

REGISTERED NUMBER: SC005702 (Scotland)

Strategic Report, Report of the Directors and
Financial Statements For The Year Ended 31 May 2023

for

The Motherwell Football And Athletic
Club Limited

**The Motherwell Football And Athletic
Club Limited**

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For The Year Ended 31 May 2023**

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**The Motherwell Football And Athletic
Club Limited**

**Company Information
For The Year Ended 31 May 2023**

DIRECTORS:

D H Dickie
T M H Feely
J C McMahon
A J Wilson

REGISTERED OFFICE:

Fir Park Stadium
Firpark Street
Motherwell
North Lanarkshire
ML1 2QN

REGISTERED NUMBER:

SC005702 (Scotland)

INDEPENDENT AUDITORS:

Robb Ferguson
Chartered Accountants & Statutory Auditors
Regent Court
70 West Regent Street
Glasgow
G2 2QZ

**The Motherwell Football And Athletic
Club Limited**

**Strategic Report
For The Year Ended 31 May 2023**

The directors present their strategic report for the year ended 31 May 2023.

Business Review

Thankfully, the 2022/23 season was a full one without any pandemic restrictions. The first since the 2018/19 season and across the 22 league and cup matches played at Fir Park over 130,000 supporters attended.

During 2022/23 the Club competed in the top flight of Scottish football for its thirty-eighth consecutive year as well as both National Cup competitions and also took part in European games for the second time in three seasons.

Following a difficult start to the 2022/23 campaign, in July 2022 the Club agreed with the manager Graham Alexander and his assistant Chris Lucketti that it would be best to make a change. I would like to place on record my thanks to Graham and Chris for all their hard work and effort during their time at the Club and wish them both every success in the future.

We appointed Steven Hammell as the new manager with Brian Kerr as his assistant. After a promising start, a period of difficult results followed and the Club parted company with both Steven and Brian in February 2023. Steven has been a stalwart here for what seems like forever and I am truly sorry it didn't work out for Brian and him. I really hope his remaining football career is a long and successful one.

After taking interim charge in February 2023, Stuart Kettlewell was appointed as the new manager with Stephen Frail becoming his assistant shortly thereafter.

Under Stuart and Stephen's leadership, the Club enjoyed a very strong finish to the 2022/23 league season winning 30 points from the 42 available and ended the season in a very credible 7th place.

At the beginning of the season, the Club participated in the UEFA Europa Conference League second qualifying round and suffered sickening defeats in both legs by Sligo Rovers.

In the National Cup competitions the Club entered the Viaplay Cup in the second round defeating Inverness Caledonian Thistle before being beaten by Celtic in the quarter finals. In the Scottish Cup the club entered at round four defeating Arbroath before another disappointing defeat by Raith Rovers in round five.

In the 2022/23 season the Club's women's first team finished in 7th place in the Scottish Women's Premier League, reached the quarter finals of the Sky Sports Scottish Women's Premier League Cup and reached the semi finals of the Scottish Women's Cup which were played at Hampden.

My thanks to everyone on the playing and coaching for their support and efforts in what was a very difficult period.

For the 2022/23 season, the Club is reporting a loss of £1.605m.

This loss was fully anticipated, managed and primarily the result of various long term strategic decisions made by the Club in recent years.

The loss includes £650k of depreciation charges arising from various asset acquisitions in recent years and a £110k finance cost against the "interest free economic benefit" arising from the accounting of the £2.959m Scottish Ministers loan received to assist the Club meet its operational costs during the closed doors 2020/21 season.

Excluding the impact of these items the Club's loss for the 2022/23 season would be £845k.

In the 2020/21 season, the Club recorded a profit of £3.575m which was primarily the result of the Club's record transfer fee from the sale of David Turnbull to Celtic and the accounting of the "interest free economic benefit" connected to the Scottish Ministers loan.

**The Motherwell Football And Athletic
Club Limited**

**Strategic Report
For The Year Ended 31 May 2023**

The Board had already identified a number of strategic projects which it felt were necessary for the long term health of the Club and this profit provided the finances to support them. The accounting consequences of undertaking this work are key factors behind the subsequent losses in the 2021/22 and 2022/23 seasons. The Club still remains in profit for the last three seasons combined.

