

Company registration number SC013690 (Scotland)

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023



THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

COMPANY INFORMATION

Directors	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

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THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2023

The directors present the strategic report and financial statements for the year ended 30 June 2023.

Strategy and Business Model

Dundee United Football Club (the “company” and the “club”) is committed to being a sustainable and leading competitor within the upper echelons of the Scottish Professional Football League.

The club aims to achieve success within league and cup competitions with a philosophy both on and off the field of continuous personal growth 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.

We also aim to be a club that continues to work alongside Dundee United Community Trust (DUCT) within our local community to improve the lives of people within Dundee and the surrounding areas.

Review of the Business

Financial Overview

In the year ended 30 June 2023, the company suffered the financial effect of an increase in football expenditure combined with poor results in the Scottish Premiership which led to relegation to the Scottish Championship.

The Profit and Loss Account for the year ended 30 June 2023 shows a loss of £2,831,946.

Turnover was down from £8.3m in the prior year to £8.1m.

Total wage costs increased by 18% to £6.9m and the wages/turnover ratio increased from 71% to 86% from the prior year.

The operating loss before interest and profit on sale of players was £5m, up from the £1.9m loss reported in the previous year accounts.

The profit on sale of player registrations was up from £1.2m in the previous year to £2.6m.

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, 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.

Football Income

The club entered Season 2022-2023 full of optimism and confidence for the season ahead. The fantastic loyalty of our fans continued as over 5,800 season tickets were purchased resulting in over £1m in sales. However, the poor performance of the first team in the Scottish Premiership resulted in a drop in gate receipts during the second half of the season which contributed to the reduction in turnover.

Income generated from participating in European competition for the first time in ten years was £0.7m. This was largely due to prize money from UEFA and a huge Tannadice crowd of over 10,000 supporters for the first leg fixture.

The club also generated high income from a contractual sell-on fee clause for Harry Souttar who transferred from Stoke City to Leicester City. This income is illustrated in player sales along with other contractual contingent fees which were due to the club.

Despite this, the club and in particular the footballing department over-extended itself in expenditure which resulted in the club exceeding budgeted costs. There was also a £0.6m drop in SPFL prize money in Season 2022-2023 compared to Season 2021-2022 due to finishing in 12th position in the Scottish Premiership.

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

Review of Football Operations

As a result of achieving a fourth-place finish in the Scottish Premiership in Season 2021-2022, the club qualified for the Europa Conference League Third Qualifying Round and were drawn against Dutch Eredivisie side AZ Alkmaar. It was the club's first European fixture in over ten years. The club were victorious in the first leg, however suffered a reverse in Holland and exited the Competition. Qualification for the UEFA club competition resulted in significant income and the club were delighted to be back competing in European competition.

In preparation for the Scottish Premiership season, significant investment was made in the playing squad including the registrations of Steven Fletcher, Dylan Levitt, Aziz Behich, Jamie McGrath and Glen Middleton. Notable departures included Nicky Clark, Mark Connolly and Benjamin Siegrist.

Following the departure of Head Coach Tam Courts during the close season, Jack Ross was recruited to become the new first-team Manager ahead of the start of the season.

Following a disappointing start to the season, an agreement was reached with Jack Ross for him to leave the role. After a period in temporary charge, Assistant Manager Liam Fox was then formally promoted to first-team Manager in September. Liam Fox was unable to arrest the poor form throughout a period of twenty-one league matches and left following defeat to Ross County on the 25th February 2023.

In March 2023, Jim Goodwin was appointed as the club's new Manager initially on a short-term deal until the end of the season. Despite an improvement in early results and key improvements installed within the football department, the club was relegated to the Scottish Championship on the final day of the season. To say that the club are deeply disappointed to drop down to the Scottish Championship is an understatement.

Following a thorough review of Football Operations, Jim Goodwin was offered the position of Manager on a permanent contract to drive the club towards promotion at the first time of asking and this offer was accepted. Dundee United have started Season 2023-2024 positively and sit high in the Championship table in late 2023. The Board remain confident that Manager and his staff will lead the club to future success.

