AFCW PLC

Report and Financial Statements

Year Ended

30 June 2021

Company Number 04764827

AFCW PLC

Company Information

Directors	I R McNay X C C Wiggins E J Lonsdale C C S Talbot H E Kitcher E J S Leek N J Robertson M A Buckley J B Palmer
Company secretary	W D Charles
Registered number	04764827
Registered office	Plough Lane Stadium Plough Lane London SW17 0NR
Independent auditor	BDO LLP 2 City Place Beehive Ring Road Gatwick West Sussex RH6 0PA

AFCW PLC

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AFCW PLC

Group Strategic Report
For the Year Ended 30 June 2021

The directors present their strategic report and a review of the business for the financial year ended 30 June 2021.

Business review

On the pitch

The 2020/21 season was our fifth consecutive season in League One and marked a historic moment for the club as it returned to its spiritual home in Wimbledon at the newly built Cherry Red Records Stadium, Plough Lane. Despite this momentous achievement, the season was extremely challenging both on the pitch in terms of results and financially for the club, finishing the construction of the new stadium with all games being played behind closed doors.

The season started with games being played behind closed doors at Loftus Road, the home of Queens Park Rangers, until the new stadium was completed in November 2020. The season started brightly on the pitch and by the time the first game was played at the new stadium on 3 November 2020, the team sat comfortably in mid-table.

However, following a disappointing sequence of results over December and January, which yielded only five points in 13 matches leaving the club in 21st position in the league, on 30 January 2021, the club parted company with Glyn Hodges, who had been the First Team Manager since October 2019, and Assistant Manager Nick Daws.

Mark Robinson operated as interim manager until mid-February, when he was offered the permanent position of head coach having been at the club since 2004. Following his appointment, the club finished the season strongly, losing only seven of their final 21 games, including only one of its last eight, resulting in the club securing its League One status for another season with one game remaining. This allowed the club to embark on its upcoming season in its new home, with fans and remaining a League One club, despite battling the financial headwinds of COVID-19 and a year of no fans.

In the cup competitions, we were unable to progress beyond the second round of the FA Cup, whilst exiting the League Cup at the first hurdle and Football League Trophy in the quarter final.

Youth development

Youth development continues to be an important part of the club. While the focus is on development and bringing out the best in our young players, rather than results, it is always rewarding to see them progress in competitions. Over the years, the Under-18 team has performed well in the FA Youth Cup, so it was encouraging to see the Under-18 team beat Premiership opposition in form of Burnley in the third round before valiantly exiting in the fourth round against Tottenham after extra time.

It was also encouraging to see the club gain recognition for the hugely impressive work it is doing in developing youngsters, demonstrated by two of our Academy players being called into International squads for their respective countries and age groups during the season.

It is fitting that current first team manager Mark Robinson has played an integral part in the youth setup at AFC Wimbledon, and is now able to give those young players he has helped develop their chance in the first team. This is important as it demonstrates to prospective players that they will be given first team football if they demonstrate the requisite ability and temperament, and also, from a financial perspective, increases the value of our Academy graduates should they be sold.

Ladies

The Women's first team competes in the FA Women's National League Division 1 South East. The season spluttered into life and was then cancelled as a result of the government restrictions in response to COVID-19.

Ladies (continued)

The league invited applications for promotion which were unsuccessful due to league position after only seven games. As with the approach of the men's team, there is a strong focus on progressing young local talent through the age groups and, ultimately, into the first team.

Away from the playing side, the aim of the management team is to continually improve facilities and opportunities that enable the Women's first team to replicate a professional environment as close as can realistically be achieved. To this end, the reserve side was replaced by an Under-23 side better able to provide development in addition to supporting the first team. The Ladies are helped by an army of volunteers – from top to bottom – who support not only the progression of female football of the club, but the growth of the women's game in general. Planning has begun for a migration into the Cherry Red Records Stadium to capitalise on support in the local community, particularly among young families.

AFC Wimbledon Foundation

The AFC Wimbledon Foundation is the charitable arm of the club. It is an independent company, as is required by the Charities Commission, so its activities are not reflected in these accounts, but it works closely with the club and has one Trustee who is a current director of AFCW PLC.

The move to the new stadium has opened up many new opportunities to expand the work and the impact of the Foundation, particularly in Merton and the adjoining boroughs of Wandsworth and Kingston and we expect this to continue in the coming years.

Stadium developments

This season marked the historic return of the club to its spiritual home in Wimbledon. The new stadium is held by The Wider Interests of Football Limited, a subsidiary which is 100% owned by this company. Following the transfer of the land on which the stadium is now built to The Wider Interests of Football Limited on 24 December 2018, construction started in the first few months of 2019 and was substantially completed in the year ended 30 June 2021, with the operating responsibility handed over and the final fit-out elements being concluded.

Buckingham Group Contracting were contracted to build the new stadium, and the first phase of the build has seen a stadium constructed with a capacity of over 9,000. The stadium was funded by a contribution from Merton Catalyst, with whom we made a joint planning application for the site, and the proceeds of the sale of Kingsmeadow, with the balance financed from a mixture of funds raised via equity (Seedrs crowdfunding campaign and 10% shareholding sold to Nick Robertson) and debt (bond raise and bridging loan with MSP Capital Limited). The raising of debt and equity is reflected in the accounts for AFCW PLC.

Financial performance

This season has been one of the most financially challenging to date. The impact of government restrictions in response to COVID-19 meant the whole season was played behind closed doors without any supporters. Throughout the course of last season, all football clubs across the country have struggled, with many incurring significant losses and relying on the generosity of their supporters and / or owners. Our football club is no different and once player sales and other income are taken into consideration and exceptional items are excluded, the underlying result was an operating loss of just over £1.0m. This figure would have been a lot larger if it were not for the incredible support received from our members and supporters and corporate partners.