That "Superprofit" also allowed the Club to reward and acknowledge the loyalty and support of our fans throughout the pandemic by providing season tickets free of charge to existing season ticket holders and freezing gate prices during the 2021/22 season.

Some of these projects were connected to the Fir Park stadium infrastructure. During the 2021/22 and 2022/23 seasons the Club has installed a new PA and CCTV system, re-seated the John Hunter Stand, refurbished many of the stadium toilet facilities plus the stadium dressing rooms and modernised the stadium's IT and telephone systems along with many other smaller projects. Including work completed in the 2023/24 season, all stands except for the Tommy McLean stand where it was not required, have had new emergency exit stairs installed in line with regulatory requirements.

The largest stadium infrastructure project undertaken has been the installation of the new hybrid pitch in the summer of 2022, crossing across both the 2021/22 and 2022/23 financial years. Over the last decade, significant programmes of annual maintenance had managed to produce a pitch which was able to allow a season's play but the point had been reached where the materials beneath the surface and drainage were so poor that was no longer possible. After extensive research and discussion, the Club invested just under £1.2m in installing a new hybrid pitch. While a very significant sum, over the next decade the savings in annual maintenance costs plus the ability to allow a greater use and commercialisation of Fir Park should produce an acceptable return on this investment. It also gives us arguably the best playing surface in the country.

These significant long term asset investments are why the Club's depreciation charge has increased to £650k in the 2022/23 season and similar charges are to be expected in the coming years - these charges will not impact the Club's bank funds in the coming years however.

As well as these long term asset investments, the Board also recognised the need to enhance some of the Club's operations. As part of their annual licence awards the Football Authorities audit how clubs are performing to ensure clubs are adopting current best practice; it was considered important that the Club continued to achieve a high level of licence awards providing assurance it was well placed to compete in the modern football environment.

The Club has continued to hold a Gold level licence for First Team Football Criteria and Youth Team Football Criteria and a Silver level licence for Ground Criteria and Legal, Admin, Finance and Codes of Practice. The Club's Academy Scotland rating has continued to be Elite. The Club has also maintained its UEFA club licence.

These levels of licences are not easily achieved and are a testament to the high standard of work and practices across many facets of the Club, which often go unnoticed, but for which the Club would like to place on record its sincere thanks to all those involved.

In continuing to achieve these levels the Club has substantially enhanced its internal medical and sports science department. We have also invested in our recruitment and analytics department including partnering with a number of major scouting and analytical platforms. The other area of improvement has been within the coaching structures particularly within the Youth Academy and the Girls Academy which was established in February 2022.

These levels of awards do secure key funding for the Club from the football bodies and that is a significant part of our income, but it is important to note they also involve significant costs.

The overall income in the financial results for the 2022/23 season is £6.671m, a decrease of £150k on the prior year.

**The Motherwell Football And Athletic
Club Limited**

**Strategic Report
For The Year Ended 31 May 2023**

There was a reduction of £780k in player registration gains with there being only one significant transfer fee in the season - Sondre Solholm Johansen. There was also a reduction of £250k in broadcasting and cup prize income due to a lower league finish and an earlier Scottish cup exit, a reduction of £180k in international player participation income as this income in the prior year was exceptionally high due to the Club having 2 players in the Scotland Euro Finals squad and the prior year also included £200k of income connected to pandemic assistance.

However, UEFA prize money of £434k, a £530k increase in UEFA solidarity awards some of which relates to the prior year, a £200k increase in Gate Income and a £110k increase in Commercial Income have largely offset the forementioned reductions.

Aside from the forementioned depreciation charges and finance cost, the Club's staff and operational costs increased by £120k in the 2022/23 season.

The staff costs decreased by £161k from £5.237m to £5.076m.

This is mainly because of a £340k decrease in the first team player costs as the prior year included significant bonuses for achieving a top six league place and qualifying for European competition plus there was a small reduction in the squad number.

