

Registration number 12009716

Pontypridd Town Football Club Limited

Directors' report and financial statements

for the year ended 31 December 2022

Pontypridd Town Football Club Limited

Company information

Directors	Paul Ragan Maxwell James Steven Savage Darren Haines Matthew Epps Hugh Field Kieran O'Connor
Company number	12009716
Registered office	Unit 3 Centre Court Treforest industrial Estate Pontypridd CF37 5YR
Auditors	R H Jeffs & Rowe 27-28 Gelliwastad Road Pontypridd CF37 2BW
Business address	Unit 3 Centre Court Treforest industrial estate Pontypridd CF37 5YR

Pontypridd Town Football Club Limited

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Pontypridd Town Football Club Limited

Directors' report for the year ended 31 December 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Principal activity

The principal activity of the company in the year under review was that of a semi-professional football club competing in tier 2 of the Football Association of Wales League Pyramid System during the 21/22 season.

In April 2022, the club successfully appealed a decision to enable it to secure promotion to the top tier of Welsh Football for the 22/23 season for the first time in the club's history.

Business Review

The cash demands of competing in the top tier of Welsh football are several times that of Tier 2, and the board set about restructuring and launching a SEIS scheme to attract 'Club Ambassadors.' The opportunity for a return on investment is very real by the award of four UEFA European places, where the financial returns are significant.

To transition from a Tier 2 to a competitive Tier 1 club requires several key actions to include continued growth growing of Business Partners and Club Ambassadors. Equally important is that of securing a strategic partnership with USW, which is a clear ambition for 2023.

Further steps to assist the club commercialising it changed its name to Pontypridd United FC during the summer of 2022, in a step to become more inclusive and to achieve a wider reach of simply the 'Town.'

A club office was opened in November 2022 to provide meeting spaces for the Business Partners and Club Management, necessary to improve credibility and to reinforce the Boards commitment for growth. The club offices are located conveniently near the club's home ground at USW Sport Park at Unit 3, Centre court, Treforest Industrial Estate, Pontypridd.

The company reported an operating loss of £108,675 for the period ending 31st December 2022, which is partly due to a significant investment in the grounds required to meet FAW standards and the increased cost of players required to progress to Tier 1. The Board anticipate further losses for the 2023/24 season, with a profit made in 2024/25 season when a European space is secured, further Club Ambassadors are identified, and more Business Partners join what is already a growing Business Club.

Looking ahead, the board consider the key performance indicators for the company to be focused on the development of several strategic partnerships designed to reduce overall expenditure and improve the facilities, providing a better match day experience for supporters, players & officials.

Progress has been made in extending services to include hospitality, branded merchandise and fundraising events, all of which compliment a growth in revenue.

Pontypridd Town Football Club Limited

Directors' report for the year ended 31 December 2022

..... continued

In terms of club targets:

YEAR 1 - is to learn and to avoid relegation back to Tier 2 for the Men's and Women's Senior Teams, and to raise the profile of football in Pontypridd/RCT to attract more players through the clubs' grassroots connections and Academy. The club is also working with Grassroots to offer support in moving them towards a Community Foundation.

YEAR-2 is to compete and finish in the top 6 of Tier 1 for the Men's and to support the Women's team to achieve the same in the Welsh Premier. Further growth is anticipated of the Grassroots and Academy.

YEAR-3 is to reach a UEFA European competition which will see the club achieve a much stronger financial footing and growth in all areas.

Board of Directors

The members of the board shown below have held office during the period from 1 January 2022 to 31 December 2022

Paul Ragan

Darren Haines

Maxwell James

Steven Savage

Matthew Epps (Appointed 28th October 2022)

Hugh Field (Appointed 28th October 2022)

Kieran O'Connor (Appointed 28th October 2022)

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 year.

In preparing these financial statements, the directors are required to:

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

Pontypridd Town Football Club Limited

**Directors' report
for the year ended 31 December 2022**

..... continued

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.

