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Registered number: SC005773

ST. MIRREN FOOTBALL CLUB LTD. (THE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2023

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ST. MIRREN FOOTBALL CLUB LTD. (THE)

COMPANY INFORMATION

Directors	J Gillespie J Irvine M MacMillan P McNeill J Needham A White
Company secretary	C Stewart
Registered number	SC005773
Registered office	The SMISA Stadium Greenhill Road Paisley Renfrewshire PA3 1RU
Independent auditor	French Duncan LLP (trading as AAB) Chartered Accountants & Statutory Auditor 133 Finnieston Street Glasgow G3 8HB
Bankers	Clydesdale Bank 1 Causeyside Street Paisley PA1 1UW
Solicitors	Digby Brown LLP 2 West Regent Street Glasgow G2 1RW

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ST. MIRREN FOOTBALL CLUB LTD. (THE)

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 MAY 2023

Chairman's Report

The year to 31 May 2023 was one characterised by significant progress for the Club on and off the park. Accordingly, we are pleased to report results which are well ahead of what we forecast at the last AGM.

As a result of the stringent actions taken by the Board, the Operating Loss of £386,850 (2021/22 - £2,014,127) represents a major improvement compared to last year and the initial budget at the start of the financial year. Once profit on disposals of player registrations and interest receivable are added, as well as interest payable deducted, the Net Loss is £56,582 (2021/22 - £1,598,506). We remain on track to report a break-even trading position in the year to 31 May 2024 as forecast.

On the field we had a very good season resulting in our first Top 6 finish in the Premiership and our best league performance since season 1984/85. We saw regular international recognition for several players and our Assistant Manager, together with individual awards for the Manager and team captain Mark O'Hara. The team's performances, allied to our decision to retain three stands for all home fixtures, resulted in record attendances and improved season ticket sales.

We have also made good progress with our player trading model resulting in the negotiation of better fees and appropriate sell on contracts for players moving on from the Club. This will continue to be an area of focus and we believe we already have a squad which has increased in value and this is reflected in the team's start to the current league season.

Behind the scenes our COO and his team have delivered significant operating improvements. This has produced increased commercial income, improved online media output, record kit sales and significant community outreach and engagement. The delivery of these initiatives, and more that are already underway, will be key to ensuring that the Club has a broadly based and sustainable model designed to deliver continued success in the future. An important aspect of this is working more closely with our Women's Team/Academy and our Charitable Foundation. These are key elements of the St. Mirren family and steps are underway to increase collaboration and alignment.

The irreparable damage to The Dome was a significant setback. However, we are treating it as an opportunity to deliver something even better for the future. Plans have been drawn up and discussions are underway with potential stakeholders and funders aimed at delivering an improved facility. We will provide updates to fans and shareholders as the project progresses.

Much has been achieved but there remains much to do. You will have seen our recently published vision and strategy aimed at becoming The Best Community Centred Development Football Club in Scotland. This will build on what we have achieved to date, and we will continue to work with Keith and his team to deliver this vision.

We want to thank everyone involved in helping deliver these results. Players, management, operational staff, volunteers, directors and our loyal, growing fanbase. The progress achieved to date shows the success that can be attained if we all work together for the good of the Club, we all care for so much.

Thank you all!

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.

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Key performance indicators

The directors monitor performance against the following key performance indicators:

- Football success;
- Match attendance statistics;
- Sales and cost performance per division;
- Wages costs;
- Profit and cash generation;
- Development of young players through our academy system; and
- Maintenance and investment in the stadium and academy infrastructure.

This report was approved by the board and signed on its behalf.

DocuSigned by:
John Needham
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J Needham
Director

Date: 27 November 2023

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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MAY 2023

The directors present their report and the financial statements for the year ended 31 May 2023.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company's financial statements 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 to 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.

Principal activity

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 loss for the year, after taxation, amounted to £56,582 *(2022 - loss £1,598,506)*.

No dividend was paid during the year (2022 - £Nil).

