

Company Registration No. 02509978 (England and Wales)

SHEFFIELD WEDNESDAY FOOTBALL CLUB LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

SHEFFIELD WEDNESDAY FOOTBALL CLUB LIMITED

COMPANY INFORMATION

Director	D Chansiri
Company number	02509978
Registered office	Hillsborough Sheffield S6 1SW
Auditor	BHP LLP 2 Rutland Park Sheffield S10 2PD

SHEFFIELD WEDNESDAY FOOTBALL CLUB LIMITED

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SHEFFIELD WEDNESDAY FOOTBALL CLUB LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JULY 2019

The director presents the strategic report for the year ended 31 July 2019.

Fair review of the business

The company uses a number of key performance indicators to measure its performance. Turnover was down to £22.8m (£25.2m 2018) due to the previous period being a 14 month period. Average league attendance fell to 24,429 (25,939). The team finished 12th in the Football League Championship (15th 2018).

Results and Dividends

The results of the company are set out in the statement of comprehensive income on page 12.

The company's profit for the year was £19.1m compared to a loss in the previous period as restated of £35.5m. As set out in note 1.2 to the financial statements, the Club lost its appeal against the Decision of an EFL Disciplinary Tribunal that the sale of the stadium did not have retrospective effect, and the accounts therefore reflect a prior period adjustment to remove the disposal from the period ended 31 July 2018 and recognise it in the year ended 31 July 2019. The balance sheet as at 31 July 2019 is unaffected by the timing of recognition of the disposal.

The directors do not recommend the payment of a dividend (£nil 2018).

Principal risks and uncertainties

The directors consider the principal risk facing the company is the performance and divisional status of the team. In light of this risk the company remains dependant on the continued financial support from its shareholder.

The company is regulated by the rules of FIFA, UEFA, The FA and The Football League, the board ensures compliance with the relevant rules and regulations and monitors and considers the impact closely of any potential changes.

Statement on Social Responsibility

Charity Policy

The club supported various charities throughout the year, believing it is important to use the power of the SWFC brand to give these worthwhile charities the opportunities to raise funds at the football club. A snapshot of this policy includes the following beneficiaries:

- Bluebell Wood Children's Hospice
- The Children's Hospital Charity, Sheffield
- Weston Park Hospital Cancer Charity
- St Luke's Hospice
- S6 Foodbank
- Royal Society for the Blind

We also provide match tickets and signed memorabilia for numerous charitable organisations, local schools and youth organisations. In addition, we work closely with several homeless charities, while the NCS (National Citizen Service) programme works with several charities to raise both their profile and much-needed funds through the social action programmes.

Community Involvement

This year was yet another hugely successful period for Corporate Social Responsibility at the club where our work in the community has gone from strength to strength.

The number of young people and families we reach has now increased to over 120,000 and the range of activities provided has also expanded, creating one of the most wide-ranging community programmes not only in football, but throughout sport. The city partnerships have increased due to the success of the programmes we deliver across the city of Sheffield.

We continue to deliver high quality education to students in South Yorkshire, making us one of the biggest providers of BTEC sport in South Yorkshire in our state of the art facilities at the Club's stadium.

SHEFFIELD WEDNESDAY FOOTBALL CLUB LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

Community Programme

The Sheffield Wednesday Community Programme (SWFCCP) is the Football Club's charitable arm, established to support the development of cohesive communities around South Yorkshire and increase engagement, training provision and support amongst its residents working across four EFL key themes:

- Participation
- Social Inclusion
- Health and Well-Being
- Education

We endeavour to encourage confidence, active lifestyle and participation of sport regardless of gender, ethnicity and disability.

SWFCCP enjoys major success in connecting the local community to our club and is widely recognised as an exciting market leader. The Sheffield Wednesday Community Programme operates under five key aims:

- Raising educational achievement
- Creating pathways to employment
- Building healthier lifestyles
- Bringing communities together
- Reducing crime

Partnerships are the key to the programme creating sustainability, with associates on board from University of Hallam, Sheffield College, NCFE, SFA, SCC, NCS Trust, EFL and PL.

Education Programme

SWFCCP provides local people with routes into various education, employment and training opportunities which are individually tailored to suit their learning needs. The programmes delivered by the charity aim to improve the motivation, confidence and self-esteem of people on the courses and help to create life-changing opportunities as they are supported in improving their employability prospects.