Domestic Cup Competition in Season 2022-23 was another largely disappointing endeavour for the club, yielding shortfalls both on and off the pitch with exits in both domestic cup competitions at the hands of Kilmarnock FC in October 2022 and February 2023 respectively.

There were also changes in key personnel among Senior Management within the company. Tony Asghar, Sporting Director, left in February 2023. Derek Bond left his position as Finance Director in April 2023 and Head of Recruitment Sean McGee also departed before the end of Season 2022-23.

The failure to build on the success achieved by the club in the previous season was compounded by the fact that the significant investment made across player recruitment and support staff costs during the summer of 2022 did not yield the desired results.

It was therefore important that major changes were implemented across the club. The governance structure was improved to ensure Luigi Capuano, the Company's Chief Executive Officer, Joe Rice (Chief Operating Officer) and the recently appointed Finance Director James Robertson were in the best position to action the required changes across the club.

Some of the fundamental changes that were identified as being required to be made during the Summer of 2023 included:

- Robust financial and budgetary control across key areas of the football department, namely in sectors such as the playing squad, player bonuses, intermediary fees, support staff and consultancy costs.
- Improved regulatory governance within the football department relating to member club obligations, Club Licensing, contracts and general football administration.
- Development of a clear strategy to improve football engagement with supporters and other key stakeholders.

The Board are confident that the above changes will result in improved cost management, greater cohesion & communication across the club.

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

Review of Our Academy

The Chairman's significant financial investment to the DUFC Academy has continued in Season 22-23, where our Elite CAS status has again been maintained. The overall investment in the Academy Facilities and Football Operations since Mr. Ogren acquired the club in December 2018 now nears £3.9million.

As evidenced by the ongoing financial investment being made, the Chairman and the Board continue to view DUFC Academy as the "cornerstone" 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 on track to graduate to the first team.

In Season 2022-2023, academy graduates Ross Graham, Kieran Freeman, Archie Meekison, Rory Macleod, Kai Fotheringham and Miller Thomson were regular First Team squad members in the Scottish Premiership along with Greg Petrie and Sam Harding (both 16 years of age) also featuring on the bench.

Our academy players have also been selected regularly for Scotland National youth squads. Jamie Forrest has been selected for Scotland U15's in the upcoming Youth Development Tournament in Portugal in December 2023 and Josh Holt has been a regular in the U15s and U16s Scotland squads.

Scott Constable has now been selected in the last two Scotland U17's squads playing in a doubleheader vs Switzerland, where he also scored, and was selected for all three UEFA qualifiers at this level also.

Owen Stirton was selected for the UEFA qualifiers with the U17's and scored on his debut versus Kazakhstan. Owen is now a regular first-team squad member on Matchdays.

Rory Macleod played for Scotland U16's and U17's in both Victory Shield tournaments and UEFA qualifiers and has been a regular member of the Scotland U19's squad. He is currently on loan to Forfar Athletic to support his continued development.

Craig Moore and Lewis O'Donnell were both in the Scotland U17's squad for the Euro Finals in May 2022.

Kai Fotheringham has established himself in the first-team and made his U21's International Debut versus Belgium in the UEFA qualifiers.

Ross Graham and Archie Meekison have both established themselves in the first-team squad as well as being selected for Scotland U21's.

On academy Staff, Paul Cowie joined as Head of Academy after Andy Goldie left for Swansea City in July 2022. Paul has looked to take a more sustainable approach to the academy to maintain its Scottish FA Elite CAS Status and has continued to retain and recruit a host of top talented local coaches in its infrastructure. As part of the club's strategic development, there have been several changes/ promotions which include Scott Madden being promoted to Head of Children's and Steven Leahy being appointed as the new Head of Youth. Paul Clark is now the Head of Academy Talent ID and Recruitment (replacing Chris McKean in the summer of 2023) and Andy Payne has taken the role of Head of U18s (replacing Ryan Moon). Brian Grant Supports the U18s and acts as the Head of Academy Coaching. Niall Nicolson is the Head of Player Care and Education and former DUFC player Paul Dixon has replaced Liam Ross as our Individual Coach Analyst. Finally, the Academy Operations Manager, Daniel Hiddleston, will be moving to Hibernian FC in the New Year, and the club are currently interviewing to fill the position.

