

**Company Registration No. SC011580 (Scotland)**

**DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MAY 2021**

**PAGES FOR FILING WITH REGISTRAR**

# DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED

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# DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED

## CHAIRMAN'S STATEMENT

*FOR THE YEAR ENDED 31 MAY 2021*

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### General

The Directors present the Company's financial statements for the year ended 31 May 2021.

### Fair review of the business

This year was even more unusual and challenging than the previous year and I am delighted that we are reporting a profit for the year. Such was the unique nature of season 2020-21, that it is almost meaningless to compare this financial outcome with those of previous years.

The shortened season got off to a late start, with all SPFL clubs having to make arrangements to ensure that they adhered to the frequently changing Covid-19 protocols which applied to Scottish football. Even then, issues stemming from the virus led directly to clubs having postponed and foregone fixtures. Of course, our whole season was played out behind closed doors. With our supporters proving to have been "the twelfth man" on so many occasions in the past, it was hugely disappointing for everyone at the Club to have to play in empty stadia.

Yet again, our supporters displayed their great loyalty to our Club. Despite there being little or no likelihood of supporters being allowed in to East End Park to watch a live game, over 2,000 season tickets were bought by fans. The supporters' commitment to our club over many years has been outstanding.

### New Shareholder and Directors

In September 2020, DAFC Fussball GmbH made a substantial equity investment in the Club, acquiring a 30% shareholding and an option to make a further investment which would take their stake up to 75.1% (although the terms of the investment were later varied as described below).

At the same time, three representatives of DAFC Fussball GmbH – Nick Teller, Damir Keretic and Thomas Meggle – joined the Club's Board. Given the worldwide Covid-19 travel restrictions that were in place at the time and given that there was no certainty as to when those restrictions might start to be eased, that September investment was a very reassuring and generous statement of DAFC Fussball GmbH's intent.

Although, until recently, all Board meetings had to be held virtually, our three new directors have made important contributions and have played a valuable part in bringing the Club through this difficult period. We were finally able to convene our first, full Board meeting at East End Park in August 2021.

### Football

In common with all other Scottish clubs, the Covid-19 protocols agreed between the Scottish football authorities and the Scottish Government created considerable, practical difficulties for our players and our management team in terms of: travelling to training and to matches; training itself; and, pre-match and post-match activity. The Board is extremely grateful to all our staff for the positive way in which they approached their roles at the Club under these restrictions and for the commitment they showed to the Club and its supporters by doing so.

Once again, we set out to improve on our league finishing position and we drew up a budget designed to allow the Manager to strengthen the playing squad. Despite a rather disappointing record away from home, we made the play-off stage by finishing in 4th place.

To suffer another early departure from the Scottish Cup was disappointing.

# DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED

## CHAIRMAN'S STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2021

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#### Fair review of the business

The following table reflects the last three seasons' performances.

	2021	2020	2019
SPFL Ladbrokes Championship – Final Placing	4th	6th	7th
Scottish Cup	Round 2	Round 3	Round 4
League Cup	Quarter Final	Round 2	Round 2
Challenge Cup	Not Played	Round 3	Round 3

In May 2021, Stevie Crawford resigned as First Team Manager. The Board is very grateful to Stevie for his tremendous work on behalf of the Club.

Later that month, after a thorough recruitment process, Peter Grant was appointed to fill the vacancy brought about by Stevie Crawford's resignation. Having successfully qualified from the group stages of the Premier Sports Cup we were ultimately knocked out of that competition at Ibrox Stadium. Our cinch Championship fixtures got off to a poor start and on 31 October 2021 we agreed the termination of his contract with Peter, but would wish to thank him for his hard work and efforts.

After another thorough recruitment process, we were delighted to announce, on 12 November 2021, the appointment of John Hughes as our First Team manager.

#### Finances and Trading

It is pleasing that the Club has again shown a profit for the year. The Club has generated profits in six of the last seven years.

As I said earlier, a comparison of this year's financial results with those of previous years is almost meaningless, given the very particular circumstances of this year. Given the fact that, at the start of the season, our supporters knew that the likelihood of their being able to attend matches in person was very low, the Club's turnover (which does not include the grants referred to below) was 60% of the previous year's figure. A great many of our costs, however, (employment costs, for example) remained much in line with the previous year. Indeed, with the Covid restrictions in place in Scottish football, the costs of players and management travelling to training and matches was considerably greater than in the previous year.

In common with every Championship club, we benefitted from a grant of £500,000 from the Scottish Government. In line with UK accounting standards, the whole of that grant is reflected in this year's Profit and Loss Account, although the adverse financial impact of Covid-19 continues to be felt in the current year.

