

GRIMSBY TOWN FOOTBALL CLUB

Annual Accounts
May 2022



Strategic Report, Report of the Directors and

Financial Statements

for the Year Ended 31 May 2022

for

The Grimsby Town Football Club Limited

The Grimsby Town Football Club Limited

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for the Year Ended 31 May 2022

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The Grimsby Town Football Club Limited

Company Information
for the Year Ended 31 May 2022

DIRECTORS: D E Cook
K L Green
A J Pettit
D R Roberts
J Stockwood

REGISTERED OFFICE: Blundell Park
CLEETHORPES
N E Lincolnshire
DN35 7PY

REGISTERED NUMBER: 00034760 (England and Wales)

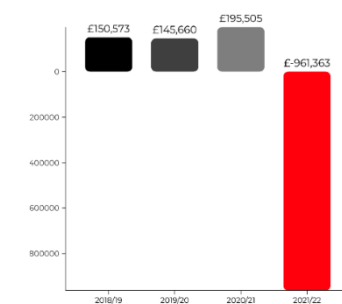
ACCOUNTANTS: Nicholsons
Chartered Accountants
Newland House
The Point
Weaver Road
LINCOLN
Lincolnshire
LN6 3QN

BANKERS: Lloyds Bank
50-52 Victoria Street West
GRIMSBY
N E Lincolnshire
DN31 1BL



The Board invested heavily in all aspects of the club during the period in an effort to modernise facilities and ensure a quick return to the English Football League.

NET PERFORMANCE



The Grimsby Town Football Club Limited

Strategic Report for the Year Ended 31 May 2022

The directors present their strategic report for the year ended 31 May 2022.

REVIEW OF BUSINESS

	2022 £000	2021 £000	2020 £000	2019 £000
Turnover	4,445	3,519	3,433	3,574
Staff costs	3,070	2,799	2,715	2,772
Profit/ (Loss)	(931)	196	143	151
Net assets	(885)	46	(238)	(398)
Final position	6th National League	24th Football League Two	15th Football League Two	17th Football League Two
Average League Attendance	5,713	n/a	4,645	4,430

Season review, what a season!

Writing this piece in retrospect, it's hard to believe the story of our wonderful 2021-22 season! After starting incredibly well our season was off to a flying start as we reached mid-October. Wealdstone away marked the start of a difficult time, with only one win in seven league games before Christmas. Things picked up at the end of January, when again we played Wealdstone, this time at home and we finished the season in a play-off position, 6th in the table meaning we had a battle on our hands if we wanted to follow National League winners Stockport County back to League Two.

Our play-off campaign should go down in football's history books. First of all we made our way to Meadow Lane on 23 May and as we moved into the final minutes of the game it looked like our play-off hopes and dreams would end there. Not so, thanks to an extra time goal from Gavan Holohan and a 119th minute extra time smasher from Emmanuel Dieseruvwe.

The Racecourse beckoned but no-one could have imagined how that game would play out on 28 May 2022. If you haven't watched the game then you should. It's fair to say it was another thriller and again our winning goal came in the 119th minute, this time to a super Luke Waterfall header. The game finished 5-4 to the Mariners. We were off to the final.

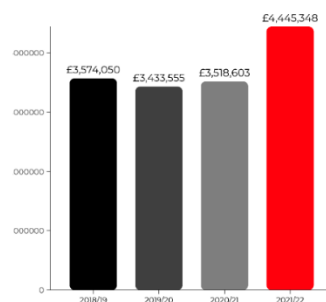
Not content with winning games in 90 minutes we took the final into extra time at the London Stadium on 5 June 2022. About 16,000 Grimsby Town supporters made their way to the London Stadium on Jubilee Weekend, a game that also made the headlines thanks to the wonderful generosity of GTFC (and some Wrexham and other club's very generous supporters) donating over £20,000 to a campaign to get fans who couldn't afford the high ticket prices to the game. Vanarama also pitched in and thanks to the wonderful behind the scenes efforts of our Mariners Trust, we got as many people there as possible. Our winning goal against Solihull Moors came in the 111th minute, thanks to a legendary Jordan Cropper throw in and a Jordan Maguire-Drew finish to see us promoted, winning the game 2-1.

