

Company Registration No. SC005702 (Scotland)

**THE MOTHERWELL FOOTBALL AND ATHLETIC CLUB LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2022**

# THE MOTHERWELL FOOTBALL AND ATHLETIC CLUB LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr A G Burrows Mr D H Dickie Mr T M H Feely Mr J C McMahon Mr A J Wilson
<b>Company number</b>	SC005702
<b>Registered office</b>	Fir Park Stadium Firpark Street Motherwell ML1 2QN
<b>Auditor</b>	Azets Audit Services Titanium 1 King's Inch Place Renfrew Renfrewshire United Kingdom PA4 8WF

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# THE MOTHERWELL FOOTBALL AND ATHLETIC CLUB LIMITED

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# THE MOTHERWELL FOOTBALL AND ATHLETIC CLUB LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 MAY 2022

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The directors present the strategic report for the year ended 31 May 2022.

#### **Business review**

The most important aspect of the 2021/22 season was that after the previous “closed doors” one, the Club was able to have fans in attendance at its fixtures. Three games were affected by national attendance restrictions but apart from those we were able to operate almost normally. That is a testament to the extensive work undertaken by Club staff in ensuring the stadium was fully compliant with all the additional Covid regulations.

The fans at the matches included those who had purchased season tickets for the 2020/21 season but had been unable to attend games due to the pandemic. The Club was delighted to honour its commitment to provide those fans with a free 2021/22 season ticket. In turn many of them helped the Club provide free season tickets to local unemployed and low-income families through its Well In scheme. Thank you for that.

During the 2021/22 season the Club competed in the top flight of Scottish football for its thirty-seventh consecutive season as well as both national cup competitions. After a strong start to the league campaign, a period of difficult results was followed by a good finish and the Club ended the season in a highly creditable fifth place, which also resulted in qualification for the second qualifying round of the 2022/23 season Europa Conference League. In the national cup competitions, the Club successfully topped its Premier Sports Cup group before exiting at the next stage following defeat away to Dundee. In the Scottish Cup home wins over Greenock Morton and Aberdeen were followed by a narrow home defeat to Hibernian at the Quarter Final stage.

Following a difficult start to the 2022/23 season, the Club agreed with the manager Graham Alexander and his assistant Chris Locketti that it would be best to make a change. The Club would like to place on record its sincere thanks to Graham and Chris for all their hard work and effort and wish them every success in their future careers.

After a robust recruitment process, the Club appointed Steven Hammell as its new manager with Brian Kerr as his assistant. Steven was the director of the Club’s successful Youth Academy and as well as having the support and buy-in of the current squad and staff shared the Board’s medium to long-term vision around a fully integrated club.

In the 2021/22 season the Club also continued to expand its involvement in women’s football in Scotland. The Club appointed Paul Brownlie as its first full time head of women and girl’s performance. Paul’s responsibilities include being head coach of the Club’s women’s team who finished in seventh place in the 2021/22 Scottish Women’s Premier League. The Club also established a Girls Academy during the season which will provide a clear pathway for local young girls to the Club’s women’s first team.

Comparing the financial results for the 2021/22 season to earlier years and the previous “closed doors” 2020/21 season in particular is very difficult, as is apparent from the accounts, but the Club is reporting a financial loss of £1.082m for the 2021/22 season.

Included within the loss is this year’s estimated finance cost from the Scottish Government loan received in the prior year. This is essentially a partial release of the prior year accounting gain from the “interest free economic benefit” arising from the loan. This gain £1.518m was a significant element of the £3.575m record profit recorded for the 2020/21 season. The reversal of this is effectively accounted for as a finance cost to be released over the next twenty-one years (the lifetime of the loan).

Excluding the impact of this the Club’s operating loss for the 2021/22 season is £0.98m.

The Club generated £5.572m of operations Revenue plus a further £267k of Other operating income and £974k of Player registration gains, resulting in overall income of £6.813m.

The overall income in the previous year excluding the “interest free economic benefit” of the Scottish Government’s loan was £8.980m but this included the initial element (excluding add-ons) of the Club’s record transfer fee from the sale of David Turnbull to Celtic and also European prize money of £775k. Therefore, although reduced from the previous year the overall income actually exceeded the Club’s initial budgets.

# THE MOTHERWELL FOOTBALL AND ATHLETIC CLUB LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MAY 2022**

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### **Business review (continued)**

While they can never be guaranteed Player registration gains form an integral part of the Club's business model and when they do occur influence budget decisions in the following seasons. Over the last six years Player registration gains generated by the Club exceed £7m and have enabled significant investments in many areas of the Club's operations with the costs connected to some of these investment decisions occurring in the 2021/22 season.