The upcoming financial year will be our first season operating fully at the new stadium. Expenditure on the new stadium will continue to be incurred in the upcoming financial year, although the majority of the build costs are recognised in this financial year. Our long-term financial strategy is to ensure the club is sustainable and fan-owned and the new stadium is the cornerstone of that strategy.

Financial performance (continued)

While the operating loss is significant and has placed strain on the cash reserves, the club considers this a credible outcome for a season without any supporters in the stadium. This year's loss has been mitigated through the commitment of both our supporters and corporate partners through the sale of non-refundable season tickets and iFollow passes to watch games online last year whilst our corporate sponsors paid for sponsorship packages upfront, despite the uncertainty surrounding this season, providing valuable funds. Despite the year being played with no fans, due to the aforementioned aspects in addition to increased central funding and strong merchandise sales, turnover actually increased by 6%.

Additionally, there was a boost to other operating income of £183k principally due to the government support in dealing with the COVID-19 pandemic through a combination of the job retention scheme and business rates relief.

Administrative expenses, excluding exceptional costs, increased in the year by just under £700k as the club continues to grow off the pitch. This is reflective of a larger staff team required to operate the new stadium in addition to the increased operating costs associated with a much larger and new stadium.

As in previous years, the Academy is a substantial net cost to the club. This is a conscious decision of the club to invest in future talent and does not take into account any income from transfer fees and the benefit the first team derives from the Academy. We were unable to generate the same level profit on transfers as seen in the previous year, but we are optimistic about the ability of the players in our young squad and should their development continue, it is possible that some could be sold for significant profit.

Financial position

Turning to the statement of financial position, shareholders' funds have decreased by just under £850k. The rest of the stadium was constructed using remaining cash reserves and the bridging loan provided by MSP Capital Limited with £10.6m of fixed asset additions in the year. The stadium was transferred from assets under construction to freehold property within tangible fixed assets in May 2021 and is now being depreciated over its estimated useful life of 50 years. The net book value at 30 June 2021 stood at just over £31.6m.

Elsewhere in the statement of financial position, a significant boost to cash reserves was achieved through the debenture scheme launched last year which was pivotal in allowing the new stadium construction to complete. This scheme allowed fans to buy the first right to use a particular seat within the stadium for a period of 10 years. This scheme allowed us to generate just under £0.9m of cash and is shown within the increased accruals and deferred income balance. The other principal increase in current liabilities is the MSP Capital Limited bridging loan which is due for repayment in April 2022. As at year-end this balance stood at just under £3.5m.

On the assets side, there has been a large reduction in the cash balance, which reflects the outflow of money spent on the new stadium. This has been offset by increases in trade debtors due to some contributions due for fit-out of the stadium in addition to increased stock levels now that the merchandise featuring the new crest is being fully stocked.

Going concern

Having reviewed the performance of the group subsequent to the year-end, and having prepared prudent forecasts for the out-turn of the 2021/22 season, the directors have an expectation that the group and the company will have adequate financial resources to continue in operational existence for the foreseeable future, being a period of not less than 12 months from the date of approval of the financial statements. As a result, the directors consider that it is appropriate to prepare the financial statements on a going concern basis.

However, as at 30 June 2021, the Group had a secured loan of £3.5m, which is due for repayment in April 2022 and alternative financing arrangements have not yet been agreed. Whilst the directors are confident that current negotiations to raise new equity and / or secure a new debt facility to enable the repayment of this debt will be

Going concern (continued)

satisfactorily concluded, the fact that these financing arrangements have not yet been agreed indicates that a material uncertainty exists which may cast significant doubt over the group and company's ability to continue as a going concern. Further details are provided in note 2.3 to the financial statements.

Principal risks and uncertainties

Risk is normally regarded as having two elements: the likelihood that something will happen, and the probable consequences if it did. In reviewing the risks we face, we have taken both these elements into account.

Strategic risks

The key strategic risks to the club and majority shareholder, the Dons Trust, arise from the move to a new stadium. In addition to the obvious financial risks, there are cultural risks. In particular, the expected increase in the regular fanbase will bring new fans into the club, and there is a substantial task to be done in terms of helping new fans to understand our ethos and our principles and to play their part in the future direction of the club.

How the club and Trust manage these changes is a key strategic risk and much work is going into making sure that management and staff are thoroughly prepared as we transition and grow into our new stadium.

People risks

Part of the preparation for the transition was making sure that any transition of people was also carefully managed. With the increase in staff, there has been and will continue to be a lot of work required to ensure the new hires understand the culture, yet still improve the professionalism, of the club. Joe Palmer, Chief Executive, has been responsible for delivering the construction of the new stadium, as well as all football decisions and the day-to-day management of the club. He will continue this role and embark on plans to ensure the new stadium is put to its maximum use. As a small business, there are a number of single points of failures and any loss of senior staff will need to be carefully managed. The AFCW PLC Board and Dons Trust Board each have monthly meetings where it discusses succession planning.

Financing risks

There are financial risks involved in being a fans-owned club as, despite some very generous fans, the majority of our income has to be earned from our own resources. This leaves us more exposed than many other clubs to the adverse financial consequences if we were to be relegated from the English Football League. Relegation to League Two would obviously not be welcome, but the Board is satisfied that finances are sufficiently robust to manage it, should that happen. We deal with this risk by not over-extending ourselves on long-term commitments in players' contracts and by carrying out regular cash flow forecasting to make sure that if the worst were to happen, we would manage. This problem has been exacerbated by the impact of government restrictions in response to COVID-19 last year. Again, the support of the fans cannot be underestimated as they committed to seat debentures and non-refundable season tickets last year and season ticket sales have been strong for the coming year.

