

ANNUAL REPORT AND FINANCIAL
STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2023

CAMBRIDGE UNITED FOOTBALL
CLUB LIMITED

MENZIES

CAMBRIDGE UNITED FOOTBALL CLUB

COMPANY INFORMATION

Directors

Edward Clark
Graham Daniels
Dion Dublin
Shaun Grady
Jenny Horsfield
Christoph Loch
Ian Mather
David Mathew-Jones
Renford Sargent
Godric Smith

Registered number

00482197

Registered office

The Abbey Stadium
Newmarket Road
Cambridge
CB5 8LN

Independent auditors

Menzies LLP
Chartered Accountants & Statutory Auditor
Richmond House
Walkern Road
Stevenage
Hertfordshire
SG1 3QP

CAMBRIDGE UNITED FOOTBALL CLUB

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CAMBRIDGE UNITED FOOTBALL CLUB

STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2023

Introduction

The directors present their strategic report for the year ended 30 June 2023.

The principle activity of Cambridge United Football Club continues to be the operation of a community focused professional football club together with related commercial activities.

The primary aim of the football club is to provide adequate funding to enable success on the field of play, whilst enhancing the lives of supporters and members of the local community.

Business review

Football Review

The first team competed in the Sky Bet League One for the season in question, which saw the club survive relegation on the final day of the season meaning the club will continue to compete in the same division come next season. Cup performances for the period were limited with progression in the EFL League Cup and FA Cup ending in round two, whilst the team did not progress out of the EFL Trophy Group Stage.

The women's first team and reserve teams played their first full season under the umbrella of the main club, maintaining their respective league statuses.

Youth Academy

The Youth Academy is a fundamental part of the club's football business and we engaged with over 1,500 male and female junior players across our player pathway. Our goal remains to engage and inspire local players and provide a professional pathway to our First Team.

Results and performance

The results of the company set out within the accounts below, show a loss on ordinary activities before tax of £1,747,155 (2022: 332,548 profit) The shareholders funds currently stand at £8,083,952 (2022: £1,974,807). Turnover showed a slight decrease £7,085,201 (2022: £7,689,839).

Stadium Repairs and Maintenance

We continue to employ a team of skilled individuals who review all areas of the stadium and apply continual repairs and refurbishments. Due to the age of the stadium ongoing repairs and maintenance remain a challenge. During the period additional investment was made into upgrading supporter facilities which formed part of the club's supporter base growth strategy.

Principal risks and uncertainties

There are several potential risks and uncertainties which could have a material impact on the club's long-term performance. These risks and uncertainties are monitored by the Board on a regular basis. Regulation from League One was considered one of these risks, as to is the market wide increase to player wages.

The Board welcomes and has participated and supported the Government's Fan Led Review with regards to sustainability in football which it hopes will help reduce the risks placed on clubs at this level of the game.

Future Developments

In August 2023, the company entered into new long-term lease with Clare College and began construction on a new £3.5m training building for the first team and under 18 team.

Following the purchase of the Abbey Stadium in September 2022 the Club is in the process of finalising development plans, with an aspiration to increase capacity to circa 12,000.

The Board would like to thank all staff, players, management, supporters, and sponsors for their continued support.

CAMBRIDGE UNITED FOOTBALL CLUB

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

This report was approved by the board on 7 February 2024 and signed on its behalf.

Shaun Grady
Director

CAMBRIDGE UNITED FOOTBALL CLUB

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2023

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

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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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 loss for the year, after taxation, amounted to £1,747,155 (2022 - profit £332,548).

Directors

The directors who served during the year were:

Edward Clark
Graham Daniels
Dion Dublin
Shaun Grady
Jenny Horsfield
Christoph Loch
Ian Mather
David Mathew-Jones
Renford Sargent
Godric Smith

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.

CAMBRIDGE UNITED FOOTBALL CLUB

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

Auditors

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

This report was approved by the board on 7 February 2024 and signed on its behalf.

Shaun Grady
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAMBRIDGE UNITED FOOTBALL CLUB

Opinion

We have audited the financial statements of Cambridge United Football Club (the 'Company') for the year ended 30 June 2023, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of cash flows, the Statement of changes in equity 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 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAMBRIDGE UNITED FOOTBALL CLUB (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 CAMBRIDGE UNITED FOOTBALL CLUB (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 obtained an understanding of the legal and regulatory framework applicable to the company and the

sector in which they operate. We determined that the following laws and regulations were most

significant: the Companies Act 2006 and UK corporate taxation laws.