The Club spent £5.237m in staff costs, an increase of £540k. £75k of this cost increase can be attributed to wages to our matchday and hospitality staff who were not required in the "closed doors" 2020/21 season. It was decided to increase the player budget partly to assist the new manager build his own squad and to allow the Club to carry a larger squad than normal in case of any Covid-19 outbreaks; the fifth place league finish and qualification for European competition in the 2022/23 season also resulted in significant player bonuses. There was also an investment in staff in all the football department operations covering Men's, Women's and Youth football to assist ensure the Club's football practices remain fit for purpose.

Some of the investment in the football department operations is responsible for the £316k increase in Other operating expenses to £2.154m along with costs connected to matchdays which were much reduced in the "closed doors" 2020/21 season.

There was also a small £15k increase in the Club's depreciation and amortisation costs. These costs have been £406k and £386k in the last two years. Previously these costs averaged around £200k a year and this doubling of these amounts reflects the further investments being made in both player and stadium assets by the Club.

The Club's balance sheet continues to reflect a Club on a sound financial footing.

The Club's cash and cash equivalents at 31 May 2022 were £4.237m. Having these funds allowed the Club to invest just under £1.2m in a new hybrid pitch around the period of the financial year end. This major investment not only resolves the significant issues developing with the previous pitch and the ever increasing costs required to maintain it but also should allow a greater use and commercialisation of Fir Park. It gives us arguably the best playing surface in the country.

The Club's Non-current assets increased to £6.3m as a result of continued investment in both player and stadium assets. The principal stadium addition was the first £560k towards the new hybrid pitch but there was also expenditure refurbishing the majority of the stadium toilet areas and the home dressing room and investment in the Club's IT equipment and infrastructure.

While the Club's financial position is healthy in the short term the Club is acutely aware of the challenges it faces both in terms of operating in the current economic climate and running as a fan owned club in an increasingly competitive and owner financed top flight.

The Board and management team continue to examine new ways of generating additional revenue streams as well as maximising current ones and are also looking at ways to streamline costs and make the Club more efficient. We will share those ideas with you in the near future.

As I said before, our viability is dependent on all our component parts - fans, owners, playing and coaching staff, the management team and the Board - working in unison. They have throughout the 2021/22 season. My thanks to everyone for that.

### **Risks and uncertainties**

Due to the nature of professional football and participating in competitive sport there are many risks and inherent uncertainties to be considered. The directors consider that the principal risks and uncertainties are the following:

- the 1st team's football performance;
- the development of centrally controlled broadcast deals;
- the maintenance of season ticket revenue and match day attendances;
- external economic conditions affecting spending capacity of supporters and sponsors;
- the availability of future funding from The Well Society.

# THE MOTHERWELL FOOTBALL AND ATHLETIC CLUB LIMITED

## STRATEGIC REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 MAY 2022*

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### **Future outlook**

The current liquidity and future cash position of the Club has been reviewed by the Board, including a comprehensive review of the cash flow projections for season 2022/23 and consideration of the resource requirements to the end of season 2023/24. The projections make key assumptions around football performance, ticket sales, sponsorship, player salaries, operating costs and the ability to secure further finance amongst other factors.

Despite forecasting a cash out flow with further investment in this season's playing squad alongside significant investment in the refurbishment of the pitch, the Board are confident that the Club's existing resources and financial support available from The Well Society will provide sufficient headroom to meet the forecast cash requirements. This takes into consideration the potential impact should key assumptions not materialise as projected including anticipated football performance.

Taking all of the above into consideration, the Board believe that it is appropriate to prepare the financial statements on the going concern basis.

### **Financial instruments**

Our financial risk management objectives are to ensure sufficient working capital and cash flow for the company and to ensure there is sufficient support for its future needs. This is achieved through careful management of our cash resources and by obtaining loans from The Well Society where necessary. No treasury transactions or derivatives are entered into.

On behalf of the board

Mr J C McMahon  
**Director**

7 November 2022

# THE MOTHERWELL FOOTBALL AND ATHLETIC CLUB LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 MAY 2022**

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

### **Principal activities**

The principal activity of the company in the year under review was that of the promotion and organisation of professional football and allied activities.

### **Results and dividends**

The results for the year are set out on page 10.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

### **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 G Burrows  
Mr D H Dickie  
Mr T M H Feely  
Mr J C McMahon  
Mr A J Wilson

### **Post reporting date events**

Information relating to events since the end of the year is given in the notes to the financial statements.

