

**Company Registration No. SC005773 (Scotland)**

**ST. MIRREN FOOTBALL CLUB LTD. (THE)  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2020**

# 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 C Stewart Mr D Riley Mr J G Gillespie Mr M MacMillan	(Appointed 21 February 2020) (Appointed 30 March 2020)
<b>Secretary</b>	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>	Azets Audit Services 3 Wellington Square Ayr 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)**

## **CONTENTS**

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	<b>Page</b>
Strategic report	1
Directors' report	2 - 3
Directors' responsibilities statement	4
Independent auditor's report	5 - 6
Profit and loss account	7
Statement of comprehensive income	8
Balance sheet	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12 - 25

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# ST. MIRREN FOOTBALL CLUB LTD. (THE)

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 MAY 2020**

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The directors present the strategic report for the year ended 31 May 2020.

### Review of Business

Like many business, the Club has faced unprecedented challenges as a result of the Covid-19 pandemic. However, the actions taken by the Club over recent years and at the start of the pandemic have resulted in the Club maintaining a healthy cash position. As such, the Club is well placed to continue to meet such challenges.

The Club is following Government guidance concerning all aspects of the pandemic to ensure best practice precautions are applied and risk to players and staff is mitigated.

Following this review, the Board are confident that the existing cash resources will provide sufficient headroom for the Club to meet their forecast cash requirements. As the forecasted projections are monitored and updated constantly, the Board have considered any potential impact should any key assumptions not materialise as projected including anticipated football performance and continuing restrictions on fan attendance.

At the date of signing, the directors consider the company to have sufficient resources to remain a going concern.

### Chairman's Report

For the fifth year in succession we are delighted to present accounts that show a healthy profit even after taking into account our substantial year on year depreciation figures.

This profit has been achieved through successful dealings in the transfer market, year on year progress on the pitch, good management, and the continued support of our fans and sponsors.

While there is no doubting the COVID-19 pandemic has had an impact on these accounts this was mitigated substantially by the support of our season ticket holders and club sponsors.

As a result of this we are in a very good position to navigate our way through this pandemic.

As we move ever closer to fan ownership and start to feel the benefits of the partnership with Kibble I am confident we can continue our progress both on and off the field.

Thank you all for your continued support.


Gordon Scott  
Chairman

### 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 G Scott  
Director  
22/12/20



# ST. MIRREN FOOTBALL CLUB LTD. (THE)

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 MAY 2020

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The directors present their annual report and financial statements for the year ended 31 May 2020.

#### 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

(Resigned 28 August 2020)

Mr C Stewart

Mr D Riley

Mr J G Gillespie

(Appointed 21 February 2020)

Mr M MacMillan

(Appointed 30 March 2020)

#### Results and dividends

The results for the year are set out on page 7.

No dividends will be distributed for the year ended 31 May 2020.

#### 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

On 7 September 2020, Group Audit Service Limited trading as Campbell Dallas Audit Services changed its name to Azets Audit Services Limited. The name they practice under is Azets Audit Services and accordingly they have signed their report in their new name.

The auditor, Azets Audit Services, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### 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.

# ST. MIRREN FOOTBALL CLUB LTD. (THE)

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MAY 2020**

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### 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.

### 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 G Scott  
Director



Mr C Stewart  
Director

Date: 22 December 2020

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

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 MAY 2020***

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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 2020 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 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

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.

