

Sheffield United Limited (formerly Sheffield United PLC)

Directors' Report and Financial Statements

for the Year Ended 30 June 2014

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Sheffield United Limited (formerly Sheffield United PLC)

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Sheffield United Limited (formerly Sheffield United PLC)

Company Information

Directors	K C McCabe S R McCabe S C McCabe J J Tutton
Company secretary	Esplanade Secretarial Services Limited
Registered office	SUFC Bramall Lane Sheffield S2 4SU
Auditors	Grant Thornton UK LLP 2 Broadfield Court Sheffield South Yorkshire S8 0XF

Sheffield United Limited (formerly Sheffield United PLC)
Directors' Report for the Year Ended 30 June 2014

The directors present their report and the financial statements for the year ended 30 June 2014.

Directors' responsibilities

The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

Statement of disclosure to auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Re-registration of the Company

Sheffield United plc was re-registered on 20 January 2014 as a private limited company.

Directors

The directors who held office during the year were as follows:

K C McCabe

S R McCabe

S C McCabe

J J Tutton

J B O Esan (resigned 12 August 2013)

Sheffield United Limited (formerly Sheffield United PLC)
Directors' Report for the Year Ended 30 June 2014

..... *continued*

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Approved by the Board on 21 November 2014 and signed on its behalf by:

.....
JJ Tutton

for and on behalf of Esplanade Secretarial Services Limited
Company secretary

**Independent Auditor's Report to the Members of
Sheffield United Limited (formerly Sheffield United PLC)**

We have audited the financial statements of Sheffield United Limited (formerly Sheffield United PLC) for the year ended 30 June 2014, set out on pages 6 to 16, which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 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 company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2014 and its loss of 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent Auditor's Report to the Members of
Sheffield United Limited (formerly Sheffield United PLC)**

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Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the directors' report; or
- we have not received all the information and explanations we require for our audit.

Michael Redfern

.....
Michael Redfern (Senior Statutory Auditor)

for and on behalf of Grant Thornton UK LLP, Chartered Accountants (Statutory Auditor)

2 Broadfield Court
Sheffield
South Yorkshire
S8 0XF

21 November 2014

Sheffield United Limited (formerly Sheffield United PLC)
Profit and Loss Account for the Year Ended 30 June 2014

	Note	2014 £	2013 £
Turnover	2	128,865	88,027
Cost of sales		<u>(1,866)</u>	<u>-</u>
Gross profit		126,999	88,027
Administrative expenses	3	(1,434,936)	(12,371,358)
Other operating income		<u>177</u>	<u>-</u>
Operating loss	4	(1,307,760)	(12,283,331)
Loss on disposal of fixed assets		(685,179)	-
Interest receivable and similar income	7	241,003	806,692
Interest payable and similar charges	8	<u>(1,696,388)</u>	<u>(1,548,113)</u>
Loss on ordinary activities before taxation		(3,448,324)	(13,024,752)
Tax on loss on ordinary activities	9	<u>-</u>	<u>-</u>
Loss for the financial year	15	<u><u>(3,448,324)</u></u>	<u><u>(13,024,752)</u></u>

Turnover and operating profit/(loss) derive wholly from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

The notes on pages 8 to 16 form an integral part of these financial statements.

Sheffield United Limited (formerly Sheffield United PLC)
(Registration number: 00396956)
Balance Sheet at 30 June 2014

	Note	2014 £	2013 £
Fixed assets			
Tangible fixed assets	10	23,167,025	23,636,976
Investments	11	<u>1</u>	<u>101</u>
		<u>23,167,026</u>	<u>23,637,077</u>
Current assets			
Debtors	12	2,935,066	3,153,689
Cash at bank and in hand		<u>53,539</u>	<u>19,624</u>
		2,988,605	3,173,313
Creditors: Amounts falling due within one year	13	<u>(25,944,297)</u>	<u>(23,150,732)</u>
Net current liabilities		<u>(22,955,692)</u>	<u>(19,977,419)</u>
Net assets		<u>211,334</u>	<u>3,659,658</u>
Capital and reserves			
Called up share capital	14	8,452,670	8,452,670
Share premium account	15	247,500	247,500
Profit and loss account	15	<u>(8,488,836)</u>	<u>(5,040,512)</u>
	16	<u>211,334</u>	<u>3,659,658</u>

The financial statements were approved and authorised for issue by the Board on 21 November 2014 and signed on its behalf by:



.....
 J J Tutton
 Director

Sheffield United Limited (formerly Sheffield United PLC)
Notes to the Financial Statements for the Year Ended 30 June 2014

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and the accounting policies set out below, in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

Going concern

The financial statements have been prepared on a going concern basis which assumes that the company is able to realise its assets and discharge its liabilities in the normal course of business.

Group accounts

The company has taken advantage of the exemption within Chapter 4 of Part 15 of the Companies Act 2006 not to prepare group accounts. Accordingly, these accounts present information about the company as an individual undertaking and not about its group.