The celebrations, the fans' jubilation and the open-top bus tour which was quickly organised in the town can now be added to the GTFC history books. We were back in the English Football League at the first time of asking thanks to the efforts of Paul Hurst, Chris Doig, the players and staff.



Football welcomed fans back to grounds following the Global Covid-19 pandemic. Fan support came back even stronger than before resulting in an increase in turnover.

TURNOVER



The Grimsby Town Football Club Limited

Strategic Report **for the Year Ended 31 May 2022**

Behind the scenes, things were also improving. Debbie Cook, our new CEO, had been appointed at the start of the season and she started a period of transformation behind the scenes. During the season amongst many initiatives, we launched a new Club website and the first ever brand guidelines for the Club. We also launched a new Club Shop website - Mariners Direct. The company became a Real Living Wage Employer.

At the start of the year, we made it clear that we wanted this football club to be the beating heart of the Town and its community. So many events took place at the Club, over 1000 tickets were given away to schools and community groups to facilitate this. Our aim was to make the football club a source of aspiration across the town and its surrounding area.

Financial review

Turnover increased by over 26% due to the return of fans to the ground following the Covid-19 global pandemic and a successful season on the pitch. Matchday receipts increased to £1.4 million compared to £0.68 million in 2021 and there was an increase in revenue from commercial and hospitality activities. This was offset against the higher receipts generated in the previous year by live streaming and additional EFL funding.

Due to the prior year's relegation, income from sources such as the Premier League, EFL and National League (collectively called Central Distributions in the accounts) reduced from £1.5 million to £0.72 million.

The successful promotion campaign and income from transfer activity generated more football fortune revenue which increased from £0.26 million to £0.43 million. This included revenue from the transfer of Ben Grist to Leicester City and the sell-on clause for Siriki Dembele.

As fans returned to Blundell Park, matchday costs, such as policing and health and safety, also increased.

Wage costs increased during the period to £3 million from £2.8 million.

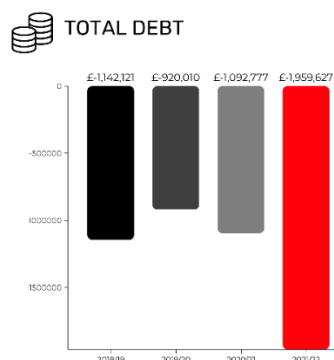
During the year the club invested in infrastructure at Blundell Park and the Cheapside training ground. Examples include pitch improvements (including an enhanced sprinkler system at Blundell Park) and new gym equipment and building at the training ground. A new glass barrier was installed in the Upper Youngs stand to improve the supporters' views. There remains a significant level of work still to be done at Blundell Park and the Directors have identified a plan for making improvements over the forthcoming seasons.

Overheads increased in the year partly due to additional expenditure on the academy as we came resumed full operations following the Covid-19 pandemic and invested in first team items aimed at increasing performance.

The new owners invested £1.5 million of loans into the company during the year. Some of this funding was used to repay debt in the form of loans from previous principal shareholder and the balance was used to fund improving operations and infrastructure of the club.



During the year the new owners invested £1.5 million into the company, repaying £1.18 million of previous debt leaving £451k of this debt remaining.



The Grimsby Town Football Club Limited

Strategic Report **for the Year Ended 31 May 2022**

The following table summarises the position of loans at the 31 May 2022.

Debt	1.6.2021	Repaid	31.5.2022
EFL Covid loan	£119,800	(£119,800)	-
Other loans	£1,500,000	(£1,050,625)	£449,375
Total	£1,619,800	(£1,170,425)	£449,375

The balance of other loans from the previous principal shareholder has been fully repaid since year end.

In addition to funds introduced by the new owners cash reserves in the company at 1 June 2021 were also used to fund day to day operations.