We work in partnership with the local authority on our Alternative Provision programme. This programme is for learners who, because of exclusion, illness or other reasons, would not otherwise receive suitable education; education arranged by schools for learners on a fixed period exclusion; and learners being directed by schools to off-site provision to improve their behaviour. We offer vocational qualifications and imbed numeracy and literacy whilst using the power of sport to try and re-engage these young people back in to main stream education. Pathways are in place for students to attend post 16 provision at SWFCCP at the end of year 11.

Our post 16 Education Provision delivers Study Programmes that include BTEC Level 1 in Sport (Sport and Active Leisure), NCFE Level 2 in Sport (Coaching Pathway), BTEC Level 3 Extended Diploma in Sport (Development, Coaching and Fitness) and BTEC Level 3 Extended Diploma in Performing Arts (Dance Pathway). Learners are taught by fully qualified teachers from the Community Programme and re-sit functional skills or GCSE English and Maths if they have not achieved a GCSE grade 4 (or above). All students have an enrichment timetable that includes training and participating in an 11 a side football programme, representing the college in the Association of Colleges league. The Performing Arts students have taken part in a variety of dances including ballet, jazz, contemporary and street. They have performed at various venues including on the pitch at Sheffield Wednesday first team matches.

SHEFFIELD WEDNESDAY FOOTBALL CLUB LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

All learners take part in work placements with the aim to improve their CV and give them vital work experience in preparation for Higher Education and employment and has clear pathways through the courses, with progression to Higher Education provision.

In Partnership with the EFL Trust and the University of South Wales, we offer a Foundation Degree in Community Football Coaching and Development with a top up to a BSc (Hons) Football Coaching Development and Administration degree. We have a 100% success rate of employment for students that have completed the full BSc (Hons) degree.

Again, in partnership with the EFL trust we have delivered our second adult education traineeship programme for learners aged 19-24 & 25+. The programme is designed to upskill learners to make them more employable. Learners studied a level 1 qualification in Customer Service, work preparation training including CV writing and interview preparation, functional skills in English and Maths up to level 2 and a work placement for 12 weeks.

KEY FACTS - EDUCATION

Based on the academic year 2018/19

- Alternative Provision Programme - Sports Studies x 12 students
- BTEC Level 1 Diploma in Sport, NCFE Level 2 Certificate/Diploma on Sport and BTEC Level 3 Diploma/Extended Diploma in Sport x 143 students
- Foundation Degree in community football coaching and development x 6 students
- 16-18/19-24/25+ year old Traineeship funded through DWP/EFL Trust x 24 students
- Our NCFE level 2 work is to be used as an example to other local providers due to the outstanding feedback we received

National Citizen Scheme

Numbers and targets

510 young people had attended the NCS over the year. Recruitment had been strong in most schools.

Partnership Schools

We deliver in the following designated schools and colleges:

- Chaucer School
- Ecclesfield School
- Hillsborough College
- Stocksbridge High School
- Tapton School
- Sheffield High School

Successes

We remain one of the biggest local delivery partners throughout the NCS programme. Our NCS students raised significant funds for various charities across the year including Sheffield Children's Hospital, Sheffield Royal Society for the Blind and Cavendish Cancer Care.

SHEFFIELD WEDNESDAY FOOTBALL CLUB LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

Venues

We have utilised the following venues across Sheffield for the deliverer of different programme phases:

Youth Hostel Associations (Peak District/Lake District)

Sheffield 3 (University Accommodation)

Hillsborough College

Hillsborough Arena

Hillsborough Stadium

Mini Owls

Mini Owls sessions take place at SWFC training ground. These are fun-based learning programmes for three to twelve-year-olds to encourage all aspects of balance and co-ordination, with both mental and physical development. Over 120 children per week attend sessions.

Early Years Programme

Delivered in nursery and infant schools across Sheffield, the SWFCCP has produced this structured coaching resource to ensure a high level of sporting interest from a young age.

The Early Years Programme delivers an exciting multi-sport project that helps develop children's agility, balance and co-ordination, in addition to their social interaction skills and self-confidence.

Holiday Programme

Soccer Camps are delivered at a wide range of venues across Sheffield.

SWFCCP Holiday Programmes are run by FA qualified community coaches and are a fantastic way for children to spend the school holidays.

Development Centres

This is one of Sheffield Wednesday Community Programme's most high profile schemes.