### **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.

On behalf of the board

Mr J C McMahon  
**Director**

7 November 2022

# THE MOTHERWELL FOOTBALL AND ATHLETIC CLUB LIMITED

## DIRECTORS' RESPONSIBILITIES STATEMENT

*FOR THE YEAR ENDED 31 MAY 2022*

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

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



# THE MOTHERWELL FOOTBALL AND ATHLETIC CLUB LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF THE MOTHERWELL FOOTBALL AND ATHLETIC CLUB LIMITED

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#### Opinion

We have audited the financial statements of The Motherwell Football and Athletic Club Limited (the 'company') for the year ended 31 May 2022 which comprise the income statement, the statement of comprehensive income, the statement of financial position, 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 2022 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 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 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.

# THE MOTHERWELL FOOTBALL AND ATHLETIC CLUB LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF THE MOTHERWELL FOOTBALL AND ATHLETIC CLUB LIMITED

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#### **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.

# THE MOTHERWELL FOOTBALL AND ATHLETIC CLUB LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF THE MOTHERWELL FOOTBALL AND ATHLETIC CLUB LIMITED

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#### **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.

# THE MOTHERWELL FOOTBALL AND ATHLETIC CLUB LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF THE MOTHERWELL FOOTBALL AND ATHLETIC CLUB LIMITED

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#### **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.

**Alan Brown (Senior Statutory Auditor)**  
**For and on behalf of Azets Audit Services**

7 November 2022

**Chartered Accountants**  
**Statutory Auditor**

Titanium 1  
King's Inch Place  
Renfrew  
Renfrewshire  
United Kingdom  
PA4 8WF

# THE MOTHERWELL FOOTBALL AND ATHLETIC CLUB LIMITED

## INCOME STATEMENT

FOR THE YEAR ENDED 31 MAY 2022

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	Notes	2022 £	2021 £
<b>Revenue</b>	<b>3</b>	5,572,309	3,566,912
Other operating income	<b>3</b>	267,220	4,125,691
Player registration gains	<b>3</b>	974,168	2,805,750
Staff costs	<b>6</b>	(5,237,298)	(4,697,888)
Depreciation and other amounts written off tangible and intangible fixed assets	<b>4</b>	(406,901)	(386,627)
Other operating expenses		(2,154,020)	(1,838,665)
<b>Operating (loss)/profit</b>	<b>4</b>	(984,522)	3,575,173
Investment income	<b>8</b>	8,474	1,144
Finance costs	<b>9</b>	(106,312)	(22,966)
<b>(Loss)/profit before taxation</b>		(1,082,360)	3,553,351
Tax on (loss)/profit	<b>10</b>	-	22,264
<b>(Loss)/profit for the financial year</b>		(1,082,360)	3,575,615

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The income statement has been prepared on the basis that all operations are continuing operations.

# THE MOTHERWELL FOOTBALL AND ATHLETIC CLUB LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

*FOR THE YEAR ENDED 31 MAY 2022*

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	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>(Loss)/profit for the year</b>	(1,082,360)	3,575,615
<b>Other comprehensive income</b>		
Tax relating to other comprehensive income	-	(243,575)
<b>Total comprehensive income for the year</b>	<u>(1,082,360)</u>	<u>3,332,040</u>

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# THE MOTHERWELL FOOTBALL AND ATHLETIC CLUB LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 MAY 2022

	Notes	2022		2021	
		£	£	£	£
<b>Non-current assets</b>					
Intangible assets	11		426,454		89,292
Property, plant and equipment	12		5,874,533		5,327,422
			<u>6,300,987</u>		<u>5,416,714</u>
<b>Current assets</b>					
Inventories	14	30,184		14,328	
Trade and other receivables	15	1,492,645		3,182,341	
Cash and cash equivalents		4,237,114		4,117,620	
		<u>5,759,943</u>		<u>7,314,289</u>	
<b>Current liabilities</b>	16	(2,633,730)		(1,833,670)	
<b>Net current assets</b>			3,126,213		5,480,619
<b>Total assets less current liabilities</b>			<u>9,427,200</u>		<u>10,897,333</u>
<b>Non-current liabilities</b>	17		(1,534,928)		(1,458,799)
<b>Provisions for liabilities</b>					
Deferred tax liability	20	922,128		922,128	
		<u>(922,128)</u>		<u>(922,128)</u>	
<b>Deferred income</b>	21		(310,976)		(774,878)
<b>Net assets</b>			<u>6,659,168</u>		<u>7,741,528</u>
<b>Equity</b>					
Called up share capital	23		300,831		300,831
Share premium account	24		374,398		374,398
Revaluation reserve	25		2,641,246		2,702,670
Retained earnings	26		3,342,693		4,363,629
<b>Total equity</b>			<u>6,659,168</u>		<u>7,741,528</u>

