

Registration number: 00396956

# Sheffield United Limited

Annual Report and Financial Statements

for the Year Ended 30 June 2019



# Sheffield United Limited

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# Sheffield United Limited

## Company Information

<b>Directors</b>	K C McCabe S R McCabe S C McCabe J J Tutton
<b>Company secretary</b>	Esplanade Secretarial Services Limited
<b>Registered office</b>	Europa House 20 Esplanade Scarborough YO11 2AQ
<b>Registrars</b>	Link Asset Services at PXS 34 Beckenham Road Beckenham Kent BR3 4TU
<b>Auditors</b>	Mazars LLP 5th Floor 3 Wellington Place Leeds LS1 4AP

# Sheffield United Limited

## Directors' Report for the Year Ended 30 June 2019

The Directors present their report and the financial statements for the year ended 30 June 2019.

### Directors of the Company

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

K C McCabe

S R McCabe

S C McCabe

J J Tutton

### Dividends

The directors recommend a final dividend payment of £Nil be made in respect of the financial year ended 30 June 2019 (2018: £Nil).

### Impact of Brexit upon the Company

The Directors have considered the uncertainties regarding the withdrawal from the EU, however they do not believe that there will be a material impact as a result of this.

### Frequently asked questions

A list of questions frequently asked by shareholders is included in Annex 1.

### Disclosure of information to the auditors

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 of which they know the auditors are unaware.

### Going Concern

The Directors' assessment of the going concern status of the company is detailed in note 2 of these financial statements.


### Reappointment of Auditors

Mazars LLP continue in office in accordance with section 487(2) Companies Act 2006.

### Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 22 November 2019 and signed on its behalf by:

  
.....  
J J Tutton  
Director

## **Sheffield United Limited**

### **Statement of 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.

## Sheffield United Limited

### Independent Auditor's Report to the members of Sheffield United Limited

#### Opinion

We have audited the financial statements of Sheffield United Limited (the 'Company') for the year ended 30 June 2019 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity 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 FRS 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 2019 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 Auditor's 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 UK, including the FRC'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.

#### The impact of uncertainties due to Britain exiting the European Union on our audit

The Directors' view on the impact of Brexit is disclosed on page 2.

The terms on which the United Kingdom may withdraw from the European Union are not clear, and it is therefore not currently possible to evaluate all the potential implications to the Company's trade, customers, suppliers and the wider economy.

We considered the impact of Brexit on the Company as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the company's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the Company and this is particularly the case in relation to Brexit.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Sheffield United Limited

### Independent Auditor's Report to the members of Sheffield United Limited

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report, 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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

#### Matters on which we are required to report by exception

In 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 Directors' Report.

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
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' report and take advantage of the small companies exemption from the requirement to prepare a Strategic report

#### Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities 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.

## Sheffield United Limited

### Independent Auditor's Report to the members of Sheffield United Limited

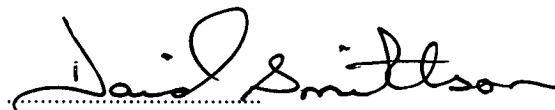
#### Auditor's responsibilities for the audit of the financial statements

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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### Use of the audit 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 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.



David Smithson (Senior Statutory Auditor)  
for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor

5th Floor  
3 Wellington Place  
Leeds  
LS1 4AP

Date: 22 November 2019



## Sheffield United Limited

### Profit and Loss Account for the Year Ended 30 June 2019

	Note	2019 £	2018 £
Turnover	3	331,790	335,521
Cost of sales		<u>(313)</u>	<u>(9,892)</u>
Gross profit		331,477	325,629
Administrative expenses		<u>(944,195)</u>	<u>(1,120,235)</u>
Operating loss	4	(612,718)	(794,606)
Interest receivable from group undertakings	5	153,719	147,993
Investment property written up		352,975	-
Interest payable and similar charges	6	<u>(953,663)</u>	<u>(792,989)</u>
Loss before tax		(1,059,687)	(1,439,602)
Taxation	9	<u>-</u>	<u>-</u>
Loss for the financial year		<u>(1,059,687)</u>	<u>(1,439,602)</u>

The above results were derived from continuing operations.

