

PLYMOUTH ARGYLE FOOTBALL CLUB LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

PLYMOUTH ARGYLE FOOTBALL CLUB LIMITED

COMPANY INFORMATION

DIRECTORS

Mr P M Berne
Mrs J L I Chafer
Mr T East
Mr S Hallett
Mr R A Holliday
Mr J P Morgan
Mr A Parkinson
Mr A E Wrathall (resigned 3 June 2021)

REGISTERED NUMBER

07796376

REGISTERED OFFICE

Home Park
Plymouth
Devon
PL2 3DQ

INDEPENDENT AUDITORS

Bishop Fleming LLP
Chartered Accountants & Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

PLYMOUTH ARGYLE FOOTBALL CLUB LIMITED

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**STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

INTRODUCTION

The Company operates as a professional football club, currently competing in Sky Bet League One of the EFL (English Football League). The principal activity of the Company continues to be the operation of a professional football club, together with associated activities.

The directors present their strategic report for the year ended 30 June 2021.

BUSINESS REVIEW

The year under review was one of the most unpredictable periods in the club's modern history, with almost a whole season of Sky Bet League One football played behind closed doors – depriving the club of one of our most important sources of revenue - match-day income.

The club has nevertheless continued to make progress towards its publicly-stated aim of becoming a sustainable Championship level club. Despite a season shrouded in uncertainty, we were able to consolidate our status in Sky Bet League One, with a continuing focus on developing first-team players in our academy.

A combination of generous backing from our supporters, sponsors, and other stakeholders, coupled with a cautious and mitigating approach from the Board of Directors and senior management, ensured that the club was able to deliver a profit of £376,043 during the year under review. While welcome, this accounting profit alone does not tell the full story of the financial risks to the club, and significant losses were only avoided by strong action from our management team, supported by the Board of Directors, and by the backing of other stakeholders in the club. Most notable were the outstanding support of our fanbase and sponsors, coupled with significant financial recompense from our insurance policies, and a grant from the Premier League.

Firstly, our thanks must be expressed to our supporters, whose unparalleled generosity in turning down the offer of a refund for the remainder of the 19/20 season and purchasing season tickets for the 20/21 season, despite little prospect of watching their team live at Home Park, helped to offset the loss of ticket and associated match-day revenues. Similarly, our commercial sponsors continued to support the club, despite the disruption to their own businesses that all faced. In addition, the Government's furlough scheme, and a restructure within the organisation enabled the club to become more efficient and control expenditure on wages and salaries, helping to protect against the worst possible financial outcomes that the pandemic could have created.

The club was also able to make use of our refurbished Mayflower Grandstand conferencing facilities as a mass vaccination centre in partnership with the NHS. We are grateful to the NHS for the financial support that this opportunity gave us, and proud to have been able to support our community with such a valuable asset.

While these contributions were vital, the club received significant one-off support payments to help us deal with the effects of the pandemic. Those one-off payments helped turn losses into profits in the accounting year under review, but, of course, will not be received in coming years.

The club made a successful claim against its business interruption insurance policy, which secured the maximum claimable amount of around £2.5m. That we were able to make that successful claim is thanks to our management team, and the Board would like both to thank them and congratulate them on this significant achievement.

In addition, like all EFL member clubs, Argyle received a grant from the Premier League of nearly £1.2m. We are grateful to the Premier League clubs for this support, and hope that it is a sign that a fairer sharing of the EPL's revenues with the English football pyramid is on the horizon.

These payments, together with furlough support and other grants received, amounted to income of over £4m in the year under review and were crucial in ensuring that the club avoided substantial losses in 20/21.

In July 2020, at the peak of the uncertainty, majority shareholder Simon Hallett injected £3.5m into the club to provide security against a worst-case outcome. This was initially delivered in the form of a loan, and very shortly afterwards converted into share equity. Simon has said that this will be his final cash injection into the club.

The result is that the club has cash reserves in excess of those held in previous years.