With the new stadium we also assumed new financial risks, with the bridging loan from MSP Capital Limited, and the Plough Lane Bond, being the most obvious ones from a financial perspective. The impact of these is included in business plans and cash flow forecasts, which are regularly reviewed and reported to both the AFCW PLC Board and Dons Trust Board. A detailed operating budget for the new stadium has been prepared and includes updated input from external consultants on the likely demand for the expanded conferencing and banqueting facilities. In addition, independent advice has been sought to ensure that there are no unexpected tax liabilities arising from the various transactions.

Reputational risks

We have always been aware of the importance of our reputation, and maintaining it was a particular focus as we sought support for the planning process re the new stadium. Our approach throughout was to stress the positive aspects of a return to Merton and the benefits to the community.

We believe that we are a particularly welcoming club, and new visitors frequently comment on the friendly atmosphere on matchdays. Nonetheless, we remain alert to the reputational damage that can be done by one-off events, and so will continue the rigorous pursuit of fans whose behaviour could bring the club into disrepute.

Operational risks

By their nature, operational risks arise from a wide range of issues. They are managed on a day-to-day basis by regular communications between the Senior Leadership team and the AFCW PLC Board. These discussions are reinforced by regular operational meetings and key issues are elevated to the Board for feedback and guidance.

Directors' duties – section 172 statement

In performing their duties under section 172 of the Companies Act 2006 to promote the success of the company for the benefit of its members as a whole, the directors are committed to openly engaging with all of the group's key stakeholders.

A continued dialogue is required with supporters as they are also the ultimate owners of the club (by virtue of their membership of the Dons Trust) and the key providers of finance to the group (via the loans they have provided to the Dons Trust and shares purchased in this company). It is important that supporters understand the strategy and objectives of the club and open meetings are held on a quarterly basis where decisions made to date, and considerations for the future direction of the club, are discussed. When appropriate, supporter consultations occur and this has been the case in the current year, covering serious issues impacting the long-term future of the club, such as the launch of the debenture ticketing scheme in the year as well as consultations surrounding the strategic direction and vision for the club's future.

The group's employees are a key part of ensuring the values of the group are adhered to and the desired behaviours are on display when engaging with supporters, customers, suppliers and the wider community as a whole. For the business to continue to succeed, we need to manage our people's performance and develop and bring through talent whilst still operating as efficiently as can be expected. Employees are consulted on a regular basis, with an open two-way dialogue between the group and employees being particularly evident by way of weekly senior leadership team meetings, monthly all-employee meetings and when furloughing various members of the workforce. There is a high level of trust between employees and management and typically there is a low turnover of permanent staff. The club is committed to being a responsible employer and a responsible business and pays London Living Wage to all staff on its payroll.

The club's role in the community is of huge strategic importance to the directors, particularly given that the majority of the club's ultimate owners reside in the local area and there is an ever increasing desire to attract new supporters as the club has returned to the Plough Lane area where it spent many years serving the community. The group strives to make positive contribution to local causes through the work of the AFC Wimbledon Foundation, including the hugely successful Dons Local Action Group ("DLAG") which has been running since March 2020 in response to the COVID-19 pandemic. The hard work of the charitable arm of the group is a great source of pride and helps to reflect the club in a positive light across the local community and wider footballing word.

Financial key performance indicators

In a small company, which is what this football club continues to be, cash is a critical issue. The bank balance is monitored on a daily basis. In addition, cash flow forecasting is regularly updated for the latest developments.

Once a season is under way, the finances are largely predictable, with season tickets paid for and corporate sponsorships already sold (and, by and large, collected) before the start of the season. The major factor that then affects the finances is attendances, since they directly affect matchday income from bars and merchandise sales, for example. A table of attendances, including comparisons with the pre-season estimates, is regularly produced and reviewed by the AFCW PLC Board, and steps are taken to ensure that we promote games which are likely to have lower crowds.

The other major area of focus is costs, specifically in football-related areas. The fixed annual commitments within players' contracts and the policy of only paying substantial bonuses out of additional earnings, such as prize money, means that the exposures are limited.

This report was approved by the board on 1 December 2021 and signed on its behalf by

J B Palmer
Director

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

Principal activity

The principal activity of the group throughout the year was that of an association football club and related leisure services, including operating bars, catering and functions. The principal activity of the company is to act as a holding company to the group.

Results and dividends

The loss for the year, after taxation, amounted to £1,502,944 (2020 – £12,631,400 profit). The directors do not propose payment of a final dividend (2020 – £Nil).

Directors

The directors who served during the year and to the date of this report were:

I R McNay
E J Lonsdale
E J S Leek
M A Buckley
J B Palmer
X C C Wiggins (appointed 5 January 2021)
C C S Talbot (appointed 5 January 2021)
H E Kitcher (appointed 5 January 2021)
N J Robertson (appointed 5 May 2021)
M N Davis (resigned 21 December 2020)
A Kingsley (resigned 18 December 2020)

Future developments

The Group Strategic Report addresses the move to a new stadium, the associated risks and the steps the AFCW PLC and Dons Trust Boards are taking to manage those risks.

Energy and carbon reporting

Given this is the first year the club has operated in the new stadium, the club is still monitoring its energy consumption closely in order to report its annual energy consumption annually. The club seeks ways to mitigate its energy consumption and has installed solar panels on the roof of the West stand. The club's annual energy consumption is anticipated to be c. 30,000 kWh for electricity and c. 530,000 kWh for gas.

Post balance sheet events

Subsequent to year-end, in September 2021, the club agreed a three year naming rights deal with Cherry Red Records. Cherry Red Records have been the only ground sponsor of the club and it is one of the longest standing partnerships in British football. The club is extremely grateful for the generosity shown from Cherry Red Records, particularly with the three years of sponsorship being paid up front.