## Sheffield United Limited

### Statement of Comprehensive Income for the Year Ended 30 June 2019


	2019 £	2018 £
Loss for the year	<u>(1,059,687)</u>	<u>(1,439,602)</u>
Total comprehensive income/(loss) for the year	<u><u>(1,059,687)</u></u>	<u><u>(1,439,602)</u></u>

## Sheffield United Limited

**(Registration number: 00396956)**  
**Balance Sheet as at 30 June 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	10	24,352,975	24,000,000
Investments	11	<u>5,000,101</u>	<u>101</u>
		<u>29,353,076</u>	<u>24,000,101</u>
<b>Current assets</b>			
Debtors	12	3,461,518	3,188,583
Cash at bank and in hand	13	<u>3,701</u>	<u>120,663</u>
		3,465,219	3,309,246
<b>Creditors: Amounts falling due within one year</b>	14	<u>(49,097,977)</u>	<u>(42,497,691)</u>
<b>Net current liabilities</b>		<u>(45,632,758)</u>	<u>(39,188,445)</u>
<b>Total assets less current liabilities</b>		(16,279,682)	(15,188,344)
<b>Creditors: Amounts falling due after more than one year</b>	14	<u>(92,394)</u>	<u>(124,045)</u>
<b>Net liabilities</b>		<u>(16,372,076)</u>	<u>(15,312,389)</u>
<b>Capital and reserves</b>			
Called up share capital	15	8,452,670	8,452,670
Share premium reserve	16	247,500	247,500
Profit and loss account	16	<u>(25,072,246)</u>	<u>(24,012,559)</u>
<b>Total equity</b>		<u>(16,372,076)</u>	<u>(15,312,389)</u>

Approved and authorised by the Board on 22 November 2019 and signed on its behalf by:

  
 .....  
 J J Tutton  
 Director

**Sheffield United Limited**

**Statement of Changes in Equity for the Year Ended 30 June 2019**

	Share capital £	Share premium £	Profit and loss account (as restated) £	Total £
At 1 July 2018	8,452,670	247,500	(24,012,559)	(15,312,389)
Loss for the year	-	-	(1,059,687)	(1,059,687)
Total comprehensive income	-	-	(1,059,687)	(1,059,687)
At 30 June 2019	<u>8,452,670</u>	<u>247,500</u>	<u>(25,072,246)</u>	<u>(16,372,076)</u>
	Share capital £	Share premium £	Profit and loss account (as restated) £	Total £
At 1 July 2017	8,452,670	247,500	(22,572,957)	(13,872,787)
Loss for the year	-	-	(1,439,602)	(1,439,602)
Total comprehensive loss	-	-	(1,439,602)	(1,439,602)
At 30 June 2018	<u>8,452,670</u>	<u>247,500</u>	<u>(24,012,559)</u>	<u>(15,312,389)</u>

The notes on pages 11 to 23 form an integral part of these financial statements.  
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# Sheffield United Limited

## Notes to the Financial Statements for the Year Ended 30 June 2019

### 1 General information

The company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office is:

Europa House  
20 Esplanade  
Scarborough  
YO11 2AQ

The principal place of business is:

2nd Floor Left Hand Side  
Building 3125  
Century Way  
Thorpe Park  
Leeds  
LS15 8ZB

Registrar:

Link Asset Services at PXS  
34 Beckenham Road  
Beckenham  
Kent  
BR3 4TU

The principal activity of the company is property ownership and holding an interest in Sheffield United Football Club.

These financial statements were authorised for issue by the Board on 22 November 2019.

### 2 Accounting policies

#### Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

#### Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

#### Summary of disclosure exemptions

The Company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, Scarborough Group International limited, includes the Company's cash flows in its own consolidated financial statements.

The company has taken the exemption under FRS102 paragraph 1.12(c), from disclosing the carrying value of financial instruments not measured at fair value on the basis that it is a qualifying entity and its ultimate parent company, Scarborough Group International Limited, discloses the carrying value of financial instruments in its own consolidated financial statements.