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021**

The COVID-19 pandemic continues, and the future is unusually unclear, so these reserves give us a degree of security that we will be able to deal with the worst that could happen financially. It is important that we protect them and invest appropriately in assets that will serve our fans in the years to come. We will ensure that we have a competitive budget for Ryan, Neil and the team to continue to strengthen the squad. We will continue to invest in the academy, where we are already seeing positive outcomes with several academy graduates featuring regularly in the first team. There are a number of projects off the pitch in which we will continue to invest. We have already enhanced the floodlighting at Home Park and introduced Argyle TV, for example, and will seek to make further improvements to our fans' experience inside and outside the stadium.

Given the myriad challenges our industry and community has faced over the year under review, we are encouraged by the financial performance evidenced in these accounts. We are in a strong financial position; we own our stadium and have virtually no debt aside from an interest-free loan that will be repaid through deductions in the basic award payments we receive annually from the EFL.

Our supporters - and the community that we proudly represent in Plymouth and the South West - remain at the forefront of our thoughts and actions as we look to rebuild in the wake of the pandemic. Once again, the Board of Directors would like to place on record our gratitude to the Green Army, as well as our commercial partners, for their outstanding and continued support.

PRINCIPAL RISKS AND UNCERTAINTIES

The club faces a number of risks and uncertainties and has measures in place to mitigate the impact of these. The revenues of the business are of course susceptible to the on-pitch performance of the football team.

Obviously, COVID-19 still presents significant risks, but as discussed above, the club has made every effort to minimise the impact of this and we are delighted to have been able to welcome our supporters back to Home Park at the start of the 20/21 season.

Other risks include recruitment and retention of key personnel, negotiation of key commercial contracts, rules and regulations of the applicable football governing bodies, health and safety considerations and cash management.

The club maintains a risk register which is reviewed, discussed and updated regularly.

FINANCIAL KEY PERFORMANCE INDICATORS

Ordinarily, we would consider movements in revenue, cash balances, net income from player trading and wage costs as a percentage of turnover as financial key performance indicators. Naturally, the metrics have been significantly impacted by the COVID-19 pandemic reducing the value of a year-on-year comparison. The club continues to monitor these metrics on an ongoing basis.

OTHER KEY PERFORMANCE INDICATORS

Non-financial key performance indicators include, amongst others, divisional status, league position, number of season ticket holders, attendances and the number of social media followers.

This report was approved by the board on 15 October 2021 and signed on its behalf.

Mr S Hallett
Director

PLYMOUTH ARGYLE FOOTBALL CLUB LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2021

The directors present their report and the financial statements for the year ended 30 June 2021.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 to 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.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £376,034 (2020:loss £674,076).

No ordinary dividends were paid. No dividend is recommended.

DIRECTORS

The directors who served during the year were:

Mr P M Berne
Mrs J L I Chafer
Mr T East
Mr S Hallett
Mr R A Holliday
Mr J P Morgan
Mr A Parkinson
Mr A E Wrathall (resigned 3 June 2021)

PLYMOUTH ARGYLE FOOTBALL CLUB LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

FUTURE DEVELOPMENTS

In December of the 19/20 financial year, the directors and management formulated a clear mission for the club, consistent with our previously communicated Vision and Values. Our Vision is to be a successful football club, supported or respected by everybody in the Southwest and many beyond. At that point, we defined a successful football club as being one that was a sustainable Championship club within five years.

We will be financially sustainable, without recourse to shareholders for new equity or loans. That, in turn, implies that our revenues will be sufficient to cover our operating expenses, our capital investment and maintenance requirements, and our playing squad. Sustainability is also our aim in football terms, whereby we will have a reasonable probability of being able to maintain a position in the Championship.

As noted above, in the 20/21 financial year we have continued to make significant progress towards this aim, despite the challenges of the pandemic. We carry out a robust strategic planning process each year that is adapted and evolved accordingly. We monitor progress against this strategic plan regularly throughout each year.

These financial results provide us with an excellent platform to continue to strengthen Argyle on and off the pitch and we remain excited about the future of our club.

ENGAGEMENT WITH EMPLOYEES

The club places considerable value on engagement with its employees and, within limits of commercial confidentiality, has continued to keep them fully informed of matters that affect progress of the Company and that may be of interest to them as employees.

The club is committed to inclusion and works to eliminate discrimination, so that employees can work in a diverse environment free from intimidation, victimisation or harassment.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

POST BALANCE SHEET EVENTS

There have been no significant events affecting the Company since the year end.