The financial statements were approved by the board of directors and authorised for issue on 7 November 2022 and are signed on its behalf by:

Mr J C McMahon  
Director

Company Registration No. SC005702

# THE MOTHERWELL FOOTBALL AND ATHLETIC CLUB LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAY 2022

	Share capital	Share premium account	Revaluation reserve	Retained earnings	Total
	£	£	£	£	£
<b>Balance at 1 June 2020</b>	300,831	374,398	3,013,205	721,054	4,409,488
<b>Year ended 31 May 2021:</b>					
Profit for the year	-	-	-	3,575,615	3,575,615
Other comprehensive income:					
Tax relating to other comprehensive income	-	-	(243,575)	-	(243,575)
Total comprehensive income for the year	-	-	(243,575)	3,575,615	3,332,040
Transfers from revaluation reserve	-	-	(66,960)	66,960	-
<b>Balance at 31 May 2021</b>	300,831	374,398	2,702,670	4,363,629	7,741,528
<b>Year ended 31 May 2022:</b>					
Loss and total comprehensive income for the year	-	-	-	(1,082,360)	(1,082,360)
Transfers from revaluation reserve	-	-	(61,424)	61,424	-
<b>Balance at 31 May 2022</b>	300,831	374,398	2,641,246	3,342,693	6,659,168



# THE MOTHERWELL FOOTBALL AND ATHLETIC CLUB LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MAY 2022

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	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	33	(1,369,810)		(1,463,450)	
Interest paid		(806)		(6,262)	
<b>Net cash outflow from operating activities</b>		<b>(1,370,616)</b>		<b>(1,469,712)</b>	
<b>Investing activities</b>					
Purchase of intangible assets		(437,193)		(138,646)	
Proceeds on disposal of intangibles		2,149,168		1,830,750	
Purchase of property, plant and equipment		(229,086)		(224,545)	
Proceeds on disposal of property, plant and equipment		-		2,959	
Interest received		8,474		1,144	
<b>Net cash generated from investing activities</b>		<b>1,491,363</b>		<b>1,471,662</b>	
<b>Financing activities</b>					
Proceeds from borrowings		-		2,959,000	
Repayment of bank loans		-		(50,000)	
Payment of finance leases obligations		(1,253)		(939)	
<b>Net cash (used in)/generated from financing activities</b>		<b>(1,253)</b>		<b>2,908,061</b>	
<b>Net increase in cash and cash equivalents</b>		<b>119,494</b>		<b>2,910,011</b>	
Cash and cash equivalents at beginning of year		4,117,620		1,207,609	
<b>Cash and cash equivalents at end of year</b>		<b>4,237,114</b>		<b>4,117,620</b>	

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# THE MOTHERWELL FOOTBALL AND ATHLETIC CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MAY 2022**

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### 1 Accounting policies

#### Company information

The Motherwell Football and Athletic Club Limited is a private company limited by shares incorporated in Scotland. The registered office is Fir Park Stadium, Firpark Street, Motherwell, ML1 2QN.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

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

#### 1.2 Going concern

The directors are required to prepare the statutory financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

In satisfaction of this responsibility, the Board have considered the company's ability to meet its liabilities as they fall due. This assessment considers the company's principal risks and uncertainties, and is dependent on a number of factors including financial performance and the continued support of The Well Society.

The Club started the season from a position of strength as a result of the measures put in place to reduce the impact of the pandemic on the Club's finances combined with exceptional player registration gains in season 2020/21.

During the year under review the Club reported losses of £1.08m. Reduced player trading gains compared to prior year levels, the return to normality of the Club's operations following the pandemic and continued investment in the playing squad all contributed to this. Despite the reported losses, the Club's cash position remained steady and at the year end the Club continued to have over £4m in cash reserves.

The current liquidity and future cash position of the Club has been reviewed by the Board, including a comprehensive review of the cash flow projections for season 2022/23 and consideration of the resource requirements to the end of season 2023/24. The projections make key assumptions around football performance, ticket sales, sponsorship, player salaries, operating costs and the ability to secure further finance amongst other factors.

Despite forecasting a cash out flow with further investment in this season's playing squad alongside significant investment in the refurbishment of the pitch, the Board are confident that the Club's existing resources and financial support available from The Well Society will provide sufficient headroom to meet the forecast cash requirements. This takes into consideration the potential impact should key assumptions not materialise as projected including anticipated football performance.