We run a number of development centres, which include an Advanced Training Syllabus where sessions are planned in partnership with the SWFC academy. This gives the chance for participants to potentially progress to the academy which in turn could lead to a professional career. Through the academy, community coaches will recommend young players who show potential, which may lead to an opportunity of a trial with Sheffield Wednesday Development Centre.

School Programmes - Curriculum Coaching/ Breakfast Clubs/Lunch Clubs/After School Provision:

SWFCCP delivers across all schools at various times. Though predominantly football-based, the sessions also offer dance, gymnastics and basketball training and are run by qualified community coaches. The sessions encourage extra curriculum participation with an emphasis on children's agility, balance and co-ordination, in addition to their social interaction and well-being.

SHEFFIELD WEDNESDAY FOOTBALL CLUB LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

Social Inclusion Programme:

SWFCCP's newly-established Inclusion Department is comprised of two strands of work. This includes school and community-based disability provision, which features the EFL Trust Every Player Counts project. Additionally, under the Inclusion Department is the Premier League Kicks (PL Kicks) programme stretching across Sheffield, working alongside partners such as Premier League Charitable Fund and South Yorkshire Police.

The purpose of the Premier League Kicks initiative through SWFCCP, is to provide safe sporting activities for young people in Sheffield. Our overall aims are to reduce the rates of anti-social behaviour, promote community cohesion, educate young people and raise aspirations. By engaging young people in constructive activities, including a wide variety of sports, coaching, music and educational and personal development sessions, SWFCCP have engaged over 700 young people in 2019.

From this great success, SWFCCP have seen the considerable growth of the Premier League Programme. for the next three years the social inclusion department will triple engagement figures across the target areas in Sheffield, aiming to use the power of the football club to raise aspirations.

Disability Programme

The Disability Programme aims to improve the quality of life for disabled people by developing the physical fitness of both male and female participants from all age categories. With Sheffield and Hallamshire County FA as one of our key partners we increase participation in all areas of our programme and push to develop players to a competitive standard which will create more opportunities for elite performers to excel.

Our aim at SWFCCP is to provide an all-inclusive disability project. We offer social opportunities to those that may not necessarily have the chance of an able-bodied sports participant.

Through the Every Player Counts Programme, SWFCCP aims to support children, young people and adults with SEND. We deliver a variety of sessions within schools, college and community settings, engaging participants in inclusive physical activity. We focus on providing open-access provision that is accessible to all to support people to stay active, meet new people and develop a passion for sport and physical activity.

Further to this, we continue to help people break down barriers by offering volunteer opportunities and qualifications. We provide opportunities to develop leadership and coaching experiences to create positive role models for the programme.

D Chansiri

Director

9 March 2021

SHEFFIELD WEDNESDAY FOOTBALL CLUB LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 JULY 2019

The director presents his annual report and financial statements for the year ended 31 July 2019.

Principal activities

The principal activity of the company is the operation of a professional football club together with the related ancillary activities.

Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

D Chansiri

K S Meire

(Resigned 11 February 2019)

Results and dividends

The results for the year are set out on page 11.

No ordinary dividends were paid. The director does not recommend payment of a final dividend.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The company's policy is to consult and discuss with employees matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

Auditor

In accordance with the company's articles, a resolution proposing that BHP LLP be reappointed as auditor of the company will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

D Chansiri

Director

9 March 2021

SHEFFIELD WEDNESDAY FOOTBALL CLUB LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 JULY 2019

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

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

The director is 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. He is 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 WEDNESDAY FOOTBALL CLUB LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SHEFFIELD WEDNESDAY FOOTBALL CLUB LIMITED

Opinion

We have audited the financial statements of Sheffield Wednesday Football Club Limited (the 'company') for the year ended 31 July 2019 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 31 July 2019 and of its profit 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.

Material uncertainty related to going concern

We draw attention to note 1.3 in the financial statements, which indicates that additional funding will be required to enable the company to continue in operational existence. The owner has confirmed that sufficient financial support will be made available to enable the company to meet its obligations as they fall due for a period of not less than 12 months from the date of approval of the financial statements. As stated in note 1.3, the director acknowledges that this support is not legally binding, and these conditions, along with other matters as set forth in note 1.3, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. In addition we draw attention to the matters set out in note 26 in relation to the Covid-19 pandemic including the fact that football matches, after resumption, continue to be played behind closed doors and the uncertainties in timescale arising from the pandemic. Our opinion is not modified in respect of these matters.

