

**ST. MIRREN FOOTBALL CLUB LTD. (THE)**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2019**

# ST. MIRREN FOOTBALL CLUB LTD. (THE)

## COMPANY INFORMATION

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<b>Directors</b>	Mr A Wardrop Mr G Scott Mr A Fitzpatrick Mr D J Nicol Mr C Stewart Mr D Riley	(Appointed 4 December 2018)
<b>Secretary</b>	Mr C Stewart	
<b>Company number</b>	SC005773	
<b>Registered office</b>	The Simple Digital Arena St Mirren Park Greenhill Road Paisley Renfrewshire PA3 1RU	
<b>Auditor</b>	Campbell Dallas Audit Services 3 Wellington Square Ayr Ayrshire KA7 1EN	
<b>Solicitors</b>	Digby Brown LLP 2 West Regent Street Glasgow G2 1RW	

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# ST. MIRREN FOOTBALL CLUB LTD. (THE)

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# ST. MIRREN FOOTBALL CLUB LTD. (THE)

## CHAIRMAN'S REPORT

### ***FOR THE YEAR ENDED 31 MAY 2019***

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As custodians of this great football club our main goals are to provide a budget to the manager that helps us improve our position in the premiership year on year, deliver entertainment and value for our supporters both young and old, to continue to invest in our youth academy and to maintain and improve the infrastructure at both the stadium and the academy. We budget to achieve this without taking undue risks and with the aim of breaking even year on year.

These accounts once again successfully reflect these ambitions.

We have maintained our position in the premiership through a very exciting play off final albeit that's entertainment we could all do without next year!

We have invested in the infrastructure with the new synthetic pitch at the academy, new LED lighting to both the stadium and the academy, the new sound system and we continue with our program to replace the deteriorating floor throughout the entire academy buildings.

We have substantially increased our investment in the youth academy with the aim of gaining elite status under Project Brave and, in line with our long-term strategy, producing more young players who achieve first team status.

This is the fourth consecutive year we have shown a cash profit which would not be possible without the continued support of our fans. Thank you.



Mr G Scott  
**Chairman**

27/11/2019

# ST. MIRREN FOOTBALL CLUB LTD. (THE)

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 MAY 2019**

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The directors present the strategic report for the year ended 31 May 2019.

### Review of Business

The turnover in the year was £4,111k (2018: £2,814k) with a profit on ordinary activities before and after taxation being £99k (2018: £78k).

Turnover has increased significantly as a result of being a premiership club in the 2018/19 year. Our income from player registrations has also increased.

We have invested in the infrastructure with the new synthetic pitch at the academy, new LED lighting to both the stadium and the academy, the new sound system and we continue with our program to replace the deteriorating floor throughout the entire academy buildings.

We have substantially increased our investment in the youth academy with the aim of gaining elite status under Project Brave and, in line with our long-term strategy, producing more young players who achieve first team status.

The company's cash flow requirements are projected for a year in advance and flexed to take account of different operating scenarios including league positioning and cup competition success. The company monitors cash flow as part of its day to day control procedures and adjusts this to take account of actual trading performance to ensure that appropriate funds are available. Currently, the company has no reliance on bank borrowings.

This is the fourth consecutive year we have shown a cash profit which would not be possible without the continued support of our fans.

### Principal Risks and Uncertainties

The principal risks and uncertainties associated with running a professional football club are set out below.

The directors consider that the principal risks are the transfer market and player's wages, attendance levels at home games and revenues from broadcasting contracts. All of these are influenced significantly by factors beyond the control of the company. A significant decrease in attendances or in revenues from broadcasting could have a detrimental impact on financial performance.

On behalf of the board



Mr C Stewart

Director

27/11/2019

# ST. MIRREN FOOTBALL CLUB LTD. (THE)

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 MAY 2019

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The directors present their annual report and financial statements for the year ended 31 May 2019.

#### Principal activities

The principal activity of the company in the year under review was that of a football club with related and ancillary activities.

#### Directors

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

Mr A Wardrop

Mr G Scott

Mr A Fitzpatrick

Mr D J Nicol

Mr C Stewart

Mr D Riley

(Appointed 4 December 2018)

#### Results and dividends

The results for the year are set out on page 8.

No dividends will be distributed for the year ended 31 May 2019.

#### Directors' insurance

The St Mirren Football Club Limited maintains directors liability insurance and has granted the directors of the company an indemnity, which is a qualifying third party indemnity provision for the purpose of the Companies Act 2006.