The Board remain delighted that the substantial investment being made in DUFC Academy continues to reap benefits for the club with many youth team players graduating to the First Team. The Board's aim is to continue the long-term sustainable financial investment within the youth academy to develop and attract the best talent around the country.

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

Foundation Park

As stated in last year's annual report, there has been substantial investment made into the facilities at the previously named Gussie Park – our Academy Training Centre. In early 2022, £0.3m was spent on a state-of-the-art FIFA-approved astro-turf pitch and new surrounding fencing. Further investment of around £0.2m was made throughout 2022-23 to install a new 207-seat stand and continue the enhancement of the facilities.

Over the last four years, Dundee United and the DUSF (Dundee United Supporters Foundation) have worked collaboratively to enhance and transform the park into a top-level facility capable of hosting Club Academy Scotland (CAS), youth and SWPL fixtures for teams across the club.

DUSF donations towards the facility were £0.3m over a three-year period and were instrumental in allowing the works to be completed.

In August 2023, Dundee United Chairman Mark Ogren, other key club personnel and members of the Dundee United Supporters' Foundation (DUSF) Steering group attended a ceremony to formally rename the Academy training centre previously known as 'Gussie Park' to 'Foundation Park'.

The club is very appreciative of the efforts of the DUSF and its members in securing the completion of this work and the renaming of the facilities was a testament to those efforts.

Dundee United Women's Team

Following a stellar campaign in Season 2021-2022, winning the SWPL 2 league title, the Dundee United Women's Team was officially brought under the club's umbrella ahead of their maiden campaign in the top league in Scotland, SWPL 1.

This success was achieved on the back of Gavin Beith departing as Head Coach towards the end of 2021, with Assistant Manager Graeme Hart promoted to lead the team in their efforts to win the SWPL2.

The vast majority of the Players from the successful season prior remained with the club, and the objective for the team in Season 2022-23 was to retain their top-flight status. This was achieved successfully.

Commercial

The Board and senior management team continue to examine new ways of generating additional revenue as well as maximising current ones. This involves exploring new commercial opportunities and maintaining the current strong relationships with our sponsors, associates and partners.

The Board were pleased with the continued support of long-standing partners, with JF Kegs and Paint-Tec remaining as kit sponsors and Graham Pest Control being placed on the front of the academy kit. A new, improved partnership strategy was implemented with the club adopting new partners including QuinnBet, G4 Claims and Your Equipment Solutions. The strategy also allowed the club to attract more international renowned brands to the club including NordVPN, TGI Fridays and Footasylum.

Matchday operations fully returned to normality for the season which allowed hospitality revenue to start to grow with the aim of attaining pre-pandemic levels moving forward. Following a review of the hospitality business at the end of Season 2022-23, the club have improved corporate areas and have also reached an agreement with highly renowned caterers, Regis Banqueting, who will supply all hospitality food provision for the next two seasons starting from Season 2023-24. The Board believes that this will significantly enhance the hospitality experience going forward.

On Retail, 2022-23 was the final year of our kit supply agreement with Macron. The club conducted a comprehensive tender process to attain the best deal possible. An agreement was reached with Italian sportswear company Errea, who will become the club's technical partner for the next four seasons. The Board are delighted with the agreement which is the largest commercial deal in the club's history.

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

Dundee United Community Trust (DUCT)

The club continues to work closely with Dundee United Community Trust. The partnership has been in place for five years now and has resulted in over £1.8m of action in our communities during this time.

Key achievements in the financial year included a return to face-to-face events within DUCT's Festive Friends project, with over 70 individuals and families attending Tannadice on Christmas Day for a meal and entertainment. Demand for support over the festive period continues to increase year on year, a stark reminder of the challenges faced by many of the people we support, and last Christmas we supported over 250 individuals and families with food, gifts and the chance to socialise.