There were £184k of staff cost increases across other departments including the compensation payments to management teams, cost of living and national living wage increases, an increase in matchday, bar and hospitality staff hours as there were no pandemic interruptions in the 2022/23 season and the forementioned department enhancements to the club operations and maintaining the statuses of the Club's licences.

The operational costs increased by £285k from £2.154m to £2.439m.

This was mainly because of £150k being expended on summer and winter training camps which were not possible in the prior year due to the pandemic and travelling to Sligo for our European tie plus £110k being spent on VAR on its introduction to Scottish football.

Overall we keep very tight control of expenditure.

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

The Club has a net asset position of over £5m and while the Club's cash and cash equivalents at 31 May 2023 had decreased by £2.485m from £4.237m to £1.751m, this was fully anticipated and the result of the forementioned asset investments and department enhancements.

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 Club has trained at Dalziel for many years, and in May 2023 entered into a new long term arrangement for its use of the facility. This involved the Club taking on the management of the Dalziel pitches and gaining more exclusive access to a number of them. The Club has increased its ground staff from two to four due to the additional work involved and invested in additional ground keeping equipment. The management and playing staff have been extremely positive about the improvement in the training surfaces resulting from this new arrangement.

Similarly, the Club's Boys Youth Academy has been based at Braidhurst High School for some time and with the original ten year agreement now ended, the Club is close to finalising a new long term agreement with North Lanarkshire Council for the Academy to continue to operate from the school.

**The Motherwell Football And Athletic
Club Limited**

**Strategic Report
For The Year Ended 31 May 2023**

A key financial component in achieving all of the forementioned long term asset investments and department enhancements while at the same time fielding a competitive top flight first team has been player registration gains. Such income is however unpredictable.

Therefore, in an attempt to de risk the Club's business model and to ensure the Club continues to move forward, the Board recently launched a number of public and private initiatives aimed at encouraging investment into the Club. As I said before, our viability is dependent on all our component parts - fans, owners, playing and coaching staff, the Club's staff and the Board - working in unison. They have throughout the 2022/23 season. My thanks to everyone for that.

PRINCIPAL 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 matchday attendances;
- external economic conditions affecting spending capacity of supporters and sponsors;
- the availability of future funding from The Well Society.

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 2023/24 and consideration of the resource requirements to the end of season 2024/25. The projections make key assumptions around football performance, ticket sales, sponsorship, player salaries and operating costs and the ability to secure further finance amongst other factors.

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:

J C McMahon - Director

Date: 2 February 2024

**The Motherwell Football And Athletic
Club Limited**

**Report of the Directors
For The Year Ended 31 May 2023**

The directors present their report with the financial statements of the company for the year ended 31 May 2023.

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review were those of the promotion and organisation of professional football and allied activities.

DIVIDENDS

No dividends will be distributed for the year ended 31 May 2023.

EVENTS SINCE THE END OF THE YEAR

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

DIRECTORS

The directors shown below have held office during the whole of the period from 1 June 2022 to the date of this report.

D H Dickie
T M H Feely
J C McMahan
A J Wilson

Other changes in directors holding office are as follows:

A Burrows - resigned 24 February 2023

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 the financial instrument risks and objectives.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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**

**Report of the Directors
For The Year Ended 31 May 2023**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Robb Ferguson, were appointed during the year and will be proposed for appointment for the year to 31 May 2024 at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

J C McMahon - Director

Date: 2 February 2024

Report of the Independent Auditors to the Members of
The Motherwell Football And Athletic
Club Limited

Opinion

We have audited the financial statements of The Motherwell Football And Athletic Club Limited (the 'company') for the year ended 31 May 2023 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Opinions 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of
The Motherwell Football And Athletic
Club Limited

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 Report of the Directors.

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 Statement of Directors' Responsibilities set out on page six, 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 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.

Report of the Independent Auditors to the Members of
The Motherwell Football And Athletic
Club Limited

Auditors' 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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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 wider knowledge and experience;
- 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 and FRS 102
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; 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

Audit response to risks identified

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

- Performed 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 set out were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

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;
- Enquiring of management as to actual and potential litigation and claims; and
- Requesting correspondence with HMRC and Companies House.