- We obtained an understanding of how the company is complying with those legal and regulatory

frameworks by making inquiries to the management. We corroborated our inquiries through our review of

board minutes and papers provided by those charged with governance.

- We assessed the susceptibility of the company's financial statements to material misstatement, including

how fraud might occur. Audit procedures performed by the engagement team include:

- Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;

- Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;

- challenging assumptions and judgments made by management in its significant accounting estimates;

- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and

- assessing the extent of compliance with the relevant laws and regulations.

- We have reviewed the financial statements and considered whether they are consistent with our

understanding of the entity or indicate a previously unrecognised risk of material misstatement that could

be due to fraud.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAMBRIDGE UNITED
FOOTBALL CLUB (CONTINUED)

M R Hubbocks FCA (Senior statutory auditor)

for and on behalf of
Menzies LLP

Chartered Accountants
Statutory Auditor

Richmond House
Walkern Road
Stevenage
Hertfordshire
SG1 3QP

8 February 2024

CAMBRIDGE UNITED FOOTBALL CLUB

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023	2022
	3	£	£
Turnover		7,085,201	7,689,839
Cost of sales		<u>(3,245,151)</u>	<u>(2,739,642)</u>
Gross profit		3,840,050	4,950,197
Administrative expenses		<u>(5,587,205)</u>	<u>(4,617,649)</u>
Operating (loss)/profit		(1,747,155)	332,548
(Loss)/profit for the financial year		<u>(1,747,155)</u>	<u>332,548</u>

There was no other comprehensive income for 2023 (2022:£NIL).

The notes on pages 14 to 24 form part of these financial statements.

CAMBRIDGE UNITED FOOTBALL CLUB
REGISTERED NUMBER:00482197

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	6	5,972,579	479,850
Investment property	7	392,389	-
		<u>6,364,968</u>	<u>479,850</u>
Current assets			
Stocks	8	153,978	73,332
Debtors: amounts falling due within one year	9	604,554	761,020
Cash at bank and in hand	10	3,010,826	5,680,728
		<u>3,769,358</u>	<u>6,515,080</u>
Creditors: amounts falling due within one year	11	(1,430,374)	(1,426,500)
Net current assets		<u>2,338,984</u>	<u>5,088,580</u>
Total assets less current liabilities		<u>8,703,952</u>	<u>5,568,430</u>
Creditors: amounts falling due after more than one year	12	(620,000)	(3,593,623)
Net assets		<u>8,083,952</u>	<u>1,974,807</u>
Capital and reserves			
Called up share capital	14	15,791,453	7,935,153
Profit and loss account	15	(7,707,501)	(5,960,346)
		<u>8,083,952</u>	<u>1,974,807</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 February 2024.

Shaun Grady
Director

The notes on pages 14 to 24 form part of these financial statements.

CAMBRIDGE UNITED FOOTBALL CLUB

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2021	7,935,153	(6,292,894)	1,642,259
Comprehensive income for the year			
	-	332,548	332,548
Profit for the year			
	-	332,548	332,548
Total comprehensive income for the year			
At 1 July 2022	7,935,153	(5,960,346)	1,974,807
Comprehensive income for the year			
	-	(1,747,155)	(1,747,155)
Loss for the year			
	-	(1,747,155)	(1,747,155)
Total comprehensive income for the year			
Shares issued during the year	7,856,300	-	7,856,300
Total transactions with owners			
	7,856,300	-	7,856,300
At 30 June 2023	<u>15,791,453</u>	<u>(7,707,501)</u>	<u>8,083,952</u>

The notes on pages 14 to 24 form part of these financial statements.

CAMBRIDGE UNITED FOOTBALL CLUB

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	2023 £	2022 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(1,747,155)	332,548
Adjustments for:		
Depreciation of tangible assets	108,670	43,731
(Increase)/decrease in stocks	(80,646)	21,742
Decrease/(increase) in debtors	156,466	(176,343)
(Decrease)/increase in creditors	(2,936,763)	3,367,793
Net cash generated from operating activities	(4,499,428)	3,589,471
Cash flows from investing activities		
Purchase of tangible fixed assets	(5,601,399)	(209,583)
Purchase of investment properties	(392,389)	-
Net cash from investing activities	(5,993,788)	(209,583)
Cash flows from financing activities		
Issue of ordinary shares	7,856,300	500,000
Repayment of other loans	(32,986)	(39,800)
Net cash used in financing activities	7,823,314	460,200
Net (decrease)/increase in cash and cash equivalents	(2,669,902)	3,840,088
Cash and cash equivalents at beginning of year	5,680,728	1,840,640
Cash and cash equivalents at the end of year	3,010,826	5,680,728
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3,010,826	5,680,728
	3,010,826	5,680,728

The notes on pages 14 to 24 form part of these financial statements.