## Sheffield United Limited

### Notes to the Financial Statements for the Year Ended 30 June 2019

#### Group accounts not prepared

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

#### Going concern

These financial statements have been prepared on a going concern basis as the immediate parent company has confirmed that it will continue to provide financial support for the foreseeable future to the company and will not seek repayment of amounts due from the company unless it is able to do so.

#### Critical accounting estimates and assumptions

##### (i) Impairment of investments

The carrying value of the Company's investments in subsidiaries is affected by market conditions which may impact on the value of the assets of those subsidiaries together with the trading performance of those subsidiaries. During the preparation of these financial statements, key management have given consideration to the carrying value of the investments in subsidiaries to determine if any impairment provision is required. When making this judgement, key management have referred to a mixture of independent, external property valuation reports and internally prepared management accounts for the subsidiaries.

##### (ii) Investment property

Freehold and leasehold properties held as investment properties are accounted for in accordance with the accounting principles set out in section 16 of FRS102. Valuation gains or losses are recognised in the profit and loss account. The Directors apply judgement regarding the condition of the property and the likely impact of external factors which may affect the value of the property.

##### (iii) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers the ageing profile of debtors, historical experience and knowledge of any other specific factors affecting a debtor's ability to pay.

#### Turnover

Turnover represents amounts invoiced, net of value added tax, in respect of rental income from let properties, management fees and proceeds from sale of properties. Rental income accrues on a daily basis.

#### Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

#### Investment property

Freehold and leasehold properties held as investment properties are accounted for in accordance with the accounting principles set out in section 16 of FRS102.

#### Investments

Investments in subsidiary undertakings are held at cost less any provision for impairment. Investments in joint ventures and associates are held at cost less any provision for impairment.

## Sheffield United Limited

### Notes to the Financial Statements for the Year Ended 30 June 2019

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Trade debtors**

Trade debtors are amounts due from customers for rent billed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

## Sheffield United Limited

### Notes to the Financial Statements for the Year Ended 30 June 2019

#### 3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2019	2018
	£	£
Rental income	310,000	310,000
Other income	21,790	25,521
	<u>331,790</u>	<u>335,521</u>

The Company's rental income is derived from operating leases that are in place with tenants who occupy the portfolio of properties that are held for resale. The Company has the following future minimum lease payments receivable under non-cancellable operating leases expiring for each of the following periods:

	2019	2018
	£	£
Within 1 year	310,000	310,000
Between 1 and 5 years	981,808	1,240,000
After 5 years	-	51,808
	<u>1,291,808</u>	<u>1,601,808</u>

The Company's operating leases typically require the tenants to be responsible for paying for repairing and insuring the property and include clauses allowing for rent reviews at certain points during the lease. The leases do not contain contingent rents.

#### 4 Operating loss

Arrived at after (crediting)/charging

	2019	2018
	£	£
Reversal of provision against joint venture investment	(5,000,000)	-
Provision against amount due from group undertaking	148,140	118,824
Exceptional legal fees in connection with court case	<u>5,648,649</u>	<u>787,808</u>

#### 5 Other interest receivable and similar income

	2019	2018
	£	£
Interest receivable from group undertakings	<u>153,719</u>	<u>147,993</u>



## Sheffield United Limited

### Notes to the Financial Statements for the Year Ended 30 June 2019

#### 6 Interest payable and similar charges

	2019 £	2018 £
Interest payable to group undertakings	935,870	766,733
Interest on other loans	<u>17,793</u>	<u>26,256</u>
	<u>953,663</u>	<u>792,989</u>

#### 7 Staff costs

The average number of employees (excluding directors) during the year was nil (2018: nil).

No emoluments were paid to the directors during the year (2018: £nil).

#### 8 Auditor's remuneration

	2019 £	2018 £
Audit of the financial statements	<u>6,825</u>	<u>6,500</u>
<b>Other fees to auditors</b>		
All other non-audit services	<u>3,465</u>	<u>3,150</u>

Auditor's remuneration, in respect of audit services includes the fee payable on behalf of John Street Developments Limited of £2,000 (2018: £2,000).

