Company Registration No. SC005773 (Scotland)

ST. MIRREN FOOTBALL CLUB LTD. (THE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2021

ST. MIRREN FOOTBALL CLUB LTD. (THE)

COMPANY INFORMATION

Directors	Mr A Wardrop Mr G Scott Mr A Fitzpatrick Mr D Riley Mr J G Gillespie Mr M MacMillan Mr J Needham	 (Appointed 10 September 2020)
Secretary	C Stewart	
Company number	SC005773	
Registered office	The SMISA Stadium Greenhill Road Paisley Renfrewshire United Kingdom PA3 1RU	
Auditor	Azets Audit Services 3 Wellington Square Ayr Ayrshire United Kingdom KA7 1EN	
Solicitors	Digby Brown LLP 2 West Regent Street Glasgow United Kingdom G2 1RW	

ST. MIRREN FOOTBALL CLUB LTD. (THE)

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ST. MIRREN FOOTBALL CLUB LTD. (THE)

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MAY 2021

The directors present the strategic report for the year ended 31 May 2021.

Review of Business
Like many businesses, 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
After a very challenging year dealing with the impacts of COVID-19 your Board are able to report a modest loss of £45,191 before depreciation, Government grants and gain on investments. Given the restrictions placed on the Club, and everyone connected with it as a result of the pandemic, this is indeed a creditable performance. We want to place on record that this was only made possible by the loyalty and generosity of our Season Ticket Holders , Pay Per View Subscribers, Sponsors and fans.

In line with most Premiership clubs we have taken advantage of the offer of interest free loan facilities from the Scottish Government which have a long (20 year) repayment term. We are confident that despite the pandemic impacting for longer than envisaged we are in a position to be able to navigate our way through the current period and meet the repayment schedule commencing in September 2022. Whilst there was no urgent need for this borrowing we felt that it would be irresponsible not to take advantage of this loan in case the pandemic escalated further or persisted longer. Because of the preferential terms of the Loan, the accounting rules mean that we have to show an entry that reflects an estimate of the monetary value of the discounted loan terms when compared to a commercial arrangement. You will see that his has the effect of inflating the bottom line profit being reported by £729,023. This is a paper adjustment and does not reflect true cash income to the Club.

We had a successful season on the park following our decision to increase the investment in the playing squad in the Summer of 2020. This resulted in our highest league placing for many years in addition to Semi Final appearances in the Betfred Cup and Scottish Cup. Congratulations are due to the players and management team for this success.

As a result of learnings from the pandemic upgrade works are being undertaken at our Ralston Training Ground and the healthy financial position reported has enabled us to embark on renewals that were required around the SMISA Stadium to maintain and improve the facilities to the standards our fans would expect.

Finally on behalf of the Board I thank you all for your ongoing support.

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 J Needham
Director

Date: ....

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2021

The directors present their annual report and financial statements for the year ended 31 May 2021.

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

Results and dividends
The results for the year are set out on page 9.

No dividends will be distributed for the year ended 31 May 2021.

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	(Resigned 23 November 2021)
Mr D Riley	
Mr J G Gillespie	
Mr M MacMillan	
Mr J Needham	(Appointed 10 September 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
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.

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 J Needham
Director

Date: ....

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MAY 2021

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.

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of St. Mirren Football Club Ltd. (The) (the 'company') for the year ended 31 May 2021 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 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 2021 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

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

Based on the work we have performed, we 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.

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

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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

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.

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 is available on the Financial Reporting Council’s website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we 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 our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. 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.

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

Date: ....

Chartered Accountants
Statutory Auditor

3 Wellington Square
Ayr
Ayrshire
United Kingdom
KA7 1EN

ST. MIRREN FOOTBALL CLUB LTD. (THE)

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MAY 2021

	Notes	2021 £	2020 £
Turnover	**4**	4,036,167	4,068,057
Cost of sales		(283,038)	(476,514)
Gross profit		3,753,129	3,591,543
Administrative expenses		(4,592,919)	(4,106,227)
Other operating income		976,327	288,752
Operating profit/(loss)	**3**	136,537	(225,932)
Interest receivable and similar income	**7**	18,968	-
Interest payable and similar expenses	**8**	(24,178)	(1,227)
Change in fair value of investments		32,733	(15,000)
Profit on disposal of player registrations		285,333	372,289
Profit before taxation		449,393	130,130
Tax on profit	**9**	-	-
Profit for the financial year		449,393	130,130