The board was overwhelmed by the levels of fan support. Even after a drop to the Vanarama National League, attendances rose to that of pre-pandemic levels and the average home attendance was highest in nearly 20 years.

Season tickets for the 2022/23 season has also surpassed expectations and the positive attendance trend has continued.

Financial Reporting framework

On 18 May 2021 the company was re-registered as a private limited company. Prior to that it had been a Public Limited Company (PLC). As a PLC, the company was subject to a more complex and in depth financial reporting framework, rules and regulations.

One of these related to the level of detailed accounting information required to be disclosed in the annual accounts. A decision was made by the Directors to prepare this year's accounts under the relevant financial reporting framework and to file appropriate accounts at Companies House. The accounts you will therefore see at Companies House are abbreviated.

The Directors are however, committed to openness and transparency and have therefore prepared a set of Financial Statements (this set) which goes beyond what is required. In doing so, they benefit from less accounting technicality and jargon and more disclosure in the strategic report of interesting facts and figures.

Being a PLC, also meant that the company was not legally classified as "small". This meant that it was required to have its accounts audited. Following advice, the Directors decided that there was little value in having an audit if it wasn't required and would invest the money in other areas of the football club.

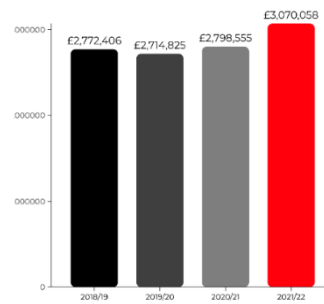
ON BEHALF OF THE BOARD:

.....
A J Pettit - Director

Date:

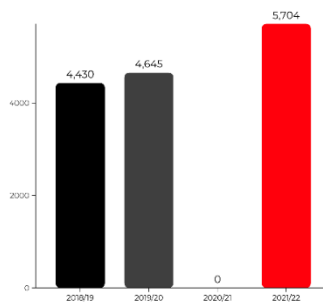
Wages costs continued to rise as is the trend within the football industry. There were also improvements made to the off the field infrastructure to provide a solid foundation for future growth.

WAGES



Following the return of fans to grounds match day average attendances increased to the highest levels in nearly 20 years.

ATTENDANCE



The Grimsby Town Football Club Limited

Report of the Directors **for the Year Ended 31 May 2022**

The directors present their report with the financial statements of the company for the year ended 31 May 2022.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a professional football club, together with related and ancillary activities.

DIVIDENDS

The directors do not recommend payment of a dividend.

FUTURE DEVELOPMENTS

The club will continue working towards the improvement of facilities at both the stadium and the training ground for the benefit of the players, employees and supporters. The Board has stated that the development of an improved Training Ground remains a key priority.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors set out in the table below have held office during the whole of the period from 1 June 2021 to the date of this report unless otherwise stated.

Other changes in directors holding office are as follows:

D E Cook - appointed 3.9.21

M C Chapman - resigned 8.2.22

The Grimsby Town Football Club Limited

Report of the Directors **for the Year Ended 31 May 2022**

DIRECTORS - continued

The beneficial interests of the directors holding office as at 31 May 2022 in the shares of the company, according to the register of directors' interests, were as follows:

	31.5.22	1.6.21 or date of appointment if later
Ordinary shares of £100 each		
K L Green	1	1
A J Pettit*	-	-
D Roberts	5	5
J Stockwood*	-	-
D Cook - appointed 3.9.21	-	-

These directors did not hold any beneficial shares in the following:

Ordinary shares of £50 each

Ordinary shares of £25 each

Ordinary shares of £1 each

* 1878 Partners Limited, a limited company equally owned and jointly controlled by A J Pettit and J Stockwood owned 13,271 Ordinary shares of £100, 2,861 Ordinary shares of £50 each. 1,013 Ordinary shares of £25 each and 6,359 Ordinary shares of £1 each.

These directors did not hold any non-beneficial interests in any of the shares of the company.