DUCT's game-changing and now multi-award-winning, 'Dundee United Para-Sports Club' continued steady growth of activities and participations now sees our community trust deliver sessions in Athletics, Badminton and Boccia as well as providing football sessions for children, young people and adults with a wide range of disabilities. The partnerships with Tayside Dynamos and Kingspark School continue to deliver fantastic impact and the club was delighted and proud to share the second 'Best Para-Football Project in the East Region' Award from the Scottish FA.

The Chairman and Board see DUCT as an integral pillar of what we do as a club and will aim to continue the growth of the partnership in 2023-24.

Wage Costs

Total Wage costs increased by over £1m (18%) to £6.9m on the previous year. The majority of this increase was due to over-expenditure within the football department. Included in the wage costs are the terminations of football management and coaching staff who were replaced within the year.

The average monthly number of persons stayed the same as the prior year at 108.

The wages/turnover ratio increased from 71% to 86%.

In June 2023, a review of all wage costs across the club was carried out by the senior management team to ensure that going forward wage costs are much better controlled. The results of this review were all reflected in the new Season 2023-24 Budget which is geared towards ensuring greater financial stability & cost control.

Operational & Administration Costs

Direct Costs of sales excluding wage costs increased £1.3m from the previous season and administrative expenses stayed high at £2.2m. Both areas have become a real focus of the cost management team in Season 2023-2024.

Our property costs increased by £0.1m due to an increase in rent, rates & utilities charges with gas and electricity charges continuing to rise.

We continued to spend substantially on all areas of the stadium to ensure facilities met the required standards and to improve the matchday experience for all spectators. Most notably, in summer of 2022, required EICR works in the George Fox stand resulted in a significant five-figure investment and further safety certification regulatory works were also required within the Jerry Kerr Grandstand also resulting in a further five-figure investment.

These works continued across the stadium in the summer of 2023 and will continue to require investment as the stadium ages and requires additional maintenance. The senior management of the club is looking at various opportunities to ensure the sustainability and maintenance of the stadium are protected and talks were initiated with DUSF regarding continuing the 'bricks and mortar' investment in the club.

Net Assets

The net assets deficit of £7.3m, as reported in the Balance Sheet as at 30 June 2023, is distorted by the £10.1m (£11.3m undiscounted value) of funding provided by Mark Ogren to the above date being disclosed within Creditors. 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 DUNDEE UNITED FOOTBALL COMPANY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

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. Unfortunately, in Season 2022-2023 the club were relegated which brings its own risks including the threat of a significant drop in revenue across all areas.

According to the Directors, other principal risks are the wider economy financial issues which can impact match attendances. To address this, the club are offering flexible and cost-effective ways to purchase tickets on a seasonal and match-to-match basis. The club has kept season tickets and match day prices at a consistent level despite a significant increase in match operation and utility costs.

Other principal risks include the club failing to achieve promotion quickly and remaining in the Championship long term. The Board have implemented a long-term stable strategy to ensure the best resources and facilities possible to achieve promotion in season 2023-2024 with the long-term aim of being competitive in the Scottish Premiership.

Another principal risk is high costs including wages, cost of sales and overhead costs. A complete overhaul was required at the end of season 2022-2023 to mitigate against over expenditure. The Board have implemented a 2023-2024 budget where budgeted costs are £4.6m less than actual costs spent in 2022-2023. It is evident that costs across the club were far too high therefore the CEO and Senior Management team are working to ensure every department works within the parameters set by the Championship budget to ensure a high level of control over costs going forward. The hard work by staff across the board has been illustrated in Q1 2023/24 whereby costs are £1.4m less than in Q1 2022/23. The club have also implemented new processes and a structure which has greatly improved communication and ensured greater cohesion between the Board, CEO & staff across all areas of the club.

Since December 2018 when Mark Ogren took control of the club, over £13m has been invested into the club to enhance the infrastructure, the playing squad, academy and facilities.