ST. MIRREN FOOTBALL CLUB LTD. (THE)

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MAY 2021

	2021 £	2020 £
Profit for the year	449,393	130,130
Other comprehensive income	-	-
Total comprehensive income for the year	449,393	130,130

ST. MIRREN FOOTBALL CLUB LTD. (THE)

BALANCE SHEET

AS AT 31 MAY 2021

		2021		2020	
	Notes	**£**	**£**	**£**	**£**
Fixed assets					
Tangible assets	**11**		8,760,740		9,002,163
Current assets					
Stocks	**13**	2,668		3,245	
Debtors	**14**	389,747		322,636	
Investments	**15**	267,733		235,000	
Cash at bank and in hand		2,716,671		1,437,766	
		3,376,819		1,998,647	
Creditors: amounts falling due within one year	**16**	(721,797)		(1,049,384)	
Net current assets			2,655,022		949,263
Total assets less current liabilities			11,415,762		9,951,426
Creditors: amounts falling due after more than one year	**17**		(1,121,181)		(85,538)
Deferred income	**21**		(88,190)		(108,890)
Net assets			10,206,391		9,756,998
Capital and reserves					
Called up share capital	**23**		95,250		95,250
Share premium account	**24**		1,103,859		1,103,859
Profit and loss reserves	**25**		9,007,282		8,557,889
Total equity			10,206,391		9,756,998

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

....
Mr J Needham
Director

Company Registration No. SC005773

ST. MIRREN FOOTBALL CLUB LTD. (THE)

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAY 2021

	Share capital	Share premium account	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 June 2019	95,250	1,103,859	8,427,759	9,626,868
Year ended 31 May 2020:				
Profit and total comprehensive income for the year	-	-	130,130	130,130
Balance at 31 May 2020	95,250	1,103,859	8,557,889	9,756,998
Year ended 31 May 2021:				
Profit and total comprehensive income for the year	-	-	449,393	449,393
Balance at 31 May 2021	95,250	1,103,859	9,007,282	10,206,391

ST. MIRREN FOOTBALL CLUB LTD. (THE)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MAY 2021

		2021		2020	
	Notes	**£**	**£**	**£**	**£**
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	**30**		(715,749)		827,641
Interest paid			(1,687)		(1,227)
Net cash (outflow)/inflow from operating activities			(717,436)		826,414
Investing activities					
Proceeds on disposal of intangibles		285,333		372,289	
Purchase of tangible fixed assets		(43,688)		(193,524)	
Purchase of listed investments		-		(235,000)	
Receipts arising from loans made		-		(15,000)	
Interest received		18,968		-	
Net cash generated from/(used in) investing activities			260,613		(71,235)
Financing activities					
Proceeds from borrowings		1,764,000		-	
Repayment of borrowings		(22,491)		-	
Payment of finance leases obligations		(5,781)		(7,589)	
Net cash generated from/(used in) financing activities			1,735,728		(7,589)
Net increase in cash and cash equivalents			1,278,905		747,590
Cash and cash equivalents at beginning of year			1,437,766		690,176
Cash and cash equivalents at end of year			2,716,671		1,437,766

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, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The Club are in a strong cash position as a result of successful dealings in the transfer market and loan finance received from the Scottish Ministers under the Covid-19 credit facility for Premiership Clubs, along with 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.

The Board are confident that existing cash resources will provide sufficient headroom for the Club to meet their forecast cash requirements. As the forecast 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.

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.

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.

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 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.

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.

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.

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.

1 Accounting policies **(Continued)**

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.

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.

Amounts totalling £1.76m were received from The Scottish Ministers, as part of the Premier Division Support Fund on an interest free basis repayable over a period of 20 years. This loan is considered to be below market rate with the difference between the fair value and book value recorded as grant income.

2 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.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Net present value of long term loan

The Scottish Ministers interest-free loan, which is due to be repaid over 20 years commencing September 2022, is considered to be below market rate. As such, this loan has been discounted to its net present value using an interest rate the directors believe to be appropriate for the size and nature of the football club.