Disclosure of information to the auditor

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

- so far as that director is aware, there is no relevant audit information of which the company’s auditor is unaware; and
- that 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 auditor is aware of that information.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 1 December 2021 and signed on its behalf.

J B Palmer
Director

AFCW PLC

Directors' Responsibilities Statement
For the Year Ended 30 June 2021

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). 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 the group and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AFCW PLC

Independent Auditor's Report

TO MEMBERS OF AFCW PLC

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2021 and of the Group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of AFCW Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 June 2021 which comprise the consolidated statement of comprehensive income, consolidated and company statements of financial position, consolidated and company statements of changes in equity, consolidated statement of cash flows and notes to the financial statements, 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).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

We draw your attention to note 2.3 to the financial statements which indicates that Group's secured loan is due for repayment in April 2022 and alternative financing arrangements have not yet been agreed. As stated in note 2.3, these events or conditions, along with other matters as set out in note 2.3, indicate that a material uncertainty exists that may cast significant doubt over the Group's and Parent Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. 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

Other information (continued)

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.

Other Companies Act 2006 reporting

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

- the information given in the Group 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 Group Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent 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 Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

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:

- making enquiries of management of the Group and Parent Company's 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; and
    - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

- evaluating where fraud might occur in the financial statements and any potential indicators of fraud. We identified potential for fraud in the following areas and performed the following procedures:
    - management override of controls: we evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates and judgements. Audit procedures performed included:
        - challenging assumptions made by management in their accounting estimates;
        - identifying and testing journal entries, in particular any journal entries to revenue which are not in line with expectations and reviewing journal entries for journals inconsistent with the usual transactions of the Group and Parent Company.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent 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 Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Christopher Wingrave
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Christopher Wingrave (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Gatwick

Date: 01 December 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

AFCW PLC

Consolidated Statement of Comprehensive Income
For the Year Ended 30 June 2021

	Note	2021 £	2020 £
Turnover	4	5,034,150	4,727,815
Cost of sales		(4,503,866)	(4,742,604)
Gross profit / (loss)		530,284	(14,789)
Administrative expenses (including exceptional costs of £92,579 (2020 - £Nil))	6	(1,866,327)	(1,092,285)
Other income	5	182,677	13,349,659
Operating (loss) / profit before gain on disposal of players' registrations		(1,153,366)	12,242,585
Gain on disposal of players' registrations		20,000	442,500
Operating (loss) / profit	5	(1,133,366)	12,685,085
Interest receivable	9	5,662	1,968
Interest payable and expenses	10	(375,240)	(55,653)
(Loss) / profit on ordinary activities before taxation		(1,502,944)	12,631,400
Taxation	11	-	-
(Loss) / profit for the year		(1,502,944)	12,631,400
Other comprehensive income		-	-
Total comprehensive (loss) / income for the year		(1,502,944)	12,631,400
Attributable to:			
Owners of the parent company		(1,502,944)	12,631,400

All the above results relate to continuing operations.

The notes on pages 19 to 35 form part of these financial statements.

AFCW PLC

Consolidated Statement of Financial Position
As at 30 June 2021

Registered number: 04764827	**Note**	**£**	**2021 £**	**£**	**2020 £**
Fixed assets					
Intangible assets	12		145,908		150,483
Tangible assets	13		31,642,738		21,144,170
			31,788,646		21,294,653
Current assets					
Stocks	15	146,437		35,365	
Debtors: amounts falling due within one year	16	563,935		845,586	
Cash at bank and in hand	17	1,982,421		9,913,059	
		2,692,793		10,794,010	
Creditors: amounts falling due within one year	18	(6,003,143)		(4,020,545)	
Net current (liabilities) / assets			(3,310,350)		6,773,465
Total assets less current liabilities			28,478,296		28,068,118
Creditors: amounts falling due after more than one year	19		(7,333,902)		(6,080,547)
Net assets			**21,144,394**		**21,987,571**
Capital and reserves					
Called up share capital	23		307,862		299,913
Share premium account	24		7,822,505		7,170,687
Profit and loss account	24		13,014,027		14,516,971
Shareholders' funds			**21,144,394**		**21,987,571**

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 1 December 2021.

I R McNay
Chairman

J B Palmer
Director

AFCW PLC

Company Statement of Financial Position
As at 30 June 2021

Registered number: 04764827	Note	£	2021 £	£	2020 £
Fixed assets					
Investments	14		104		104
Current assets					
Debtors: amounts falling due within one year	16	13,398,218		13,240,873	
		13,398,218		13,240,873	
Creditors: amounts falling due within one year	18	(154,834)		(308,459)	
Net current assets			13,243,384		12,932,414
Total assets less current liabilities			13,243,488		12,932,518
Creditors: amounts falling due after more than one year	19		(5,943,865)		(5,500,104)
Net assets			**7,299,623**		**7,432,414**
Capital and reserves					
Called up share capital	23		307,862		299,913
Share premium account	24		7,822,505		7,170,687
Profit and loss account	24		(830,744)		(38,186)
Shareholders' funds			**7,299,623**		**7,432,414**

As permitted by section 408 of the Companies Act 2006, the parent company's income statement has not been included in these financial statements. Included within the group result for the year is a loss for the parent company of £792,558 (2020 – £Nil).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 1 December 2021.

I R McNay
Chairman

J B Palmer
Director

The notes on pages 19 to 35 form part of these financial statements.

