

REGISTERED NUMBER: 00039175 (England and Wales)

**GILLINGHAM FOOTBALL CLUB LIMITED**  
**REPORT OF THE DIRECTORS AND**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2020**

GILLINGHAM FOOTBALL CLUB LIMITED (REGISTERED NUMBER: 00039175)

**CONTENTS OF THE FINANCIAL STATEMENTS**  
**For The Year Ended 31 May 2020**

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**GILLINGHAM FOOTBALL CLUB LIMITED**

**COMPANY INFORMATION**  
**For The Year Ended 31 May 2020**

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<b>DIRECTORS:</b>	P D P Scally M Quarrington
<b>SECRETARY:</b>	M Quarrington
<b>REGISTERED OFFICE:</b>	Priestfield Stadium Redfern Avenue Gillingham Kent ME7 4DD
<b>REGISTERED NUMBER:</b>	00039175 (England and Wales)
<b>BANKERS:</b>	Barclays Bank Plc Hatton Garden 99 Hatton Garden London EC1N 8DN

**REPORT OF THE DIRECTORS**  
**For The Year Ended 31 May 2020**

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The directors present their report with the financial statements of the company for the year ended 31 May 2020.

**REVIEW OF BUSINESS**

The results for the year and the financial position of the company are shown in the annexed financial statements.

Trading was halted on 29th February 2020 due to the impact of the COVID-19 pandemic and so income effectively relates to only a 9 month period.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 June 2019 to the date of this report.

P D P Scally  
M Quarrington

Other changes in directors holding office are as follows:

M Anderson - resigned 14 August 2019

P Scally holds options over 2,500,000 Ordinary Shares of 1p each, at an option price of 30p each granted on 22 November 1999.


**EMPLOYEE INVOLVEMENT AND DISABLED EMPLOYEES**

Within the bounds of commercial confidentiality, staff at all levels are kept fully informed of matters that affect the progress of the company and are of interest to them as employees.

Disabled persons are given full and fair consideration for all types of vacancy. If an existing employee becomes disabled, such steps as are practical and responsible are taken to retain him/her in employment. Where appropriate, assistance with rehabilitation and suitable training are given. Disabled persons have equal opportunities for training, career development and promotion, except in so far as such opportunities are constrained by the practical limitations of their disability.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

**ON BEHALF OF THE BOARD:**

  
.....  
P D P Scally - Director

Date: 26/7/21  
.....

GILLINGHAM FOOTBALL CLUB LIMITED (REGISTERED NUMBER: 00039175)

**INCOME STATEMENT**  
**For The Year Ended 31 May 2020**

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	Notes	31/5/20 £	31/5/19 £
<b>TURNOVER</b>		<b>7,090,821</b>	7,027,821
Cost of sales		<u>5,413,476</u>	<u>5,720,257</u>
<b>GROSS PROFIT</b>		<b>1,677,345</b>	1,307,564
Administrative expenses		<u>1,776,847</u>	<u>1,864,807</u>
<b>OPERATING LOSS</b>	4	<b>(99,502)</b>	(557,243)
Interest payable and similar expenses		<u>75,505</u>	<u>72,215</u>
<b>LOSS BEFORE TAXATION</b>		<b>(175,007)</b>	(629,458)
Tax on loss		<u>-</u>	<u>-</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>		<b><u>(175,007)</u></b>	<b><u>(629,458)</u></b>

The notes form part of these financial statements

GILLINGHAM FOOTBALL CLUB LIMITED (REGISTERED NUMBER: 00039175)

STATEMENT OF FINANCIAL POSITION  
31 May 2020

	Notes	31/5/20		31/5/19	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	5		4,493,946		4,641,638
<b>CURRENT ASSETS</b>					
Stocks	6	85,270		65,734	
Debtors	7	1,141,492		630,482	
Cash at bank		764,131		248,043	
			1,990,893		944,259
<b>CREDITORS</b>					
Amounts falling due within one year	8		1,879,069		1,443,505
<b>NET CURRENT ASSETS/(LIABILITIES)</b>					
			111,824		(499,246)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			4,605,770		4,142,392
<b>CREDITORS</b>					
Amounts falling due after more than one year	9		(2,047,638)		(1,896,090)
<b>PROVISIONS FOR LIABILITIES</b>					
			(200,000)		(200,000)
<b>ACCRUALS AND DEFERRED INCOME</b>					
			(1,468,430)		(981,593)
<b>NET ASSETS</b>					
			889,702		1,064,709
<b>CAPITAL AND RESERVES</b>					
Called up share capital			470,051		470,051
Share premium			987,469		987,469
Retained earnings			(567,818)		(392,811)
<b>SHAREHOLDERS' FUNDS</b>					
			889,702		1,064,709