#### Future developments

The directors' future plans are to operate the company on a cash neutral basis before depreciation. Budgets are set so that expenditure does not exceed expected income. The target of future plans is to maintain our position in the Premier division of the Scottish Professional Football League, progress to the later stages of cup competitions and to continue to develop young players through our academy system.

#### Auditor

The auditors, Campbell Dallas Audit Services, will be proposed for re-appointment at the forthcoming Annual General Meeting.

#### Strategic Report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of financial instrument risks and objectives.

#### 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.

# ST. MIRREN FOOTBALL CLUB LTD. (THE)

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MAY 2019**

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### Key Performance Indicators

The directors monitor performance against the following key performance indicators:

Football success;

Match attendance statistics;

Sales and cost performance per division;

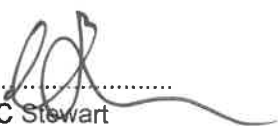
Wages costs;

Profit and cash generation;

Development of young players through our academy system;

Maintenance and investment in the stadium and academy infrastructure.

On behalf of the board



.....  
Mr C Stewart  
Director

Date: 27/11/2019 .....

# **ST. MIRREN FOOTBALL CLUB LTD. (THE)**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 MAY 2019***

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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.

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.



# ST. MIRREN FOOTBALL CLUB LTD. (THE)

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF ST. MIRREN FOOTBALL CLUB LTD. (THE)

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#### Opinion

We have audited the financial statements of St. Mirren Football Club Ltd. (The) (the 'company') for the year ended 31 May 2019 which comprise the profit and loss account, 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 May 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.

#### Conclusions relating to going concern

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

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

#### Other information

The directors are 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.

#### 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

# ST. MIRREN FOOTBALL CLUB LTD. (THE)

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF ST. MIRREN FOOTBALL CLUB LTD. (THE)

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#### 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 directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

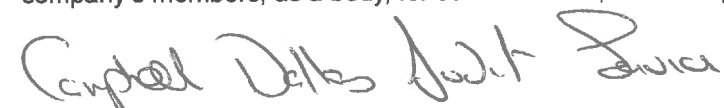
#### Auditor's responsibilities for the audit of the financial statements

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.

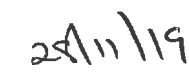
#### Use of our report

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 them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Stephen Wilkie (Senior Statutory Auditor)**  
for and on behalf of Campbell Dallas Audit Services

**Statutory Auditor**



3 Wellington Square  
Ayr  
Ayrshire  
KA7 1EN

# ST. MIRREN FOOTBALL CLUB LTD. (THE)

## PROFIT AND LOSS ACCOUNT

**FOR THE YEAR ENDED 31 MAY 2019**

	Notes	2019 £	2018 £
Turnover	4	4,111,376	2,813,810
Cost of sales		(555,026)	(392,021)
<b>Gross profit</b>		<b>3,556,350</b>	<b>2,421,789</b>
Administrative expenses		(4,498,395)	(3,086,607)
Other operating income		26,400	16,400
<b>Operating loss</b>	2	<b>(915,645)</b>	<b>(648,418)</b>
Interest payable and similar expenses	7	(1,964)	(2,598)
Profit on disposal of player registrations		1,017,000	728,553
<b>Profit before taxation</b>		<b>99,391</b>	<b>77,537</b>
Tax on profit	8	-	-
<b>Profit for the financial year</b>		<b>99,391</b>	<b>77,537</b>

# ST. MIRREN FOOTBALL CLUB LTD. (THE)

## STATEMENT OF COMPREHENSIVE INCOME

*FOR THE YEAR ENDED 31 MAY 2019*

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	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Profit for the year</b>	99,391	77,537
<b>Other comprehensive income</b>	-	-
<b>Total comprehensive income for the year</b>	<u>99,391</u>	<u>77,537</u>

# ST. MIRREN FOOTBALL CLUB LTD. (THE)

## BALANCE SHEET

AS AT 31 MAY 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Intangible assets	10		8,000		16,000
Tangible assets	11		9,151,149		9,251,786
			<u>9,159,149</u>		<u>9,267,786</u>
<b>Current assets</b>					
Stocks	13	3,245		5,745	
Debtors	14	728,164		577,658	
Cash at bank and in hand		690,176		502,724	
		<u>1,421,585</u>		<u>1,086,127</u>	
<b>Creditors: amounts falling due within one year</b>	15	(819,730)		(758,232)	
<b>Net current assets</b>			<u>601,855</u>		<u>327,895</u>
<b>Total assets less current liabilities</b>			<u>9,761,004</u>		<u>9,595,681</u>
<b>Creditors: amounts falling due after more than one year</b>	16		(19,096)		(26,204)
<b>Deferred income</b>	20		(115,040)		(42,000)
<b>Net assets</b>			<u><u>9,626,868</u></u>		<u><u>9,527,477</u></u>
<b>Capital and reserves</b>					
Called up share capital	22		95,250		95,250
Share premium account	23		1,103,859		1,103,859
Profit and loss reserves	24		8,427,759		8,328,368
<b>Total equity</b>			<u><u>9,626,868</u></u>		<u><u>9,527,477</u></u>