The owner remains fully committed and promotion to the Premiership remains paramount. Achieving promotion is vital for the club to be back on track towards financial self-sustainability. The club aims to regain its position in the Scottish Premiership and challenge in the top half of the Premiership. The club also seeks to operate transparently with supporters and all stakeholders and to continue to make a positive contribution to Scottish football.

To conclude, the Board would like to express its thanks to all employees, players, supporters, and associates including sponsors and partners for their continued support during a difficult season.

Key performance indicators

	2023	2022	2021
SPFL Premiership	12th	4th	9th
Scottish Cup	5th Round	Quarter-Final	Semi-Final
Scottish League Cup	Quarter-Final	Quarter-Final	Group Stage
Turnover	£8.1m	£8.28m	£3.79m
Operating Loss	£5m	£1.90m	£2.27m
Wages to Turnover Ratio	86%	71%	132%
Financial Year Profit/(Loss)	(£2.8m)	£0.28m	(£2.52m)

Mark Ogren

Mr M Ogren

Director

5 January 2024

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2023

The directors present their annual report and financial statements for the year ended 30 June 2023.

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 (Resigned 31 December 2022)
Mr J Fyffe
Mr M Ogren
Mr S Ogren

Results and dividends

The results for the year are set out on page 12.

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

Research and development

During the year the company received £Nil (2022: £1,277,390) in research and development tax credits.

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.

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

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

5 January 2024

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 2023 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 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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.

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

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.

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

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

5 January 2024

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 £	2022 £
Turnover	3	8,092,923	8,280,741
Cost of sales		(10,934,043)	(8,579,353)
Gross loss		(2,841,120)	(298,612)
Administrative expenses		(2,245,182)	(2,476,726)
Other operating income		72,414	872,534
Operating loss	4	(5,013,888)	(1,902,804)
Interest receivable and similar income	7	-	1
Interest payable and similar expenses	8	(424,854)	(363,723)
Gain on disposal of player registrations	9	2,606,796	1,268,906
Loss before taxation		(2,831,946)	(997,620)
Tax on loss	10	-	1,277,390
(Loss)/profit for the financial year		(2,831,946)	279,770

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 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Intangible assets	11		417,528		345,323
Tangible assets	12		5,622,686		5,909,437
Investments	13		1		1
			<u>6,040,215</u>		<u>6,254,761</u>
Current assets					
Stocks	14	123,052		94,872	
Debtors	15	2,050,413		1,493,741	
Cash at bank and in hand		439,591		2,723,234	
			<u>2,613,056</u>		<u>4,311,847</u>
Creditors: amounts falling due within one year	16	<u>(3,157,600)</u>		<u>(3,153,534)</u>	
Net current (liabilities)/assets			<u>(544,544)</u>		<u>1,158,313</u>
Total assets less current liabilities			5,495,671		7,413,074
Creditors: amounts falling due after more than one year	17		<u>(12,789,925)</u>		<u>(12,172,699)</u>
Net liabilities			<u>(7,294,254)</u>		<u>(4,759,625)</u>
Capital and reserves					
Called up share capital	22		9,882		9,882
Share premium account			2,813,858		2,813,858
Other reserves			2,564,601		2,677,138
Profit and loss reserves			<u>(12,682,595)</u>		<u>(10,260,503)</u>
Total equity			<u>(7,294,254)</u>		<u>(4,759,625)</u>

The financial statements were approved by the board of directors and authorised for issue on 5 January 2024 and are signed on its behalf by:

Mark Ogren

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 2023

	Share capital	Share premium account	Other reserves	Profit and loss reserves	Total
	£	£	£	£	£
Balance at 1 July 2021	9,882	2,813,858	3,039,319	(10,903,996)	(5,040,937)
Year ended 30 June 2022:					
Profit and total comprehensive income for the year	-	-	-	279,770	279,770
Transfers	-	-	(362,181)	363,723	1,542
Balance at 30 June 2022	9,882	2,813,858	2,677,138	(10,260,503)	(4,759,625)
Year ended 30 June 2023:					
Loss and total comprehensive income for the year	-	-	-	(2,831,946)	(2,831,946)
Transfers	-	-	(112,537)	409,854	297,317
Balance at 30 June 2023	9,882	2,813,858	2,564,601	(12,682,595)	(7,294,254)