CHARITABLE AND POLITICAL DONATIONS AND EXPENDITURE

There have been charitable contributions of £41,662 (2021- £7,735) made by the company during the year. No political contributions have been made during the year.

EMPLOYMENT, HEALTH AND ENVIRONMENTAL POLICIES

It is the company's policy that there should be no discrimination against any person on the grounds of race, sex, religion or otherwise.

In accordance with the company's equal opportunity policy, people with disability are given the same consideration as others when they apply for a job. Depending on their skills and abilities, they enjoy the same career prospects and scope for realising their potential as other employees. If an existing employee becomes disabled, reasonable steps are taken to retain them in employment.

Within the bounds of commercial confidentiality, staff are kept reasonably informed of matters that affect the progress of the company and are of interest to them as employees.

The company maintains its own health and safety environmental policies covering its activities. Adherence to these policies is monitored on a regular basis.

The Grimsby Town Football Club Limited

Report of the Directors
for the Year Ended 31 May 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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;
- 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 directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

ON BEHALF OF THE BOARD:

.....
A J Pettit - Director

Date:

Chartered Accountants' Report to the Board of Directors
on the Unaudited Financial Statements of
The Grimsby Town Football Club Limited

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of The Grimsby Town Football Club Limited for the year ended 31 May 2022 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed within the ICAEW's regulations and guidance at <http://www.icaew.com/en/membership/regulations-standards-and-guidance>.

This report is made solely to the Board of Directors of The Grimsby Town Football Club Limited, as a body, in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial statements of The Grimsby Town Football Club Limited and state those matters that we have agreed to state to the Board of Directors of The Grimsby Town Football Club Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Grimsby Town Football Club Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that The Grimsby Town Football Club Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of The Grimsby Town Football Club Limited. You consider that The Grimsby Town Football Club Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of The Grimsby Town Football Club Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Nicholsons
Chartered Accountants
Newland House
The Point
Weaver Road
LINCOLN
Lincolnshire
LN6 3QN

Date:

The Grimsby Town Football Club Limited

Income Statement
for the Year Ended 31 May 2022

	Notes	31/5/22 £	31/5/21 £
TURNOVER	3	4,445,348	3,518,603
Cost of sales		<u>458,336</u>	<u>131,447</u>
GROSS PROFIT		3,987,012	3,387,156
Administrative expenses		<u>4,917,891</u>	<u>3,747,715</u>
		(930,879)	(360,559)
Other operating income		<u>-</u>	<u>564,466</u>
OPERATING (LOSS)/PROFIT	5	(930,879)	203,907
Interest payable and similar expenses		<u>484</u>	<u>645</u>
(LOSS)/PROFIT BEFORE TAXATION		(931,363)	203,262
Tax on (loss)/profit		<u>-</u>	<u>7,757</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u>(931,363)</u>	<u>195,505</u>

The notes form part of these financial statements

The Grimsby Town Football Club Limited (Registered number: 00034760)

Balance Sheet
31 May 2022

	Notes	31/5/22	31/5/21
		£	£
FIXED ASSETS			
Intangible assets	6	-	785
Tangible assets	7	906,284	917,385
		<u>906,284</u>	<u>918,170</u>
CURRENT ASSETS			
Stocks	8	77,953	57,998
Debtors	9	505,631	538,264
Cash at bank and in hand		33,096	586,627
		<u>616,680</u>	<u>1,182,889</u>
CREDITORS			
Amounts falling due within one year	10	864,800	1,243,577
NET CURRENT LIABILITIES		<u>(248,120)</u>	<u>(60,688)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		658,164	857,482
CREDITORS			
Amounts falling due after more than one year	11	1,543,348	811,303
NET (LIABILITIES)/ASSETS		<u><u>(885,184)</u></u>	<u><u>46,179</u></u>
CAPITAL AND RESERVES			
Called up share capital	14	2,379,900	2,379,900
Revaluation reserve	15	273,000	273,000
Retained earnings	15	(3,538,084)	(2,606,721)
SHAREHOLDERS' FUNDS		<u><u>(885,184)</u></u>	<u><u>46,179</u></u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 May 2022.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 May 2022 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The notes form part of these financial statements

