882	2,813,858	2,677,138	(10,260,503)	(4,759,625)

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

		2022		2021	
	Notes	**£**	**£**	**£**	**£**
Cash flows from operating activities					
Cash absorbed by operations	**29**		(882,143)		(1,929,301)
Income taxes refunded			1,277,390		-
Net cash inflow/(outflow) from operating activities			395,247		(1,929,301)
Investing activities					
Purchase of intangible assets		(435,411)		(130,000)	
Proceeds from disposal of intangibles		1,343,757		102,124	
Purchase of tangible fixed assets		(834,243)		(118,441)	
Proceeds from disposal of tangible fixed assets		-		500	
Interest received		1		-	
Net cash generated from/(used in) investing activities			74,104		(145,817)
Financing activities					
Repayment of borrowings		46,392		3,245,111	
Payment of finance leases obligations		230,868		58,320	
Net cash generated from financing activities			277,260		3,303,431
Net increase in cash and cash equivalents			746,611		1,228,313
Cash and cash equivalents at beginning of year			1,976,623		748,310
Cash and cash equivalents at end of year			2,723,234		1,976,623

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 pre tax losses of £997,620 (2021: £2,523,478) during the year, has net current assets of £1,158,313 (2021: assets £1,222,376) and a balance sheet deficit of £4,759,625 (2021: £5,040,936). Excluding the loan from the majority shareholder the company has net assets of £4,579,571 (2021: £3,977,145).

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
- Sponsorship and commercial income being consistent, subject to inflationary rises
- Overheads and payroll costs being similar to the level incurred in the current period, subject to inflationary rises;
- Income from net player transfer activities;
- No repayment of Mark Ogren's director's 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.

After due consideration of the above, including the potential impact of key assumptions not materialising and having received assurances from the majority shareholder of the company, the Board are satisfied that they consider that the company has adequate resources to continue in operational existence for a period of not less than twelve months from the date of approval of the accounts. Accordingly, the Board consider it appropriate to prepare the financial statements on the going concern basis.

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.

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.

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 Accounting policies **(Continued)**

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.

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.

1 Accounting policies **(Continued)**

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.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1 Accounting policies **(Continued)**

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 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.

1.14 Retirement benefits

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

1.15 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.

1.16 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.

1 Accounting policies **(Continued)**

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.

1.17 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.

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

	2022	2021
	£	£
Turnover analysed by class of business		
Football	5,342,144	2,435,596
Commercial	1,888,079	1,088,365
Other	1,050,518	261,066
	8,280,741	3,785,027

	2022	2021
	£	£
Other significant revenue		
Interest income	1	-
Grants received	173,059	436,732
Gain on disposal of player registrations	1,268,906	102,124

4 Operating loss

Operating loss for the year is stated after charging/(crediting):	2022 £	2021 £
Exchange losses	506	66
Government grants	(173,059)	(436,732)
Fees payable to the company's auditor for the audit of the company's financial statements	16,750	12,505
Depreciation of owned tangible fixed assets	305,208	282,000
Depreciation of tangible fixed assets held under finance leases	71,738	352
Profit on disposal of tangible fixed assets	-	(500)
Amortisation of intangible assets	102,002	245,594
Operating lease charges	191,631	149,629

5 Employees

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

	2022 Number	2021 Number
Football	78	69
Administration and management	19	18
Ground Staff	10	9
Directors	1	1
Total	108	97

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	5,226,326	4,442,172
Social security costs	597,380	500,964
Pension costs	56,246	54,052
	5,879,952	4,997,188
Redundancy payments made or committed	65,803	193,768

6 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	10,000	15,000

7 Interest receivable and similar income

	2022	2021
	£	£
Interest income		
Interest on bank deposits	1	-

Investment income includes the following:

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

8 Interest payable and similar expenses

	2022	2021
	£	£
Other finance costs:		
Unwinding of discount on loans	363,723	351,232

9 Gains on disposals of player registrations

	2022	2021
	£	£
Other gains and losses	1,268,906	102,124

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

10 Taxation

	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	(1,277,390)	-

The actual (credit)/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:

	2022	2021
	£	£
Loss before taxation	(997,620)	(2,523,478)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(189,548)	(479,461)
Tax effect of expenses that are not deductible in determining taxable profit	75,429	67,006
Tax effect of income not taxable in determining taxable profit	-	(2,008)
Unutilised tax losses carried forward	164,626	367,919
Permanent capital allowances in excess of depreciation	(50,507)	46,544
Research and development tax credit	(1,277,390)	-
Taxation credit for the year	(1,277,390)	-

11 Intangible fixed assets

	Player registration
	£
Cost	
At 1 July 2021	529,483
Additions	435,411
Disposals	(434,078)
At 30 June 2022	530,816
Amortisation and impairment	
At 1 July 2021	444,259
Amortisation charged for the year	102,002
Disposals	(360,768)
At 30 June 2022	185,493
Carrying amount	
At 30 June 2022	345,323
At 30 June 2021	85,224