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023		2022	
		£	£	£	£
Cash flows from operating activities					
Cash absorbed by operations	28	(4,399,791)		(882,143)	
Interest paid		(15,000)		-	
Corporation taxes refunded		-		1,277,390	
Net cash (outflow)/inflow from operating activities		(4,414,791)		395,247	
Investing activities					
Purchase of intangible assets		(377,672)		(435,411)	
Proceeds from disposal of intangibles		2,904,114		1,343,757	
Purchase of tangible fixed assets		(237,988)		(834,243)	
Proceeds from disposal of tangible fixed assets		118,660		-	
Interest received		-		1	
Net cash generated from investing activities		2,407,114		74,104	
Financing activities					
Repayment of borrowings		(71,737)		46,392	
Payment of finance leases obligations		(204,229)		230,868	
Net cash (used in)/generated from financing activities		(275,966)		277,260	
Net (decrease)/increase in cash and cash equivalents		(2,283,643)		746,611	
Cash and cash equivalents at beginning of year		2,723,234		1,976,623	
Cash and cash equivalents at end of year		439,591		2,723,234	

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

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 £2,831,946 (2022: £997,620) during the year, has net liabilities of £544,544 (2022: assets £1,158,313) and a balance sheet deficit of £7,294,254 (2022: £4,759,625). Excluding the loan from the majority shareholder the company has net assets of £2,819,906 (2022: £4,579,951).

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 at least Scottish Championship status with a view to regaining the club's Premiership status
- Season ticket revenues and match day income being consistent with operating in the SPFL Championship
- Sponsorship and commercial income being consistent, subject to inflationary rises
- Overheads and payroll costs being reduced to a reflect the division in which the club currently resides whilst pushing for promotion, subject to inflationary rises;
- Income from net player transfer activities;
- No repayment of Mark Ogren'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.

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

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 2023

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.

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

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.

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies, 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.

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.

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.

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

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.

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.

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

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

	2023	2022
	£	£
Turnover analysed by class of business		
Football	5,584,728	5,342,144
Commercial	2,494,143	1,888,079
Other	14,052	1,050,518
	<u>8,092,923</u>	<u>8,280,741</u>
	<u><u>8,092,923</u></u>	<u><u>8,280,741</u></u>
	2023	2022
	£	£
Other significant revenue		
Interest income	-	1
Grants received	53,004	173,059
Gain on disposal of player registrations	2,606,796	1,268,906
	<u>2,606,796</u>	<u>1,268,906</u>
	<u><u>2,606,796</u></u>	<u><u>1,268,906</u></u>

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

4 Operating loss

	2023	2022
	£	£
Operating loss for the year is stated after charging/(crediting):		
Exchange (gains)/losses	-	506
Government grants	(53,004)	(173,059)
Fees payable to the company's auditor for the audit of the company's financial statements	20,547	16,750
Depreciation of owned tangible fixed assets	422,307	305,208
Depreciation of tangible fixed assets held under finance leases	-	71,738
Profit on disposal of tangible fixed assets	(16,228)	-
Amortisation of intangible assets	305,467	102,002
Operating lease charges	193,669	191,631
	<u> </u>	<u> </u>

5 Employees

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

	2023	2022
	Number	Number
Football	73	78
Administration and management	22	19
Ground Staff	12	10
Directors	1	1
Total	<u> 108 </u>	<u> 108 </u>

Their aggregate remuneration comprised:

	2023	2022
	£	£
Wages and salaries	6,186,792	5,226,326
Social security costs	675,804	597,380
Pension costs	61,778	56,246
	<u> 6,924,374 </u>	<u> 5,879,952 </u>
Redundancy payments made or committed	<u> 415,053 </u>	<u> 65,803 </u>