There are inherent limitations in our audit procedures described above. The more removed that 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 inspection 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 Report of the Auditors.

Report of the Independent Auditors to the Members of
The Motherwell Football And Athletic
Club Limited

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 a Report of the Auditors 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.

Andrew Logan CA (Senior Statutory Auditor)
for and on behalf of Robb Ferguson
Chartered Accountants & Statutory Auditors
Regent Court
70 West Regent Street
Glasgow
G2 2QZ

Date: 2 February 2024

**The Motherwell Football And Athletic
Club Limited**

**Statement of Comprehensive
Income
For The Year Ended 31 May 2023**

	Notes	2023 £	2022 £
TURNOVER	4	6,430,783	5,572,307
Staff costs		(5,075,900)	(5,237,298)
Administrative expenses		(2,439,267)	(2,154,017)
Depreciation and other amounts written off Tangible and intangible fixed assets		(650,672)	(406,901)
Other operating income	5	<u>211,990</u>	<u>1,241,387</u>
OPERATING LOSS	7	(1,523,066)	(984,522)
Interest receivable and similar income		<u>28,653</u>	<u>8,474</u>
		(1,494,413)	(976,048)
Interest payable and similar expenses	8	<u>(111,309)</u>	<u>(106,312)</u>
LOSS BEFORE TAXATION		(1,605,722)	(1,082,360)
Tax on loss	9	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		<u>(1,605,722)</u>	<u>(1,082,360)</u>

The notes form part of these financial statements

**The Motherwell Football And Athletic
Club Limited (Registered number: SC005702)**

Statement of Financial Position
31 May 2023

	Notes	2023		2022	
		£	£	£	£
FIXED ASSETS					
Intangible assets	10		238,656		426,454
Tangible assets	11		<u>6,314,359</u>		<u>5,874,533</u>
			6,553,015		6,300,987
CURRENT ASSETS					
Stocks	12	20,810		30,184	
Debtors	13	1,813,537		1,492,644	
Cash at bank and in hand		<u>1,751,437</u>		<u>4,237,114</u>	
		3,585,784		5,759,942	
CREDITORS					
Amounts falling due within one year	14	<u>1,938,472</u>		<u>2,633,730</u>	
NET CURRENT ASSETS			<u>1,647,312</u>		<u>3,126,212</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			8,200,327		9,427,199
CREDITORS					
Amounts falling due after more than one year	15		(1,542,666)		(1,534,928)
PROVISIONS FOR LIABILITIES	18		(922,128)		(922,128)
ACCRUALS AND DEFERRED INCOME	19		<u>(682,087)</u>		<u>(310,975)</u>
NET ASSETS			<u><u>5,053,446</u></u>		<u><u>6,659,168</u></u>
CAPITAL AND RESERVES					
Called up share capital	20		300,831		300,831
Share premium	21		374,398		374,398
Revaluation reserve	21		2,582,222		2,641,246
Retained earnings	21		<u>1,795,995</u>		<u>3,342,693</u>
SHAREHOLDERS' FUNDS			<u><u>5,053,446</u></u>		<u><u>6,659,168</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 2 February 2024 and were signed on its behalf by:

J C McMahon - Director

The notes form part of these financial statements

**The Motherwell Football And Athletic
Club Limited**

**Statement of Changes in Equity
For The Year Ended 31 May 2023**

	Called up share capital £	Retained earnings £	Share premium £	Revaluation reserve £	Total equity £
Balance at 1 June 2021	300,831	4,363,629	374,398	2,702,670	7,741,528
Changes in equity					
Total comprehensive loss	-	(1,020,936)	-	(61,424)	(1,082,360)
Balance at 31 May 2022	<u>300,831</u>	<u>3,342,693</u>	<u>374,398</u>	<u>2,641,246</u>	<u>6,659,168</u>
Changes in equity					
Total comprehensive loss	-	(1,605,722)	-	-	(1,605,722)
Transfer from revaluation reserve	-	59,024	-	(59,024)	-
Balance at 31 May 2023	<u><u>300,831</u></u>	<u><u>1,795,995</u></u>	<u><u>374,398</u></u>	<u><u>2,582,222</u></u>	<u><u>5,053,446</u></u>