The financial statements were approved by the board of directors and authorised for issue on 27/11/2019 and are signed on its behalf by:



Mr G Scott  
Director

Company Registration No. SC005773

# ST. MIRREN FOOTBALL CLUB LTD. (THE)

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAY 2019

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	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 June 2017	95,250	1,103,859	8,250,831	9,449,940
Year ended 31 May 2018:				
Profit and total comprehensive income for the year	-	-	77,537	77,537
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 May 2018	95,250	1,103,859	8,328,368	9,527,477
Year ended 31 May 2019:				
Profit and total comprehensive income for the year	-	-	99,391	99,391
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 May 2019	<u>95,250</u>	<u>1,103,859</u>	<u>8,427,759</u>	<u>9,626,868</u>

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# ST. MIRREN FOOTBALL CLUB LTD. (THE)

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MAY 2019

	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	30	(544,288)		(574,257)	
Interest paid		(1,964)		(2,598)	
<b>Net cash outflow from operating activities</b>		(546,252)		(576,855)	
<b>Investing activities</b>					
Purchase of intangible assets		(50,000)		(20,000)	
Proceeds on disposal of intangibles		1,017,000		728,553	
Purchase of tangible fixed assets		(220,531)		(47,092)	
Proceeds on disposal of tangible fixed assets		-		3,200	
<b>Net cash generated from investing activities</b>		746,469		664,661	
<b>Financing activities</b>					
Proceeds from borrowings		-		34,595	
Repayment of borrowings		(972)		(15,443)	
Payment of finance leases obligations		(11,793)		(15,231)	
<b>Net cash (used in)/generated from financing activities</b>		(12,765)		3,921	
<b>Net increase in cash and cash equivalents</b>		187,452		91,727	
Cash and cash equivalents at beginning of year		502,724		410,997	
<b>Cash and cash equivalents at end of year</b>		690,176		502,724	

# ST. MIRREN FOOTBALL CLUB LTD. (THE)

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MAY 2019**

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### **1 Accounting policies**

#### **Company information**

St. Mirren Football Club Ltd. (The) is a private company limited by shares incorporated in Scotland. The company's registered number and registered office address can be found on the Company Information page.

#### **1.1 Accounting convention**

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 £.

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

#### **1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Turnover**

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable in the normal course of business, net of discounts, VAT and other sales-related tax.

Gate and other match day revenues are recognised over the period of the football season as games are played. Prize money in respect of cup competitions is recognised when earned. Sponsorship and similar commercial income is recognised over the duration of the respective contracts. The fixed element of broadcasting revenue is recognised over the duration of the football season. Fees for live coverage or highlights are recognised when earned.

Profits on disposal of player registrations are recognised when it is probable that the income will be received and when the amount of income receivable can be measured reliably.

#### **1.4 Intangible fixed assets other than goodwill**

The cost of acquiring player registrations are amortised over the term of the contract. The Directors review the value of these assets to identify if there is an impairment. The recoverability of player registrations is assessed by reference to an assumed market value of individual contracts. The Directors make their assessment based on internal and external references, such as recent comparable transfers or offers received for those players.



# ST. MIRREN FOOTBALL CLUB LTD. (THE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

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### 1 Accounting policies

(Continued)

#### 1.5 Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is shorter.

Freehold Property	2% on cost
Long Leasehold	in accordance with the property
Improvements to Property	10% on cost
Plant and Machinery	15% on cost
Fixtures and fittings	10% - 20% on cost
Computer Equipment	33% on cost
Motor vehicles	25% on reducing balance

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.

#### 1.6 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.

#### 1.7 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.

# ST. MIRREN FOOTBALL CLUB LTD. (THE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2019

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#### 1 Accounting policies

(Continued)

##### ***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.

##### ***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, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 payments 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.