AUDITORS

The auditors, Bishop Fleming LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

PLYMOUTH ARGYLE FOOTBALL CLUB LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021**

This report was approved by the board and signed on its behalf.

Mr S Hallett
Director

Date: 15 October 2021

Home Park
Plymouth
Devon
PL2 3DQ

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PLYMOUTH ARGYLE FOOTBALL CLUB LIMITED

OPINION

We have audited the financial statements of Plymouth Argyle Football Club Limited (the 'Company') for the year ended 30 June 2021, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity, the Analysis of Net Debt and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 United Kingdom, including the Financial Reporting Council'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 Auditors' 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.

PLYMOUTH ARGYLE FOOTBALL CLUB LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PLYMOUTH ARGYLE FOOTBALL CLUB LIMITED (CONTINUED)

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PLYMOUTH ARGYLE FOOTBALL CLUB LIMITED (CONTINUED)

AUDITORS' 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 Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We have considered the nature of the sector, control environment, and financial performance;
- We have considered the results of enquiries with management and the directors in relation to their own identification and assessment of the risks of irregularities within the entity;
- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating in line with documentation;
- We have obtained and reviewed the entity's documentation of their policies and procedures relating to:
 - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - The internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- We have considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the entity for fraud and identified the highest area of risk to be in relation to income recognition, with a particular risk in relation to year-end cut-off and completeness of funding. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained an understanding of the legal and regulatory frameworks that the entity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, FRS 102 and UK tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the entity's ability to operate or avoid a material penalty. These included the data protection legislation, health and safety regulations, employment law, food hygiene, alcohol licensing, EFL rules and regulations, and FA regulations.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management in relation to actual and potential claims or litigation;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing board meeting minutes;
- Performing detailed transactional testing in relation to the recognition of revenue with a particular focus around the year-end cut off and completeness of funding; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of

PLYMOUTH ARGYLE FOOTBALL CLUB LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PLYMOUTH ARGYLE FOOTBALL CLUB LIMITED (CONTINUED)

journal entries and other adjustments; assessing whether the judgements made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business.

We also communicated identified laws and regulations and potential fraud risks to all members of the engagement team and remained alert to possible indicators of fraud or non-compliance with laws and regulations throughout the audit.

As a result of the inherent limitations of an audit, there is a risk that not all irregularities, including a material misstatement in the financial statements or non-compliance with regulation, will be detected by us. This risk increases the further removed compliance with a law and regulation is from the events and transactions reflected in the financial statements, given we will be less likely to be aware of it, or should the irregularity occur as a result of fraud rather than a one-off error, as this may involve intentional concealment, forgery, collusion, omission or misrepresentation.

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

Craig Sullivan FCCA (Senior statutory auditor)
for and on behalf of

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

25 October 2021

PLYMOUTH ARGYLE FOOTBALL CLUB LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 £	2020 £
Turnover	4	5,673,566	6,968,148
Cost of sales		(6,418,292)	(6,840,142)
GROSS PROFIT/(LOSS)		(744,726)	128,006
Administrative expenses		(3,021,640)	(2,418,285)
Other operating income	5	4,096,818	1,633,959
OPERATING PROFIT/(LOSS)	6	330,452	(656,320)
Interest payable and similar expenses	10	-	(24,434)
PROFIT/(LOSS) BEFORE TAX		330,452	(680,754)
Tax on profit/(loss)	11	45,582	6,678
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		376,034	(674,076)

There was no other comprehensive income for 2021 (2020:£NIL).

The notes on pages 16 to 30 form part of these financial statements.

PLYMOUTH ARGYLE FOOTBALL CLUB LIMITED
REGISTERED NUMBER:07796376

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	12	328,885	603,216
Tangible assets	13	11,737,559	12,084,190
		<u>12,066,444</u>	<u>12,687,406</u>
Current assets			
Stocks	14	216,014	354,757
Debtors: amounts falling due within one year	15	654,110	910,992
Cash at bank and in hand		6,752,103	3,729,288
		<u>7,622,227</u>	<u>4,995,037</u>
Creditors: amounts falling due within one year	16	(3,970,895)	(5,865,049)
Net current assets/(liabilities)		<u>3,651,332</u>	<u>(870,012)</u>
Total assets less current liabilities		<u>15,717,776</u>	<u>11,817,394</u>
Creditors: amounts falling due after more than one year	17	(209,286)	(184,938)
Net assets		<u><u>15,508,490</u></u>	<u><u>11,632,456</u></u>
Capital and reserves			
Called up share capital	20	21,219,301	17,719,301
Share premium account	21	1,030,409	1,030,409
Profit and loss account	21	(6,741,220)	(7,117,254)
		<u>15,508,490</u>	<u>11,632,456</u>