The notes form part of these financial statements

**The Motherwell Football And Athletic
Club Limited**

Statement of Cash Flows
For The Year Ended 31 May 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	(1,719,515)	(1,369,810)
Interest paid		(110,346)	(806)
Interest element of hire purchase payments paid		<u>(963)</u>	<u>-</u>
Net cash from operating activities		<u>(1,830,824)</u>	<u>(1,370,616)</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(168,151)	(437,193)
Purchase of tangible fixed assets		(735,596)	(229,086)
Sale of intangible fixed assets		223,510	2,149,168
Sale of tangible fixed assets		899	-
Interest received		<u>28,653</u>	<u>8,474</u>
Net cash from investing activities		<u>(650,685)</u>	<u>1,491,363</u>
Cash flows from financing activities			
Capital repayments in year		<u>(4,168)</u>	<u>(1,253)</u>
Net cash from financing activities		<u>(4,168)</u>	<u>(1,253)</u>
		<u> </u>	<u> </u>
(Decrease)/increase in cash and cash equivalents		(2,485,677)	119,494
Cash and cash equivalents at beginning of year	2	4,237,114	4,117,620
		<u> </u>	<u> </u>
Cash and cash equivalents at end of year	2	<u>1,751,437</u>	<u>4,237,114</u>

The notes form part of these financial statements

**The Motherwell Football And Athletic
Club Limited**

**Notes to the Statement of Cash Flows
For The Year Ended 31 May 2023**

1. **RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2023	2022
	£	£
Loss before taxation	(1,605,722)	(1,082,360)
Depreciation charges	323,988	209,826
Loss on disposal of fixed assets	40	-
Gain on disposal of player registrations	(194,246)	(974,168)
(Decrease)/increase in deferred income	371,112	(463,902)
Amortisation charges	326,684	197,075
Finance costs	111,309	106,312
Finance income	<u>(28,653)</u>	<u>(8,474)</u>
	(695,488)	(2,015,691)
Decrease/(increase) in stocks	9,374	(15,856)
(Increase)/decrease in trade and other debtors	(320,893)	522,652
(Decrease)/increase in trade and other creditors	<u>(712,508)</u>	<u>139,085</u>
Cash generated from operations	<u>(1,719,515)</u>	<u>(1,369,810)</u>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 May 2023

	31.5.23	1.6.22
	£	£
Cash and cash equivalents	<u>1,751,437</u>	<u>4,237,114</u>

Year ended 31 May 2022

	31.5.22	1.6.21
	£	£
Cash and cash equivalents	<u>4,237,114</u>	<u>4,117,620</u>

The notes form part of these financial statements

**The Motherwell Football And Athletic
Club Limited**

**Notes to the Statement of Cash Flows
For The Year Ended 31 May 2023**

3. ANALYSIS OF CHANGES IN NET FUNDS/(DEBT)

	At 1.6.22 £	Cash flow £	Other non-cash changes £	At 31.5.23 £
Net cash				
Cash at bank and in hand	<u>4,237,114</u>	<u>(2,485,677)</u>		<u>1,751,437</u>
	<u>4,237,114</u>	<u>(2,485,677)</u>		<u>1,751,437</u>
Debt				
Finance leases	(1,566)	4,168	-	(26,554)
Debts falling due within 1 year	(894,947)	(12,918)	-	(907,865)
Debts falling due after 1 year	<u>(1,534,615)</u>	<u>12,358</u>	-	<u>(1,522,257)</u>
	<u>(2,431,128)</u>	<u>3,608</u>	-	<u>(2,456,676)</u>
Total	<u><u>1,805,986</u></u>	<u><u>(2,482,069)</u></u>	<u><u>-</u></u>	<u><u>(705,239)</u></u>

The notes form part of these financial statements

**The Motherwell Football And Athletic
Club Limited**

**Notes to the Financial Statements
For The Year Ended 31 May 2023**

1. **STATUTORY INFORMATION**

The Motherwell Football And Athletic Club Limited is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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 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 2023/24 and consideration of the resource requirements to the end of season 2024/25. 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.