Other information

The director is responsible for the other information. The other information comprises the information included in the annual 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.

SHEFFIELD WEDNESDAY FOOTBALL CLUB LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SHEFFIELD WEDNESDAY FOOTBALL CLUB LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's 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 and the director's 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

SHEFFIELD WEDNESDAY FOOTBALL CLUB LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SHEFFIELD WEDNESDAY FOOTBALL CLUB LIMITED

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 him 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.

John Warner (Senior Statutory Auditor)
for and on behalf of BHP LLP

9 March 2021

Chartered Accountants
Statutory Auditor

2 Rutland Park
Sheffield
S10 2PD

SHEFFIELD WEDNESDAY FOOTBALL CLUB LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY 2019

		31 July 2019	period ended 31 July 2018 as restated
	Notes	£ 000	£ 000
Turnover	3	22,760	25,234
Cost of sales		(39,792)	(48,938)
Gross loss		(17,032)	(23,704)
Administrative expenses		(1,745)	(1,716)
Profit on disposal of stadium		38,061	-
Profit on disposal of players/employees		2,846	2,257
Depreciation		(774)	(1,308)
Amortisation of player registrations		(8,638)	(10,947)
Confidential settlement payment		6,475	-
Operating profit/(loss)	4	19,193	(35,418)
Interest receivable and similar income	7	4	5
Interest payable and similar expenses	8	(113)	(73)
Profit/(loss) before taxation		19,084	(35,486)
Taxation	9	-	-
Profit/(loss) for the financial year		19,084	(35,486)
Other comprehensive income		-	-
Total comprehensive income for the year		19,084	(35,486)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

SHEFFIELD WEDNESDAY FOOTBALL CLUB LIMITED

BALANCE SHEET

AS AT 31 JULY 2019

		2019		2018 as restated	
	Notes	£ 000	£ 000	£ 000	£ 000
Fixed assets					
Intangible assets	10		9,675		17,222
Tangible assets	11		4,272		26,741
			<u>13,947</u>		<u>43,963</u>
Current assets					
Stocks	12	619		546	
Debtors	13	61,557		5,075	
Cash at bank and in hand		1,205		2,111	
		<u>63,381</u>		<u>7,732</u>	
Creditors: amounts falling due within one year	14	(17,134)		(15,129)	
Net current assets/(liabilities)			<u>46,247</u>		<u>(7,397)</u>
Total assets less current liabilities			<u>60,194</u>		<u>36,566</u>
Creditors: amounts falling due after more than one year	15		(68,521)		(84,977)
Net liabilities			<u>(8,327)</u>		<u>(48,411)</u>
Capital and reserves					
Called up share capital	19		46,500		25,500
Share premium account			19,706		19,706
Revaluation reserve			-		6,421
Profit and loss reserves			(74,533)		(100,038)
Total equity			<u>(8,327)</u>		<u>(48,411)</u>

The financial statements were approved by the board of directors and authorised for issue on 9 March 2021 and are signed on its behalf by:

D Chansiri
Director

Company Registration No. 02509978

SHEFFIELD WEDNESDAY FOOTBALL CLUB LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2019

	Notes	Share capital £ 000	Share premium account £ 000	Revaluation reserve £ 000	Profit and loss reserves £ 000	Total £ 000
As restated for the period ended 31 July 2018:						
Balance at 1 June 2017		25,500	19,706	6,421	(64,552)	(12,925)
Period ended 31 July 2018:						
Loss and total comprehensive income for the period		-	-	-	(35,486)	(35,486)
Balance at 31 July 2018		25,500	19,706	6,421	(100,038)	(48,411)
Year ended 31 July 2019:						
Profit and total comprehensive income for the year		-	-	-	19,084	19,084
Issue of share capital	19	21,000	-	-	-	21,000
Transfers		-	-	(6,421)	6,421	-
Balance at 31 July 2019		46,500	19,706	-	(74,533)	(8,327)

SHEFFIELD WEDNESDAY FOOTBALL CLUB LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2019