AFCW PLC

Consolidated Statement of Changes in Equity
For the Year Ended 30 June 2021

	Share capital £	Share premium £	Profit and loss account £	Total equity £
At 30 June 2020	299,913	7,170,687	14,516,971	21,987,571
Issue of share capital	7,949	651,818	-	659,767
Total comprehensive loss for the year	-	-	(1,502,944)	(1,502,944)
At 30 June 2021	**307,862**	**7,822,505**	**13,014,027**	**21,144,394**

Consolidated Statement of Changes in Equity
For the Year Ended 30 June 2020

	Share capital £	Share premium £	Profit and loss account £	Total equity £
At 30 June 2019	240,720	2,316,852	1,885,571	4,443,143
Issue of share capital	59,193	4,853,835	-	4,913,028
Total comprehensive income for the year	-	-	12,631,400	12,631,400
At 30 June 2020	**299,913**	**7,170,687**	**14,516,971**	**21,987,571**

The notes on pages 19 to 35 form part of these financial statements.

AFCW PLC

Company Statement of Changes in Equity
For the Year Ended 30 June 2021

	Share capital £	Share premium £	Profit and loss account £	Total equity £
At 30 June 2020	299,913	7,170,687	(38,186)	7,432,414
Issue of share capital	7,949	651,818	-	659,767
Total comprehensive loss for the year	-	-	(792,558)	(792,558)
At 30 June 2021	**307,862**	**7,822,505**	**(830,744)**	**7,299,623**

Company Statement of Changes in Equity
For the Year Ended 30 June 2020

	Share capital £	Share premium £	Profit and loss account £	Total equity £
At 30 June 2019	240,720	2,316,852	(38,186)	2,519,386
Issue of share capital	59,193	4,853,835	-	4,913,028
Total comprehensive income for the year	-	-	-	-
At 30 June 2020	**299,913**	**7,170,687**	**(38,186)**	**7,432,414**

The notes on pages 19 to 35 form part of these financial statements.

AFCW PLC

Consolidated Statement of Cash Flows
For the Year Ended 30 June 2021

	2021 £	2020 £
Cash flows from operating activities		
(Loss) / profit for the financial year	(1,502,944)	12,631,400
Adjustments for:		
Amortisation of intangible assets	116,885	144,935
Depreciation of tangible assets	116,882	15,450
Profit on disposal of player registrations	(20,000)	(442,500)
(Increase) / decrease in stocks	(111,072)	117,691
Interest payable	375,240	55,653
Interest receivable	(5,662)	(1,968)
Decrease in debtors	281,651	168,326
Increase / (decrease) in creditors	554,309	(1,420,577)
Net cash flow (used in) / from operating activities	(194,711)	11,268,410
Cash flows from investing activities		
Purchase of intangible fixed assets	(112,310)	(193,228)
Purchase of tangible fixed assets	(11,678,616)	(14,425,937)
Disposal of player registrations	20,000	442,500
Interest receivable	5,662	1,968
Net cash flow used in investing activities	(11,765,264)	(14,174,697)
Cash flows from financing activities		
Issue of shares	659,767	4,913,028
Loan from ultimate parent company	373,582	5,202,926
Drawdown of other loans	3,272,411	232,800
Interest paid	(242,880)	(55,653)
Principal paid on finance leases	(33,543)	-
Net cash flow from financing activities	4,029,337	10,293,101
Net (decrease) / increase in cash and cash equivalents	(7,930,638)	7,386,814
Cash and cash equivalents at beginning of year	9,913,059	2,526,245
Cash and cash equivalents at the end of year	1,982,421	9,913,059
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,982,421	9,913,059

1. General information

AFCW PLC is a company incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the Company Information page and the nature of the group's operations and its principal activities are stated in the Directors' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom 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 Basis of consolidation

The consolidated financial statements present the results of group and its subsidiaries ('the group') as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

2.3 Going concern

Having reviewed the performance of the company and the group subsequent to the year end, and having prepared forecasts for the outturn of the 2021/22 season, the Board of Directors have concluded that the group and the company have adequate financial resources to continue in operational existence for the foreseeable future, being a period of not less than 12 months from the date of approval of the financial statements. As a result, the directors consider that it is appropriate to draw up the financial statements on a going concern basis.

The directors have performed an assessment of the group and company's ability to continue as a going concern having reviewed the group's performance subsequent to the year-end, having prepared forecasts for the out-turn of the 2021/22 season and extending to December 2022 being 12 months from the date of approval of the financial statements.

As at 30 June 2021, the group had net assets of £21.1m, having generated a loss in the current year of £1.5m. The company had net assets of £7.3m. The group had a secured loan of £3.5m, which is due for repayment in April 2022.

On the basis of the assessment performed, the directors have a reasonable expectation that the group and the company will have adequate financial resources to continue in operational existence for the foreseeable future, being a period of not less than 12 months from the date of approval of the financial statements. In arriving at this conclusion the directors have:

- Applied prudent assumptions in forecasting match day attendance, cup income, donation and sponsorship income; and,
- Assumed that current negotiations to raise new equity and / or secure a new debt facility to enable the repayment of the existing loan facility will be satisfactorily concluded.

The directors are confident that the proposed debt facility and / or equity raise, or a suitable variation thereof, can be agreed on acceptable terms ahead of the existing loan repayment date and therefore

2.3 Going concern (continued)

consider that the going concern basis of accounting is appropriate for the preparation of the financial statements. However, the fact that these financing arrangements have not yet been agreed indicates that a material uncertainty exists which may cast significant doubt over the group and company's ability to continue as a going concern and therefore their ability to realise their assets and discharge their liabilities in the normal course of business. The financial statements do not include any adjustments that would result if the group or company were unable to continue as a going concern.

2.4 Turnover

Turnover represents gate receipts, commercial, online streaming and other income associated with the principal activity of running a football club, owning a football stadium and related activities, exclusive of VAT. Season tickets, debenture income and other revenues relating to future periods are held as deferred income in the statement of financial position and released to revenue in the future periods to which they relate. Merchandise and bar income are recognised as at the point of sale, whereas sponsorship, donations and youth development income are recognised in the relevant period in which they occur.