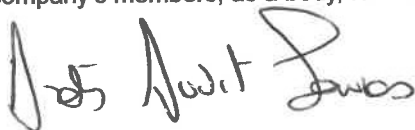
#### Auditor's responsibilities for the audit of the financial statements

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 Azets Audit Services  
Chartered Accountants  
Statutory Auditor

23/12/20

3 Wellington Square  
Ayr  
KA7 1EN

# ST. MIRREN FOOTBALL CLUB LTD. (THE)

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MAY 2020

	Notes	2020 £	2019 £
Turnover	4	4,068,057	4,111,376
Cost of sales		(476,514)	(555,026)
<b>Gross profit</b>		<b>3,591,543</b>	<b>3,556,350</b>
Administrative expenses		(4,106,227)	(4,498,395)
Other operating income		288,752	26,400
<b>Operating loss</b>	2	<b>(225,932)</b>	<b>(915,645)</b>
Interest payable and similar expenses	7	(1,227)	(1,964)
Amounts written off investments		(15,000)	-
Profit on disposal of player registrations		372,289	1,017,000
<b>Profit before taxation</b>		<b>130,130</b>	<b>99,391</b>
Tax on profit	8	-	-
<b>Profit for the financial year</b>		<b>130,130</b>	<b>99,391</b>

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

## **STATEMENT OF COMPREHENSIVE INCOME**

***FOR THE YEAR ENDED 31 MAY 2020***

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	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Profit for the year</b>	<b>130,130</b>	<b>99,391</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b>130,130</b>	<b>99,391</b>

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# ST. MIRREN FOOTBALL CLUB LTD. (THE)


## BALANCE SHEET

AS AT 31 MAY 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Intangible assets	10		-		8,000
Tangible assets	11		9,002,163		9,151,149
			<u>9,002,163</u>		<u>9,159,149</u>
<b>Current assets</b>					
Stocks	12	3,245		3,245	
Debtors	13	322,636		728,164	
Investments	14	235,000		-	
Cash at bank and in hand		1,437,766		690,176	
		<u>1,998,647</u>		<u>1,421,585</u>	
<b>Creditors: amounts falling due within one year</b>	15	(1,049,384)		(819,730)	
<b>Net current assets</b>			<u>949,263</u>		<u>601,855</u>
<b>Total assets less current liabilities</b>			<u>9,951,426</u>		<u>9,761,004</u>
<b>Creditors: amounts falling due after more than one year</b>	16		(85,538)		(19,096)
<b>Deferred income</b>	19		(108,890)		(115,040)
<b>Net assets</b>			<u>9,756,998</u>		<u>9,626,868</u>
<b>Capital and reserves</b>					
Called up share capital	21		95,250		95,250
Share premium account	22		1,103,859		1,103,859
Profit and loss reserves	23		8,557,889		8,427,759
<b>Total equity</b>			<u>9,756,998</u>		<u>9,626,868</u>

The financial statements were approved by the board of directors and authorised for issue on 22 December 2020 and are signed on its behalf by:

  
 .....  
 Mr G Scott  
 Director

  
 .....  
 Mr C Stewart  
 Director

Company Registration No. SC005773



# ST. MIRREN FOOTBALL CLUB LTD. (THE)

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAY 2020

	Share capital £	Share premium account £	Profit and loss reserves £	Total £
<b>Balance at 1 June 2018</b>	95,250	1,103,859	8,328,368	9,527,477
<b>Year ended 31 May 2019:</b>				
Profit and total comprehensive income for the year	-	-	99,391	99,391
<b>Balance at 31 May 2019</b>	95,250	1,103,859	8,427,759	9,626,868
<b>Year ended 31 May 2020:</b>				
Profit and total comprehensive income for the year	-	-	130,130	130,130
<b>Balance at 31 May 2020</b>	95,250	1,103,859	8,557,889	9,756,998