Directors

The directors who served during the year and to the date of this report were:

J Gillespie
J Irvine (appointed 30 October 2023)
M MacMillan
P McNeill (appointed 14 November 2022)
J Needham
G Scott (resigned 30 May 2023)
A Wardrop (resigned 19 November 2022)
A White

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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 income. The target of future plans is to maintain our position in the Premiership 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.

Directors' insurance

St. Mirren Football Club Ltd. (The) 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.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the company since the year end.

Auditor

The auditor, French Duncan LLP (trading as AAB), is deemed to have been reappointed under section 487(2) of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

DocuSigned by:
John Needham
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J Needham
Director

Date: 27 November 2023

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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 2023, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of cash flows, the Statement of changes in equity and the related notes, 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 Financial Reporting Standard 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 2023 and of its loss 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 United Kingdom, including the Financial Reporting Council'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.

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Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the 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 or the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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 set out on page 3, 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.

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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.

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

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company‘s financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed high level analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed the laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspections of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

DocuSigned by:
French Duncan LLP
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Stephen G Hughes (Senior Statutory Auditor)

for and on behalf of
French Duncan LLP

Chartered Accountants & Statutory Auditor
133 Finnieston Street
Glasgow
G3 8HB
Date: 27 November 2023

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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MAY 2023

	Note	2023 £	*2022 £*
Turnover	4	**5,699,742**	*4,255,888*
Operating expenses		**(6,299,116)**	*(6,301,597)*
Other operating income	5	**212,524**	*31,582*
Operating loss	6	**(386,850)**	*(2,014,127)*
Profit on disposal of player and manager registrations		**394,167**	*435,729*
Interest receivable and similar income	10	**1,854**	*-*
Interest payable and similar expenses	11	**(69,445)**	*(46,853)*
Change in fair value of investments		**3,692**	*26,745*
Loss before tax		**(56,582)**	*(1,598,506)*
Loss for the financial year		**(56,582)**	*(1,598,506)*

There was no other comprehensive income for 2023 (2022:£NIL).

The notes on pages 15 to 30 form part of these financial statements.

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ST. MIRREN FOOTBALL CLUB LTD. (THE)
REGISTERED NUMBER: SC005773

STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2023

	Note		2023 £		*2022 £*
Fixed assets					
Intangible assets	13		**-**		*4,250*
Tangible assets	14		**8,507,622**		*8,833,559*
			8,507,622		*8,837,809*
Current assets					
Debtors: amounts falling due within one year	15	**885,117**		*688,680*	
Current asset investments	16	**-**		*294,478*	
Cash at bank and in hand	17	**1,317,411**		*972,315*	
		2,202,528		*1,955,473*	
Creditors: amounts falling due within one year	18	**(1,168,848)**		*(1,025,963)*	
Net current assets			**1,033,680**		*929,510*
Total assets less current liabilities			**9,541,302**		*9,767,319*
Creditors: amounts falling due after more than one year	19		**(926,499)**		*(1,083,494)*
Provisions for liabilities					
Deferred grants	23		**(63,500)**		*(75,940)*
Net assets			**8,551,303**		*8,607,885*
Capital and reserves					
Called up share capital	24		**95,250**		*95,250*
Share premium account	25		**1,103,859**		*1,103,859*
Profit and loss account	25		**7,352,194**		*7,408,776*
			8,551,303		*8,607,885*

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

DocuSigned by:
John Needham
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J Needham
Director

Date: 27 November 2023

The notes on pages 15 to 30 form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2023

	Share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 June 2021	**95,250**	**1,103,859**	**9,007,282**	**10,206,391**
Loss for the year	**-**	**-**	**(1,598,506)**	**(1,598,506)**
At 1 June 2022	**95,250**	**1,103,859**	**7,408,776**	**8,607,885**
Loss for the year	**-**	**-**	**(56,582)**	**(56,582)**
At 31 May 2023	**95,250**	**1,103,859**	**7,352,194**	**8,551,303**

The notes on pages 15 to 30 form part of these financial statements.