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditors

R H Jeffs & Rowe are deemed to be reappointed in accordance with an elective resolution made under Section 386(1) of the Companies Act 1985 which continues in force under the Companies Act 2006.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the Board on , and signed on its behalf by:



Paul Ragan

Independent auditor's report to the shareholders of Pontypridd Town Football Club Limited

I have audited the financial statements of Pontypridd Town Football Club Limited for the year ended 31 December 2022 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Reconciliation of Movements in Shareholders' Funds and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In my opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 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

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. I am independent of the company in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the FRC's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report, other than the financial statements and my auditor's report thereon. The director is responsible for the other information. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am 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 I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

**Independent auditor's report to the shareholders of
Pontypridd Town Football Club Limited**

.....continued

Opinion on other matter prescribed by the Companies Act 2006.

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

- the information given in the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the director's report has 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, I have not identified material misstatements in the strategic report or the director's report.

I have nothing to report in respect of the following matters where the Companies Act 2006 requires me to report to you if, in my 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
- I have not received all the information and explanations we require for our audit.

Responsibilities of directors

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

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which my procedures are capable of detecting irregularities, including fraud is detailed below:

Discussions with and enquiries of management and those charged with governance were held with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

**Independent auditor's report to the shareholders of
Pontypridd Town Football Club Limited**

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The following laws and regulations were identified as being of significance to the entity:

* Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, the Companies Act 2006, Tax and Pensions legislation.

* Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the business and therefore may have a material effect on the financial statements include licencing laws, health and safety legislation.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of Directors as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of board minutes; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the companies' controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

**Independent auditor's report to the shareholders of
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• Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, we are required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Use of my 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. My audit work has been undertaken so that I might state to the company's members those matters I am required to state to them in an auditors report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's members as a body, for my audit work, for this report, or for the opinions I have formed.



.....
Robert Thomas BSc FCA (senior statutory auditor)

For and on behalf of R H Jeffs & Rowe

27-28 Gelliwastad Road

Pontypridd

CF37 2BW

Pontypridd Town Football Club Limited

Profit and loss account
for the year ended 31 December 2022

		Continuing operations	
		Year ended 31/12/22	Period ended 31/12/21
Notes		£	£
Turnover	2	100,454	24,874
Administrative expenses		(329,530)	(31,114)
Other operating income		120,401	3,080
Loss on ordinary activities before taxation		(108,675)	(3,160)
Tax on loss on ordinary activities		-	-
Loss for the year	10	(108,675)	(3,160)
Accumulated loss brought forward		(11,920)	(8,760)
Accumulated loss carried forward		(120,595)	(11,920)

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 11 to 14 form an integral part of these financial statements.

Pontypridd Town Football Club Limited

**Balance sheet
as at 31 December 2022**

	Notes	31/12/22		31/12/21	
		£	£	£	£
Fixed assets					
Tangible assets	5		53,146		-
Current assets					
Debtors	6	20,327		8,510	
Cash at bank and in hand		21,684		5,220	
			<u>42,011</u>		<u>13,730</u>
Creditors: amounts falling due within one year	7	(120,893)		(25,640)	
Net current liabilities			<u>(78,882)</u>		<u>(11,910)</u>
Total assets less current liabilities			<u>(25,736)</u>		<u>(11,910)</u>
Creditors: amounts falling due after more than one year	8		<u>19,849</u>		<u>-</u>
Deficiency of assets			<u>(45,585)</u>		<u>(11,910)</u>
Capital and reserves					
Called up share capital	9		40		10
Share premium account	10		74,970		-
Profit and loss account	10		(120,595)		(11,920)
Shareholders' funds	11		<u>(45,585)</u>		<u>(11,910)</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

These accounts were approved by the directors on , and are signed on their behalf by:



Paul Ragan
Director

Registration number 12009716

The notes on pages 11 to 14 form an integral part of these financial statements.

Pontypridd Town Football Club Limited

**Cash flow statement
for the year ended 31 December 2022**

	Notes	Year ended 31/12/22 £	Period ended 31/12/21 £
Reconciliation of operating loss to net cash outflow from operating activities			
Operating loss		(108,675)	(3,160)
Depreciation		3,252	-
(Increase) in debtors		(11,817)	11,300
Increase in creditors		95,253	(19,763)
Net cash outflow from operating activities		<u>(21,987)</u>	<u>(11,623)</u>
 Cash flow statement			
Net cash outflow from operating activities		(21,987)	(11,623)
Capital expenditure	12	(56,398)	-
		<u>(78,385)</u>	<u>(11,623)</u>
Financing	12	94,849	-
Increase in cash in the year		<u>16,464</u>	<u>(11,623)</u>
 Change in net funds resulting from cash flows		 16,464	 (11,623)
Cash and cash equivalents at beginning of year		<u>5,220</u>	<u>16,843</u>
Cash and cash equivalents at end of year		<u>21,684</u>	<u>5,220</u>

Pontypridd Town Football Club Limited

Notes to the financial statements for the year ended 31 December 2022

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board.