##### ***Derecognition of financial liabilities***

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

#### 1.8 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.

# ST. MIRREN FOOTBALL CLUB LTD. (THE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2019

#### 1 Accounting policies

(Continued)

##### 1.9 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.

##### 1.10 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.

##### 1.11 Leases

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

##### 1.12 Grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

#### 2 Operating loss

	2019	2018
	£	£
Operating loss for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	7,500	6,500
Depreciation of owned tangible fixed assets	308,796	297,606
Depreciation of tangible fixed assets held under finance leases	12,372	13,367
Loss on disposal of tangible fixed assets	-	416
Amortisation of intangible assets	29,000	4,000
Impairment of intangible assets	29,000	-
Operating lease charges	13,478	11,949

# ST. MIRREN FOOTBALL CLUB LTD. (THE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

### 3 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are 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.

### 4 Turnover and other revenue

	2019 £	2018 £
<b>Turnover analysed by class of business</b>		
Gate Receipts	1,498,282	1,013,391
SFA and SPFL Contributions Received	1,395,428	794,463
Commercial Income	499,876	423,351
Advertising	344,485	243,293
Youth Income	292,882	256,190
Other Income	80,423	83,122
	<u>4,111,376</u>	<u>2,813,810</u>

### 5 Employees

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

	2019 Number	2018 Number
Players	38	43
Management and administration	36	34
	<u>74</u>	<u>77</u>

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	2,979,084	1,913,176
Social security costs	270,250	150,091
Pension costs	24,451	10,973
	<u>3,273,785</u>	<u>2,074,240</u>

# ST. MIRREN FOOTBALL CLUB LTD. (THE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2019

#### 6 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	50,653	43,484

#### 7 Interest payable and similar expenses

	2019 £	2018 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	-	477
<b>Other finance costs:</b>		
Interest on finance leases and hire purchase contracts	1,964	2,121
	1,964	2,598

#### 8 Taxation

No liability to UK corporation tax arose for the year ended 31 May 2019 nor for the year ended 31 May 2018.

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2019 £	2018 £
Profit before taxation	99,391	77,537
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	18,884	14,732
Tax effect of expenses that are not deductible in determining taxable profit	5,510	79
Tax effect of income not taxable in determining taxable profit	(8,645)	(6,031)
Tax effect of utilisation of tax losses not previously recognised	(18,639)	(68,625)
Permanent capital allowances in excess of depreciation	2,890	59,845
Taxation charge for the year	-	-

No deferred tax debtor has been included in the financial statements for the trading losses being carried by the company because, in the opinion of the directors, it is not probable that these will be utilised in the near future. At 31 May 2019 the company had tax losses carried forward of £5,046,197 (2018: £5,144,298).

# ST. MIRREN FOOTBALL CLUB LTD. (THE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

### 9 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	Notes	2019 £	2018 £
In respect of:			
Intangible assets	10	29,000	-
Recognised in:			
Administrative expenses		29,000	-

### 10 Intangible fixed assets

	Player Registrations £
<b>Cost</b>	
At 1 June 2018	20,000
Additions - separately acquired	50,000
At 31 May 2019	70,000
<b>Amortisation and impairment</b>	
At 1 June 2018	4,000
Amortisation charged for the year	29,000
Impairment losses	29,000
At 31 May 2019	62,000
<b>Carrying amount</b>	
At 31 May 2019	8,000
At 31 May 2018	16,000

More information on the impairment arising in the year is given in note 9.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 11 Tangible fixed assets

- 20 -

# ST. MIRREN FOOTBALL CLUB LTD. (THE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

### 11 Tangible fixed assets

(Continued)

Included in cost of land and buildings is freehold land of £475,000 (2018 - £475,000) which is not depreciated.

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	2019 £	2018 £
Plant and Machinery	17,554	26,092
Motor vehicles	9,000	12,627
	<u>26,554</u>	<u>38,719</u>

### 12 Financial instruments

	2019 £	2018 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	119,482	434,712
	<u>119,482</u>	<u>434,712</u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	654,090	500,551
	<u>654,090</u>	<u>500,551</u>

### 13 Stocks

	2019 £	2018 £
Finished goods and goods for resale	3,245	5,745
	<u>3,245</u>	<u>5,745</u>

### 14 Debtors

	2019 £	2018 £
<b>Amounts falling due within one year:</b>		
Trade debtors	101,982	434,712
Other debtors	17,500	-
Prepayments and accrued income	608,682	142,946
	<u>728,164</u>	<u>577,658</u>