Like every SPFL club, we also benefitted from a grant in excess of £50,000 from The SPFL Trust ("the James Anderson Gift").

#### Community Activity

With one or two notable exceptions, virtually all of the Club's community activities had to be set to one side during the year, but as I write this, I know that our key community partner - the Pars Foundation are operating again although not fully, due to ongoing Covid issues.

Eddie Martin, our Mental Health Ambassador continues to do a great job, working alongside the Pars Foundation and I would also like to thank our Club Chaplain, Rae McKenzie for his continued support and efforts.

Sadly, due to the ongoing restrictions associated with the pandemic our award-winning schools' engagement programme has been held in abeyance since March 2020 which has been very disappointing for everyone concerned, not least the very many school children in the wider Dunfermline area.

# DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED

## CHAIRMAN'S STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 MAY 2021**

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### **The Future**

Notwithstanding the difficulties the Club faced over the last two years, the future is looking very bright.

#### Covid-19 Restrictions

We are now able to welcome back supporters into East End Park although, at the time of writing, Covid restrictions continue to have an adverse impact on attendances and turnover. It has been said by so many and so often, but it is absolutely true to say that football is nothing without supporters and the Board is looking forward to a period when the threat of possible restrictions has disappeared.

#### New Investment Capital

As was announced in November 2021, DAFC Fussball GmbH came forward with a revised proposal for its further funding for the Club. The previous commitment to exercise, by 31 December 2021, its option to increase its shareholding in the Club to 75.1% in return for further equity capital was cancelled. Instead, DAFC Fussball GmbH provided an even larger capital sum by way of a Convertible Loan Note. That loan carries no interest, is unsecured and need not be repaid in cash. On redemption, which will happen within five years, both parties have the right to repay the loan by way of an issue by the Club of new shares. To reflect the larger investment that is now involved, the issue of those shares will give DAFC Fussball GmbH an 80% stake in the Club. That is a terrific commitment by DAFC Fussball GmbH, given the practical difficulties which its representatives face in travelling to, and spending time in, Scotland.

#### Infrastructure Changes

The new investment capital from DAFC Fussball GmbH has allowed the Club to make two major commitments which the Board believes will produce considerable, long-term benefits for both the Club and the local community.

First, the Club has taken a 25-year lease (with a further ten-year option) of the former Civil Service sports ground site in Rosyth at which our new training facility will be located. Work has already started on the internal redevelopment of the existing building on the site and the preparatory work associated with the creation of three full-size football pitches: one artificial surface and two grass pitches. Due to the ongoing uncertainty caused by the pandemic and Brexit, there are going to be considerable challenges over the coming months, so we cannot be definitive as yet on completion dates.

Second, following the unanimous decision of the four member clubs to wind up the Fife Elite Football Academy, we have established our own Youth Academy which will be based at Rosyth.

In addition to the Rosyth site's being the training facility for our First Team and the home of our Youth Academy, it will also become the new base for Pars Foundation. This will greatly benefit the foundation as it will allow it to provide an improved quality, and a greater variety, of health and wellbeing programmes to the local community.

Your Board sees these moves at Rosyth as a major step change in the development of the Club. Having our own training facility will be a tremendous asset for our management team and players and should make it easier for the Club to recruit new players in the future. Having our own Youth Academy should allow us to grow our own talent. Providing the Pars Foundation with the facilities that the Rosyth site will offer will greatly increase our community involvement.

Without the investment and support of DAFC Fussball GmbH, none of these changes could ever have happened.

# DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED

## CHAIRMAN'S STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 MAY 2021**

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### Board Changes

David Cook joined the Club as full-time CEO on 8 February. David has a wealth of experience from a variety of senior roles in a number of senior football clubs and is a Dunfermline Athletic supporter. David will sit on the DAFC Board.

Damir Keretic has kindly agreed to stand down as a Director of the Club, but he will continue to be actively involved in DAFC Fussball GmbH. I must put on record my gratitude to Damir for his service to the Club, which is much appreciated.

### Appreciation

As always, I must express my personal thanks, and those of the rest of the Board, to the enormous number of people who so enthusiastically give of their time and other resources to help the Club be it in terms of media work, our club shop and ticket office or stadium maintenance.

I would also like to thank all of the fantastic people behind the scenes who work away without a lot of recognition on behalf our club at the Centenary Club Lifeline, 1885 Business Club, Pars Supporters Trust, DASC Shop, Young Pars, the Heritage Trust and Pars TV.

The commitment and loyalty shown by our supporters are greatly valued and appreciated by the Board and we look forward to building on that support as we take the Club into an exciting future. I would also like to acknowledge the various organisers within our supporters' clubs (DASC, Kincardine, Rosyth & Inverkeithing and Old Inn) who loyally take buses to away games.