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Leasehold properties - Straight line over the life of the lease

1.4. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

	Year ended 31/12/22 £	Period ended 31/12/21 £
3. Operating loss		
Operating loss is stated after charging:		
Depreciation and other amounts written off tangible assets	3,252	-
Auditors' remuneration (Note 3)	800	720
and after crediting:		
FAW Grants	94,000	3,080

Pontypridd Town Football Club Limited

**Notes to the financial statements
for the year ended 31 December 2022**

..... continued

4. Employees

	Year ended 31/12/22	Period ended 31/12/21
Number of employees		
The average monthly numbers of employees (including the directors) during the year were:	28	-
	<u> </u>	<u> </u>
 Employment costs	 31/12/22	 31/12/21
	£	£
Wages and salaries	227,304	20,804
Social security costs	10,815	-
	<u>238,119</u>	<u>20,804</u>

5. Tangible fixed assets

	Long leasehold property £	Total £
Cost		
Additions	56,398	56,398
At 31 December 2022	<u>56,398</u>	<u>56,398</u>
Depreciation		
Charge for the year	3,252	3,252
At 31 December 2022	<u>3,252</u>	<u>3,252</u>
Net book values		
At 31 December 2022	<u>53,146</u>	<u>53,146</u>
At 31 December 2021	<u>-</u>	<u>-</u>

Pontypridd Town Football Club Limited

**Notes to the financial statements
for the year ended 31 December 2022**

..... continued

6. Debtors	31/12/22	31/12/21
	£	£
Trade debtors	17,370	8,510
Other debtors	10	-
Prepayments and accrued income	2,947	-
	<u>20,327</u>	<u>8,510</u>
	<u><u>20,327</u></u>	<u><u>8,510</u></u>
7. Creditors: amounts falling due within one year	31/12/22	31/12/21
	£	£
Trade creditors	38,180	8,707
Other taxes and social security costs	34,520	-
Other creditors	28,703	-
Accruals and deferred income	19,490	16,933
	<u>120,893</u>	<u>25,640</u>
	<u><u>120,893</u></u>	<u><u>25,640</u></u>
8. Creditors: amounts falling due after more than one year	31/12/22	31/12/21
	£	£
Other Loan	19,849	-
	<u>19,849</u>	<u>-</u>
	<u><u>19,849</u></u>	<u><u>-</u></u>
9. Share capital	31/12/22	31/12/21
	£	£
Allotted, called up and fully paid		
40 Ordinary shares of £1 each	40	10
	<u>40</u>	<u>10</u>
	<u><u>40</u></u>	<u><u>10</u></u>

Pontypridd Town Football Club Limited

**Notes to the financial statements
for the year ended 31 December 2022**

..... continued

10. Equity Reserves	Share premium account £	Profit and loss account £	Total £
At 1 January 2022	-	(11,920)	(11,920)
Premium on issue of shares	74,970		74,970
Loss for the year		(108,675)	(108,675)
At 31 December 2022	<u>74,970</u>	<u>(120,595)</u>	<u>(45,625)</u>

12. Gross cash flows	31/12/22 £	31/12/21 £
Capital expenditure		
Payments to acquire tangible assets	(56,398)	-
Financing		
Issue of ordinary share capital	75,000	-
Other new long term loans	19,849	-
	<u>94,849</u>	<u>-</u>

13. Analysis of changes in net funds	Opening balance £	Cash flows £	Closing balance £
Cash at bank and in hand	5,220	16,464	21,684
Debt due after one year	-	(19,849)	(19,849)
Net funds	<u>5,220</u>	<u>(3,385)</u>	<u>1,835</u>