# ST. MIRREN FOOTBALL CLUB LTD. (THE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

### 15 Creditors: amounts falling due within one year

	Notes	2019 £	2018 £
Obligations under finance leases	18	7,778	12,463
Other borrowings	17	-	972
Trade creditors		155,503	147,671
Taxation and social security		184,736	283,885
Other creditors		22,724	10,528
Accruals and deferred income		448,989	302,713
		<u>819,730</u>	<u>758,232</u>

### 16 Creditors: amounts falling due after more than one year

	Notes	2019 £	2018 £
Obligations under finance leases	18	19,096	26,204
		<u>19,096</u>	<u>26,204</u>

### 17 Loans and overdrafts

	2019 £	2018 £
Other loans	-	972
	<u>-</u>	<u>972</u>
Payable within one year	-	972
	<u>-</u>	<u>972</u>

### 18 Finance lease obligations

	2019 £	2018 £
Future minimum lease payments due under finance leases:		
Within one year	7,778	12,463
In two to five years	19,096	26,204
	<u>26,874</u>	<u>38,667</u>

Hire purchase and finance lease liabilities are secured over the assets to which they relate.

### 19 Secured Debts

The bank holds a floating charge over the company's assets and undertakings. This security is for the provision of a credit card to the limit of £20,000.

# ST. MIRREN FOOTBALL CLUB LTD. (THE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

### 20 Deferred income

	2019 £	2018 £
Arising from government grants	9,000	-
Arising from deferred grants	106,040	42,000
	<u>115,040</u>	<u>42,000</u>

### 21 Retirement benefit schemes

	2019 £	2018 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	24,451	10,973
	<u>24,451</u>	<u>10,973</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.

### 22 Share capital

	2019 £	2018 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
190,500 Ordinary of 50p each	95,250	95,250
	<u>95,250</u>	<u>95,250</u>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

### 23 Share premium account

	2019 £	2018 £
At the beginning and end of the year	1,103,859	1,103,859
	<u>1,103,859</u>	<u>1,103,859</u>

### 24 Profit and loss reserves

	2019 £	2018 £
At the beginning of the year	8,328,368	8,250,831
Profit for the year	99,391	77,537
	<u>8,427,759</u>	<u>8,328,368</u>
At the end of the year	8,427,759	8,328,368

# ST. MIRREN FOOTBALL CLUB LTD. (THE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

### 25 Operating lease commitments

#### Lessee

	2019 £	2018 £
Within one year	14,188	10,000
Between two and five years	56,750	40,000
In over five years	638,438	460,000
	<u>709,376</u>	<u>510,000</u>

### 26 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2019 £	2018 £
Acquisition of tangible fixed assets	<u>57,562</u>	<u>-</u>

### 27 Events after the reporting date

Subsequent to the year end the club received £330,000 in respect of fees receivable from the sale of player registrations (including contingent payments).

### 28 Related party transactions

#### Transactions with related parties

During the year to 31 May 2019 services were purchased to the value of £260 (2018: £nil) from Digby Brown LLP, a Limited Liability Partnership in which C Stewart is a partner. There was no amount owing at the year end date.

During the year to 31 May 2019 a loan was advanced to the St Mirren FC Charitable Foundation for £17,500. A Wardrop is the treasurer of this charity. The loan is repayable on demand and has been presented in Other Debtors in these Financial Statements.

During the year to 31 May 2019 the company received services to the value of £nil (2018: £10,000) from Five Little Stones Limited, a company in which A C Fitzpatrick is also a director. There was no balance owing at the 31 May 2019 (2018: £nil).

The company consider key management personnel to be the directors. The total remuneration for key management personnel for the period is disclosed in Note 6.

### 29 Ultimate controlling party

The controlling party is Mr G Scott.

# ST. MIRREN FOOTBALL CLUB LTD. (THE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

### 30 Cash generated from operations

	2019 £	2018 £
Profit for the year after tax	99,391	77,537
<b>Adjustments for:</b>		
Finance costs	1,964	2,598
(Gain)/loss on disposal of tangible fixed assets	-	416
(Gain) on disposal of intangible fixed assets	(1,017,000)	(728,553)
Amortisation and impairment of intangible assets	58,000	4,000
Depreciation and impairment of tangible fixed assets	321,168	310,973
Increase/(decrease) in deferred income	73,040	(16,400)
<b>Movements in working capital:</b>		
Decrease/(increase) in stocks	2,500	(5,745)
(Increase) in debtors	(150,506)	(458,749)
Increase in creditors	67,155	239,666
<b>Cash absorbed by operations</b>	<b>(544,288)</b>	<b>(574,257)</b>