CAMBRIDGE UNITED FOOTBALL CLUB

ANALYSIS OF NET DEBT FOR THE YEAR ENDED 30 JUNE 2023

	At 1 July 2022	Cash flows	At 30 June 2023
	£	£	£
Cash at bank and in hand	5,680,728	(2,669,902)	3,010,826
Debt due after 1 year	(40,200)	40,200	-
Debt due within 1 year	(121,980)	32,986	(88,994)
	<u>5,518,548</u>	<u>(2,596,716)</u>	<u>2,921,832</u>

The notes on pages 14 to 24 form part of these financial statements.

CAMBRIDGE UNITED FOOTBALL CLUB

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1. General information

Cambridge United Football Club Limited is a private company, limited by shares, incorporated in England and Wales, United Kingdom. Its registered address is Abbey Stadium, Newmarket Road, Cambridge, United Kingdom, CB5 8LN.

The principal activity of the company continued to be the running of a football club.

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 judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.3 Borrowing costs

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

CAMBRIDGE UNITED FOOTBALL CLUB

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.4 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.

2.5 Intangible assets

Transfer fees and transfer levies payable associated with the acquisition of players' registrations are capitalised as intangible fixed assets and are initially recognised at cost. After recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided at rates calculated to write off the cost of the intangible asset over the duration of the player's contract.

At each reporting date the company assesses whether there is any indication of impairment. The directors consider that it is not possible to determine the value in use of an individual player in isolation, however where there are circumstances as at the period end where the player would not be available for selection, the player is valued on a recoverable amount basis, being the best estimate of the player's fair value less cost to sell. Any resulting impairment charge is included within operating expenses in the Statement of Income and Retained Earnings.

2.6 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.

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%	straight line
Freehold Land	-		not depreciated
Plant and machinery	-	20%	straight line
Fixtures and fittings	-	20%	straight line
Office equipment	-	20%	straight line

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.

The Abbey Stadium is stated at cost and is not depreciated on the basis it is constantly maintained and updated in accordance with underlying regulations.

CAMBRIDGE UNITED FOOTBALL CLUB

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.7 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss.

2.8 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 weighted average basis. Work in progress and finished goods include labour and attributable overheads.

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.

2.9 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.

2.10 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.

2.11 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.

2.12 Financial instruments

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

The Company has elected to apply the recognition and measurement provisions of IFRS 9 Financial Instruments (as adopted by the UK Endorsement Board) with the disclosure requirements of Sections 11 and 12 and the other presentation requirements of FRS 102.

Financial instruments are recognised in the Company's Statement of financial position when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

CAMBRIDGE UNITED FOOTBALL CLUB

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.12 Financial instruments (continued)

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Other financial assets

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

Financial liabilities

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

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

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

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Other financial instruments

CAMBRIDGE UNITED FOOTBALL CLUB

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.12 Financial instruments (continued)

Derivatives, including forward exchange contracts, futures contracts and interest rate swaps, are not classified as basic financial instruments. These are initially recognised at fair value on the date the derivative contract is entered into, with costs being charged to the profit or loss. They are subsequently measured at fair value with changes in the profit or loss.

Debt instruments that do not meet the conditions as set out in FRS 102 paragraph 11.9 are subsequently measured at fair value through the profit or loss. This recognition and measurement would also apply to financial instruments where the performance is evaluated on a fair value basis as with a documented risk management or investment strategy.

Derecognition of financial instruments

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Company transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Company will continue to recognise the value of the portion of the risks and rewards retained.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

3. Turnover

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

	2023	2022
	£	£
Football	4,678,932	5,745,769
Business operations	2,348,884	1,876,386
Club	57,385	67,684
	<u>7,085,201</u>	<u>7,689,839</u>

CAMBRIDGE UNITED FOOTBALL CLUB

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

4. Auditors' remuneration

During the year, the Company obtained the following services from the Company's auditors:

	2023	2022
	£	£
Fees payable to the Company's auditors for the audit of the Company's financial statements	12,500	-
Fees payable to the Company's auditors in respect of:		
Taxation compliance services	<u>2,500</u>	<u>-</u>

5. Employees

Staff costs were as follows:

	2023	2022
	£	£
Wages and salaries	4,371,725	3,687,125
Social security costs	477,805	385,955
Cost of defined contribution scheme	39,817	33,994
	<u>4,889,347</u>	<u>4,107,074</u>

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

	2023	2022
	No.	No.
Academy, Scholarship and Youth Development	99	99
Coaches, Management and Ground Staff	58	57
Players	34	34
Other commercial	22	22
	<u>213</u>	<u>212</u>

No director receives any remuneration in accordance with the company memorandum and articles.