3 Operating profit/(loss)

	2021	2020
Operating profit/(loss) for the year is stated after charging/(crediting):	£	£
Government grants	(920,856)	(288,752)
Fees payable to the company's auditor for the audit of the company's financial statements	14,500	11,000
Depreciation of owned tangible fixed assets	280,634	337,370
Depreciation of tangible fixed assets held under finance leases	4,477	5,140
Amortisation of intangible assets	-	8,000
Operating lease charges	15,995	15,996

Included within government grants is the difference between the fair value and book value of the Premier Division Support Fund amounting to £729k.

4 Turnover and other revenue

	2021	2020
	£	£
Turnover analysed by class of business		
Gate Receipts	1,248,168	1,372,996
SFA and SPFL Contributions Received	2,131,960	1,586,024
Commercial Income	178,954	405,119
Advertising	233,921	360,050
Youth Income	172,492	261,115
Other Income	70,672	82,753
	4,036,167	4,068,057

4 Turnover and other revenue (Continued)

	2021	2020
	£	£
Other significant revenue		
Interest income	18,968	-
Grants received	920,856	288,752

5 Employees

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

	2021	2020
	Number	Number
Players	37	42
Management and administration	38	35
Total	75	77

Their aggregate remuneration comprised:

	2021	2020
	£	£
Wages and salaries	2,857,663	2,655,951
Social security costs	277,289	236,576
Pension costs	30,379	32,729
	3,165,331	2,925,256

6 Directors' remuneration

	2021	2020
	£	£
Remuneration for qualifying services	58,989	48,784
Company pension contributions to defined contribution schemes	1,277	1,094
	60,266	49,878

7 Interest receivable and similar income

	2021	2020
	£	£
Interest income		
Interest on bank deposits	670	-
Other interest income	18,298	-
Total income	18,968	-

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	670	-

8 Interest payable and similar expenses

	2021	2020
	£	£
Interest on financial liabilities measured at amortised cost:		
Other interest on financial liabilities	459	-
Other finance costs:		
Interest on finance leases and hire purchase contracts	1,228	1,227
Finance costs for financial instruments measured at fair value through profit or loss	22,491	-
	24,178	1,227

9 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:

	2021	2020
	£	£
Profit before taxation	449,393	130,130
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	85,385	24,725
Tax effect of expenses that are not deductible in determining taxable profit	41,448	-
Tax effect of income not taxable in determining taxable profit	(32,402)	(8,537)
Tax effect of utilisation of tax losses not previously recognised	(94,431)	(28,216)
Permanent capital allowances in excess of depreciation	-	12,028
Taxation charge for the year	-	-

9 Taxation **(Continued)**

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 2021 the company had tax losses carried forward of £4,400,684 (2020: £4,897,691).

10 Intangible fixed assets

	Player Registrations
	£
Cost	
At 1 June 2020 and 31 May 2021	20,000
Amortisation and impairment	
At 1 June 2020 and 31 May 2021	20,000
Carrying amount	
At 31 May 2021	-
At 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
	£	£	£	£	£	£	£	£
Cost								
At 1 June 2020	10,719,272	1,001,041	70,546	34,745	271,847	8,845	15,995	12,122,291
Additions	-	41,900	-	-	1,788	-	-	43,688
Disposals	-	(450,000)	-	(1,500)	-	(8,845)	-	(460,345)
At 31 May 2021	10,719,272	592,941	70,546	33,245	273,635	-	15,995	11,705,634
Depreciation and impairment								
At 1 June 2020	2,407,365	603,366	35,266	14,140	42,436	8,210	9,345	3,120,128
Depreciation charged in the year	219,311	22,201	7,058	5,137	29,082	635	1,687	285,111
Eliminated in respect of disposals	-	(450,000)	-	(1,500)	-	(8,845)	-	(460,345)
At 31 May 2021	2,626,676	175,567	42,324	17,777	71,518	-	11,032	2,944,894
Carrying amount								
At 31 May 2021	8,092,596	417,374	28,222	15,468	202,117	-	4,963	8,760,740
At 31 May 2020	8,311,907	397,675	35,280	20,605	229,411	635	6,650	9,002,163

11 Tangible fixed assets **(Continued)**

Included in cost of land and buildings is freehold land of £475,000 (2020 - £475,000) which is not depreciated.