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 May 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 May 2020 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION - continued  
31 May 2020

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The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on ..... and were signed on its behalf by:



.....  
P D P Scally Director

The notes form part of these financial statements

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NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 May 2020

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1. STATUTORY INFORMATION

Gillingham Football Club Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

**Going concern**

Due to circumstances arising from the current COVID-19 pandemic and the effect this is having on professional football, there is a material uncertainty relating to these events that may cast significant doubt on the company's ability to continue as a going concern.

It is not yet known, when or how League One football will resume and this has a direct impact on the income of the Club. The assumption being made is that the 2020/21 season will commence a few months later than originally planned and also behind closed doors. This will lead to minimal income from matchdays while players and staff will need to be paid.

The directors have considered the working capital requirements of the Company for the short and medium term and have reviewed in detail the cash flow forecasts prepared for the 12 months following the date of this report. With the additional income streams that the Club has in place not related to matchday income, the Directors have a reasonable expectation that the company will have adequate resources to continue in operational existence for at least 12 months from the date of approving these accounts. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

**Turnover**

Turnover includes gate receipts, Football League pool, commercial activities, advertising, television and radio fees, donations, sundry related income and the annual release of grants. Advanced invoicing and season ticket sales are included within deferred income and released to turnover in the relevant accounting period.

Turnover excludes value added tax, transfer fees and amounts due to the Football League, Football Association and visiting football clubs.

All turnover arises in the United Kingdom.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 20% on cost
Fixtures & fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Office equipment	- 33% straight line

Priestfield Stadium is held by the company at its valuation of £4,000,000. The stadium is not depreciated on the basis that it is constantly maintained and updated.

This policy represents a departure from statutory accounting principles, which require depreciation to be provided on all fixed assets. The directors consider that this policy is necessary in order that the Financial Statements may give a true and fair view because the current value is of prime importance rather than the systematic annual depreciation.



NOTES TO THE FINANCIAL STATEMENTS - continued  
For The Year Ended 31 May 2020

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2. ACCOUNTING POLICIES - continued

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

**Taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**Intangible fixed assets**

The costs associated with the acquisition of player registrations are capitalised as intangible fixed assets. These costs are amortised over the period of their contract on a straight line basis. An impairment review is carried out at the end of each financial year to establish if any events or changes in circumstances indicate the carrying values may not be recoverable. Signing on fees and subsequent appearance fees are accounted for in the period in which they become payable or receivable.

**Leased assets and hire purchase commitments**

Assets financed by hire purchase agreements are included in the company's balance sheet at cost less depreciation in accordance with the company's normal accounting policies. The present value of future payments is shown as a liability. The interest element of the repayments is charged to the profit and loss account over the period of the lease in proportion to the balance of capital payments outstanding. Rentals payable under operating lease contracts are charged to the profit and loss account as incurred.

**Deferred grants**

Grants receivable from the Football Trust and similar bodies in respect of capital expenditure are treated as deferred income and released to the profit and loss account over a future period. This period will equal the economic life of the assets to which the grant relate in order to match the income to the depreciation charged on these assets. Deferred grant income in the balance sheet represents total grants received less amounts credited to the profit and loss account.

NOTES TO THE FINANCIAL STATEMENTS - continued  
For The Year Ended 31 May 2020

## 3. EMPLOYEES AND DIRECTORS

	2019 £	2018 £
Wages and salaries	3,806,348	3,584,576
Social security costs	322,912	296,786
	<u>4,129,260</u>	<u>3,543,304</u>

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

	2019	2018
Administration and directors	4	5
Coaches, ground staff and management	19	17
Players	46	43
Other commercial activities	36	16
	<u>105</u>	<u>81</u>

These figures do not include staff employed for match days only.