		2019	2018
	Notes	£ 000	£ 000
Cash flows from operating activities			
Cash absorbed by operations	25	(16,622)	(26,945)
Interest paid		(113)	(73)
Net cash outflow from operating activities		(16,735)	(27,018)
Investing activities			
Purchase of player registrations and trademarks		(1,935)	(13,667)
Proceeds from disposal of players/employees		3,480	622
Purchase of tangible fixed assets		(244)	(762)
Proceeds on disposal of tangible fixed assets		-	1,044
Deferred proceeds received re stadium sale		7,500	-
Interest received		4	5
Net cash generated from/(used in) investing activities		8,805	(12,758)
Financing activities			
Loan from controlling party		7,284	40,080
Payment of finance leases obligations		(260)	(258)
Net cash generated from financing activities		7,024	39,822
Net (decrease)/increase in cash and cash equivalents		(906)	46
Cash and cash equivalents at beginning of year		2,111	2,065
Cash and cash equivalents at end of year		1,205	2,111

SHEFFIELD WEDNESDAY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2019

1 Accounting policies

Company information

Sheffield Wednesday Football Club Limited is a private company limited by shares incorporated in England and Wales. The registered office is Hillsborough, Sheffield, S6 1SW.

1.1 Accounting convention and basis of preparation

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £ 000.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Prior period adjustment

The disposal of Hillsborough Stadium was originally recognised in the accounts for the period ended 31 July 2018. This had been based on the Board's understanding that an agreement entered into by all parties could have retrospective effect. An EFL Disciplinary Commission held that the disposal did not have retrospective effect, a decision that was upheld following an appeal by the Club. Consequently, the accounts have been restated to reflect the disposal in the year ended 31 July 2019. The impact of the prior period adjustment is shown in note 27.

1.3 Going concern

The Company's business activities together with factors likely to affect its future development, performance and position are set out in the Directors report.

In considering the appropriateness of the going concern basis for the preparation of the financial statements, the director has considered the working capital requirements of the Company for the short, medium and longer term taking account of the impact of the Covid-19 pandemic as described in note 26. In doing so, the director has determined that additional funding will be required to enable the Company to continue in operational existence. The owner has confirmed that sufficient financial support will be made available to enable the Company to meet its obligations as they fall due for a period of not less than 12 months from the date of approval of the financial statements. The director acknowledges that this support is not legally binding and is dependent on the availability of funding from the owner. Therefore, a material uncertainty exists which may cast doubt over the company's ability to continue as a going concern and, therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Nevertheless, after making enquiries and considering the funding requirements of the Company, the director is confident that funding will be made available and has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly he continues to adopt the going concern basis in the preparation of the financial statements.

1.4 Reporting period

The previous reporting period was for the fourteen months ended 31 July 2018. Comparative amounts presented in the financial statements (including the related notes) are not entirely comparable.

1.5 Turnover

Turnover comprises the value of match receipts and season tickets, less percentage payments to the Football League and Football Association, receipts from the Football League and the Premier League, and other commercial and miscellaneous income except donations, all exclusive of value added tax.

SHEFFIELD WEDNESDAY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

1 Accounting policies

(Continued)

1.6 Intangible fixed assets other than goodwill

Player registrations

The cost of players' registrations is capitalised and amortised over the period of the respective players' contracts. Any transfer fee levy fund received during the year is credited against additions to intangible fixed assets.

Trademarks

1 year

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold property

Over the term of the lease

Plant and machinery

7.5% - 25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.8 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

SHEFFIELD WEDNESDAY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

1 Accounting policies

(Continued)

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.10 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

1.11 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet 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

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

SHEFFIELD WEDNESDAY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2019

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of 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 deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors and loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

1.12 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

SHEFFIELD WEDNESDAY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2019

1 Accounting policies

(Continued)

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

The company offers an all-employee Scheme in line with auto-enrolment requirements. Contributions are charged to the profit and loss account for the period in which they are payable to the scheme.

1.15 Leases

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.16 Player trading

Player trading comprises amortisation of players' registrations and profits and losses on disposal of players' registrations.