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ST. MIRREN FOOTBALL CLUB LTD. (THE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MAY 2023

	2023 £	*2022* *£*
Cash flows from operating activities		
Loss for the financial year	**(56,582)**	*(1,598,506)*
Adjustments for:		
Amortisation of intangible assets	**4,250**	*8,501*
Depreciation of tangible assets	**364,815**	*323,357*
Loss on disposal of tangible assets	**-**	*(2,203)*
Government grants	**(189,823)**	*-*
Finance costs	**69,445**	*46,853*
Investment income	**(1,854)**	*-*
Decrease in stocks	**-**	*2,668*
(Increase) in debtors	**(196,437)**	*(298,933)*
Increase in creditors	**121,273**	*226,548*
(Decrease) in provisions	**(12,440)**	*(12,250)*
Proceeds on sale of players	**(394,167)**	*(435,729)*
Change in fair value of investments	**(3,692)**	*(26,745)*
Net cash generated from operating activities	**(295,212)**	*(1,766,439)*
Cash flows from investing activities		
Purchase of intangible fixed assets	**-**	*(12,751)*
Purchase of tangible fixed assets	**(38,878)**	*(401,139)*
Sale of investments	**298,169**	*-*
Proceeds on sale of players	**394,167**	*435,729*
Interest received	**1,854**	*-*
Net cash from investing activities	**655,312**	*21,839*

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STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2023

	2023 £	*2022* *£*
Cash flows from financing activities		
Repayment of borrowings	**(10,620)**	*(10,620)*
Repayment of/new finance leases	**(3,114)**	*12,379*
Finance costs	**(1,270)**	*(1,515)*
Net cash used in financing activities	**(15,004)**	*244*
Net increase/(decrease) in cash and cash equivalents	**345,096**	*(1,744,356)*
Cash and cash equivalents at beginning of year	**972,315**	*2,716,671*
Cash and cash equivalents at the end of year	**1,317,411**	*972,315*
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**1,317,411**	*972,315*

The notes on pages 15 to 30 form part of these financial statements.

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ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MAY 2023

	At 1 June 2022 £	Cash flows £	New finance leases £	Other non-cash changes £	At 31 May 2023 £
Cash at bank and in hand	**972,315**	**345,096**	**-**	**-**	**1,317,411**
Debt due after 1 year	**(1,070,147)**	**10,620**	**-**	**143,699**	**(915,828)**
Debt due within 1 year	**(76,770)**	**-**	**-**	**(22,050)**	**(98,820)**
Finance leases	**(18,717)**	**5,224**	**(2,110)**	**-**	**(15,603)**
Liquid investments	**294,478**	**(294,478)**	**-**	**-**	**-**
	101,159	**66,462**	**(2,110)**	**121,649**	**287,160**

The notes on pages 15 to 30 form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2023

1. General information

The company is a private company limited by shares and is incorporated in Scotland. The registered office is The SMISA Stadium, Greenhill Road, Paisley, PA3 1RU and the company registered number is SC005773.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The company's functional and presentational currency is GBP.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The current liquidity of the company is continuously monitored by the Board and is updated to reflect any new assumptions. The Board consider football performance, fan attendance together with income from all sources, player salaries, and operating costs to be the key assumptions when forecasting.

The Board are confident that existing resources and forecast revenues will provide sufficient headroom for the company to meet their forecasted 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 company has adequate resources to continue in operational existence for the foreseeable future. Thus the Board continues to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Revenue

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

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.

Profit 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.

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2. Accounting policies (continued)

2.4 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.5 Leased assets: the company as lessee

Assets obtained under hire purchase contracts are capitalised as tangible fixed assets. Assets acquired by hire purchase are depreciated over their useful lives. Hire purchase contracts are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.6 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

2.7 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.8 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

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2. Accounting policies (continued)

2.10 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

2.11 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.