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

	2021 £	2020 £
Plant and Machinery	7,440	13,020
Motor vehicles	4,963	6,650
	12,403	19,670

12 Financial instruments

	2021 £	2020 £
Carrying amount of financial liabilities		
Measured at fair value through profit or loss		
- Other financial liabilities	(1,057,468)	-

13 Stocks

	2021 £	2020 £
Finished goods and goods for resale	2,668	3,245

14 Debtors

Amounts falling due within one year:	2021 £	2020 £
Trade debtors	84,478	94,359
Prepayments and accrued income	305,269	228,277
	389,747	322,636

15 Current asset investments

	2021 £	2020 £
Listed investments	267,733	235,000
Listed investments included above:		
Listed investments original cost	250,000	250,000

16 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Obligations under finance leases	**19**	11,741	6,317
Trade creditors		205,061	105,592
Taxation and social security		260,712	349,253
Other creditors		23,594	38,941
Accruals and deferred income		220,689	549,281
		721,797	1,049,384

17 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Obligations under finance leases	**19**	1,763	12,968
Other borrowings	**18**	1,057,468	-
Other creditors		61,950	72,570
		1,121,181	85,538

18 Loans and overdrafts

	2021 £	2020 £
Other loans	1,057,468	-
Payable after one year	1,057,468	-

19 Finance lease obligations

Future minimum lease payments due under finance leases:	2021 £	2020 £
Within one year	11,741	6,317
In two to five years	1,763	12,968
	13,504	19,285

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

20 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.

21 Deferred income

	2021 £	2020 £
Arising from government grants	-	8,000
Arising from deferred grants	88,190	100,890
	88,190	108,890

22 Retirement benefit schemes

Defined contribution schemes	2021 £	2020 £
Charge to profit or loss in respect of defined contribution schemes	30,379	32,729

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.

23 Share capital

Ordinary share capital	2021 Number	2020 Number	2021 £	2020 £
Issued and fully paid				
Ordinary of 50p each	190,500	190,500	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.

24 Share premium account

	2021 £	2020 £
At the beginning and end of the year	1,103,859	1,103,859

25 Profit and loss reserves

	2021 £	2020 £
At the beginning of the year	8,557,889	8,427,759
Profit for the year	449,393	130,130
At the end of the year	9,007,282	8,557,889

26 Operating lease commitments

Lessee

	2021 £	2020 £
Within one year	13,387	13,387
Between two and five years	53,548	53,548
In over five years	571,176	589,026
	638,111	655,961

27 Related party transactions

Transactions with related parties
During the year the company entered into the following transactions with related parties:

	Sales		Purchases	
	2021 £	2020 £	2021 £	2020 £
Other related parties	14,320	-	2,713	260

The company consider key management personnel to be the directors.

28 Ultimate controlling party

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

29 Analysis of changes in net funds

	1 June 2020 £	Cash flows £	Market value movements £	31 May 2021 £
Cash at bank and in hand	1,437,766	1,278,905	-	2,716,671
Borrowings excluding overdrafts	-	(1,034,977)	(22,491)	(1,057,468)
Obligations under finance leases	(19,285)	5,781	-	(13,504)
	1,418,481	249,709	(22,491)	1,645,699

30 Cash (absorbed by)/generated from operations

	2021	2020
	£	£
Profit for the year after tax	449,393	130,130
Adjustments for:		
Finance costs	24,178	1,227
Investment income	(18,968)	-
Proceeds on sale of players	(285,333)	(372,289)
Amortisation and impairment of intangible assets	-	8,000
Depreciation and impairment of tangible fixed assets	285,111	342,510
Amounts written off investments	(32,733)	15,000
Decrease in deferred income	(20,700)	(6,150)
Movements in working capital:		
Decrease in stocks	577	-
(Increase)/decrease in debtors	(67,111)	405,528
(Decrease)/increase in creditors	(1,050,163)	303,685
Cash (absorbed by)/generated from operations	(715,749)	827,641