The Grimsby Town Football Club Limited (Registered number: 00034760)

Balance Sheet - continued
31 May 2022

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on and were signed on its behalf by:

.....
A J Pettit - Director

.....
J Stockwood - Director

The notes form part of these financial statements

The Grimsby Town Football Club Limited

Statement of Changes in Equity
for the Year Ended 31 May 2022

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 June 2020	2,291,300	(2,802,226)	273,000	(237,926)
Changes in equity				
Issue of share capital	88,600	-	-	88,600
Total comprehensive income	-	195,505	-	195,505
Balance at 31 May 2021	<u>2,379,900</u>	<u>(2,606,721)</u>	<u>273,000</u>	<u>46,179</u>
Changes in equity				
Total comprehensive income	-	(931,363)	-	(931,363)
Balance at 31 May 2022	<u><u>2,379,900</u></u>	<u><u>(3,538,084)</u></u>	<u><u>273,000</u></u>	<u><u>(885,184)</u></u>

The notes form part of these financial statements

The Grimsby Town Football Club Limited

Cash Flow Statement
for the Year Ended 31 May 2022

	Notes	31/5/22 £	31/5/21 £
Cash flows from operating activities			
Cash generated from operations	1	(816,140)	(144,871)
Interest element of hire purchase payments paid		(484)	(645)
Tax paid		-	28,749
		(5,724)	-
Net cash from operating activities		<u>(822,348)</u>	<u>(116,767)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(56,000)	(80,400)
Net cash from investing activities		<u>(56,000)</u>	<u>(80,400)</u>
Cash flows from financing activities			
Loan repayments in year		(1,175,183)	(4,596)
Share issue		-	88,600
Movement in loans from parent company		1,500,000	(50,000)
Net cash from financing activities		<u>324,817</u>	<u>34,004</u>
Decrease in cash and cash equivalents		<u>(553,531)</u>	<u>(163,163)</u>
Cash and cash equivalents at beginning of year	2	586,627	749,790
Cash and cash equivalents at end of year	2	<u><u>33,096</u></u>	<u><u>586,627</u></u>

The notes form part of these financial statements

The Grimsby Town Football Club Limited

Notes to the Cash Flow Statement
for the Year Ended 31 May 2022

1. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	31/5/22	31/5/21
	£	£
(Loss)/profit before taxation	(931,363)	203,262
Depreciation charges	61,190	53,140
Loss on disposal of fixed assets	6,695	-
Finance costs	484	645
	<u>(862,994)</u>	<u>257,047</u>
(Increase)/decrease in stocks	(19,955)	7,328
Decrease in trade and other debtors	32,633	75,475
Increase/(decrease) in trade and other creditors	34,176	(484,721)
	<u>(816,140)</u>	<u>(144,871)</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 May 2022	31.5.22	1.6.21
	£	£
Cash and cash equivalents	<u>33,096</u>	<u>586,627</u>
Year ended 31 May 2021	31.5.21	1.6.20
	£	£
Cash and cash equivalents	<u>586,627</u>	<u>749,790</u>

The Grimsby Town Football Club Limited

Notes to the Cash Flow Statement
for the Year Ended 31 May 2022

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.6.21 £	Cash flow £	At 31.5.22 £
Net cash			
Cash at bank and in hand	586,627	(553,531)	33,096
	<u>586,627</u>	<u>(553,531)</u>	<u>33,096</u>
Debt			
Finance leases	(6,298)	4,758	(1,540)
Debts falling due within 1 year	(869,800)	420,425	(449,375)
Debts falling due after 1 year	(750,000)	(750,000)	(1,500,000)
	<u>(1,626,098)</u>	<u>(324,817)</u>	<u>(1,950,915)</u>
Total	<u>(1,039,471)</u>	<u>(878,348)</u>	<u>(1,917,819)</u>

The notes form part of these financial statements

The Grimsby Town Football Club Limited

Notes to the Financial Statements **for the Year Ended 31 May 2022**

1. STATUTORY INFORMATION

The Grimsby Town Football Club Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Turnover

Turnover represents all income arising from the ordinary activities of the company and excludes transfer fees receivable and Value Added Tax. Match receipts are shown after deduction of League and Football Association levies and amounts due to visiting clubs.