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 2023

2. **ACCOUNTING POLICIES - continued**

Turnover

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.

Intangible assets

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
----------------------	--

Tangible fixed assets

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

Freehold property	- 2% on deemed cost
Fixed plant and equipment	- Between 10% and 33.3%

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 2023

2. **ACCOUNTING POLICIES - continued**

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.

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 normal 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 cost to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment are also recognised in profit or loss.

**The Motherwell Football And Athletic
Club Limited**

**Notes to the Financial Statements - continued
For The Year Ended 31 May 2023**

2. **ACCOUNTING POLICIES - continued**

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.

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 2023

2. **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.

Taxation

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 2023

2. **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.

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.

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

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.

Retirement benefits

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

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.

**The Motherwell Football And Athletic
Club Limited**

Notes to the Financial Statements - continued
For The Year Ended 31 May 2023

3. CRITICAL ACCOUNTING 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 year ended 31 May 2021, the Club received an interest free loan from The Scottish Ministers, as part of the Premier Division Support Fund, repayable in installments 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 year ended 31 May 2021.

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

4. TURNOVER

The turnover and loss before taxation are attributable to the principal activities of the company.

An analysis of turnover by class of business is given below:

	2023	2022
	£	£
Gate receipts	1,993,251	1,789,112
Cup prize income	154,250	205,000
Broadcasting rights	1,881,910	2,077,521
Commercial income	875,576	766,499
UEFA solidarity	744,927	214,730
UEFA prize income	434,084	-
SFA licencing & IPP	78,247	264,035
Women's team	65,750	35,628
Youth academy	202,788	219,782
	<u>6,430,783</u>	<u>5,572,307</u>

**The Motherwell Football And Athletic
Club Limited**

**Notes to the Financial Statements - continued
For The Year Ended 31 May 2023**

5. OTHER OPERATING INCOME

	2023	2022
	£	£
Grants receivable and released	-	42,320
Player registration gains	194,246	974,168
Donations	9,574	55,427
Insurance claim	8,170	169,472
	<u>211,990</u>	<u>1,241,387</u>

6. EMPLOYEES AND DIRECTORS

	2023	2022
	£	£
Wages and salaries	4,534,050	4,642,023
Social security costs	491,435	539,940
Other pension costs	50,415	55,335
	<u>5,075,900</u>	<u>5,237,298</u>

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

	2023	2022
Directors	5	5
Catering and bar staff	57	58
Commercial and media staff	8	9
Facilities	9	6
Matchday staff	41	43
Football staff	17	13
Players	47	41
Youth football	36	32
Administration	2	2
	<u>222</u>	<u>209</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

	2023	2022
	£	£
Directors' remuneration	61,012	82,000
Directors' pension contributions to money purchase schemes	991	1,321
	<u>62,003</u>	<u>83,321</u>

Fees relating to services provided by Directors totalling £12,690 were paid during the year.

**The Motherwell Football And Athletic
Club Limited**

**Notes to the Financial Statements - continued
For The Year Ended 31 May 2023**

7. OPERATING LOSS

The operating loss is stated after charging:

	2023	2022
	£	£
Equipment leases	97,953	105,315
Depreciation - owned assets	317,216	208,886
Depreciation - assets on hire purchase contracts	6,771	940
Loss on disposal of fixed assets	40	-
Player registrations amortisation	326,685	197,075
Auditors' remuneration	<u>12,500</u>	<u>17,500</u>

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2023	2022
	£	£
Other interest on financial liabilities	110,346	106,171
Hire purchase	<u>963</u>	<u>141</u>
	<u>111,309</u>	<u>106,312</u>