# ST. MIRREN FOOTBALL CLUB LTD. (THE)

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MAY 2020

	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	30		827,641		(544,288)
Interest paid			(1,227)		(1,964)
<b>Net cash inflow/(outflow) from operating activities</b>			826,414		(546,252)
<b>Investing activities</b>					
Purchase of intangible assets		-		(50,000)	
Proceeds on disposal of intangibles		372,289		1,017,000	
Purchase of tangible fixed assets		(193,524)		(220,531)	
Purchase of unlisted investments		(235,000)		-	
Receipts arising from loans made		(15,000)		-	
<b>Net cash (used in)/generated from investing activities</b>			(71,235)		746,469
<b>Financing activities</b>					
Repayment of borrowings		-		(972)	
Payment of finance leases obligations		(7,589)		(11,793)	
<b>Net cash used in financing activities</b>			(7,589)		(12,765)
<b>Net increase in cash and cash equivalents</b>			747,590		187,452
Cash and cash equivalents at beginning of year			690,176		502,724
<b>Cash and cash equivalents at end of year</b>			1,437,766		690,176

# ST. MIRREN FOOTBALL CLUB LTD. (THE)

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2020

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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 Board have a reasonable expectation that the Club has adequate resources to continue in operational existence for the foreseeable future. Thus the Board continue to adopt the going concern basis of accounting in preparing the financial statements.

The Club pays special attention to the COVID-19 pandemic and the associated impact on the business, which is detailed within Risks and Uncertainties in the Strategic Report. These risks include:

- Interruption to operations due to an absence of staff or players for a period due to either contracting the virus or due to measures taken to contain the outbreak at the Stadium.
- A fall in revenue and decreased cash flows due to fans not being able to attend live matches at the Stadium.

The Club are in a strong cash as a result of successful dealings in the transfer market, year on year progress on the pitch, good management, and the continued support of our fans and sponsors.

The current liquidity of the Club is continuously monitored by the Board and is updated to reflect any new assumptions. The Board consider football performance, fan attendance as a result of Covid-19, player salaries, and operating costs to be the key assumptions when forecasting.

Following this review, the Board are confident that the existing cash resources will provide sufficient headroom for the Club to meet their forecast cash requirements. As the forecasted projections are monitored and updated constantly, the Board have considered any potential impact should any key assumptions not materialise and how this would affect their cash requirements.

As such, the directors consider that it is appropriate to prepare the financial statements on the going concern basis.

#### 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.

# ST. MIRREN FOOTBALL CLUB LTD. (THE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2020

#### 1 Accounting policies

(Continued)

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.

#### 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 Stocks

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

#### 1.8 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.

# ST. MIRREN FOOTBALL CLUB LTD. (THE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2020

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### 1 Accounting policies

(Continued)

#### **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.

#### **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.

# ST. MIRREN FOOTBALL CLUB LTD. (THE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2020

### 1 Accounting policies

(Continued)

#### **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.

#### **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.

### 1.9 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.

### 1.10 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.

### 1.11 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.

# ST. MIRREN FOOTBALL CLUB LTD. (THE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2020

#### 1 Accounting policies

(Continued)

##### 1.12 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.

##### 1.13 Government 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

	2020	2019
	£	£
Operating loss for the year is stated after charging/(crediting):		
Government grants	(288,752)	(26,400)
Fees payable to the company's auditor for the audit of the company's financial statements	11,000	9,250
Depreciation of owned tangible fixed assets	337,370	308,796
Depreciation of tangible fixed assets held under finance leases	5,140	12,372
Amortisation of intangible assets	8,000	29,000
Impairment of intangible assets	-	29,000
Operating lease charges	15,996	13,478

#### 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.

# ST. MIRREN FOOTBALL CLUB LTD. (THE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2020

### 4 Turnover and other revenue

	2020 £	2019 £
<b>Turnover analysed by class of business</b>		
Gate Receipts	1,372,996	1,498,282
SFA and SPFL Contributions Received	1,586,024	1,395,428
Commercial Income	405,119	499,876
Advertising	360,050	344,485
Youth Income	261,115	292,882
Other Income	82,753	80,423
	<u>4,068,057</u>	<u>4,111,376</u>
	2020 £	2019 £
<b>Other significant revenue</b>		
Grants received	<u>288,752</u>	<u>26,400</u>