## Sheffield United Limited

### Notes to the Financial Statements for the Year Ended 30 June 2019

#### 9 Taxation

Tax charged in the profit and loss account

	2019 £	2018 £
<b>Current taxation</b>	<u>                    -</u>	<u>                    -</u>

The tax on loss before tax for the year is different from the standard rate of corporation tax the UK of 19% (2018: 19%).

The differences are reconciled below:

	2019 £	2018 £
Loss before tax	<u>(1,059,687)</u>	<u>(1,439,602)</u>
Corporation tax at standard rate	(201,341)	(273,524)
Effect of expense not deductible in determining taxable profit (tax loss)	1,073,870	173,643
Tax (decrease) from effect of capital allowances and depreciation	(3,989)	(4,718)
Tax increase from effect of unrelieved tax losses carried forward	148,524	104,599
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>(1,017,064)</u>	<u>                    -</u>
Total tax charge	<u>                    -</u>	<u>                    -</u>

The company has an unprovided deferred tax asset of £4,112,744 (2018: £3,979,854) which has not been recognised due to uncertainty over the asset's recoverability.

#### Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 17% (effective from 1 April 2020) was substantively enacted in September 2016 and has therefore been considered when calculating tax and any deferred tax balances at the reporting date.

## Sheffield United Limited

### Notes to the Financial Statements for the Year Ended 30 June 2019

#### 10 Tangible assets

	Investment property £	Total £
<b>Cost</b>		
At 1 July 2018	24,000,000	24,000,000
Write up to cost	<u>352,975</u>	<u>352,975</u>
At 30 June 2019	<u>24,352,975</u>	<u>24,352,975</u>
<b>Carrying amount</b>		
At 30 June 2019	<u>24,352,975</u>	<u>24,352,975</u>
At 30 June 2018	<u>24,000,000</u>	<u>24,000,000</u>

The directors have considered the valuation of the property at 30 June 2019 and deemed that no further adjustment is required at this time.

It is the directors' intention to procure a full external valuation of the investment properties in the expectation that this will demonstrate a significant increase in values.

## Sheffield United Limited

### Notes to the Financial Statements for the Year Ended 30 June 2019

#### 11 Investments in subsidiaries, joint ventures and associates

	2019 £	2018 £
Investments in subsidiaries	101	101
Investments in joint ventures	<u>5,000,000</u>	<u>-</u>
	<u>5,000,101</u>	<u>101</u>
<b>Subsidiaries</b>		<b>£</b>
<b>Cost or valuation</b>		
At 1 July 2018		<u>101</u>
<b>Provision</b>		
<b>Carrying amount</b>		
At 30 June 2019		<u>101</u>
At 30 June 2018		<u>101</u>
<b>Joint ventures</b>		<b>£</b>
<b>Cost</b>		
At 1 July 2018		44,095,641
<b>Provision</b>		
At 1 July 2018		44,095,641
Provision		<u>(5,000,000)</u>
At 30 June 2019		<u>39,095,641</u>
<b>Carrying amount</b>		
At 30 June 2019		<u>5,000,000</u>
At 30 June 2018		<u>-</u>

## Sheffield United Limited

### Notes to the Financial Statements for the Year Ended 30 June 2019

#### Details of undertakings

As at 30 June 2019 the following were the subsidiaries and joint ventures of the Company and were held indirectly by the Company unless indicated by \*.