2.5 Intangible assets

The cost of players' registrations, comprising transfer fees payable and signing-on fees (if any), is capitalised at the fair value of consideration payable as at the date of acquisition and is amortised over the period to which the registration relates. The carrying value is reviewed to take into account any perceived impairment of the value of the registrations. Contingent transfer fees payable are recognised once the contingent event occurs.

The directors do not consider it possible to determine the value in use of an individual player in isolation, as that player cannot generate cash flows on his own. However, in circumstances where it is apparent that as at the period end the player would not be available for selection to play for the club, the player is taken outside of the wider football club single cash generating unit and valued at the lower of amortised cost and recoverable amount, being the directors' best estimate of the player's fair value less cost to sell, with any resulting impairment charge being made in operating expenses.

Examples of such circumstances include: the player falling out of favour with the senior football management, career-threatening injury and a clear intention on behalf of the player to leave the club. The directors' assessment of fair value will be based on:

- in the case of a player who has fallen out of favour with senior football management or intends to leave the club, either the agreed selling price if a transfer has been agreed subsequent to the year end or, if a transfer has not yet been agreed, the directors' best estimate of disposal value taking into account relevant transfer market information; or
- in the case of a player who has suffered a career-threatening injury, the value attributed by the club's insurers.

Gains or losses on the disposal of player registrations are calculated as the amount received for the sale of the player registration less the carrying value of the player registration at the date of the sale.

Where computer licences relate to software that is not an integral part of a related item of computer hardware, the licence is treated as an intangible asset. Capitalised licence costs include external direct costs of goods and services. Capitalised licences are amortised on a straight line basis over their expected useful lives of 5 years. Any impairment in value is recognised within the profit and loss statement.

2.6 Tangible fixed assets

Tangible fixed assets 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.

The group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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.

The estimated useful lives range as follows:

Motor vehicles	- 3 years
Plant and machinery	- 5 years
Furniture and fixtures	- 4 years
Computer equipment	- 3 years
Freehold property	- 50 years

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 the Statement of Comprehensive Income.

2.7 Leases

Assets obtained under hire purchase contract and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit and loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

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

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

2.9 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.

2.10 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.

2.11 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.

2.12 Financial instruments

The group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income. The impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset’s carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

2.13 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.

2.14 Grants

Grants relating to expenditure on tangible fixed assets that require those assets to continue to comply with the terms of the grant are credited to the Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of such grants is included in creditors as deferred income.

Grants that have no ongoing obligations on the part of the group are recognised in the Statement of Comprehensive Income once all the conditions of entitlement have been met and the grantor has no right of repayment.

2.15 Finance income and costs

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

Finance costs are charged to the Statement of Comprehensive Income 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.

2.16 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a change 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 and the group operate and generate 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.

2.17 Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing the parent company financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", on the basis that this information has been provided for the group as a whole:

- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether leases entered into by the group either as a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease-by-lease basis.

- Determine whether there are indicators of impairment of the group’s tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and, where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

- Determine whether, at the year end, players are available to play for the club. In circumstances where it is apparent that the player would not be available and has not yet been sold (for example, has suffered a career-threatening injury) that player is valued on a ‘recoverable amount’ basis which is based on the directors’ best estimate of his valuation at the next available transfer opportunity. Any resulting impairment charge is recorded within operating expenses.

- Determine whether, at the year end, contingent player acquisition payables are probable or contingent player disposal receivables are virtually certain. In general these conditions are not considered to be met until the underlying contingency has been satisfied.

Other key sources of estimation uncertainty:

- Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

4. Turnover

	2021 £	2020 £
Match receipts, prize money and player loans	3,268,695	2,729,566
Merchandise and programmes	394,861	249,786
Sponsorships and advertising	487,499	601,237
Bar and catering	-	268,294
Donations and sundry income	329,995	348,047
Youth development income	553,100	530,885
	5,034,150	4,727,815

All turnover arose in the United Kingdom.

5. Operating (loss) / profit

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

	2021 £	2020 £
Auditor’s remuneration - audit of the company	3,000	2,500
Auditor’s remuneration - audit of subsidiary undertakings	30,400	25,500
Depreciation - owned tangible fixed assets	116,201	15,450
Depreciation - leased tangible fixed assets	681	-
Amortisation - intangible fixed assets	116,885	144,935
Ground licence rentals	-	92,875
Other income - Section 106 income	-	(13,000,000)
Other income – COVID-19 support grants and job retention scheme	(147,824)	(349,659)
Other income – insurance claim	(34,853)	-

6. Administrative expenses

Included within administrative expenses are exceptional costs of £92,579 (2020 - £Nil), which relate to consultancy, legal and professional fees incurred in relation to the construction and opening of the new stadium. These items are non-capital and non-recurring in nature.

7. Employees

Staff costs were as follows:

	2021 £	2020 £
Wages and salaries	3,118,723	3,306,574
Player and football staff expenses	45,883	22,537
Social security costs	299,694	305,395
	3,464,300	3,634,506

7. Employees (continued)

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

	2021 No.	2020 No.
Football staff (including Scholars and Development Squad)	52	54
Bar and other part-time staff	-	67
Administration	24	18
Academy staff	28	32
	104	171

In addition to the numbers of paid staff included above, there are many unpaid volunteers who carry out a wide range of work. Their importance to the club's operations is fundamental, particularly on a match day to ensure that everything runs smoothly in addition to many other volunteers work during the week.

8. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	131,750	132,357
Company pension contributions to defined contribution scheme	1,315	1,315
Amount paid to third parties in respect of a director's services	-	31,232
	133,065	164,904

The number of directors for whom retirement benefits are accruing under defined contribution schemes amount to one (2020: one).

The highest paid director received remuneration of £91,750 (2020: £91,750)

9. Interest receivable

	2021 £	2020 £
Bank interest receivable	5,662	1,968

10. Interest payable and similar charges

	2021 £	2020 £
Bank loan	221,890	-
Finance leases	9,185	-
Loan from ultimate parent company	144,165	55,653
	375,240	55,653

11. Tax on ordinary activities

	2021 £	2020 £
Tax charge for the year	-	-

Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK. The differences are explained below:

	2021 £	2020 £
(Loss) / profit on ordinary activities before tax	(1,502,944)	12,631,400
(Loss) / profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2020 – 19.00%)	(285,559)	2,399,966
Effects of:		
Capital allowances in excess of depreciation for year	(566,411)	12,531
Non-taxable income less expenses not deductible for tax purposes	(35,315)	(2,535,486)
Disallowed expenses	8,973	-
Losses carried forward	878,312	122,989
Total tax charge for the year	-	-

Factors that may affect future tax charges

A change in the main UK corporation tax rate was substantively enacted on 24 May 2021. From 1 April 2023 the main corporation tax rate will increase from 19% to 25% on profits over £250,000. The rate for small profits under £50,000 will remain at 19%. Where the profits of UK companies fall between £50,000 and £250,000, the lower and upper limits, they will be able to claim an amount of marginal relief providing a gradual increase in the corporation tax rate. This will increase the group's future tax charge accordingly.

A deferred tax asset has not been recognised in the financial statements in respect of £5,473,409 (2020 – £4,600,300) of tax losses and other timing differences as, on the available evidence, it does not meet the recognition criteria as stipulated by Section 29 of FRS 102.

12. Intangible assets

Group

	Player registrations £	Computer licenses £	Total £
Cost			
At 30 June 2020	162,838	136,000	298,838
Additions	64,018	48,292	112,310
Disposals in the year	(83,080)	-	(83,080)
At 30 June 2021	143,776	184,292	328,068
Amortisation			
At 30 June 2020	121,155	27,200	148,355
Charge for the year	89,685	27,200	116,885
Disposals in the year	(83,080)	-	(83,080)
At 30 June 2021	127,760	54,400	182,160
Net book value			
At 30 June 2020	41,683	108,800	150,483
At 30 June 2021	16,016	129,892	145,908

13. Tangible fixed assets

Group

	Freehold property £	Motor vehicles £	Plant and machinery £	Computer equipment £	Furniture and fixtures £	Total £
Cost or valuation						
At 30 June 2020	21,120,397	17,462	49,044	79,075	8,332	21,274,310
Additions	10,615,450	-	-	-	-	10,615,450
At 30 June 2021	31,735,847	17,462	49,044	79,075	8,332	31,889,760
Depreciation						
At 30 June 2020	-	5,821	39,232	77,809	7,278	130,140
Charge for the year	104,859	5,821	3,882	1,266	1,054	116,882
At 30 June 2021	104,859	11,642	43,114	79,075	8,332	247,022
Net book value						
At 30 June 2020	21,120,397	11,641	9,812	1,266	1,054	21,144,170
At 30 June 2021	31,630,988	5,820	5,930	-	-	31,642,738

The net book value of tangible fixed assets includes an amount of £203,692 (2020 - £Nil) in respect of assets held under finance leases.

14. Fixed asset investments

Subsidiary undertakings:

The following were all 100% subsidiary undertakings of the company at 30 June 2021:

Name	Country in which incorporated	Class of shares	Principal activity
AFC Wimbledon Limited	England and Wales	Ordinary	Association football club
AFCW Stadium Limited	England and Wales	Ordinary	Football stadium ownership
The Wider Interests of Football Limited	England and Wales	Ordinary	Football stadium ownership
AFC Wimbledon Ladies FC Limited	England and Wales	Ordinary	Ladies football club

Each of the above subsidiary undertakings has the same registered office as the company.

AFCW PLC intends to provide a parental guarantee for AFC Wimbledon Ladies FC Limited, thus entitling them to exemption from a statutory audit under section 479A of the Companies Act 2006.

Company

	Investments in subsidiary companies £
Cost or valuation	
At 30 June 2020 and 30 June 2021	104
Net book value	
At 30 June 2020 and 30 June 2021	104

15. Stocks

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Goods for resale - merchandise	146,437	35,365	-	-

The difference between purchase price or production cost of stocks and their replacement cost is not material.

16. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	279,694	11,342	-	-
Amounts owed by group undertakings	-	-	13,398,218	13,240,873
Other debtors	40,914	507,098	-	-
Other taxes and social security	27,262	263,581	-	-
Prepayments and accrued income	216,065	63,565	-	-
	563,935	845,586	13,398,218	13,240,873

All amounts shown under debtors fall due for payment within one year. The impairment loss recognised in the group profit and loss for the year in respect of bad and doubtful trade debtors was £23,000 (2020 – £30,000). The impairment loss recognised in the company profit and loss for the year in respect of bad and doubtful debtors was £792,558 (2020 – £Nil).