1.17 Signing on fees and loyalty bonuses

Signing on fees and loyalty bonuses represent a normal part of the employment cost of the player and as such are accounted for in the year they become payable under the player's contract. Those instalments due in the future on continued service are not provided for but are noted as contingent liabilities.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

SHEFFIELD WEDNESDAY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

3 Turnover

An analysis of the company's turnover, which is derived wholly in the UK, is as follows:

	2019 £ 000	2018 £ 000
Turnover		
Match receipts and associated turnover	16,613	18,129
Commercial activities	6,147	7,105
	<u>22,760</u>	<u>25,234</u>

Turnover analysed by geographical market

	2019 £ 000	2018 £ 000
United Kingdom	<u>22,760</u>	<u>25,234</u>

4 Operating profit/(loss)

	2019 £ 000	2018 £ 000
Operating profit/(loss) for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	24	23
Depreciation of owned tangible fixed assets	347	1,115
Depreciation of tangible fixed assets held under finance leases	427	193
Profit on disposal of tangible fixed assets	-	(63)
Amortisation of player registrations and trademarks	8,638	10,960
Operating lease charges	<u>215</u>	<u>-</u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2019 Number	2018 Number
Administration	<u>288</u>	<u>302</u>

SHEFFIELD WEDNESDAY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2019

5 Employees

(Continued)

Their aggregate remuneration comprised:

	2019 £ 000	2018 £ 000
Wages and salaries	32,230	37,445
Social security costs	3,966	4,757
Pension costs	182	206
	<u>36,378</u>	<u>42,408</u>

6 Director's remuneration

	2019 £ 000	2018 £ 000
Remuneration for qualifying services	<u>137</u>	<u>201</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2019 £ 000	2018 £ 000
Remuneration for qualifying services	<u>n/a</u>	<u>101</u>

As total directors' remuneration was less than £200,000 in the current year, no disclosure is provided for that year.

7 Interest receivable and similar income

	2019 £ 000	2018 £ 000
Interest income		
Interest on bank deposits	<u>4</u>	<u>5</u>

8 Interest payable and similar expenses

	2019 £ 000	2018 £ 000
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	24	23
Other finance costs:		
Interest on finance leases and hire purchase contracts	89	50
	<u>113</u>	<u>73</u>

SHEFFIELD WEDNESDAY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

9 Taxation

The actual charge for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	2019 £ 000	2018 £ 000
Profit/(loss) before taxation	19,084	(35,486)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	3,626	(6,742)
Tax effect of expenses that are not deductible in determining taxable profit	5	1
Change in unrecognised deferred tax assets	(3,654)	6,581
Depreciation on assets not qualifying for tax allowances	35	160
Other permanent differences	4	-
Deferred tax adjustments in respect of prior years	(16)	-
Taxation for the year	-	-

The company has accumulated tax losses of approximately £142.1m (2018: £122.8m)

10 Intangible fixed assets

	Player registrations £ 000	Trademarks £ 000	Total £ 000
Cost			
At 1 August 2018	34,763	14	34,777
Additions	1,091	-	1,091
Disposals	(9,834)	-	(9,834)
At 31 July 2019	26,020	14	26,034
Amortisation and impairment			
At 1 August 2018	17,541	14	17,555
Amortisation charged for the year	8,638	-	8,638
Disposals	(9,834)	-	(9,834)
At 31 July 2019	16,345	14	16,359
Carrying amount			
At 31 July 2019	9,675	-	9,675
At 31 July 2018	17,222	-	17,222

SHEFFIELD WEDNESDAY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

11 Tangible fixed assets

	Freehold property £ 000	Leasehold property £ 000	Plant and machinery £ 000	Total £ 000
Cost				
At 1 August 2018	25,076	3,767	5,734	34,577
Additions	-	179	65	244
Disposals	(23,926)	-	-	(23,926)
Reclassification	(1,150)	-	1,150	-
At 31 July 2019	-	3,946	6,949	10,895
Depreciation and impairment				
At 1 August 2018	2,177	1,796	3,863	7,836
Depreciation charged in the year	-	304	470	774
Eliminated in respect of disposals	(1,987)	-	-	(1,987)
Reclassification	(190)	-	190	-
At 31 July 2019	-	2,100	4,523	6,623
Carrying amount				
At 31 July 2019	-	1,846	2,426	4,272
At 31 July 2018	22,899	1,971	1,871	26,741

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2019 £ 000	2018 £ 000
Plant and machinery	1,393	1,648

The opening cost and accumulated depreciation brought forward on Freehold property has been restated as a result of the prior period adjustment set out in note 27.

Certain fixed assets have been reclassified to reflect the nature of the assets.