### 5 Employees

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

	2020 Number	2019 Number
Players	42	38
Management and administration	35	36
	<u>77</u>	<u>74</u>
Total	<u>77</u>	<u>74</u>

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	2,655,951	2,979,084
Social security costs	236,576	270,250
Pension costs	32,729	24,451
	<u>2,925,256</u>	<u>3,273,785</u>



# ST. MIRREN FOOTBALL CLUB LTD. (THE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2020

#### 6 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	42,980	50,653
Company pension contributions to defined contribution schemes	1,094	-
	<u>44,074</u>	<u>50,653</u>

#### 7 Interest payable and similar expenses

	2020 £	2019 £
<b>Other finance costs:</b>		
Interest on finance leases and hire purchase contracts	<u>1,227</u>	<u>1,964</u>

#### 8 Taxation

No liability to UK corporation tax arose for the year ended 31 May 2020 nor for the year ended 31 May 2019.

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

	2020 £	2019 £
Profit before taxation	<u>130,130</u>	<u>99,391</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	24,725	18,884
Tax effect of expenses that are not deductible in determining taxable profit	-	5,510
Tax effect of income not taxable in determining taxable profit	(8,537)	(8,645)
Tax effect of utilisation of tax losses not previously recognised	(28,216)	(18,639)
Permanent capital allowances in excess of depreciation	<u>12,028</u>	<u>2,890</u>
Taxation charge for the year	<u>-</u>	<u>-</u>

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 2020 the company had tax losses carried forward of £4,897,691 (2019: £5,046,197).

# ST. MIRREN FOOTBALL CLUB LTD. (THE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2020

### 9 Impairments

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

	Notes	2020 £	2019 £
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 2019	70,000
Disposals	(50,000)
At 31 May 2020	20,000
<b>Amortisation and impairment</b>	
At 1 June 2019	62,000
Amortisation charged for the year	8,000
Disposals	(50,000)
At 31 May 2020	20,000
<b>Carrying amount</b>	
At 31 May 2020	-
At 31 May 2019	8,000

# ST. MIRREN FOOTBALL CLUB LTD. (THE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2020

11 Tangible fixed assets	Freehold Property £	Long Leasehold Improvements to Property £	Plant and Machinery £	Fixtures and fittings £	Computer Equipment £	Motor vehicles £	Total £
<b>Cost</b>							
At 1 June 2019	10,719,272	1,051,041	92,822	79,124	8,845	15,995	12,037,645
Additions	-	-	801	192,723	-	-	193,524
Disposals	-	(50,000)	(58,878)	-	-	-	(108,878)
At 31 May 2020	10,719,272	1,001,041	34,745	271,847	8,845	15,995	12,122,291
<b>Depreciation and Impairment</b>							
At 1 June 2019	2,188,054	581,255	62,863	13,850	5,269	6,995	2,886,496
Depreciation charged in the year	219,311	72,111	10,155	28,586	2,941	2,350	342,510
Eliminated in respect of disposals	-	(50,000)	(58,878)	-	-	-	(108,878)
At 31 May 2020	2,407,365	603,366	14,140	42,436	8,210	9,345	3,120,128
<b>Carrying amount</b>							
At 31 May 2020	8,311,907	397,675	20,605	229,411	635	6,650	9,002,163
At 31 May 2019	8,531,218	469,786	29,959	65,274	3,576	9,000	9,151,149

# ST. MIRREN FOOTBALL CLUB LTD. (THE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2020

### 11 Tangible fixed assets

(Continued)

Included in cost of land and buildings is freehold land of £475,000 (2019 - £475,000) which is not depreciated.