## 4. OPERATING LOSS

The operating loss is stated after charging:

	31/5/20 £	31/5/19 £
Depreciation - owned assets	<u>159,937</u>	<u>120,424</u>

## 5. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures & fittings £	Motor vehicles £	Office equipment £	Totals £
<b>COST OR VALUATION</b>					
At 1 June 2019	4,418,450	728,687	84,270	116,569	5,347,976
Additions	-	3,868	-	8,377	12,245
At 31 May 2020	<u>4,418,450</u>	<u>732,555</u>	<u>84,270</u>	<u>124,946</u>	<u>5,360,221</u>
<b>DEPRECIATION</b>					
At 1 June 2019	55,565	540,966	52,610	57,197	706,338
Charge for year	83,671	42,153	7,054	27,059	159,937
At 31 May 2020	<u>139,236</u>	<u>583,119</u>	<u>59,664</u>	<u>84,256</u>	<u>866,275</u>
<b>NET BOOK VALUE</b>					
At 31 May 2020	<u>4,279,214</u>	<u>149,436</u>	<u>24,606</u>	<u>40,690</u>	<u>4,493,946</u>
At 31 May 2019	<u>4,362,885</u>	<u>187,721</u>	<u>31,660</u>	<u>59,372</u>	<u>4,641,638</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 May 2020**

**5. TANGIBLE FIXED ASSETS - continued**

Cost or valuation at 31 May 2020 is represented by:

	Freehold property £	Fixtures & fittings £	Motor vehicles £	Office equipment £	Totals £
Valuation in 2012	1,950,000	-	-	-	1,950,000
Valuation in 2016	1,000,000	-	-	-	1,000,000
Cost	1,468,450	732,555	84,270	124,946	2,410,221
	<u>4,418,450</u>	<u>732,555</u>	<u>84,270</u>	<u>124,946</u>	<u>5,360,221</u>

If the stadium had not been revalued it would have been included at the following historical cost:

	31/5/20 £	31/5/19 £
Cost	<u>1,050,000</u>	<u>1,050,000</u>
Aggregate depreciation	<u>86,000</u>	<u>86,000</u>
Value of land in freehold land and buildings	<u>190,000</u>	<u>190,000</u>

The stadium was valued on an alternative use basis on 31 May 2019 by C Honeywill FRICS - Lambert Smith Hampton.

Assets held under HP agreements originally cost £179,632 (2019: £179,632) and have a net book value of £104,187 (2019: £140,867). Depreciation charged for the year was £36,680 (2019: £23,790).

**6. STOCKS**

	31/5/20 £	31/5/19 £
Goods for resale	<u>85,270</u>	<u>65,734</u>

**7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31/5/20 £	31/5/19 £
Trade debtors	1,018,545	404,094
Other debtors	8,506	63,518
Directors' loan accounts	5,633	-
Prepayments and accrued income	108,808	162,870
	<u>1,141,492</u>	<u>630,482</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 May 2020**

**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31/5/20	31/5/19
	£	£
Hire purchase contracts	36,321	39,063
Trade creditors	847,898	745,966
Other taxes and social security	476,552	152,712
Other creditors	409,951	29,076
Directors' loan accounts	16,366	388,234
Accruals and deferred income	91,981	88,454
	<u>1,879,069</u>	<u>1,443,505</u>

**9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31/5/20	31/5/19
	£	£
Other loans	1,982,800	1,800,000
Hire purchase contracts	64,838	96,090
	<u>2,047,638</u>	<u>1,896,090</u>

**10. SECURED DEBTS**

The following secured debts are included within creditors:

	31/5/20	31/5/19
	£	£
Other loans	1,982,800	1,800,000
Hire purchase contracts	101,159	135,153
	<u>2,083,959</u>	<u>1,935,153</u>

The other loans are secured by a debenture over the whole of the company's assets and by a legal charge over Priestfield Stadium, Gillingham (both dated 26 September 2011).

**11. RELATED PARTY DISCLOSURES**

M Quarrington, a director, was owed £16,366 by the company as at 31 May 2020 (2019: £16,366).