2.12 Intangible assets

Fees and other costs payable on the transfer of players' registrations are capitalised and amortised over the period of the respective players' contracts. Signing-on fees are expensed to the Statement of comprehensive income in the accounting period in which they are payable. Compensation payments made to other clubs for football management staff are amortised over the period of the relevant contract. Fees receivable from other football clubs on the transfer of players' registrations are dealt with through the Statement of comprehensive income in the accounting period in which the transfer takes place.

2.13 Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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2. Accounting policies (continued)

2.13 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method or reducing balance method.

Depreciation is provided on the following basis:

Freehold property	- 2% - 10% on cost
Long-term leasehold	- 10% on cost or in accordance with the lease term
Plant and machinery	- 15% - 20% on cost
Motor vehicles	- 25% on reducing balance
Fixtures and fittings	- 10% - 33% on cost
Computer equipment	- 33% on cost
Improvements to property	- 10% on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in Statement of Comprehensive Income.

2.14 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.15 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

2.16 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.17 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash

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2. Accounting policies (continued)

2.17 Financial instruments (continued)

flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from these estimates. The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements.

Depreciation of tangible fixed assets
The estimates and assumptions made to determine asset lives require judgements to be made as regards useful lives and residual values. The useful lives and residual values of the company's financial assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets and in the current year there have been no changes to useful lives noted.

Net present value of long term loan
The Scottish Ministers interest-free loan, which is due to be repaid by 2042, and the Energy Trust interest-free loan, which is due to be repaid by 2028, are considered to be below market rate. As such, these loans have been discounted to net present value using an interest rate the directors believe to be appropriate for the size and nature of the football club.

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4. Turnover

An analysis of turnover by class of business is as follows:

	2023 £	2022 £
Gate receipts	**1,574,251**	*1,190,143*
UEFA Solidarity and prize money	**678,397**	*652,489*
Commercial income	**495,978**	*296,904*
Sponsorship and advertising	**369,744**	*322,874*
Other income	**600,548**	*233,338*
Broadcasting rights	**1,980,824**	*1,560,140*
	5,699,742	*4,255,888*

All turnover arose within the United Kingdom.

5. Other operating income

	2023 £	2022 £
Grants received	**212,524**	*14,316*
Sundry income	**-**	*17,266*
	212,524	*31,582*

Included within government grants is the difference between fair value and book value of the Premier Division Support Fund amounting to £189,824 (2022 - £Nil).

6. Operating loss

The operating (loss)/profit is stated after charging/(crediting):

	2023 £	2022 £
Other operating lease rentals	**16,497**	*16,897*
Depreciation of owned tangible fixed assets	**360,701**	*320,183*
Depreciation of tangible fixed assets held under finance leases	**4,114**	*3,174*

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7. Auditor's remuneration

During the year, the company obtained the following services from the company's auditor:

	2023 £	*2022* *£*
Fees payable to the company's auditor for the audit of the company's financial statements	**14,150**	*13,650*

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2023 £	*2022* *£*
Wages and salaries	**3,823,032**	*3,538,922*
Social security costs	**401,027**	*322,203*
Cost of defined contribution scheme	**38,509**	*38,271*
	4,262,568	*3,899,396*

The average monthly number of employees, including the directors, during the year was as follows:

	2023 No.	*2022* *No.*
Players	**31**	*39*
Management and administration	**109**	*75*
	140	*114*

9. Directors' remuneration

	2023 £	*2022* *£*
Directors' emoluments	**-**	*65,954*
Company contributions to defined contribution pension schemes	**-**	*1,101*
	-	*67,055*

During the year retirement benefits were accruing to no directors *(2022 - 1)* in respect of defined contribution pension schemes.

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10. Interest receivable

	2023 £	*2022* *£*
Interest on bank deposits	**1,854**	-

11. Interest payable and similar expenses

	2023 £	*2022* *£*
Other interest on financial liabilities	**-**	*221*
Finance costs for interest-free loans measured at fair value through profit or loss	**68,175**	*45,338*
Hire purchase contracts	**1,270**	*1,294*
	69,445	*46,853*

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12. Taxation

No liability to UK corporation tax arose for the year ended 31 May 2023 nor the year ended 31 May 2022.