Finally, I would like to place on record our sincere thanks to our many club sponsors who have remained loyal to our club throughout these challenging times, their support is very much appreciated.

As I announced in November, I will be standing down as Chairman and a Director of the Company at the end of the current season. The events that led me to make my decision, were deeply disappointing as it had not been my intention to resign at the current time. Despite this, it has been an honour and a privilege to be Chairman of a club I have supported since I was 10 years old. Like every other Pars fan, my one regret is that we have not been more successful in terms of on the field results, but I sincerely hope that the work that has taken place behind the scenes as outlined earlier provides us with a better platform for the future.

On behalf of the board



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Mr R I McArthur  
**Chairman**

Date: 14/02/22

# DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED

## BALANCE SHEET

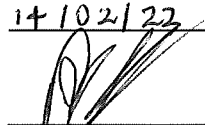
AS AT 31 MAY 2021

	Notes	2021		2020	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	3		13,333		-
Tangible assets	4		1,077,245		1,170,050
Investments	5		66		66
			<u>1,090,644</u>		<u>1,170,116</u>
<b>Current assets</b>					
Stocks		10,857		19,112	
Debtors	6	245,714		48,769	
Cash at bank and in hand		830,943		160,637	
		<u>1,087,514</u>		<u>228,518</u>	
<b>Creditors: amounts falling due within one year</b>	7	(267,441)		(193,716)	
<b>Net current assets</b>			<u>820,073</u>		<u>34,802</u>
<b>Total assets less current liabilities</b>			<u>1,910,717</u>		<u>1,204,918</u>
<b>Creditors: amounts falling due after more than one year</b>	8	(246,667)		(345,000)	
<b>Net assets</b>			<u>1,664,050</u>		<u>859,918</u>
<b>Capital and reserves</b>					
Called up share capital	9	1,834,486		1,260,292	
Share premium account		7,811,820		7,786,014	
Profit and loss reserves		(7,982,256)		(8,186,388)	
<b>Total equity</b>			<u>1,664,050</u>		<u>859,918</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered 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 14/10/22 and are signed on its behalf by:

  
Mr R J McArthur  
Chairman

Company Registration No. SC011580

# DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MAY 2021

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	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
<b>Balance at 1 June 2019</b>		1,260,292	7,786,014	(8,209,389)	836,917
<b>Year ended 31 May 2020:</b>					
Profit and total comprehensive income for the year		-	-	23,001	23,001
<b>Balance at 31 May 2020</b>		1,260,292	7,786,014	(8,186,388)	859,918
<b>Year ended 31 May 2021:</b>					
Profit and total comprehensive income for the year		-	-	204,132	204,132
Issue of share capital	<b>9</b>	574,194	25,806	-	600,000
<b>Balance at 31 May 2021</b>		<u>1,834,486</u>	<u>7,811,820</u>	<u>(7,982,256)</u>	<u>1,664,050</u>



# DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2021

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### 1 Accounting policies

#### Company information

Dunfermline Athletic Football Club Limited is a private company limited by shares incorporated in Scotland. The registered office is East End Park, Halbeath Road, Dunfermline, Fife, KY12 7RB.

#### 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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 recorded a profit of £204,132 (2020: £23,001) during the year. At 31 May 2021, the company had net current assets of £820,073 (2020: £34,802) and a balance sheet surplus of £1,664,050 (2020: £859,918).

The directors have considered the impact of Covid-19 and have prepared financial forecasts on a prudent basis with assumptions which the directors consider appropriate to the financial position of the company and its future anticipated revenues and costs. Specific consideration has been given to:

- The costs and operational restrictions due to Covid-19
- The financial stability of the club
- Net transfer activity
- Development of the club's youth academy
- Team performance

The club's financial position was boosted in December 2021 by a significant cash injection in the form of a convertible loan from the new investors. The loan is interest free and not repayable in cash. The loan will be converted to equity within 5 years.

The directors acknowledge that the company's liquidity position relies on the directors continuing to review the club's budget and ensure that costs are controlled especially now that fans are able to return to the stadium for matches.

After due consideration of the above, the directors are satisfied that the company has access to adequate resources to continue in operational existence for period of at least twelve months from the date of approval of the financial statements. The directors therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Turnover

Turnover represents income from football for the year in respect of gate receipts, advertising boards, sponsorship, broadcasting revenue and corporate hospitality and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

# DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2021

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#### 1 Accounting policies

(Continued)

Season tickets sales are deferred, and together with gate receipts and other matchday revenue, recognised throughout the football season as games are played. Sponsorship and other commercial revenue is recognised over the duration of the respective contracts. Broadcasting revenues are recognised when the relevant televised match is played. Merit awards are recognised when they are certain.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

#### 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 registrations	Over the term of the players contract
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#### 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.