Going concern

In assessing the appropriateness of the going concern assumption the directors have produced detailed budgets. These budgets show that cash inflows may be insufficient to meet the company's day to day working capital requirements. The directors have also indicated their willingness and ability to support the company by providing adequate loan facilities to enable it to meet its financial obligations as they fall due for a period of twelve months from the date on which these financial statements are signed. Therefore, having made appropriate enquiries, the financial statements make no provision for any adjustment should the going concern basis not be appropriate.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation net of depreciation and provisions for impairment. No depreciation has been provided on freehold property, as Blundell Park continues to be valued in the financial statements at an amount at least equivalent to the likely net disposal proceeds. Depreciation in respect of other tangible fixed assets is provided for at the following rates on a straight line basis calculated to write-off the cost or valuation, less any estimated residual value, of each asset over its useful economic life.

Motor vehicles	25%
Computer equipment	33%
Fixtures, fittings and equipment	15%

Financial instruments

Financial instruments are recognised in the company's statement of financial position when the company becomes the 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.

The Grimsby Town Football Club Limited

Notes to the Financial Statements - continued
for the Year Ended 31 May 2022

2. ACCOUNTING POLICIES - continued

Stocks

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

Taxation

The charge for taxation is based upon the results for the year and takes into account taxation deferred through timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised without discounting in respect of these timing differences which have arisen but not yet reversed by the balance sheet date except as otherwise required by FRS 102.

Leases

Assets held under finance leases are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful economic life. The capital element of obligations are recorded as liabilities, the interest element being charged to the profit and loss account evenly over the period of the lease.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

The Grimsby Town Football Club Limited

Notes to the Financial Statements - continued **for the Year Ended 31 May 2022**

2. ACCOUNTING POLICIES - continued

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Cash and cash equivalents

Cash at bank and in hand 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.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors and loans, 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 payment is 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.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

The Grimsby Town Football Club Limited

Notes to the Financial Statements - continued **for the Year Ended 31 May 2022**

2. ACCOUNTING POLICIES - continued

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 surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Grants

Grants received in respect of expenditure which is charged to the profit and loss account are dealt with in the profit and loss account in the year of receipt. Grants received in respect of expenditure of a capital nature are treated as deferred income and released to the profit and loss account by instalments over the expected useful economic life of the related assets.

Player trading

The costs associated with the acquisition of players' registrations are capitalised as intangible fixed assets. These costs are fully amortised in equal annual instalments over the period of the players' contracts including any agreed extensions. Players' registrations are written down for impairment when the amortised value exceeds the amount recoverable through use or sale. Future costs which may become due are recognised within the original cost of acquisition if, in the opinion of the directors, it is probable that these costs will be incurred. Where similar circumstances arise from the disposal of players' registrations, these future receipts are not recognised as part of the proceeds of disposal until such time as the events upon which these receipts are dependent, are known to have occurred. No value is recognised in the financial statements for players developed within the company.

Signing on fees

Signing on fees are charged to the profit and loss account in the accounting period when they become due under the terms of the players' contract. Instalments due in the future are not provided for but are noted as contingent liabilities. Signing on fees paid as a consequence of the transfer of a players' registration are included in the profit and loss on disposal of players' registrations.

Deferred income

Deferred income comprises amounts received from sponsorship, season tickets and other income, which is released to the profit and loss account on a straight line basis over the period to which it relates.

Pension costs and other post-retirement benefits

The company contributes to defined contribution pension schemes for certain employees, the assets of which are held separately from those of the company in independently administered funds. Pension costs represent contributions payable by the company in the year.