Cash flow statement

In accordance with Financial Reporting Standard No.1 (revised) the company is exempt from the requirement to produce a cash flow statement on the basis that a consolidated cash flow statement is prepared by Scarborough Group International Limited, the parent undertaking of the smallest group for which group accounts are drawn up and of which the company is a member.

Turnover

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Buildings	Straight line - 50 years

Land is not depreciated.

Fixed asset investments

Fixed asset investments are stated at historical cost less provision for any diminution in value.

Deferred tax

Deferred tax is provided in full on timing differences which represent a liability at the balance sheet date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income or expenditure in tax computations in periods different from those in which they are included in the financial statements. Deferred tax assets and liabilities are not discounted.

Sheffield United Limited (formerly Sheffield United PLC)
Notes to the Financial Statements for the Year Ended 30 June 2014

..... *continued*

2 Turnover

An analysis of turnover by segment is given below:

	2014 £	2013 £
Rental income	128,865	68,027
Management fees	-	20,000
	<u>128,865</u>	<u>88,027</u>

3 Administrative expenses

	2014 £	2013 £
Administrative expenses excluding exceptional items	576,340	12,371,358
Release provision against intercompany loan	(37,495,641)	-
Intercompany loan waiver	857,596	-
Provision against joint venture investment	37,496,641	-
	<u>1,434,936</u>	<u>12,371,358</u>

4 Operating profit/(loss)

Operating profit/(loss) is stated after charging/(crediting):

	2014 £	2013 £
Auditor's remuneration - audit services	7,000	-
Auditor's remuneration - non audit services	4,500	-
Loss on sale of tangible fixed assets	-	(1,817,313)
Depreciation of owned assets	474,490	457,539
	<u>474,490</u>	<u>457,539</u>

Auditor's remuneration, in respect of audit services includes the fee payable on behalf of John Street Developments Limited of £2,000 (2013: £nil).

Sheffield United Limited (formerly Sheffield United PLC)
Notes to the Financial Statements for the Year Ended 30 June 2014

..... *continued*

5 Particulars of employees

The average number of employees (excluding directors) during the year was nil (2013: nil).

6 Directors' remuneration

No emoluments were paid to the directors during the year (2013: £nil).

7 Interest receivable and similar income

	2014	2013
	£	£
Interest receivable from group undertakings	<u>241,003</u>	<u>806,692</u>

8 Interest payable and similar charges

	2014	2013
	£	£
Interest payable to group undertakings	47,797	54,553
Interest on other loans	<u>1,648,591</u>	<u>1,493,560</u>
	<u>1,696,388</u>	<u>1,548,113</u>

Sheffield United Limited (formerly Sheffield United PLC)
Notes to the Financial Statements for the Year Ended 30 June 2014

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9 Taxation

Tax on loss on ordinary activities

	2014	2013
	£	£
Total tax on loss on ordinary activities	<u>-</u>	<u>-</u>

Factors affecting current tax charge for the year

Tax on ordinary activities is different from the standard rate of corporation tax in the UK of 22.5% (2013: 23.75%). The difference is explained below:

	2014	2013
	£	£
Loss on ordinary activities before taxation	<u>(3,448,324)</u>	<u>(13,024,752)</u>
Corporation tax at standard rate	(775,873)	(3,093,379)
Fixed asset timing differences	106,760	108,666
Other timing differences	251	(138)
Non-taxable income	-	(131,338)
Expenses not deductible for tax purposes	357,546	2,759,377
Current year losses not utilised	306,404	-
Group relief not paid	<u>4,912</u>	<u>356,812</u>
Total current tax	<u>-</u>	<u>-</u>

Sheffield United Limited (formerly Sheffield United PLC)
Notes to the Financial Statements for the Year Ended 30 June 2014

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10 Tangible fixed assets

	Freehold land and buildings £	Total £
Cost		
At 1 July 2013	24,108,128	24,108,128
Additions	4,539	4,539
At 30 June 2014	<u>24,112,667</u>	<u>24,112,667</u>
Depreciation		
At 1 July 2013	471,152	471,152
Charge for the year	474,490	474,490
At 30 June 2014	<u>945,642</u>	<u>945,642</u>
Net book value		
At 30 June 2014	<u>23,167,025</u>	<u>23,167,025</u>
At 30 June 2013	<u>23,636,976</u>	<u>23,636,976</u>

Sheffield United Limited (formerly Sheffield United PLC)
Notes to the Financial Statements for the Year Ended 30 June 2014

..... *continued*

11 Investments held as fixed assets

	2014	2013
	£	£
Shares in group undertakings and participating interests	<u>1</u>	<u>101</u>

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Joints ventures and associates £	Total £
Cost			
At 1 July 2013	250,102	-	250,102
Additions	1,003	37,495,641	37,496,644
Disposals	<u>(103)</u>	<u>-</u>	<u>(103)</u>
At 30 June 2014	<u>251,002</u>	<u>37,495,641</u>	<u>37,746,643</u>
Provision for impairment			
At 1 July 2013	(250,001)	-	(250,001)
Charge for the year	<u>(1,000)</u>	<u>(37,495,641)</u>	<u>(37,496,641)</u>
At 30 June 2014	<u>(251,001)</u>	<u>(37,495,641)</u>	<u>(37,746,642)</u>
Net book value			
At 30 June 2014	<u>1</u>	<u>-</u>	<u>1</u>
At 30 June 2013	<u>101</u>	<u>-</u>	<u>101</u>