12 Stocks

	2019 £ 000	2018 £ 000
Finished goods and goods for resale	619	546

SHEFFIELD WEDNESDAY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

13 Debtors

	2019	2018 as restated
	£ 000	£ 000
Amounts falling due within one year:		
Trade debtors	421	451
Other debtors	7,500	-
Prepayments and accrued income	8,636	4,492
	<u>16,557</u>	<u>4,943</u>
	2019	2018 as restated
	£ 000	£ 000
Amounts falling due after more than one year:		
Other debtors	45,000	-
Prepayments and accrued income	-	132
	<u>45,000</u>	<u>132</u>
Total debtors	<u>61,557</u>	<u>5,075</u>

Other debtors represents proceeds receivable in respect of the sale of Hillsborough Stadium to Sheffield 3 Limited, a company controlled by Mr D Chansiri.

Comparatives have been restated as a result of the prior period adjustment set out in note 27.

14 Creditors: amounts falling due within one year

	Notes	2019 £ 000	2018 £ 000
Obligations under finance leases	17	391	369
Trade creditors		6,926	5,685
Taxation and social security		1,529	1,864
Other creditors		44	258
Accruals and deferred income		8,244	6,953
		<u>17,134</u>	<u>15,129</u>

SHEFFIELD WEDNESDAY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

15 Creditors: amounts falling due after more than one year

	Notes	2019 £ 000	2018 £ 000
Obligations under finance leases	17	858	1,140
Loan from controlling party	16	63,989	77,694
Trade creditors		1,757	4,514
Accruals and deferred income		1,917	1,629
		<u>68,521</u>	<u>84,977</u>

16 Loans and overdrafts

	2019 £ 000	2018 £ 000
Loan from controlling party	<u>63,989</u>	<u>77,694</u>
Payable after one year	<u>63,989</u>	<u>77,694</u>

The loan from the controlling party has no set repayment or interest terms. In the opinion of the director there would be no benefit in calculating a theoretical carrying value at amortised cost as required by FRS 102. The balance continues therefore to be carried at transaction price.

17 Finance lease obligations

	2019 £ 000	2018 £ 000
Future minimum lease payments due under finance leases:		
Within one year	391	369
In two to five years	858	1,140
	<u>1,249</u>	<u>1,509</u>

18 Retirement benefit schemes

	2019 £ 000	2018 £ 000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>182</u>	<u>206</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

SHEFFIELD WEDNESDAY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2019

19 Share capital

	2019 £ 000	2018 £ 000
Ordinary share capital		
Issued and fully paid		
46,500,000 ordinary shares of £1 each	46,500	25,500

On 1 September 2018 a further 21 million ordinary shares were issued to the existing shareholder.

20 Financial commitments, guarantees and contingent liabilities

Promotion payments

In the event of the club's promotion to the Premier League various contracted amounts will fall due for payment including bonuses to players and staff plus amounts to the loan note holders (£1,336,000) and bank (£750,000) of the Club's previous holding company - Sheffield Wednesday plc. These amounts are not provided for in the accounts and will be charged to the accounts as and when the liability is incurred. The amounts due to the loan note holders and bank arise in the event of promotion on or before 31 May 2021.

Player related matters

No provision is included in the financial statements for signing-on fees and loyalty bonuses, as at 31 July 2019, of £4,652,000 (31 July 2018: £5,948,000) which would become due to certain players if they are still in the service of the Club on specific future dates. Some player contracts and transfer agreements include clauses that require the Company to pay additional wages or fees if it is promoted to the Premiership during the term of the player's contract. These amounts are less than the additional income that would arise as a result of promotion.

21 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £ 000	2018 £ 000
Between two and five years	6,500	-
In over five years	70,750	-
	77,250	-

The lease payments disclosed principally relate to the lease of Hillsborough Stadium. Whilst no rent is payable in the first year of the lease agreement, the rent-free period has been spread over the term of the lease in accordance with the requirements of FRS 102,

SHEFFIELD WEDNESDAY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

22 Related party transactions

Transactions with related parties

Mr D Chansiri is a director of Sheffield Wednesday Football Club Community Programme. During the year the company recharged amounts to SWFC Community Programme for expenses incurred on their behalf.

Mr D Chansiri is also the owner and a director of Elev8 Energy Drink Limited, Elev8 Clothing Limited and D Performance Limited.

Income of £1,124,333 and costs of £828,997 were recognised in these financial statements from transactions with these related parties.

At the year end there were no amounts owed to or by these related parties.