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

Mr S Hallett
 Director

Date: 15 October 2021

The notes on pages 16 to 30 form part of these financial statements.

PLYMOUTH ARGYLE FOOTBALL CLUB LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 July 2020	17,719,301	1,030,409	(7,117,254)	11,632,456
Profit for the year	-	-	376,034	376,034
Shares issued during the year	3,500,000	-	-	3,500,000
At 30 June 2021	21,219,301	1,030,409	(6,741,220)	15,508,490

The notes on pages 16 to 30 form part of these financial statements.

PLYMOUTH ARGYLE FOOTBALL CLUB LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020**

	Called up share capital £	Share premium account £	Other reserves £	Profit and loss account £	Total equity £
At 1 July 2019	12,079,628	1,030,409	77,163	(6,520,341)	6,666,859
Loss for the year	-	-	-	(674,076)	(674,076)
Purchase of own shares	-	-	-	77,163	77,163
Shares issued during the year	5,639,673	-	-	-	5,639,673
Transfer to/from profit and loss account	-	-	(77,163)	-	(77,163)
At 30 June 2020	17,719,301	1,030,409	-	(7,117,254)	11,632,456

The notes on pages 16 to 30 form part of these financial statements.

PLYMOUTH ARGYLE FOOTBALL CLUB LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021**

	2021 £	2020 £
Cash flows from operating activities		
Profit/(loss) for the financial year	376,034	(674,076)
Adjustments for:		
Amortisation of intangible assets	484,331	444,663
Depreciation of tangible assets	712,582	301,179
Interest paid	-	24,434
Taxation charge	(45,582)	(6,678)
Decrease in stocks	138,743	41,298
Decrease in debtors	266,573	116,394
Increase/(decrease) in creditors	1,665,483	(1,345,708)
Net cash generated from operating activities	3,598,164	(1,098,494)
Cash flows from investing activities		
Purchase of intangible fixed assets	(210,000)	(90,000)
Purchase of tangible fixed assets	(397,651)	(5,065,617)
Net cash from investing activities	(607,651)	(5,155,617)
Cash flows from financing activities		
Issue of ordinary shares	3,500,000	1,500,000
Other new loans	-	4,309,800
Repayment of other loans	(3,467,698)	-
Interest paid	-	(24,434)
Net cash used in financing activities	32,302	5,785,366
Net increase/(decrease) in cash and cash equivalents	3,022,815	(468,745)
Cash and cash equivalents at beginning of year	3,729,288	4,198,033
Cash and cash equivalents at the end of year	6,752,103	3,729,288
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	6,752,103	3,729,288
	6,752,103	3,729,288

The notes on pages 16 to 30 form part of these financial statements.

PLYMOUTH ARGYLE FOOTBALL CLUB LIMITED

**ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 30 JUNE 2021**

	At 1 July 2020 £	Cash flows £	Other non- cash changes £	At 30 June 2021 £
Cash at bank and in hand	3,729,288	3,022,815	-	6,752,103
Debt due after 1 year	(141,719)	44,763	(58,203)	(155,159)
Debt due within 1 year	(3,520,938)	(18,862)	3,500,000	(39,800)
Finance leases	(52,374)	11,942	-	(40,432)
	14,257	3,060,658	3,441,797	6,516,712

The notes on pages 16 to 30 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

1. GENERAL INFORMATION

The Company is a private company limited by shares, registered in England and Wales. The registered number is 07796376. The address of the registered office is Home Park, Plymouth, PL2 3DQ.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 GOING CONCERN

In assessing the appropriateness of the going concern assumption, management has produced detailed cash flow forecasts, considering all reasonably foreseeable potential scenarios and material uncertainties in relation to income and costs. Under all of these scenarios, the Club can meet its liabilities as they fall due for a period of not less than 12 months from the date of approval of these financial statements.