17. Cash and cash equivalents

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Cash at bank and in hand	1,982,421	9,913,059	-	-

18. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Loans - unsecured (note 20)	64,615	62,368	-	-
Loans - secured (note 20)	3,486,845	-	-	-
Finance leases (note 21)	53,971	-	-	-
Trade creditors	211,787	1,606,915	-	-
Amounts owed to ultimate parent company (note 19)	4,839	308,458	4,839	308,458
Amount owed to subsidiary company	-	-	1	1
Other taxes and social security	124,528	1,500	-	-
Other creditors	153,030	-	149,994	-
Accruals and deferred income	1,903,528	2,041,304	-	-
	6,003,143	4,020,545	154,834	308,459

19. Creditors: Amounts falling due after more than one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Loans - secured (note 20)	168,185	170,432	-	-
Finance leases (note 21)	126,044	-	-	-
Amounts owed to ultimate parent company	5,943,865	5,500,104	5,943,865	5,500,104
Accruals and deferred income	1,095,808	410,011	-	-
	7,333,902	6,080,547	5,943,865	5,500,104

Total amounts due to the ultimate parent company were £5,948,704 (2020 – £5,808,535), which attract an interest at an average rate of 2.3%. These amounts principally relate to the Dons Trust Bond and Plough Lane Bond which were onward lent to the group. Interest charged on the Dons Trust Bond and Plough Lane Bond balances in the year amounts to £144,165 (2020 – £55,653).

Included in accruals and deferred income falling due after more than one year is an unamortised grant of £219,744 (2020 – £219,744) received in respect of leasehold improvements.

20. Loans

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Amounts falling due:				
Within one year	3,551,460	62,368	-	-
Between one and two years	67,340	70,347	-	-
Between two and five years	80,820	91,313	-	-
In more than five years	20,025	8,772	-	-
	3,719,645	232,800	-	-

On 25 March 2020, AFC Wimbledon Limited agreed an unsecured loan with The Football League Limited for £182,800. The loan attracts an interest rate of 0% per annum and is due to expire in June 2023.

On 18 May 2020, AFC Wimbledon Limited agreed an unsecured loan with The Co-operative Bank Plc for £50,000. The loan attracts an interest rate of 2.5% per annum and is due to expire in May 2030.

On 14 July 2020, The Wider Interests of Football Limited agreed a bridging loan with MSP Capital Limited for up to £4.0m (plus a further allowance for fees and rolled-up interest). The loan attracts a monthly interest rate of 0.9% and is secured on the group's freehold property.

21. Finance leases

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Amounts falling due:				
Within one year	53,971	-	-	-
Between one and five years	126,044	-	-	-
In more than five years	-	-	-	-
	180,015	-	-	-

During the year, AFC Wimbledon Limited entered into finance lease arrangements with third parties in respect of the LED advertising board and TV's located around the stadium. The amount outstanding at 30 June 2021 was £180,015 (2020 - £Nil) with £53,971 falling due in the next year (2020 - £Nil).

22. Financial instruments

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Financial assets				
Financial assets that are debt instruments measured at amortised cost	2,303,029	10,431,499	13,398,218	13,240,873
Financial liabilities				
Financial liabilities measured at amortised cost	(10,404,627)	(8,067,528)	(6,098,698)	(5,808,563)

Financial assets measured at amortised cost comprise cash balances, trade and other debtors and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise bank loans, trade and other creditors, accruals and amounts owed to the ultimate parent company.

23. Share capital

	2021 £	2020 £
Authorised		
22,342,911- Ordinary shares of £0.01 each	223,429	223,429
20,813,715 - Ordinary A shares of £0.01 each	208,137	208,137
	431,566	431,566
Allotted, called up and fully paid		
22,342,911 (2020 – 22,342,911) - Ordinary shares of £0.01 each	223,429	223,429
8,443,300 (2020 – 7,648,400) - Ordinary A shares of £0.01 each	84,433	76,484
	307,862	299,913

The ordinary shares and the ordinary A shares rank pari passu in all respects except that each ordinary share entitles its holder to three votes and each ordinary A share entitles its holder to one vote.

On 18 December 2020, the company allotted 794,900 ordinary A shares of £0.01 each for a consideration of £0.83 per share.

24. Capital and reserves

The group's and company's capital and reserves are as follows:

Share capital - Called up share capital represents the nominal value of the shares issued.

Share premium - The share premium reserve includes the premium on issue of equity shares, net of any issue costs.

Profit and loss account - The profit and loss account reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

25. Related party transactions

During the year, the company received sponsorship income of £33,333 from a company for which one of the company's directors is also a director of. There is a further amount of £66,666 recorded within deferred income from the same company.

During the year, the group paid for a number of transactions on behalf of AFC Wimbledon Foundation, an independent charity which has one director who is also a director of AFCW PLC. The total of such transactions during the year was £404,703 (2020 - £377,082) and the amount outstanding at 30 June 2021 was £35,152 (2020 - £1,449).

No entity prepares consolidated financial statements which include the results of the group.

26. Net debt reconciliation

	1 July 2020 £	Cash flows £	New finance leases £	Other non-cash changes £	30 June 2021 £
Cash at bank and in hand	9,913,059	(7,930,638)	-	-	1,982,421
Finance lease obligations	-	33,543	(204,373)	(9,185)	(180,015)
Loans	(232,800)	(3,272,411)	-	(214,434)	(3,719,645)
Amounts due to parent	(5,808,562)	(373,582)	-	233,440	(5,948,704)
Net debt	3,871,697	(11,543,088)	(204,373)	9,821	(7,865,943)

Non-cash changes relate to movements in the accrued interest rolled up into the respective debt balances.

27. Controlling party

The immediate and ultimate parent company is Wimbledon Football Club Supporters' Society Limited ('The Dons Trust'), a registered society under the Cooperative and Community Benefit Societies Act 2014.

No entity prepares consolidated financial statements which include the results of the group.

28. Subsequent events

Subsequent to year-end, in September 2021, the club agreed a three-year naming rights deal with Cherry Red Records. Cherry Red Records have been the only ground sponsor of the club and it is one of the longest standing partnerships in British football. The club is extremely grateful for the generosity shown from Cherry Red Records, particularly with the three years of naming rights being paid up front.