Taking all of the above into consideration, the Board believe that it is appropriate to prepare the financial statements on the going concern basis.

# THE MOTHERWELL FOOTBALL AND ATHLETIC CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

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### 1 Accounting policies

(Continued)

#### 1.3 Revenue

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Gate receipts and other matchday turnover are recognised in line with when the games are played. Prize money in respect of domestic cup and UEFA competitions is recognised when earned. Sponsorship and similar commercial income is recognised over the duration of the respective contracts. The fixed element of broadcasting income is recognised over the course of the football season, whilst facility fees received for highlights or live coverage are taken when earned. Merit awards related to final league position are accounted for only when known at the end of the football season.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

The company's intangible assets relate to the acquisition of player registrations.

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

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Player Registrations	Over the terms of each individual contract
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#### 1.5 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Freehold land and buildings	2% straight line (on deemed cost)
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Plant and equipment	10% - 33.33% straight line
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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.

# THE MOTHERWELL FOOTBALL AND ATHLETIC CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

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### 1 Accounting policies

(Continued)

#### 1.6 Impairment of non-current 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.7 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Inventories held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 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 statement of financial position 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.

# THE MOTHERWELL FOOTBALL AND ATHLETIC CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

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### 1 Accounting policies

(Continued)

#### **Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

# THE MOTHERWELL FOOTBALL AND ATHLETIC CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2022

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#### 1 Accounting policies

(Continued)

##### **Basic financial liabilities**

Basic financial liabilities, including trade and other payables, bank loans, other loans 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.

On initial recognition, investor loans provided on an interest free basis are required to be booked at fair value. As there is no active market for the loans, the fair value is estimated by discounting the amount repayable to the present value using a market rate for a similar instrument. The difference arising between fair value and the nominal value on initial recognition is deemed as a capital contribution and taken directly to equity in 'Other reserves'.

Trade payables 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

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

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

#### 1.10 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.

#### 1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# THE MOTHERWELL FOOTBALL AND ATHLETIC CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

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### 1 Accounting policies

(Continued)

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.12 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 non-current 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.

#### **1.13 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.14 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

#### **1.15 Government grants**

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.

Grants relating to revenue 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.

Interest free loans received from Government bodies are considered to be below market rate financial instruments. As such, the loan is recognised at the present value of future payments discounted at a market rate of interest. The difference between the fair value and nominal value of the loan is recorded as grant income in the period that conditions are met.

# THE MOTHERWELL FOOTBALL AND ATHLETIC CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

### 1 Accounting policies (Continued)

#### 1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

### 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.

#### Critical judgements and estimates

The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements.

#### *The Scottish Ministers' loan*

During the prior year, the Club received an interest free loan from The Scottish Ministers, as part of the Premier Division Support Fund, repayable in instalments by 2042.

On initial recognition, loans provided on an interest free basis are required to be booked at fair value. As there is no active market for the loans, the fair value is estimated by discounting the amount repayable to the present value using a market rate for a similar instrument. For interest free government loans, the difference arising between fair value and the nominal value on initial recognition is deemed as a grant and was recognised in Other operating income amounting to £1.52m in the prior year.

The loan is subsequently measured at amortised cost using the effective interest method and as loan interest unwinds, this is recognised within finance costs.

### 3 Revenue

	2022	2021
	£	£
<b>Revenue analysed by class of business</b>		
Gate receipts	1,789,112	-
Broadcasting rights	2,077,522	1,689,121
Commercial income	766,499	453,697
Cup prize income	205,000	217,500
UEFA prize money	-	774,812
UEFA solidarity	214,730	210,000
SFA licencing & international player participation	264,035	22,180
Youth academy	219,783	150,900
Women's team	35,628	48,702
	<u>5,572,309</u>	<u>3,566,912</u>



# THE MOTHERWELL FOOTBALL AND ATHLETIC CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

### 3 Revenue (Continued)

	2022	2021
	£	£
<b>Other significant revenue</b>		
Interest income	8,474	1,144
Grants received	42,320	1,821,737
Gains on disposal of player registrations	974,168	2,805,750
Donations	55,428	5,151
Business interruption insurance claim	169,472	2,298,803
	<u>169,472</u>	<u>2,298,803</u>

Included within Grants received in the prior year is the difference between the fair value and the book value of the Scottish Minister's loan amounting to £1,518,471.