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

12 Tangible fixed assets

	Stadium Property	Fixtures & fittings	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 July 2021	9,417,563	2,556,427	76,264	12,050,254
Additions	-	533,474	300,769	834,243
At 30 June 2022	9,417,563	3,089,901	377,033	12,884,497
Depreciation and impairment				
At 1 July 2021	4,567,436	1,987,310	43,368	6,598,114
Depreciation charged in the year	188,177	116,101	72,668	376,946
At 30 June 2022	4,755,613	2,103,411	116,036	6,975,060
Carrying amount				
At 30 June 2022	4,661,950	986,490	260,997	5,909,437
At 30 June 2021	4,850,127	569,117	32,896	5,452,140

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

	2022	2021
	£	£
Fixtures & fittings	1,995	2,347
Motor vehicles	257,151	30,267
	259,146	32,614

13 Fixed asset investments

	2022	2021
	£	£
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

	2022	2021
	£	£
Goods for resale	94,872	159,555

15 Debtors

Amounts falling due within one year:	2022 £	2021 £
Trade debtors	410,412	112,161
Other debtors	-	14,049
Prepayments and accrued income	1,083,329	1,927,825
	1,493,741	2,054,035

16 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Obligations under finance leases	**19**	83,147	17,414
Other borrowings	**18**	110,000	-
Trade creditors		582,885	306,354
Taxation and social security		613,744	208,726
Deferred income	**20**	1,444,359	1,089,290
Other creditors		209,273	1,183,885
Accruals		110,126	162,168
		3,153,534	2,967,837

17 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Obligations under finance leases	**19**	206,041	40,906
Other borrowings	**18**	1,297,428	1,361,036
Deferred income	**20**	1,329,654	1,380,654
Other creditors		9,339,576	9,018,081
		12,172,699	11,800,677

Other creditors due after more than one year represent a loan from Mr M Ogren of £9,339,576 (2021: £9,018,081). 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 £10,614,945 (2021: £10,607,939).

18 Loans and overdrafts

	2022 £	2021 £
Other loans	1,407,428	1,361,036
Payable within one year	110,000	-
Payable after one year	1,297,428	1,361,036

Other loans due represent a loan from the Scottish Government of £1,407,428 (2021: £1,361,036). 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 (2021: £2,818,000).

19 Finance lease obligations

	2022 £	2021 £
Future minimum lease payments due under finance leases:		
Within one year	83,147	17,413
In two to five years	206,041	40,907
	289,188	58,320

20 Deferred income

	2022 £	2021 £
Other deferred income	2,774,013	2,469,944
Deferred income is included in the financial statements as follows:		
Current liabilities	1,444,359	1,089,290
Non-current liabilities	1,329,654	1,380,654
	2,774,013	2,469,944

Football grounds improvement grants of £1,381,654 (2021: £1,433,654) 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 £52,000 (2021: £53,000).

21 Retirement benefit schemes

Defined contribution schemes	2022 £	2021 £
Charge to profit or loss in respect of defined contribution schemes	56,246	54,052

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

Ordinary share capital	2022 Number	2021 Number	2022 £	2021 £
Issued and fully paid				
Ordinary shares of 10p each	98,821	98,821	9,882	9,882

23 Contingent liabilities

Post year end the company was notified of a claim by a former employee for loss of earnings. The case is not due to heard until May 2023. As the outcome is uncertain, no provision has been made within these financial statements.

24 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:

	2022 £	2021 £
Within one year	17,064	8,485
Between two and five years	24,174	-
	41,238	8,485

25 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2022 £	2021 £
Acquisition of tangible fixed assets	23,647	-

26 Related party transactions

Transactions with related parties

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

26 Related party transactions (Continued)

	Purchases 2022 £	Purchases 2021 £
Entities with directors in common	33,818	12,867

27 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 £9,339,576 (2021: £9,018,081). The undiscounted value of the loan is £10,614,945 (2021: £10,607,939).

28 Ultimate controlling party

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

29 Cash absorbed by operations

	2022 £	2021 £
Profit/(loss) for the year after tax	279,770	(2,523,478)
Adjustments for:		
Taxation credited	(1,277,390)	-
Finance costs	363,723	351,232
Investment income	(1)	-
Gain on disposal of tangible fixed assets	-	(500)
Amortisation and impairment of intangible assets	102,002	245,594
Depreciation and impairment of tangible fixed assets	376,946	282,352
Other gains and losses	(1,268,906)	(102,124)
Decrease in provisions	(363,723)	(351,232)
Movements in working capital:		
Decrease/(increase) in stocks	64,683	(64,848)
Decrease/(increase) in debtors	560,294	(1,339,120)
(Decrease)/increase in creditors	(23,610)	1,721,135
Increase/(decrease) in deferred income	304,069	(148,312)
Cash absorbed by operations	(882,143)	(1,929,301)

30 Analysis of changes in net funds

	1 July 2021	Cash flows	30 June 2022
	£	£	£
Cash at bank and in hand	1,976,623	746,611	2,723,234
Borrowings excluding overdrafts	(1,361,036)	(46,392)	(1,407,428)
Obligations under finance leases	(58,320)	(230,868)	(289,188)
	557,267	469,351	1,026,618