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:

Leasehold property	3.33% straight line
Plant and machinery	20% straight line
Equipment	25% reducing balance
Motor vehicles	33% straight line

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.

# DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

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### 1 Accounting policies

(Continued)

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.

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 profit or loss, 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.

#### 1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

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

#### 1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

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### 1 Accounting policies

(Continued)

#### 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 balance sheet 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.

##### **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.

##### **Classification of financial liabilities**

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

##### **Basic financial liabilities**

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

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

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

#### 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 profit and loss account 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.

# DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

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### 1 Accounting policies

(Continued)

#### **Deferred tax**

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

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

#### **1.13 Employee benefits**

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

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

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

#### **1.14 Retirement benefits**

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

#### **1.15 Leases**

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.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

#### **1.16 Government grants**

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

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

#### **1.17 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.

# DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

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### 2 Employees

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

	2021 Number	2020 Number
Total	51	88

### 3 Intangible fixed assets

	Player registrations £
<b>Cost</b>	
At 1 June 2020	100,026
Additions	45,000
Disposals	(98,651)
At 31 May 2021	46,375
<b>Amortisation and impairment</b>	
At 1 June 2020	100,026
Amortisation charged for the year	31,667
Disposals	(98,651)
At 31 May 2021	33,042
<b>Carrying amount</b>	
At 31 May 2021	13,333
At 31 May 2020	-

# DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

### 4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
<b>Cost</b>			
At 1 June 2020	1,789,725	276,013	2,065,738
Additions	-	3,984	3,984
At 31 May 2021	<u>1,789,725</u>	<u>279,997</u>	<u>2,069,722</u>
<b>Depreciation and impairment</b>			
At 1 June 2020	662,225	233,463	895,688
Depreciation charged in the year	59,500	37,289	96,789
At 31 May 2021	<u>721,725</u>	<u>270,752</u>	<u>992,477</u>
<b>Carrying amount</b>			
At 31 May 2021	<u>1,068,000</u>	<u>9,245</u>	<u>1,077,245</u>
At 31 May 2020	<u>1,127,500</u>	<u>42,550</u>	<u>1,170,050</u>

### 5 Fixed asset investments

	2021 £	2020 £
Shares in group undertakings and participating interests	65	65
Other investments other than loans	1	1
	<u>66</u>	<u>66</u>

Fixed asset investments represent the clubs shares within Fife Elite Academy Football Limited and the Scottish Professional Football League Limited.

### 6 Debtors

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Trade debtors	40,884	34,239
Other debtors	204,830	14,530
	<u>245,714</u>	<u>48,769</u>

# DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

<b>7 Creditors: amounts falling due within one year</b>			<b>2021</b>	<b>2020</b>
			£	£
Trade creditors			41,242	24,014
Taxation and social security			55,560	64,679
Other creditors			170,639	105,023
			<u>267,441</u>	<u>193,716</u>
<b>8 Creditors: amounts falling due after more than one year</b>			<b>2021</b>	<b>2020</b>
			£	£
Bank loans and overdrafts			50,000	50,000
Other creditors			196,667	295,000
			<u>246,667</u>	<u>345,000</u>
<b>9 Called up share capital</b>			<b>2021</b>	<b>2020</b>
			£	£
<b>Ordinary share capital</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Issued and fully paid</b>	<b>Number</b>	<b>Number</b>	<b>£</b>	<b>£</b>
Ordinary shares of £1 each	1,834,486	1,260,292	1,834,486	1,260,292
	<u>1,834,486</u>	<u>1,260,292</u>	<u>1,834,486</u>	<u>1,260,292</u>

During the year the company issued 574,194 ordinary shares of £1 each for a consideration of £600,000.

### 10 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Sharon Collins and the auditor was Thomson Cooper.

### 11 Operating lease commitments

#### Lessee

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

	<b>2021</b>	<b>2020</b>
	£	£
	<u>2,318,917</u>	<u>2,391,917</u>



# DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

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### 12 Events after the reporting date

On 31 December 2021 DAFC Fussball GmbH provided a large capital sum by the way of a convertible loan note. The loan is interest free and will be repaid by the issuing of new equity within 5 years which will bring their shareholding to 80%.

### 13 Related party transactions

#### Transactions with related parties

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

	Purchases	
	2021	2020
	£	£
Entities over which the entity has control, joint control or significant influence	-	12,000
	<u>          </u>	<u>          </u>

### 14 Parent company

The parent company is Pars United Community Interest Company, whose registered office is East End Park, Halbeath Road, Dunfermline, KY12 7RB. No individual holds a controlling interest.