9. TAXATION

Analysis of the tax charge

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

Reconciliation of total tax charge included in profit and loss

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

	2023	2022
	£	£
Loss before tax	<u>(1,605,722)</u>	<u>(1,082,360)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 20% (2022 - 19%)	(321,144)	(205,648)
Effects of:		
Expenses not deductible for tax purposes	36,782	23,855
Capital allowances in excess of depreciation	-	(35,674)
Depreciation in excess of capital allowances	116,684	-
Unutilised tax losses carried forward	167,678	196,392
Depreciation on assets not qualifying for capital allowances	<u>-</u>	<u>21,075</u>
Total tax charge	<u>-</u>	<u>-</u>

**The Motherwell Football And Athletic
Club Limited**

**Notes to the Financial Statements - continued
For The Year Ended 31 May 2023**

10. INTANGIBLE FIXED ASSETS

	Player registrations £
COST	
At 1 June 2022	558,527
Additions	168,151
Disposals	<u>(298,225)</u>
At 31 May 2023	<u>428,453</u>
AMORTISATION	
At 1 June 2022	132,073
Amortisation for year	326,685
Eliminated on disposal	<u>(268,961)</u>
At 31 May 2023	<u>189,797</u>
NET BOOK VALUE	
At 31 May 2023	<u>238,656</u>
At 31 May 2022	<u>426,454</u>

11. TANGIBLE FIXED ASSETS

	Freehold property £	Fixed plant and equipment £	Totals £
COST			
At 1 June 2022	5,680,254	1,265,818	6,946,072
Additions	-	764,752	764,752
Disposals	<u>-</u>	<u>(78,521)</u>	<u>(78,521)</u>
At 31 May 2023	<u>5,680,254</u>	<u>1,952,049</u>	<u>7,632,303</u>
DEPRECIATION			
At 1 June 2022	776,440	295,099	1,071,539
Charge for year	110,920	213,067	323,987
Eliminated on disposal	<u>-</u>	<u>(77,582)</u>	<u>(77,582)</u>
At 31 May 2023	<u>887,360</u>	<u>430,584</u>	<u>1,317,944</u>
NET BOOK VALUE			
At 31 May 2023	<u>4,792,894</u>	<u>1,521,465</u>	<u>6,314,359</u>
At 31 May 2022	<u>4,903,814</u>	<u>970,719</u>	<u>5,874,533</u>

Included in cost of land and buildings is freehold land of £134,254 (2022 - £134,254) which is not depreciated.

At the year end, Freehold land and buildings with a carrying amount of £4.79m (2022 - £4.90m) 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 2023**

11. **TANGIBLE FIXED ASSETS - continued**

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

	Fixed plant and equipment £
COST	
At 1 June 2022	3,758
Additions	29,156
Disposals	<u>(3,758)</u>
At 31 May 2023	<u>29,156</u>
DEPRECIATION	
At 1 June 2022	1,879
Charge for year	6,771
Eliminated on disposal	<u>(2,819)</u>
At 31 May 2023	<u>5,831</u>
NET BOOK VALUE	
At 31 May 2023	<u><u>23,325</u></u>
At 31 May 2022	<u><u>1,879</u></u>

On transition to FRS102, 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:

	2023	2022
	£	£
Cost	2,594,777	2,594,777
Accumulated depreciation	<u>(1,606,376)</u>	<u>(1,554,480)</u>
Carrying value	<u><u>988,401</u></u>	<u><u>1,040,297</u></u>

12. **STOCKS**

	2023	2022
	£	£
Bar & commercial stock	<u><u>20,810</u></u>	<u><u>30,184</u></u>

**The Motherwell Football And Athletic
Club Limited**

**Notes to the Financial Statements - continued
For The Year Ended 31 May 2023**

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade debtors	286,807	358,390
Other debtors	83,981	69,579
Prepayments and accrued income	<u>1,442,749</u>	<u>1,064,675</u>
	<u>1,813,537</u>	<u>1,492,644</u>

Included within trade debtors is £47,847 receivable in respect of player transfers (2022 - £200,000).