### 4 Operating (loss)/profit

	2022	2021
	£	£
Operating (loss)/profit for the year is stated after charging/(crediting):		
Grants	(42,320)	(1,821,737)
Depreciation of owned property, plant and equipment	209,826	269,036
Profit on disposal of property, plant and equipment	-	(2,959)
Amortisation of intangible assets	197,075	120,550
	<u>197,075</u>	<u>120,550</u>

### 5 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	17,500	17,000
	<u>17,500</u>	<u>17,000</u>

# THE MOTHERWELL FOOTBALL AND ATHLETIC CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

### 6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>
Directors	5	5
Catering and Bar Staff	58	3
Commercial and Media Staff	9	10
Facilities	6	7
Matchday Staff	43	5
Football Staff	13	11
Players	41	38
Youth Football	32	29
Administration	2	2
Total	<u>209</u>	<u>110</u>

Their aggregate remuneration comprised:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	4,642,023	4,212,251
Social security costs	539,940	436,714
Pension costs	55,335	48,923
	<u>5,237,298</u>	<u>4,697,888</u>

### 7 Directors' remuneration

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	82,000	75,000
Company pension contributions to defined contribution schemes	1,321	1,314
	<u>83,321</u>	<u>76,314</u>

### 8 Investment income

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Interest income</b>		
Interest on bank deposits	8,474	1,144
	<u>8,474</u>	<u>1,144</u>

# THE MOTHERWELL FOOTBALL AND ATHLETIC CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

(Continued)

### 8 Investment income

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	8,474	1,144
	<u>8,474</u>	<u>1,144</u>

### 9 Finance costs

	2022	2021
	£	£
<b>Interest on financial liabilities measured at amortised cost:</b>		
Other interest on financial liabilities	106,312	22,966
	<u>106,312</u>	<u>22,966</u>

# THE MOTHERWELL FOOTBALL AND ATHLETIC CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2022

#### 10 Taxation

	2022 £	2021 £
<b>Deferred tax</b>		
Changes in tax rates	-	(22,264)
	<u>          </u>	<u>          </u>

In addition to the amount charged/(credited) to the income statement, £nil (2021 - £243,575) relating to the change in tax rates substantively enacted has been recognised directly in other comprehensive income as this applies to the deferred tax arising from the original revaluation of the property.

	2022 £	2021 £
Deferred tax arising on:		
Revaluation of property	-	243,575
	<u>          </u>	<u>          </u>

The actual charge/(credit) for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
(Loss)/profit before taxation	(1,082,360)	3,553,351
	<u>          </u>	<u>          </u>
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(205,648)	675,137
Tax effect of expenses that are not deductible in determining taxable profit	23,855	4,517
Tax effect of utilisation of tax losses not previously recognised	-	(700,729)
Unutilised tax losses carried forward	196,392	-
Permanent capital allowances in excess of depreciation	(35,674)	-
Depreciation on assets not qualifying for tax allowances	21,075	21,075
Change in rate applicable to recognised deferred tax	-	(22,264)
	<u>          </u>	<u>          </u>
Taxation charge/(credit) for the year	-	(22,264)
	<u>          </u>	<u>          </u>

# THE MOTHERWELL FOOTBALL AND ATHLETIC CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

### 11 Intangible fixed assets

	Player Registrations £
<b>Cost</b>	
At 1 June 2021	188,872
Additions	542,193
Disposals	(172,538)
	<hr/>
At 31 May 2022	558,527
	<hr/>
<b>Amortisation and impairment</b>	
At 1 June 2021	99,580
Amortisation charged for the year	197,075
Disposals	(164,582)
	<hr/>
At 31 May 2022	132,073
	<hr/>
<b>Carrying amount</b>	
At 31 May 2022	426,454
	<hr/> <hr/>
At 31 May 2021	89,292
	<hr/> <hr/>

### 12 Property, plant and equipment

	Freehold land and buildings £	Plant and equipment £	Total £
<b>Cost or valuation</b>			
At 1 June 2021	5,680,254	566,153	6,246,407
Additions	-	756,937	756,937
Disposals	-	(57,272)	(57,272)
	<hr/>	<hr/>	<hr/>
At 31 May 2022	5,680,254	1,265,818	6,946,072
	<hr/>	<hr/>	<hr/>
<b>Depreciation and impairment</b>			
At 1 June 2021	665,520	253,465	918,985
Depreciation charged in the year	110,920	98,906	209,826
Eliminated in respect of disposals	-	(57,272)	(57,272)
	<hr/>	<hr/>	<hr/>
At 31 May 2022	776,440	295,099	1,071,539
	<hr/>	<hr/>	<hr/>
<b>Carrying amount</b>			
At 31 May 2022	4,903,814	970,719	5,874,533
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 May 2021	5,014,734	312,688	5,327,422
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

At the year end, Freehold land and buildings with a carrying amount of £4.90m (2021 - £5.01m) had been pledged to secure borrowings of the company.