P Scally, a director, owed the company £5,633 as at 31 May 2020 (2019: £nil).

P Scally, a director, performed consultancy services for the company in the year receiving £214,345 (2019: £168,000).

The directors of the company are also directors of Three Directors Limited which was owed £1,800,000 at 31 May 2020 (2019: £1,800,000) by the company, this amount is shown in note 12. Interest of £63,000 was charged during the year in relation to this loan (2019: £63,000).

**12. ULTIMATE CONTROLLING PARTY**

The company is under the control of GFC Holdings Limited which owns the majority of the voting rights. It has included the Company in its group accounts, copies of which are available from its registered office: Priestfield Stadium, Redfern Avenue, Gillingham, Kent, ME7 4DD.

Mr P Scally, a director, is the ultimate controlling party as the sole shareholder of GFC Holdings Limited .

GILLINGHAM FOOTBALL CLUB LIMITED (REGISTERED NUMBER: 00039175)

TRADING AND PROFIT AND LOSS ACCOUNT  
For The Year Ended 31 May 2020

	31/5/20		31/5/19	
	£	£	£	£
<b>Turnover</b>				
Other Income	384,917		-	
Turnover	5,665,303		5,842,557	
Catering sales	1,040,601		1,185,264	
		<b>7,090,821</b>		<b>7,027,821</b>
<b>Cost of sales</b>				
Relocation, medical, travel and players expenses	691,400		598,407	
Gateman, police and other matchday expenses	200,905		270,831	
Programme and ticketing costs	38,314		38,465	
Other cost of sales	123,784		130,839	
Catering cost of sales	735,453		805,433	
Catering wages and salaries	225,992		427,778	
Players and management salaries	2,613,062		2,720,077	
Other wages and salaries	686,419		643,478	
Social security costs	61,348		43,943	
Pension costs	36,799		41,006	
		<b>5,413,476</b>		<b>5,720,257</b>
<b>GROSS PROFIT</b>		<b>1,677,345</b>		<b>1,307,564</b>
<b>Expenditure</b>				
Rent and rates	62,599		52,954	
Water rates	37,827		27,785	
Insurance	40,590		53,114	
Light, heat and power	88,105		81,880	
Wages and salaries	544,451		271,452	
Social security	31,923		22,532	
Pensions	7,125		3,346	
Telephone	11,134		8,928	
Printing, post and stationery	46,485		51,975	
Equipment hire	80,226		88,039	
Repairs and maintenance	115,977		90,983	
Cleaning and laundry	8,188		15,705	
Accountancy	-		56,000	
IT costs	64,297		73,096	
Licences	-		320	
Entertaining	-		1,277	
General expenses	64,481		17,996	
Staff welfare	(130)		15,891	
Bank charges	9,181		6,252	
Credit card charges	36,055		33,809	
Bad and doubtful debts	-		72,384	
Consultancy, office costs and travel	349,990		551,140	
Legal and professional fees	(27,996)		72,598	
Auditors' remuneration	20,612		16,725	
Donations	21,399		17,774	
Carried forward	<b>1,612,519</b>	<b>1,677,345</b>	<b>1,703,955</b>	<b>1,307,564</b>

This page does not form part of the statutory financial statements

GILLINGHAM FOOTBALL CLUB LIMITED (REGISTERED NUMBER: 00039175)

TRADING AND PROFIT AND LOSS ACCOUNT  
For The Year Ended 31 May 2020

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	31/5/20		31/5/19	
	£	£	£	£
Brought forward	1,612,519	1,677,345	1,703,955	1,307,564
Depreciation of tangible fixed assets	159,937		120,424	
Profit/loss on sale of tangible fixed assets	-		(109)	
Advertising	4,391		40,537	
	<u>          </u>	<u>1,776,847</u>	<u>          </u>	<u>1,864,807</u>
		(99,502)		(557,243)
<b>Finance costs</b>				
Bank loan interest	66,943		65,246	
Hire purchase interest	8,562		6,969	
	<u>          </u>	<u>75,505</u>	<u>          </u>	<u>72,215</u>
<b>NET LOSS</b>		<u><u>(175,007)</u></u>		<u><u>(629,458)</u></u>

This page does not form part of the statutory financial statements