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

	2020 £	2019 £
Plant and Machinery	13,020	17,554
Motor vehicles	6,650	9,000
	<u>19,670</u>	<u>26,554</u>

### 12 Stocks

	2020 £	2019 £
Finished goods and goods for resale	<u>3,245</u>	<u>3,245</u>

### 13 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	94,359	101,982
Other debtors	-	17,500
Prepayments and accrued income	228,277	608,682
	<u>322,636</u>	<u>728,164</u>

### 14 Current asset investments

	2020 £	2019 £
Unlisted investments	<u>235,000</u>	<u>-</u>

# ST. MIRREN FOOTBALL CLUB LTD. (THE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2020

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

	Notes	2020 £	2019 £
Obligations under finance leases	17	6,317	7,778
Trade creditors		105,592	155,503
Taxation and social security		349,253	184,736
Other creditors		38,941	22,724
Accruals and deferred income		549,281	448,989
		<u>1,049,384</u>	<u>819,730</u>

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

	Notes	2020 £	2019 £
Obligations under finance leases	17	12,968	19,096
Other creditors		72,570	-
		<u>85,538</u>	<u>19,096</u>

### 17 Finance lease obligations

	2020 £	2019 £
Future minimum lease payments due under finance leases:		
Within one year	6,317	7,778
In two to five years	12,968	19,096
	<u>19,285</u>	<u>26,874</u>

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

### 18 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.

### 19 Deferred income

	2020 £	2019 £
Arising from government grants	8,000	9,000
Arising from deferred grants	100,890	106,040
	<u>108,890</u>	<u>115,040</u>

# ST. MIRREN FOOTBALL CLUB LTD. (THE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2020

### 20 Retirement benefit schemes

	2020	2019
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	32,729	24,451

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.

### 21 Share capital

	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
190,500 Ordinary of 50p each	95,250	95,250

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

### 22 Share premium account

	2020	2019
	£	£
At the beginning and end of the year	1,103,859	1,103,859

### 23 Profit and loss reserves

	2020	2019
	£	£
At the beginning of the year	8,427,759	8,328,368
Profit for the year	130,130	99,391
At the end of the year	8,557,889	8,427,759

### 24 Operating lease commitments

#### Lessee

	2020	2019
	£	£
Within one year	13,387	14,188
Between two and five years	53,548	56,750
In over five years	589,026	638,438
	655,961	709,376

# ST. MIRREN FOOTBALL CLUB LTD. (THE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2020

#### 25 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2020 £	2019 £
Acquisition of tangible fixed assets	-	57,562

#### 26 Events after the reporting date

Subsequent to the year end the Club received £200,000 in respect of fees receivable from the sale of player registrations.

#### 27 Related party transactions

##### Transactions with related parties

During the year to 31 May 2020 services were purchased to the value of £nil (2019: £260) 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 was written off in full during the year to 31 May 2020.

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.

#### 28 Ultimate controlling party

The company is under the joint control of The St. Mirren Independent Supporters Association, Kibble Education and Care Centre and Gordon Scott.

#### 29 Analysis of changes in net funds

	1 June 2019 £	Cash flows £	31 May 2020 £
Cash at bank and in hand	690,176	747,590	1,437,766
Obligations under finance leases	(26,874)	7,589	(19,285)
	<u>663,302</u>	<u>755,179</u>	<u>1,418,481</u>

# ST. MIRREN FOOTBALL CLUB LTD. (THE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2020

### 30 Cash generated from/(absorbed by) operations

	2020 £	2019 £
Profit for the year after tax	130,130	99,391
<b>Adjustments for:</b>		
Finance costs	1,227	1,964
Proceeds on disposal of intangibles	(372,289)	(1,017,000)
Amortisation and impairment of intangible assets	8,000	58,000
Depreciation and impairment of tangible fixed assets	342,510	321,168
Amounts written off investments	15,000	-
(Decrease)/increase in deferred income	(6,150)	73,040
<b>Movements in working capital:</b>		
Decrease in stocks	-	2,500
Decrease/(increase) in debtors	405,528	(150,506)
Increase in creditors	303,685	67,155
<b>Cash generated from/(absorbed by) operations</b>	<b>827,641</b>	<b>(544,288)</b>