Sheffield United Limited (formerly Sheffield United PLC)
Notes to the Financial Statements for the Year Ended 30 June 2014

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Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Holding	Proportion of voting rights and shares held	Principal activity
Subsidiary undertakings			
John Street Developments Limited	Ordinary	100%	property development
David Conrad (Sales) Limited	Ordinary	100%	dormant
Cranbourne Limited	Ordinary	100%	dormant
Joint ventures			
Blades Leisure Limited	Ordinary	50%	holding company

12 Debtors

	2014 £	2013 £
Trade debtors	-	81,632
Amounts owed by group undertakings	2,854,345	3,071,057
Other debtors	29,356	1,000
Prepayments and accrued income	51,365	-
	<u>2,935,066</u>	<u>3,153,689</u>

13 Creditors: Amounts falling due within one year

	2014 £	2013 £
Trade creditors	221,048	1,587
Amounts owed to group undertakings	7,524,410	-
Amounts owed to related parties and other loans	17,375,050	22,840,633
Other taxes and social security	-	9,561
Other creditors	506,089	1,000
Accruals and deferred income	317,700	297,951
	<u>25,944,297</u>	<u>23,150,732</u>

Sheffield United Limited (formerly Sheffield United PLC)
Notes to the Financial Statements for the Year Ended 30 June 2014

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14 Share capital

Allotted, called up and fully paid shares

	2014		2013	
	No.	£	No.	£
Ordinary shares of £0.001 each	452,670,114	452,670	452,670,114	452,670
Preference shares of £1 each	8,000,000	8,000,000	8,000,000	8,000,000
	<u>460,670,114</u>	<u>8,452,670</u>	<u>460,670,114</u>	<u>8,452,670</u>

15 Reserves

	Share premium account £	Profit and loss account £	Total £
At 1 July 2013	247,500	(5,040,512)	(4,793,012)
Loss for the year	-	(3,448,324)	(3,448,324)
At 30 June 2014	<u>247,500</u>	<u>(8,488,836)</u>	<u>(8,241,336)</u>

16 Reconciliation of movement in shareholders' funds/(deficit)

	2014 £	2013 £
Loss attributable to the members of the company	<u>(3,448,324)</u>	<u>(13,024,752)</u>
Net reduction to shareholders' funds/(deficit)	(3,448,324)	(13,024,752)
Shareholders' funds at 1 July	<u>3,659,658</u>	<u>16,684,410</u>
Shareholders' funds at 30 June	<u>211,334</u>	<u>3,659,658</u>

Sheffield United Limited (formerly Sheffield United PLC)

Notes to the Financial Statements for the Year Ended 30 June 2014

..... *continued*

17 Contingent liabilities

An amount of £493,709 is payable on demand to Sheffield United Football Club Limited in respect of the Football League Limited Pension and Life Assurance Scheme, there is a claw back provision on the sale of players and therefore it is highly unlikely that this amount will become payable.

18 Related party transactions

The company has taken advantage of the exemption in FRS 8 "Related Party Disclosures" from disclosing transactions with other wholly owned members of the group.

Other related party transactions

During the year the company made the following related party transactions:

Scarborough Luxembourg Sarl

(A company in which K C McCabe, S R McCabe and S C McCabe are directors)

A loan on which interest is charged at 10%, the amount charged during the year was £1,634,111 (2013: £1,478,513). At the balance sheet date, the amount due to Scarborough Luxembourg Sarl was £17,375,050 (2013: £15,740,939).

Scarborough United Group Limited

(Immediate parent owning 85% of the company)

A loan on which interest is charged at 4% plus libor, the amount charged during the year was £47,798 (2013: £54,553) At the balance sheet date, the amount due to Scarborough United Group Limited was £7,061,988 (2013: £6,608,321).

Scarborough Management Limited

(member of wider group)

During the year the company incurred management fees of £197,833 (2013: nil) from Scarborough Management Limited, included within accruals at the balance sheet date the amount due to Scarborough Management Limited was £21,557 (£2013: nil) and within trade creditors was £210,991 (2013: £nil). Scarborough Management Limited paid costs on behalf of Sheffield United Limited, At the balance sheet date, the amount due to Scarborough Management Limited was £462,422 (2013: £nil).

19 Controlling entity

The company is controlled by Scarborough United Group Limited which owns 85% of the company. The ultimate parent undertaking is Scarborough Group International Limited.

Scarborough Group International Limited is also the parent undertaking of the largest and smallest group for which group accounts are to be drawn up and of which the company is a member. Copies of the accounts of Scarborough Group International Limited can be obtained from; 93 George Street, Edinburgh, EH2 3ES.

The company has no ultimate controlling party.