6 Directors' remuneration

	2023	2022
	£	£
Remuneration for qualifying services	<u> 7,500 </u>	<u> 10,000 </u>

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

7	Interest receivable and similar income	2023	2022
		£	£
	Interest income		
	Interest on bank deposits	-	1
		<u> </u>	<u> </u>
	Investment income includes the following:		
	Interest on financial assets not measured at fair value through profit or loss	-	1
		<u> </u>	<u> </u>
8	Interest payable and similar expenses	2023	2022
		£	£
	Interest on financial liabilities measured at amortised cost:		
	Interest on bank overdrafts and loans	15,000	-
	Other finance costs:		
	Unwinding of discount on loans	409,854	363,723
		<u> </u>	<u> </u>
		424,854	363,723
		<u> </u>	<u> </u>
9	Gains on disposals of player registrations	2023	2022
		£	£
	Other gains and losses	2,606,796	1,268,906
		<u> </u>	<u> </u>

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

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

10 Taxation

	2023 £	2022 £
Current tax		
UK corporation tax on profits for the current period	-	(1,277,390)
	<u> </u>	<u> </u>

The actual charge/(credit) 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:

	2023 £	2022 £
Loss before taxation	(2,831,946)	(997,620)
	<u> </u>	<u> </u>
Expected tax credit based on the standard rate of corporation tax in the UK of 25.00% (2022: 19.00%)	(707,987)	(189,548)
Tax effect of expenses that are not deductible in determining taxable profit	-	75,429
Unutilised tax losses carried forward	715,346	164,626
Permanent capital allowances in excess of depreciation	(7,359)	(50,507)
Research and development tax credit	-	(1,277,390)
	<u> </u>	<u> </u>
Taxation charge/(credit) for the year	-	(1,277,390)
	<u> </u>	<u> </u>

11 Intangible fixed assets

	Player registration £
Cost	
At 1 July 2022	530,816
Additions	377,672
Disposals	(272,362)
	<u> </u>
At 30 June 2023	636,126
	<u> </u>
Amortisation and impairment	
At 1 July 2022	185,493
Amortisation charged for the year	305,467
Disposals	(272,362)
	<u> </u>
At 30 June 2023	218,598
	<u> </u>
Carrying amount	
At 30 June 2023	417,528
	<u> </u>
At 30 June 2022	345,323
	<u> </u>

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 2023

12 Tangible fixed assets

	Stadium Property £	Fixtures & fittings £	Motor vehicles £	Total £
Cost				
At 1 July 2022	9,417,563	3,089,901	377,033	12,884,497
Additions	127,504	110,484	-	237,988
Disposals	-	-	(200,486)	(200,486)
At 30 June 2023	9,545,067	3,200,385	176,547	12,921,999
Depreciation and impairment				
At 1 July 2022	4,755,613	2,103,411	116,036	6,975,060
Depreciation charged in the year	189,166	157,522	75,619	422,307
Eliminated in respect of disposals	-	-	(98,054)	(98,054)
At 30 June 2023	4,944,779	2,260,933	93,601	7,299,313
Carrying amount				
At 30 June 2023	4,600,288	939,452	82,946	5,622,686
At 30 June 2022	4,661,950	986,490	260,997	5,909,437

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

	2023 £	2022 £
Fixtures & fittings	1,696	1,995
Motor vehicles	70,179	257,151
	71,875	259,146

13 Fixed asset investments

	2023 £	2022 £
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.

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

14 Stocks

	2023 £	2022 £
Goods for resale	123,052	94,872

15 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	983,235	410,412
Other debtors	1,316	-
Prepayments and accrued income	1,065,862	1,083,329
	<u>2,050,413</u>	<u>1,493,741</u>

16 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Obligations under finance leases	19	22,531	83,147
Other borrowings	18	-	110,000
Trade creditors		882,346	582,885
Taxation and social security		454,052	613,744
Deferred income	20	1,337,819	1,444,359
Other creditors		96,813	209,273
Accruals		364,039	110,126
		<u>3,157,600</u>	<u>3,153,534</u>

17 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Obligations under finance leases	19	62,428	206,041
Other borrowings	18	1,335,691	1,297,428
Deferred income	20	1,275,646	1,329,654
Other creditors		10,116,160	9,339,576
		<u>12,789,925</u>	<u>12,172,699</u>

Other creditors due after more than one year represent a loan from Mr M Ogren of £10,116,160 (2022: £9,339,576). 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 £11,328,560 (2022: £10,614,945).