Factors affecting tax charge for the year

The tax assessed for the year is higher than *(2022 - higher than)* the standard rate of corporation tax in the UK of 20% *(2022 - 19%)*. The differences are explained below:

	2023 **£**	*2022* *£*
Loss on ordinary activities before tax	**(56,582)**	*(1,598,506)*
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2022 - 19%)	**(13,397)**	*(303,716)*
Effects of:		
Expenses not deductible for tax purposes	**3,618**	*4,151*
Capital allowances for year in excess of depreciation	**43,386**	*33,963*
Remeasurement of deferred tax for changes in tax rates	**6,043**	*(84,366)*
Movement in deferred tax not recognised	**(39,650)**	*349,968*
Total tax charge for the year	**-**	-

No deferred tax debtor has been included in the financial statements for the trading losses being carried by the company because, in the opinion of the directors, it is not probable that these will be utilised in the near future. At 31 May 2023, the company had tax losses carried forward of £5,649,092 (2022 - £5,937,227).

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13. Intangible assets

	Player registrations £
Cost	
At 1 June 2022	**12,751**
At 31 May 2023	**12,751**
Amortisation	
At 1 June 2022	**8,501**
Charge for the year	**4,250**
At 31 May 2023	**12,751**
Net book value	
At 31 May 2023	**-**
At 31 May 2022	*4,250*

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14. Tangible fixed assets

	Freehold property £	Long-term leasehold £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Improvements to property £	Total £
Cost or valuation							
At 1 June 2022	**10,719,272**	**501,041**	**55,923**	**284,901**	**134,877**	**344,764**	**12,040,778**
Additions	**-**	**-**	**-**	**3,685**	**-**	**35,193**	**38,878**
Disposals	**(180,323)**	**-**	**-**	**-**	**-**	**-**	**(180,323)**
At 31 May 2023	**10,538,949**	**501,041**	**55,923**	**288,586**	**134,877**	**379,957**	**11,899,333**
Depreciation							
At 1 June 2022	**2,845,987**	**146,113**	**23,644**	**101,654**	**24,886**	**64,935**	**3,207,219**
Charge for the year	**219,334**	**21,448**	**9,523**	**32,351**	**44,962**	**37,197**	**364,815**
Disposals	**(180,323)**	**-**	**-**	**-**	**-**	**-**	**(180,323)**
At 31 May 2023	**2,884,998**	**167,561**	**33,167**	**134,005**	**69,848**	**102,132**	**3,391,711**
Net book value							
At 31 May 2023	**7,653,951**	**333,480**	**22,756**	**154,581**	**65,029**	**277,825**	**8,507,622**
At 31 May 2022	*7,873,285*	*354,928*	*32,279*	*183,247*	*109,991*	*279,829*	*8,833,559*

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14. Tangible fixed assets (continued)

Included in cost of land and buildings is freehold land of £475,000 (2022 - £475,000) which is not depreciated.

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2023 £	*2022* *£*
Plant and machinery	**11,369**	*24,251*
Furniture, fittings and equipment	**1,993**	*-*
	13,362	*24,251*

15. Debtors

	2023 £	*2022* *£*
Trade debtors	**178,623**	*288,321*
Prepayments and accrued income	**706,494**	*400,359*
	885,117	*688,680*

16. Current asset investments

	2023 £	*2022* *£*
Listed investments	**-**	*294,478*

The original cost of the listed investments included in the prior year above was £250,000.