CAMBRIDGE UNITED FOOTBALL CLUB

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

6. Tangible fixed assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation					
At 1 July 2022	513,986	261,145	39,643	63,589	878,363
Additions	5,306,860	220,176	36,352	38,011	5,601,399
At 30 June 2023	<u>5,820,846</u>	<u>481,321</u>	<u>75,995</u>	<u>101,600</u>	<u>6,479,762</u>
Depreciation					
At 1 July 2022	224,090	76,470	34,364	63,589	398,513
Charge for the year on owned assets	50,987	44,744	5,293	7,646	108,670
At 30 June 2023	<u>275,077</u>	<u>121,214</u>	<u>39,657</u>	<u>71,235</u>	<u>507,183</u>
Net book value					
At 30 June 2023	<u>5,545,769</u>	<u>360,107</u>	<u>36,338</u>	<u>30,365</u>	<u>5,972,579</u>
At 30 June 2022	<u>289,896</u>	<u>184,675</u>	<u>5,279</u>	<u>-</u>	<u>479,850</u>

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

	2023 £	2022 £
Freehold	5,545,769	289,896
	<u>5,545,769</u>	<u>289,896</u>

CAMBRIDGE UNITED FOOTBALL CLUB

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

7. Investment property

	Freehold investment property £
Valuation	
Additions at cost	392,389
At 30 June 2023	<u>392,389</u>

The investment property is valued on an open market value basis by the directors.

At 30 June 2023

8. Stocks

	2023 £	2022 £
Finished goods and goods for resale	153,978	73,332
	<u>153,978</u>	<u>73,332</u>

9. Debtors

	2023 £	2022 £
Trade debtors	335,660	520,193
Other debtors	78,069	-
Prepayments and accrued income	190,825	240,827
	<u>604,554</u>	<u>761,020</u>

10. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	3,010,826	5,680,728
	<u>3,010,826</u>	<u>5,680,728</u>

CAMBRIDGE UNITED FOOTBALL CLUB

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

11. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Other loans	88,994	81,780
Trade creditors	203,400	68,286
Other taxation and social security	215,643	249,194
Other creditors	88,454	218,336
Accruals and deferred income	833,883	808,904
	<u>1,430,374</u>	<u>1,426,500</u>

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

	2023	2022
	£	£
Other loans	-	40,200
Other creditors	620,000	3,553,423
	<u>620,000</u>	<u>3,593,623</u>

13. Loans

Analysis of the maturity of loans is given below:

	2023	2022
	£	£
Amounts falling due within one year		
Other loans	88,994	81,780
	<u>88,994</u>	<u>81,780</u>
Amounts falling due 1-2 years		
Other loans	-	40,200
	<u>-</u>	<u>40,200</u>
	<u>88,994</u>	<u>121,980</u>

CAMBRIDGE UNITED FOOTBALL CLUB

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

14. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
315,829,066 (2022 - 158,703,060) Ordinary shares of £0.05 each	<u>15,791,453</u>	<u>7,935,153</u>

During the year the company issued 157,126,000 ordinary shares of £0.05 each with a nominal value of £7,856,300 for consideration of £7,856,300. No share premium arose on the issue.

15. Reserves

	Retained earnings £
At 1st July 2022	(5,960,346)
Loss for the period	(1,782,579)
At 30th June 2023	(7,742,925)

16. 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 £39,817 (2022 - £33,994)

17. Commitments under operating leases

At 30 June 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	60,975	363,850
Later than 1 year and not later than 5 years	110,000	1,400,400
Later than 5 years	-	8,493,375
	<u>170,975</u>	<u>10,257,625</u>

18. Related party transactions

During the year the company received monies from Cambridge United Sporting Club, Inc, a company in which Paul Barry is the majority shareholder. The amount outstanding at the year end and included within creditors is £500,000 (2022 - £3,553,000). No interest is charged on this loan.

During the year the company received monies from Paul Barry, the ultimate controlling party of the company. The amount outstanding at the year end and included within creditors is £160,000 (2022 -

£200,000). No interest is charged on this loan.

CAMBRIDGE UNITED FOOTBALL CLUB

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

19. Controlling party

The ultimate parent company is Cambridge United Sporting Club Inc, a company incorporated in United States of America at 2095 Rose Point Lane, Kirkland, Washington, United States.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.