As set out in more detail in note 27, the disposal of Hillsborough Stadium has now been recognised in the year ended 31 July 2019. The proceeds on the disposal of the stadium were £60m. Following the conclusion of the legal process for the transfer of the stadium to Sheffield 3 Limited, a company ultimately controlled by Mr D Chansiri, the Club entered into a lease agreement with Sheffield 3 Limited relating to the lease of Hillsborough Football Stadium for a term of 30 years. The operating lease commitments under the agreement are disclosed in note 21 to the accounts

There are no other related party transactions to disclose.

23 Ultimate controlling party

The company's immediate parent company is SWFC Holdings Limited, a company registered in Hong Kong. The company's ultimate parent company is Sheffield 2 Limited, a company registered in England and Wales.

The company is controlled by Mr D Chansiri by virtue of his shareholding in Sheffield 2 Limited.

SHEFFIELD WEDNESDAY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

24 Football League Pension Costs

Certain ex-employees of the Company are members of the closed Football league Limited Pension and Life Assurance Scheme, a defined benefit scheme. As the company is one of a number of participating employers in the scheme, it is not possible to accurately identify any actuarial surplus or deficit. However under Section 75 of the Pensions Act 1995, the Company, as a participating employer in the scheme, is liable to fund the deficit relating to Company ex-employees who are members of the scheme.

The liability calculated by the Trustees at 1 September 2017 and allocated to the Company amounted to £92,971. The balance estimated as outstanding is included in accruals. The assets of the scheme are held separately from those of the Company.

25 Cash generated from operations

	2019 £ 000	2018 £ 000
Profit for the year after tax	19,084	(35,486)
Adjustments for:		
Finance costs	113	73
Investment income	(4)	(5)
Gain on disposal of tangible fixed assets	(38,061)	(63)
Gain on disposal of players/employees	(2,846)	-
Amortisation and impairment of intangible assets	8,638	10,960
Depreciation and impairment of tangible fixed assets	774	1,308
Movements in working capital:		
(Increase) in stocks	(73)	(318)
(Increase) in debtors	(4,114)	(2,594)
(Decrease) in creditors	(133)	(820)
Cash absorbed by operations	(16,622)	(26,945)

26 Events after the reporting date - Covid-19

On 13 March 2020 the English Football League ("EFL") suspended the 2019/20 season as a result of the Covid-19 pandemic and the season did not restart until late June 2020. Football matches continue to be played but only behind closed doors. As a result the Club is experiencing a significant fall in income and there is no indication of when supporters may be allowed to return. Whilst the EFL has put in place measures to provide financial support to clubs including the remaining 19/20 Basic Award being advanced immediately, as well as the provision of an interest-free loan calculated in line with the EFL's Articles of Association, the pandemic continues to provide significant uncertainty in relation to future income.

Due to the uncertainties in timescale arising from the Covid-19 pandemic and the Government's response to combat the disease, the director is unable to make a reliable assessment of the financial impact on the Club arising from the pandemic. However, as explained in note 1.3 the owner of the Club has indicated that he will continue to provide financial support to the Club for a period of at least 12 months from the date on which these financial statements are approved.

In the meantime, the Club continues to work to ensure, as its main priority, the well-being of the Club's employees, supporters and communities.

SHEFFIELD WEDNESDAY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2019

27 Prior period adjustment

Reconciliation of changes in equity

	1 June 2017 £ 000	31 July 2018 £ 000
Adjustments to prior year		
Disposal of stadium	-	(38,061)
Equity as previously reported	(12,925)	(10,350)
Equity as adjusted	(12,925)	(48,411)

Reconciliation of changes in profit/(loss) for the previous financial period

	2018 £ 000
Adjustments to prior year	
Disposal of stadium	(38,061)
Profit as previously reported	2,575
Loss as adjusted	(35,486)

Notes to reconciliation

Disposal of stadium

The disposal of Hillsborough Stadium was originally recognised in the accounts for the 14 month period ended 31 July 2018. This had been based on the Board's understanding that an agreement entered into by all parties could have retrospective effect. Heads of Terms were signed in August 2018 and dated July 2018 to reflect this understanding. Management accounts and statutory accounts were prepared for the period ended 31 July 2018 reflecting the disposal. Subsequently, an EFL Disciplinary Commission held that the sale of the stadium did not have retrospective effect, a Decision that was upheld following an appeal by the Club. Consequently, a prior period adjustment has been made to derecognise the disposal in the accounts for the period ended 31 July 2018 and to recognise the disposal in the accounts for the year ended 31 July 2019. This change has no impact on the reported balance sheet as at 31 July 2019.