17. Cash and cash equivalents

	2023 £	*2022* *£*
Cash at bank and in hand	**1,317,411**	*972,315*

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18. Creditors: Amounts falling due within one year

	2023 £	2022 £
Other loans	**98,820**	*76,770*
Trade creditors	**296,844**	*217,052*
Other taxation and social security	**366,091**	*271,310*
Obligations under finance lease and hire purchase contracts	**4,932**	*5,370*
Other creditors	**68,899**	*107,000*
Accruals and deferred income	**333,262**	*348,461*
	1,168,848	*1,025,963*

19. Creditors: Amounts falling due after more than one year

	2023 £	2022 £
Other loans	**915,828**	*1,070,147*
Net obligations under finance leases and hire purchase contracts	**10,671**	*13,347*
	926,499	*1,083,494*

20. Loans

Analysis of the maturity of loans is given below:

	2023 £	2022 £
Amounts falling due within 1 year	**98,820**	*76,770*
Amounts falling due 1-2 years	**98,820**	*98,820*
Amounts falling due 2-5 years	**294,690**	*296,460*
Amounts falling due over 5 years	**1,323,000**	*1,353,900*
	1,815,330	*1,825,950*

The above reflects the actual cash repayments due under the terms of the loans. The amounts within creditors reflect the discount value of payments and unwinding of effective interest.

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21. Hire purchase contracts

Minimum lease payments under hire purchase fall due as follows:

	2023 £	*2022* *£*
Within one year	**5,906**	*5,370*
Between 1-5 years	**11,456**	*13,347*
	17,362	*18,717*

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

22. Financial instruments

	2023 £	*2022* *£*
Financial assets		
Financial assets measured at fair value through profit or loss	**-**	*294,478*
Financial liabilities		
Other financial liabilities measured at fair value through profit or loss	**1,014,648**	*(1,146,917)*

Financial assets measured at fair value through profit or loss comprise current asset investments.

Other financial liabilities measured at fair value through profit or loss comprise the Energy Trust Loan and the Premier Division Support Fund, within other loans.

23. Deferred grants

	Deferred grants £
At 1 June 2022	**75,940**
Credited to profit or loss	**(12,440)**
At 31 May 2023	**63,500**

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24. Share capital

	2023 £	*2022* *£*
Allotted, called up and fully paid		
190,500 Ordinary shares of £0.50 each	**95,250**	*95,250*

25. Reserves

Share premium account

This reserve records the amount above the nominal value received for shares issued, less transaction costs.

Profit and loss account

The profit and loss account represents the accumulated profits and losses of the company less distributions made to shareholders.

26. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £38,509 (2022 - £38,271). Contributions totalling £11,042 (2022 - £10,209) were payable to the fund at the reporting date and are included in creditors.

27. Commitments under operating leases

At 31 May 2023 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	*2022* *£*
Not later than 1 year	**15,498**	*15,601*
Later than 1 year and not later than 5 years	**49,866**	*53,415*
Later than 5 years	**5,974**	*17,923*
	71,338	*86,939*

28. Other financial commitments

The company has a credit card facility which is secured by a floating charge over the assets and undertakings of the company.

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29. Related party transactions

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

	Sales		Purchases	
	2023	2022	2023	2022
	£	£	£	£
The 1877 Society Limited	**9,967**	**7,070**	**-**	**-**
Kibble Education and Care Centre	**60,023**	**13,213**	**-**	**487**
Kibbleworks	**-**	**-**	**143,931**	**141,163**
	69,990	**20,283**	**143,931**	**141,650**

During the year, the 1877 Society Limited donated £66,518 for 22/23 to the company, £21,124 of which is included within accrued income at 31 May 2023.

Kibbleworks is a subsidiary of Kibble Education and Care Centre, who hold a joint controlling shareholding in the company. At the year end, a balance of £36,030 was due to Kibbleworks.

At the year end, a balance of £11,029 was due from Kibble Education and Care Centre. Nil balance was outstanding with The 1877 Society Limited.

The company consider the key management personnel to be the directors, chief operating officer, general manager and other key administration and operational managers. Total remuneration including social security in respect of these staff and directors is £178,885 (2022- £128,905).

30. Controlling party

The company is under the joint control of The 1877 Society Limited and Kibble Education and Care Centre.