The directors have therefore concluded that it is appropriate for the financial statements to be prepared on the going concern basis.

2.3 REVENUE RECOGNITION

Season ticket and sponsorship income is recognised as and when matches are played. Any income relating to matches unplayed at the year end is included within deferred income.

Central distributions from the Football Association and English Football League are recognised in the Statement of comprehensive income in the relevant financial period for the season to which the income relates.

All other income is recognised on the provision of service or transfer of economic benefit.

2.4 GOVERNMENT GRANTS

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.5 FINANCE COSTS

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

2. ACCOUNTING POLICIES (continued)

2.6 BORROWING COSTS

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.7 PENSIONS

DEFINED CONTRIBUTION PENSION PLAN

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

MULTI-EMPLOYER PENSION PLAN

The Company is a member of a multi-employer plan. It is not possible to identify the Company's share of the underlying assets and liabilities of the scheme and it is therefore accounted for as if it were a defined contribution scheme. The assets of the scheme are held separately from those of the company, being invested with an insurance company. Contributions to the scheme are based on actuarial advice, and charged to the profit and loss account as they become payable. The company continues to make contributions in respect of its share of the deficit of the defined benefit section of the Football League Limited Pension and Life Assurance Scheme. As one of the participating employees the company is advised only of its share of the scheme deficit and recognises a liability in respect of this.

2.8 TAXATION

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

2. ACCOUNTING POLICIES (continued)

2.9 INTANGIBLE ASSETS

GOODWILL

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life.

OTHER INTANGIBLE ASSETS

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Goodwill	-	10	years
Trademarks	-	10	years

2.10 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Assets under construction are not depreciated until construction has been completed and they are brought into use.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

2. ACCOUNTING POLICIES (continued)

2.10 TANGIBLE FIXED ASSETS (CONTINUED)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	-	2%
Plant and machinery	-	5%
Motor vehicles	-	20%
Fixtures and fittings	-	20%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Company are assigned to those units.

2.11 STOCKS

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.12 DEBTORS

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

2. ACCOUNTING POLICIES (continued)

2.13 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.14 CREDITORS

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.15 FINANCIAL INSTRUMENTS

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

**3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION
UNCERTAINTY**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The assessment of the useful economic life and residual value of the Company's intangible assets involves an element of judgement based on historical experience with similar assets as well as anticipation of future events which may impact their useful life. The Company undertakes a review of the remaining useful lives of assets each year and will reduce the remaining useful lives, or impair where necessary.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

4. TURNOVER

An analysis of turnover by class of business is as follows:

	2021 £	2020 £
Ticket sales	845,319	2,653,341
Hospitality and venue hire	352,139	584,286
Commercial and streaming	1,298,613	864,651
Retail	803,861	916,456
Football League	1,839,492	1,363,920
Academy	522,356	572,437
Other	11,786	13,057
	<u> </u>	<u> </u>

All turnover arose within the United Kingdom.

5. OTHER OPERATING INCOME

	2021 £	2020 £
Transfer fee income	59,050	1,129,348
Government grants receivable	309,620	504,611
Insurance claims receivable	2,544,086	-
Premier League grant	1,184,062	-
	<u> </u>	<u> </u>
	<u>4,096,818</u>	<u>1,633,959</u>

Government grants receivable relate to support received by the club under the government's COVID-19 furlough scheme, and support received from the local council due to COVID-19.

Insurance claims receivable relate to amounts received from the Company's insurance provider in relation to a claim under the business interruption policy for lost income due to the Coronavirus pandemic.

The Premier League grant was received to help support the club in its core activities, its academy and the wider community.

6. OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging:

	2021 £	2020 £
Depreciation	712,582	301,179
Amortisation	484,331	444,663
Other operating lease rentals	6,588	10,271
	<u> </u>	<u> </u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**
7. AUDITORS' REMUNERATION

	2021 £	2020 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	11,495	9,500

**FEE PAYABLE TO THE COMPANY'S AUDITOR AND ITS
ASSOCIATES IN RESPECT OF:**

Taxation compliance services	850	850
Other services relating to taxation	4,230	-
All other services	1,500	1,500
	6,580	2,350

8. EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	2021 £	2020 £
Wages and salaries	4,312,117	4,415,614
Social security costs	395,470	374,192
Cost of defined contribution scheme	87,215	24,939
	4,794,802	4,814,745

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
Players	41	42
Academy employees	25	13
Match day employees	73	107
Retail	24	27
Hospitality	48	50
Administration	51	53
	262	292

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

9. DIRECTORS' REMUNERATION

	2021 £	2020 £
Directors' emoluments	162,760	125,427
Company contributions to defined contribution pension schemes	4,883	3,563
	<u>167,643</u>	<u>128,990</u>

During the year retirement benefits were accruing to 1 director (2020:1) in respect of defined contribution pension schemes.

10. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021 £	2020 £
Other loan interest payable	-	24,434
	<u>-</u>	<u>24,434</u>

11. TAXATION

	2021 £	2020 £
CORPORATION TAX		
Current tax on profits for the year	<u>(45,582)</u>	<u>(6,678)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**
11. TAXATION (CONTINUED)**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is lower than (2020:higher than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021	2020
	£	£
Profit/(loss) on ordinary activities before tax	330,452	(680,754)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020:19%)	62,786	(129,343)
EFFECTS OF:		
Non-tax deductible amortisation of goodwill and impairment	-	21,398
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	8,802	11,920
Non-tax deductible depreciation of tangible fixed assets	28,183	22,304
Surrender of losses for land remediation tax credits	-	1,250
Additional deduction for land remediation expenditure	-	(2,645)
Remeasurement of deferred tax for changes in tax rates	(252,948)	(89,840)
Adjustments to brought forward values	-	(14,397)
Deferred tax not recognised	117,634	172,675
Other differences leading to an increase (decrease) in the tax charge	(10,039)	-
TOTAL TAX CHARGE FOR THE YEAR	(45,582)	(6,678)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**
12. INTANGIBLE ASSETS

	Trademarks £	Players £	Goodwill £	Total £
COST				
At 1 July 2020	100,002	240,000	3,462,031	3,802,033
Additions	-	210,000	-	210,000
Disposals	-	(90,000)	-	(90,000)
At 30 June 2021	<u>100,002</u>	<u>360,000</u>	<u>3,462,031</u>	<u>3,922,033</u>
AMORTISATION				
At 1 July 2020	86,668	115,833	2,996,316	3,198,817
Charge for the year on owned assets	10,001	107,584	347,996	465,581
On disposals	-	(71,250)	-	(71,250)
At 30 June 2021	<u>96,669</u>	<u>152,167</u>	<u>3,344,312</u>	<u>3,593,148</u>
NET BOOK VALUE				
At 30 June 2021	<u>3,333</u>	<u>207,833</u>	<u>117,719</u>	<u>328,885</u>
At 30 June 2020	<u>13,334</u>	<u>124,167</u>	<u>465,715</u>	<u>603,216</u>

PLYMOUTH ARGYLE FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

13. TANGIBLE FIXED ASSETS

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Assets under construction £	Total £
COST							
At 1 July 2020	8,358,158	1	1,180,415	46,961	2,568,020	716,919	12,870,474
Additions	-	-	-	67,648	330,003	-	397,651
Disposals	-	-	-	-	-	(31,700)	(31,700)
Transfers between classes	94,994	-	-	-	-	(94,994)	-
At 30 June 2021	8,453,152	1	1,180,415	114,609	2,898,023	590,225	13,236,425
DEPRECIATION							
At 1 July 2020	117,401	-	29,510	10,125	629,248	-	786,284
Charge for the year on owned assets	167,163	-	59,021	15,287	471,111	-	712,582
At 30 June 2021	284,564	-	88,531	25,412	1,100,359	-	1,498,866
NET BOOK VALUE							
At 30 June 2021	8,168,588	1	1,091,884	89,197	1,797,664	590,225	11,737,559
At 30 June 2020	8,240,757	1	1,150,905	36,836	1,938,772	716,919	12,084,190

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

13. TANGIBLE FIXED ASSETS (CONTINUED)

The net book value of land and buildings may be further analysed as follows:

	2021 £	2020 £
Freehold	8,168,588	8,240,757
Long leasehold	1	1
	<u>8,168,589</u>	<u>8,240,758</u>

14. STOCKS

	2021 £	2020 £
Finished goods and goods for resale	216,014	354,757
	<u>216,014</u>	<u>354,757</u>

15. DEBTORS

	2021 £	2020 £
Trade debtors	553,131	819,178
Other debtors	-	8,809
Prepayments and accrued income	84,610	76,327
Tax recoverable	16,369	6,678
	<u>654,110</u>	<u>910,992</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Other loans	39,800	3,520,938
Trade creditors	902,961	639,977
Other taxation and social security	335,684	471,274
Obligations under finance lease and hire purchase contracts	9,155	9,155
Other creditors	777,325	830,156
Accruals and deferred income	1,905,970	393,549
	<u>3,970,895</u>	<u>5,865,049</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021 £	2020 £
Other loans	155,159	141,719
Net obligations under finance leases and hire purchase contracts	31,277	43,219
Other creditors	22,850	-
	<u>209,286</u>	<u>184,938</u>

18. LOANS

Analysis of the maturity of loans is given below:

	2021 £	2020 £
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Other loans	39,800	3,520,938
AMOUNTS FALLING DUE 1-2 YEARS		
Other loans	114,959	41,819
AMOUNTS FALLING DUE 2-5 YEARS		
Other loans	40,200	99,900
	<u>194,959</u>	<u>3,662,657</u>

Within other loans, £119,800 relates to a coronavirus support loan provided by the English Football league in the prior year. No interest is charged on this loan.

The other £75,159 is the pension loan deficit for the clubs defined benefit scheme, which is no longer running. Interest is charged in relation to unwinding the discount rate. Movements for changes in assumptions and the contribution schedule are calculated each year and the liability updated accordingly.

19. HIRE PURCHASE AND FINANCE LEASES

Minimum lease payments under hire purchase fall due as follows:

	2021 £	2020 £
Within one year	9,156	9,155
Between 1-5 years	28,535	35,172
Over 5 years	2,742	8,047
	<u>40,433</u>	<u>52,374</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

20. SHARE CAPITAL

	2021 £	2020 £
ALLOTTED, CALLED UP AND FULLY PAID		
21,219,301 (2020:17,719,301) Ordinary shares of £1.00 each	21,219,301	17,719,301

During the year, a total of 3,500,000 shares were issued to one of the directors at par value of £1 each.

21. RESERVES

Share premium account

Consideration received for shares issued above their nominal value net of transaction costs.

Profit and loss account

Cumulative profit and loss net of distributions to owners.

22. PENSION COMMITMENTS

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £29,012 (2020: £24,939) . Contributions totalling £14,638 (2020: £11,679) were payable to the fund at the reporting date and are included in creditors.

The Company is also a member of the multi-employer Football League Limited Pension and Life Assurance defined benefit scheme. It is not possible to identify its share of the assets and liabilities, and therefore to allocate any actuarial surplus or deficit on a consistent basis; consequently contributions are expensed in the profit and loss account as they become payable. The assets of the scheme are held separately from those of the company in an independently administered fund. A liability of £98,099 (2020: £60,839) was payable at the reporting date and is included in creditors. A pension cost charge of £58,203 (2020: £Nil) has been included in the profit and loss account.

23. COMMITMENTS UNDER OPERATING LEASES

At 30 June 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	4,545	5,382
Later than 1 year and not later than 5 years	5,064	1,651
	9,609	7,033

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

24. RELATED PARTY TRANSACTIONS

During the year, net interest of £Nil (2020: £20,412) was charged on amounts owed to a director, and his immediate family, of which £Nil (2020: £Nil) was outstanding at the year end.

On 24 July 2020, a director purchased 3,500,000 ordinary shares at a par value of £1 each in full and final satisfaction of the repayment of a short term £3,500,000 loan owed by the company to the director. No interest was charged on the loan. At the year end, the company owed a director £Nil (2020: £3,520,938).

Key management personnel

The directors, who have authority and responsibility for planning, directing and controlling the activities of the company are considered to be the key management personnel. Their remuneration is disclosed in note 9.

25. CONTROLLING PARTY

The ultimate controlling party is Mr S Hallett.