# THE MOTHERWELL FOOTBALL AND ATHLETIC CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

### 12 Property, plant and equipment

(Continued)

Included in cost or valuation of land is freehold land of £134,254 (2021 - £134,254) which is not depreciated.

On transition to FRS 102, the company elected to hold the previous valuation of freehold land and buildings at deemed cost. If this valuation had not been retained, the total amounts included at historical cost would have been as follows:

	2022 £	2021 £
Cost	2,594,777	2,594,777
Accumulated depreciation	(1,554,480)	(1,502,584)
Carrying value	<u>1,040,297</u>	<u>1,092,193</u>
<b>13 Financial instruments</b>		
	<b>2022</b> £	<b>2021</b> £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	<u>427,970</u>	<u>1,639,675</u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	<u>3,630,327</u>	<u>2,924,716</u>
<b>14 Inventories</b>		
	<b>2022</b> £	<b>2021</b> £
Bar stocks	<u>30,184</u>	<u>14,328</u>
<b>15 Trade and other receivables</b>		
	<b>2022</b> £	<b>2021</b> £
<b>Amounts falling due within one year:</b>		
Trade receivables	358,390	1,563,337
Other receivables	69,580	76,338
Prepayments and accrued income	1,064,675	1,542,666
	<u>1,492,645</u>	<u>3,182,341</u>

Included within Trade and other receivables is £200,000 receivable in respect of player transfers (2021 - £1,375,000).

# THE MOTHERWELL FOOTBALL AND ATHLETIC CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

### 16 Current liabilities

	Notes	2022 £	2021 £
Obligations under finance leases	19	1,253	1,253
Other borrowings	18	896,124	868,000
Trade payables		831,064	229,012
Taxation and social security		538,331	367,753
Other payables		44,266	21,607
Accruals		322,692	346,045
		<u>2,633,730</u>	<u>1,833,670</u>

Included within Current liabilities is £117,000 payable in respect of player transfers (2021 - £12,000).

### 17 Non-current liabilities

	Notes	2022 £	2021 £
Obligations under finance leases	19	313	1,566
Other borrowings	18	1,534,615	1,457,233
		<u>1,534,928</u>	<u>1,458,799</u>

### 18 Borrowings

	2022 £	2021 £
Other loans	<u>2,430,739</u>	<u>2,325,233</u>
Payable within one year	896,124	868,000
Payable after one year	<u>1,534,615</u>	<u>1,457,233</u>

At the year end, Other loans are represented by interest free loans due to The Well Society and to The Scottish Ministers. Amounts due to The Well Society are secured over the Stadium. Amounts due to The Scottish Ministers are unsecured but are not subordinated to any other creditor.

# THE MOTHERWELL FOOTBALL AND ATHLETIC CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

### 19 Finance lease obligations

	2022	2021
	£	£
Future minimum lease payments due under finance leases:		
Within one year	1,253	1,253
In two to five years	313	1,566
	<u>1,566</u>	<u>2,819</u>

### 20 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2022	Liabilities 2021
	£	£
<b>Balances:</b>		
Tax losses	(92,767)	(92,767)
Revaluations	1,014,895	1,014,895
	<u>922,128</u>	<u>922,128</u>

There were no deferred tax movements in the year.

At the year end, the company has an unrecognised deferred tax asset amounting to £1.16m in respect of unutilised tax losses. No deferred tax asset has been booked in respect of this as the Directors are of the opinion that there is insufficient evidence over when sufficient taxable profits will arise to offset these losses to support recognition of a deferred tax asset.

Subsequent to the year end, the UK Government announced the reversal of the corporation tax rate increase to 25% after 1 April 2023 with it now due to remain at its current rate of 19%. This change in rate had not been substantively enacted by the balance sheet date and as such deferred tax liabilities continue to be measured at the rate of 25% substantively enacted that is expected to apply upon reversal of the timing differences.

### 21 Deferred income

	2022	2021
	£	£
Arising from grants	44,544	63,388
Other deferred income	266,432	711,490
	<u>310,976</u>	<u>774,878</u>

Deferred grants are secured by floating charge over the assets of the company and are being amortised evenly over their clawback period and the amortisation period of the assets to which the grants relate.