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Other loans (see note 16)	907,865	894,947
Hire purchase contracts (see note 17)	6,145	1,253
Trade creditors	195,858	831,064
Social security and other taxes	224,648	337,374
VAT	262,566	200,957
Accrued expenses	<u>341,390</u>	<u>368,135</u>
	<u>1,938,472</u>	<u>2,633,730</u>

Included within current liabilities is £10,760 in respect of player transfers (2022 - £117,000).

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	2022
	£	£
Other loans (see note 16)	1,522,257	1,534,615
Hire purchase contracts (see note 17)	<u>20,409</u>	<u>313</u>
	<u>1,542,666</u>	<u>1,534,928</u>

16. LOANS

An analysis of the maturity of loans is given below:

	2023	2022
	£	£
Amounts falling due within one year or on demand:		
Other loans	<u>907,865</u>	<u>894,947</u>
Amounts falling due between one and two years:		
Other loans - 1-2 years	<u>42,746</u>	<u>39,864</u>

**The Motherwell Football And Athletic
Club Limited**

**Notes to the Financial Statements - continued
For The Year Ended 31 May 2023**

16. **LOANS - continued**

	2023	2022
	£	£
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>147,689</u>	<u>137,732</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Other loans more 5yrs instal	<u>1,331,822</u>	<u>1,357,019</u>

Included within other loans are sums secured over the stadium.

17. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2023	2022
	£	£
Net obligations repayable:		
Within one year	6,145	1,253
Between one and five years	<u>20,409</u>	<u>313</u>
	<u>26,554</u>	<u>1,566</u>

	Non-cancellable operating leases	
	2023	2022
	£	£
Within one year	147,781	89,855
Between one and five years	<u>332,505</u>	<u>137,948</u>
	<u>480,286</u>	<u>227,803</u>

18. **PROVISIONS FOR LIABILITIES**

	2023	2022
	£	£
Deferred tax	<u>922,128</u>	<u>922,128</u>

		Deferred tax
		£
Balance at 1 June 2022		<u>922,128</u>
Balance at 31 May 2023		<u>922,128</u>

**The Motherwell Football And Athletic
Club Limited**

**Notes to the Financial Statements - continued
For The Year Ended 31 May 2023**

18. **PROVISIONS FOR LIABILITIES - continued**

There were no deferred tax movements in the year.

At the year end, the company has an unrecognised deferred tax asset amounting to £1.58m 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.

19. **ACCRUALS AND DEFERRED INCOME**

	2023	2022
	£	£
Deferred government grants	30,832	44,544
Deferred income	<u>651,255</u>	<u>266,431</u>
	<u>682,087</u>	<u>310,975</u>

20. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2023	2022
			£	£
298,743	Ordinary	£1	298,743	298,743
2,088	Deferred	£1	<u>2,088</u>	<u>2,088</u>
			<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.

21. **RESERVES**

	Retained earnings	Share premium	Revaluation reserve	Totals
	£	£	£	£
At 1 June 2022	3,342,693	374,398	2,641,246	6,358,337
Deficit for the year	(1,605,722)			(1,605,722)
Transfer from revaluation reserve	<u>59,024</u>	-	<u>(59,024)</u>	-
At 31 May 2023	<u>1,795,995</u>	<u>374,398</u>	<u>2,582,222</u>	<u>4,752,615</u>

22. **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 (2022 - £nil). Contingent amounts that may become payable under such contracts total £15,000 (2022 - £30,000).

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23. **CAPITAL COMMITMENTS**

	2023	2022
	£	£
Contracted but not provided for in the financial statements	<u>147,586</u>	<u>603,315</u>

24. **RELATED PARTY DISCLOSURES**

A balance of £868,000 (2022: £868,000) was due to The Well Society at the year end. The interest free loan received from The Well Society is used for general working capital purposes and is repayable on demand. Amounts due to The Well Society are secured over the stadium.

Further to the above the Club was due £64,764 (2022; £48,879) at the year end by the Motherwell Football Club Community Trust in respect of costs paid by the Club on its behalf.

25. **POST BALANCE SHEET EVENTS**

The following events have occurred subsequent to the year end:

The club received fees in respect 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 £991,000.

The Well Society loan has increased by £40,000.

26. **ULTIMATE CONTROLLING PARTY**

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