The Grimsby Town Football Club Limited

Notes to the Financial Statements - continued for the Year Ended 31 May 2022

2. ACCOUNTING POLICIES - continued

Government grants

Government grants received are treated as deferred creditors and credited to the profit and loss account over the estimated useful life of the relevant fixed assets.

Coronavirus Job Retention Scheme grants are charged to the profit and loss account in the period they relate.

Disclosure adjustment to comparative figures

During the year an exercise was undertaken to re-map certain income and expenditure types in the financial statements so that they better represented the current commercial arrangements improving financial transparency. This exercise was also completed to re-state the 30 June 2021 figures. There has been no adjustment to the reported profit but some transactions have moved between sales and cost of sales.

Going Concern

Management have prepared and reviewed budgets for the next twelve months and the impact of the business plan on cash flows. Following this review and the confirmation from investors of their intention to support the company it has been concluded that it is appropriate for the financial statements to be prepared on the going concern basis.

3. TURNOVER

Turnover all of which arises from the company's principal activity can be analysed into its main components as follows:

	2022	2021
	£	£
Matchday	1,478,650	676,026
Central distribution	724,763	1,521,727
Commercial & hospitality	1,289,012	580,574
Academy grant	516,047	483,772
Football fortune	436,876	256,504
	<u>4,445,348</u>	<u>3,518,603</u>

4. EMPLOYEES AND DIRECTORS

	31/5/22	31/5/21
	£	£
Wages and salaries	2,827,026	2,604,021
Social security costs	243,032	194,534
	<u>3,070,058</u>	<u>2,798,555</u>

The Grimsby Town Football Club Limited

Notes to the Financial Statements - continued
for the Year Ended 31 May 2022

4. EMPLOYEES AND DIRECTORS - continued

The average number of employees during the year was as follows:

	31/5/22	31/5/21
Full-time	77	67
Part-time	28	33
Match day staff	151	125
	256	225
	256	225

5. OPERATING (LOSS)/PROFIT

The operating loss (2021 - operating profit) is stated after charging:

	31/5/22	31/5/21
	£	£
Depreciation - owned assets	60,406	49,986
Player registrations amortisation	785	19,409
	61,191	69,395
	61,191	69,395

6. INTANGIBLE FIXED ASSETS

		Player registrations £
COST		
At 1 June 2021		23,570
Disposals		(23,570)
		-
At 31 May 2022		-
AMORTISATION		
At 1 June 2021		22,785
Amortisation for year		785
Eliminated on disposal		(23,570)
		-
At 31 May 2022		-
NET BOOK VALUE		
At 31 May 2022		-
		-
At 31 May 2021		785

The Grimsby Town Football Club Limited

Notes to the Financial Statements - continued
for the Year Ended 31 May 2022

7. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION				
At 1 June 2021	1,619,146	809,431	34,796	2,463,373
Additions	-	56,000	-	56,000
Disposals	-	(314,206)	(15,000)	(329,206)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 May 2022	1,619,146	551,225	19,796	2,190,167
	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION				
At 1 June 2021	969,146	548,243	28,599	1,545,988
Charge for year	-	55,457	4,949	60,406
Eliminated on disposal	-	(307,511)	(15,000)	(322,511)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 May 2022	969,146	296,189	18,548	1,283,883
	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE				
At 31 May 2022	650,000	255,036	1,248	906,284
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 May 2021	650,000	261,188	6,197	917,385
	<hr/>	<hr/>	<hr/>	<hr/>

The Grimsby Town Football Club Limited

Notes to the Financial Statements - continued
for the Year Ended 31 May 2022

7. TANGIBLE FIXED ASSETS - continued

Cost or valuation at 31 May 2022 is represented by:

	Freehold property £	Fixtures & fittings £	Motor vehicles £	Totals £
Valuation in 2016	273,000	-	-	273,000
Cost	1,346,146	551,225	19,796	1,917,167
	<u>1,619,146</u>	<u>551,225</u>	<u>19,796</u>	<u>2,190,167</u>

If freehold property had not been revalued, it would have been included at the following historical cost:

	2022 £	2021 £
Cost	<u>1,346,146</u>	<u>1,346,146</u>
Aggregate depreciation	<u>969,146</u>	<u>969,146</u>
Value of land in freehold land and buildings	<u>377,000</u>	<u>377,000</u>

The company's freehold property was valued on the 23 September 2016 by an external valuer, Mr Andrew Clark BSc FRICS MCI Arb, of Clark Weightman Limited Chartered Surveyors and Commercial Property Consultants. The valuation has been based on the assumption that the property continues to be owner occupied for the purposes of the company's business, although the valuation also assumed that it would be redeveloped in the future with the market value being derived from comparable recent transactions for development land on an arms length basis. In the opinion of the directors, the current fair value of the property is not materially different.

8. STOCKS

	2022 £	2021 £
Goods for resale	<u>77,953</u>	<u>57,998</u>

The Grimsby Town Football Club Limited

Notes to the Financial Statements - continued
for the Year Ended 31 May 2022

9.	DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	31/5/22 £	31/5/21 £
	Trade debtors	369,867	327,785
	Other debtors	132,775	203,543
	Prepayments and accrued income	2,989	6,936
		505,631	538,264
		505,631	538,264
10.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	31/5/22 £	31/5/21 £
	Other loans (see note 12)	449,375	869,800
	Hire purchase contracts (see note 13)	1,540	4,599
	Trade creditors	91,418	70,416
	Deferred grants	16,256	16,256
	Tax	-	5,724
	Social security and other taxes	112,576	88,670
	Other creditors	69,730	16,349
	Accruals and deferred income	11,742	27,770
	Accrued expenses	112,163	143,993
		864,800	1,243,577
		864,800	1,243,577
11.	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	31/5/22 £	31/5/21 £
	Other loans (see note 12)	-	750,000
	Hire purchase contracts (see note 13)	-	1,699
	Amounts owed to group undertakings	1,500,000	-
	Deferred grants	43,348	59,604
		1,543,348	811,303
		1,543,348	811,303
12.	LOANS		
	An analysis of the maturity of loans is given below:		
		2022 £	2021 £
	Amounts falling due within one year or on demand:		
	Other loans	449,375	869,800
		449,375	869,800
	Amounts falling due after one year:		
	Other loans	1,500,000	750,000

The Grimsby Town Football Club Limited

Notes to the Financial Statements - continued
for the Year Ended 31 May 2022

13. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	2022 £	2021 £
Net obligations repayable:		
Within one year	1,540	4,599
Between one and five years	-	1,699
	1,540	6,298
	1,540	6,298

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022 £	2021 £
20,649	Ordinary	£100	2,064,900	2,064,900
5,100	Ordinary	£50	255,000	255,000
1,600	Ordinary	£25	40,000	40,000
20,000	Ordinary	£1	20,000	20,000
			2,379,900	2,379,900
			2,379,900	2,379,900

15. RESERVES

	Retained earnings £	Revaluation reserve £	Totals £
At 1 June 2021	(2,606,721)	273,000	(2,333,721)
Deficit for the year	(931,363)		(931,363)
	(3,538,084)	273,000	(3,265,084)
At 31 May 2022	(3,538,084)	273,000	(3,265,084)

16. CONTINGENT LIABILITIES

There are potential liabilities and assets in respect of the company's player trading. Due to the variable nature of these amounts, it is not possible to calculate the maximum potential liability or asset.

17. POST BALANCE SHEET EVENTS

On the 5th June 2022 the club were successful in securing promotion back to the English Football League. At the year end the outcome of this match was unknown and therefore income and costs relating to it can not be brought into these financial statements. The net cost of promotion had these costs been included would have been £171,277.

The Grimsby Town Football Club Limited

Notes to the Financial Statements - continued
for the Year Ended 31 May 2022

18. ULTIMATE PARENT COMPANY

1878 Partners Limited is regarded by the directors as being the company's ultimate parent company. Mr A J Pettit and Mr J Stockwood own 100% of the issued ordinary share capital,