# THE MOTHERWELL FOOTBALL AND ATHLETIC CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

### 22 Retirement benefit schemes

	2022	2021
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	55,335	48,923

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

	2022	2021
	£	£
Ordinary share capital		
Issued and fully paid		
298,743 Ordinary of £1 each	298,743	298,743
2,088 Deferred of £1 each	2,088	2,088
	<u>300,831</u>	<u>300,831</u>

All ordinary shares have full rights with regards to voting, participation and dividends. The deferred shares have no voting rights attached.

### 24 Share premium account

	2022	2021
	£	£
At the beginning and end of the year	<u>374,398</u>	<u>374,398</u>

# THE MOTHERWELL FOOTBALL AND ATHLETIC CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

### 25 Revaluation reserve

	2022 £	2021 £
At beginning of year	2,702,670	3,013,205
Adjustment to deferred tax rate - property, plant and equipment	-	(243,575)
Transfer to retained earnings	(61,424)	(66,960)
	<u>2,641,246</u>	<u>2,702,670</u>

### 26 Retained earnings

	2022 £	2021 £
At the beginning of the year	4,363,629	721,054
(Loss)/profit for the year	(1,082,360)	3,575,615
Transfer from revaluation reserve	61,424	66,960
	<u>3,342,693</u>	<u>4,363,629</u>

### 27 Financial commitments, guarantees and contingent liabilities

Under the terms of certain contracts with other football clubs in respect of the transfer of player registrations, additional amounts are receivable or payable if specific future conditions are met (for example first team appearances).

At the year end contingent amounts which may become receivable under such contracts amounted to £nil (2021 - £255,000). Contingent amounts that may become payable under such contracts total £30,000 (2021 - £30,000).

### 28 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	89,855	100,423
Between two and five years	137,948	175,445
	<u>227,803</u>	<u>275,868</u>

# THE MOTHERWELL FOOTBALL AND ATHLETIC CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

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### 29 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2022	2021
	£	£
Acquisition of property, plant and equipment	603,315	-
	<u>603,315</u>	<u>-</u>

### 30 Events after the reporting date

The following events have occurred subsequent to the year end:

- The Club contracted for the purchase of player registrations and received fees in respect of the sale of player registrations including amounts that were contingent on future events. The net amount of the above excluding direct costs amounted to a gain of £35,000.
- On 29 July 2022 the Club parted company with its first team manager, Graham Alexander, by mutual consent and on 11 August 2022 appointed Stephen Hammell as its new manager.

### 31 Related party transactions

Key management personnel are considered to be the Directors of the company. Details with regards to remuneration can be found in note 7 to these financial statements.

The following amounts were outstanding at the reporting end date:

	2022	2021
	£	£
<b>Amounts owed to related parties</b>		
The Well Society	868,000	868,000
	<u>868,000</u>	<u>868,000</u>

The interest free loan received from The Well Society is used for general working capital purposes and is repayable on demand.

Further to the above, the Club was due £48,879 (2021 - £50,817) at the year end by the Motherwell Football Club Community Trust in respect of costs paid by the Club on its behalf.

### 32 Ultimate controlling party

The Well Society are the ultimate controlling party by virtue of their majority shareholding.

# THE MOTHERWELL FOOTBALL AND ATHLETIC CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

### 33 Cash generated from operations

	2022 £	2021 £
(Loss)/profit for the year after tax	(1,082,360)	3,575,615
<b>Adjustments for:</b>		
Taxation charged/(credited)	-	(22,264)
Finance costs	106,312	22,966
Investment income	(8,474)	(1,144)
Gain on disposal of property, plant and equipment	-	(2,959)
Gain on disposal of intangible assets	(974,168)	(2,805,750)
Amortisation and impairment of intangible assets	197,075	120,550
Depreciation and impairment of property, plant and equipment	209,826	269,036
Other non-cash changes	-	(1,518,471)
(Decrease)/increase in deferred income	(463,902)	336,079
<b>Movements in working capital:</b>		
(Increase) in inventories	(15,856)	(6,328)
Decrease/(increase) in trade and other receivables	522,652	(1,109,331)
Increase/(decrease) in trade and other payables	139,085	(321,449)
<b>Cash absorbed by operations</b>	<u>(1,369,810)</u>	<u>(1,463,450)</u>

### 34 Analysis of changes in net funds

	1 June 2021 £	Cash flows £	31 May 2022 £
Cash at bank and in hand	4,117,620	119,494	4,237,114
Borrowings excluding overdrafts	(2,325,233)	(105,506)	(2,430,739)
Obligations under finance leases	(2,819)	1,253	(1,566)
	<u>1,789,568</u>	<u>15,241</u>	<u>1,804,809</u>