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

18 Loans and overdrafts

	2023 £	2022 £
Other loans	1,335,691	1,407,428
Payable within one year	-	110,000
Payable after one year	1,335,691	1,297,428

Other loans due represent a loan from the Scottish Government of £1,335,691 (2022: £1,407,428). 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 £2,700,583 (2022: £2,818,000).

19 Finance lease obligations

	2023 £	2022 £
Future minimum lease payments due under finance leases:		
Within one year	22,531	83,147
In two to five years	62,428	206,041
	84,959	289,188

20 Deferred income

	2023 £	2022 £
Other deferred income	2,613,465	2,774,013
Deferred income is included in the financial statements as follows:		
Current liabilities	1,337,819	1,444,359
Non-current liabilities	1,275,646	1,329,654
	2,613,465	2,774,013

Football grounds improvement grants of £1,328,650 (2022: £1,381,654) 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 £53,004 (2022: £52,000).

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

21 Retirement benefit schemes

	2023	2022
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	61,778	56,246
	<u>61,778</u>	<u>56,246</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.

22 Share capital

	2023	2022	2023	2022
	Number	Number	£	£
Ordinary share capital Issued and fully paid				
Ordinary shares of 10p each	98,821	98,821	9,882	9,882
	<u>98,821</u>	<u>98,821</u>	<u>9,882</u>	<u>9,882</u>

23 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:

	2023	2022
	£	£
Within one year	17,064	17,064
Between two and five years	7,110	24,174
	<u>24,174</u>	<u>41,238</u>

24 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2023	2022
	£	£
Acquisition of tangible fixed assets	-	23,647
	<u>-</u>	<u>23,647</u>

25 Related party transactions

Transactions with related parties

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

THE DUNDEE UNITED FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

25 Related party transactions (Continued)

	Sales 2023 £	Sales 2022 £	Purchases 2023 £	Purchases 2022 £
Entities with directors in common	41,000	40,600	156,351	33,818

Amounts due to related parties	2023 £	2022 £
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Entities with directors in common	-	1,718
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Amounts due from related parties	2023 £	2022 £
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Other related parties	1,796	25,517
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26 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 £10,116,160 (2022: £9,339,576). The undiscounted value of the loan is £11,328,560 (2022: £10,614,945).

27 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 2023

28 Cash absorbed by operations

	2023 £	2022 £
(Loss)/profit for the year after tax	(2,831,946)	279,770
Adjustments for:		
Taxation charged/(credited)	-	(1,277,390)
Finance costs	424,854	363,723
Investment income	-	(1)
Gain on disposal of tangible fixed assets	(16,228)	-
Amortisation and impairment of intangible assets	305,467	102,002
Depreciation and impairment of tangible fixed assets	422,307	376,946
Other gains and losses	(2,606,796)	(1,268,906)
Decrease in provisions	(409,854)	(363,723)
Movements in working capital:		
(Increase)/decrease in stocks	(28,180)	64,683
(Increase)/decrease in debtors	(556,672)	560,294
Increase/(decrease) in creditors	1,057,805	(23,610)
(Decrease)/increase in deferred income	(160,548)	304,069
Cash absorbed by operations	(4,399,791)	(882,143)

29 Analysis of changes in net funds/(debt)

	1 July 2022 £	Cash flows £	30 June 2023 £
Cash at bank and in hand	2,723,234	(2,283,643)	439,591
Borrowings excluding overdrafts	(1,407,428)	71,737	(1,335,691)
Obligations under finance leases	(289,188)	204,229	(84,959)
	<u>1,026,618</u>	<u>(2,007,677)</u>	<u>(981,059)</u>