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2019	2018
<b>Subsidiary undertakings</b>				
John Street Developments Limited *	England and Wales	Ordinary	100%	100%
Sheffield United Holdings Limited *	England and Wales	Ordinary	100%	100%
Sheffield United Bramall Lane Limited	England and Wales	Ordinary	100%	100%
Sheffield United Shirecliffe Limited	England and Wales	Ordinary	100%	100%
Legacy Stadium Limited (formerly Sheffield United Developments Limited)	England and Wales	Ordinary	100%	100%
Sheffield United Real Estate Limited	England and Wales	Ordinary	100%	100%
Sheffield United Ventures Limited	England and Wales	Ordinary	100%	100%

#### Joint ventures

Blades Leisure Limited *	England and Wales	Ordinary	50%	50%
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#### 12 Debtors

	Note	2019 £	2018 £
Trade debtors		-	31,000
Amounts owed by group undertakings	19	3,106,404	3,036,200
Other debtors		306,322	70,963
Prepayments		39,226	39,858
Accrued income		9,566	10,562
Total current trade and other debtors		<u>3,461,518</u>	<u>3,188,583</u>

#### 13 Cash and cash equivalents

	2019 £	2018 £
Cash at bank	<u>3,701</u>	<u>120,663</u>

## Sheffield United Limited

### Notes to the Financial Statements for the Year Ended 30 June 2019

#### 14 Creditors

	Note	2019 £	2018 £
<b>Due within one year</b>			
Finance lease liabilities due within 1 year		31,650	29,353
Trade creditors		3,810	178,443
Amounts due to related parties	19	21,617,504	22,367,504
Other creditors		217,172	478,338
Accrued expenses		2,789,472	539,264
Amounts owed to group undertakings		24,438,369	18,878,956
Deferred income		-	25,833
		<u>49,097,977</u>	<u>42,497,691</u>
<b>Due after one year</b>			
Finance lease liabilities due after 1 year		<u>92,394</u>	<u>124,045</u>

Obligations under hire purchase contracts are secured against the asset to which they relate.

#### Finance leases

The total of future minimum lease payments is as follows:

	2019 £	2018 £
Within 1 year	31,650	29,353
Between 1 and 5 years	92,394	124,045
	<u>124,044</u>	<u>153,398</u>

## Sheffield United Limited

### Notes to the Financial Statements for the Year Ended 30 June 2019

#### 15 Share capital

##### Allotted, called up and fully paid shares

	2018		2017	
	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>

Each ordinary share is entitled to one vote. Each share is entitled pari passu to dividend payments or any other distribution arising from a winding up order of the company subject to the rights of the preference shares. None of the shares are redeemable.

The preference shares have no voting rights. Each preference share is entitled to a fixed preferential dividend of 6% per annum on the subscription price for such share. Each preference share is entitled to priority over any other class of shares in repayment of subscription price and all arrears in a distribution arising from winding up of the company.

#### 16 Reserves

The profit and loss account reserve represents accumulated losses after tax.

The share premium reserve arises from the historical purchase of shares above par value.

#### 17 Commitments

##### Capital commitments

The total amount contracted for but not provided in the financial statements was £Nil (2018: £Nil).

#### 18 Contingent liabilities

An amount of £nil (2018: £402,602) 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.

## Sheffield United Limited

### Notes to the Financial Statements for the Year Ended 30 June 2019

#### 19 Related party transactions

The Company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

##### **Blades Leisure Limited**

(Joint Venture)

A loan of £1,750,000 (2018: £1,000,000) on which interest is not charged. At the balance sheet date the amount due from Blades Leisure Limited was £1,750,000 (2018: £1,000,000).

##### **Scarborough Luxembourg Sarl**

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

A loan on which no interest is charged. At the balance sheet date the amount due to Scarborough Luxembourg Sarl was £23,367,504 (2018: £23,367,504).

##### **Scarborough United Group Limited**

(Immediate parent owning 87.5% of the company)

A loan on which interest is charged at 4.5%, the amount charged during the year was £935,870 (2018: £766,733). At the balance sheet date the amount due to Scarborough United Group Limited was £24,438,269 (2018: £18,878,956).

##### **Scarborough Management Limited**

(member of wider group)

During the year the company incurred management fees of £240,000 (2018: £240,000) from Scarborough Management Limited, included within prepayments at the balance sheet date the amount due to Scarborough Management Limited was £40,000 (2018: £40,000) and within trade creditors was £nil (2018: £nil).

#### 20 Parent and ultimate parent undertaking

The company is controlled by Scarborough United Group Limited, a company registered in England and Wales, which owns 87.5% of the company. The ultimate parent undertaking is Scarborough Group International Limited a company registered in Scotland.

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; C/O Shepherd And Wedderburn, 1 Exchange Crescent, Conference Square, Edinburgh, Scotland, EH3 8UL.

The ultimate controlling party is K C McCabe.



## **Sheffield United Limited**

### **Notes to the Financial Statements for the Year Ended 30 June 2019**

#### **21 Non adjusting events after the financial period**

Judgment in the dispute between Sheffield United Limited and the other co-owner of Blades Leisure Limited, UTB LLC and associated parties in actions tried in Claim No. BL-2018-000281 (and related actions) was handed down by Mr Justice Fancourt at the High Court of Justice, and in the Business and Property Courts Business List on 16th September 2019.

The judge has ordered that UTB LLC is granted specific performance to purchase Sheffield United Limited shares in Blades Leisure Limited for £5 million.

On the 27th June 2019 The Sheffield United Football Club Ltd exercised its option to purchase Bramall Lane Stadium and Shirecliffe Academy. The exercise option became legally effective as of 3rd July 2019 and The Sheffield United Football Club Ltd has a legal obligation to complete by no later than 3rd July 2020. It is the Directors opinion that the purchase price for the properties will not be less than the carrying value of the properties within these financial statements.

## **Sheffield United Limited**

### **Annex to the Financial Statements for the Year Ended 30 June 19**

Frequently asked questions by shareholders of Sheffield United Ltd

Q: How can I sell my shares?

A: The shares themselves were de-listed from Alternative Investment Market Stock Exchange (AIM) about a decade ago and there is no recognised market for these shares. Up until 31st December 2017 it was possible to trade your shares using Capita's (the company's registrars) Match Bargain Service (Capita have since changed their name to Link Asset Management). This service is no longer available due to Link coming under the governance of new legislation, and Link explanation is " Under MiFID 2, all "multilateral systems" must be classified as either a Regulated Market, Multilateral Trading Facility ("MTF") or an Organised Trading Facility ("OTF"). Given the nature and scale of the service, it would not be large enough to meet the definition of a Regulated Market and, as the service relates to equities, it would not meet the definition of an OTF. By default, therefore, it is expected that the service would fall under the definition of an MTF. With the regulatory changes taking place under MiFID 2, continuation of the Matched Bargain Service would represent a considerable extension to CIRGT's regulatory footprint, which we cannot continue post January 3rd 2018"

Sheffield United Limited currently has no intention of finding a replacement agent due to the prohibitive costs involved.

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Q: How much are my shares worth?

A: Because the shares are not listed on any recognised stock exchange and because the company is a private company there are no daily listed share prices. In the absence of financial support from the McCabe family the company is technically insolvent.

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Q. Please may I see a set of the Company's financial statements?

A: The Company is legally obliged to file annual financial statements with Companies House. The financial statements can be accessed

<https://beta.companieshouse.gov.uk/search/companies?q=Sheffield+United+Limited>

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Q: Would the Scarborough Group be prepared to purchase my share?

A: The Scarborough Group currently have no intention of increasing its shareholding in Sheffield United Ltd

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Q: What should I do with my shares?

A: We are not regulated to provide investment advice

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Q: I have moved address whom should I inform

A: Please write to the Company's registrar, Link Asset Services at PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU

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Q: The shareholder has died and has bequeathed their shares to me, or the shareholder wants to transfer their shares to me, how do I process the transfer of ownership?

A: Please write to the Company's registrar, Link Asset Services at PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU

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Q: What will the Company own following the outcome of the litigation with UTB LLC?

A: The Company will be transferring its 50% ownership in Blades Leisure Ltd (BLL) to UTB LLC. BLL owns 100% of Sheffield United Football Club (SUFC). SUFC has a legal obligation to purchase Bramall Lane Stadium and Shirecliffe Academy by no later than July 2020. When the transfer of the shares and the properties have completed, the company will wind down its affairs.