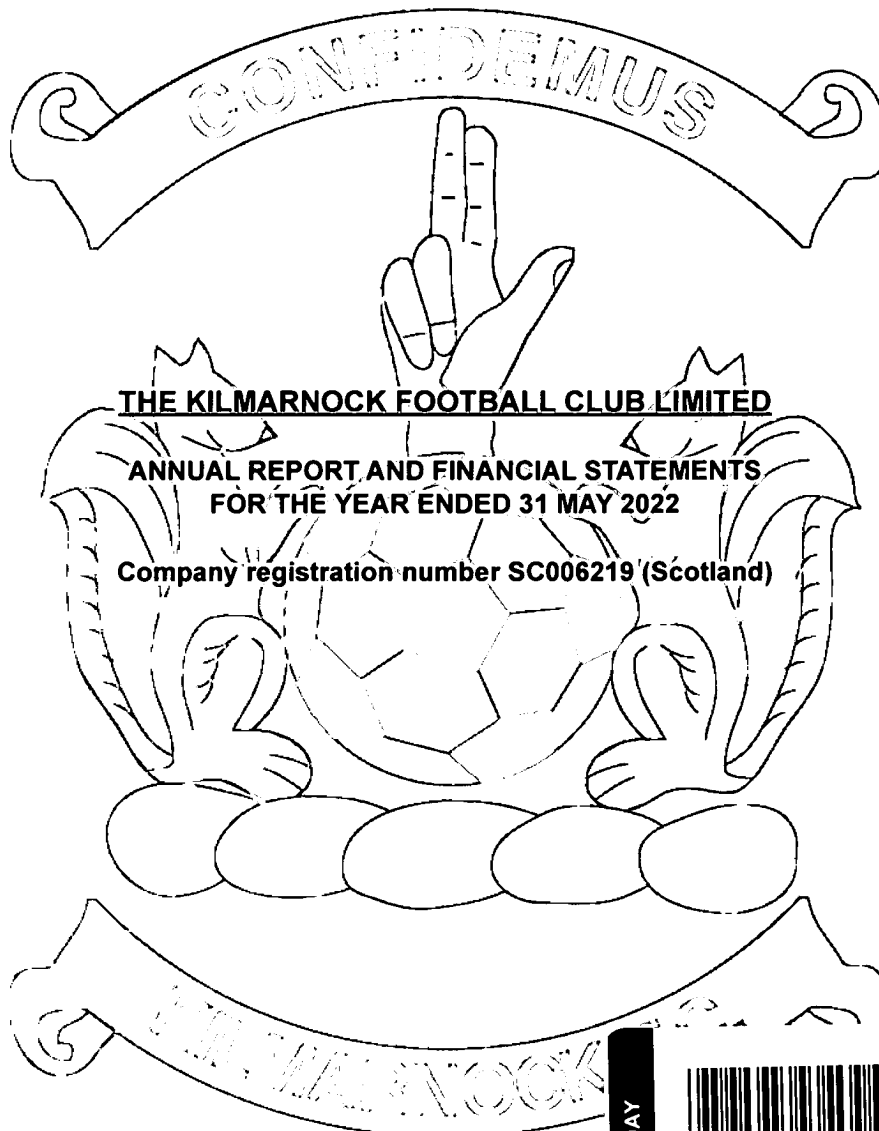




THE  
**KILMARNOCK**  
FOOTBALL CLUB



**THE KILMARNOCK FOOTBALL CLUB LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2022**

**Company registration number SC006219 (Scotland)**

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COMPANIES HOUSE

Rugby Park • Kilmarnock • KA1 2DP  
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[www.kilmarnockfc.co.uk](http://www.kilmarnockfc.co.uk)

# THE KILMARNOCK FOOTBALL CLUB LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr William Bowie Mrs Phyllis McLeish Mrs Cathy Jamieson
<b>Secretary</b>	Mr Graeme Bryson CTA, ACA
<b>Company number</b>	SC006219
<b>Registered office</b>	Rugby Park Rugby Park Road Kilmarnock KA1 2DP
<b>Auditor</b>	Rogerson & Goldie 29 Portland Road Kilmarnock Ayrshire KA1 2BY
<b>Business address</b>	Rugby Park Rugby Park Road Kilmarnock KA1 2DP
<b>Bankers</b>	Santander 97 King Street Kilmarnock Ayrshire KA1 1QD  HSBC 7 West Nile Street Glasgow G1 2RQ

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# THE KILMARNOCK FOOTBALL 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.

The strategic report aims to align historical information and data alongside company strategy and future expectations.

Any reference to future prospects and expectations are based on the information available at the present time.

This Strategic report covers the following: -

- Principal Activities
- Strategic Management
  - Strategy, Business Model and Objectives
  - Principal Risks and Uncertainties
- Business Environment
  - Trends and Factors
  - Environmental, Employee, Social, Community and human rights matters
- Business Performance and Position
  - Analysis of performance and position
  - Key Performance Indicators
- Covid - 19
  - Impact on the business
  - Actions taken and sources of replacement funding.

### **Principal Activities**

The principal activity during the year continued to be that of a professional football club and related activities.

# THE KILMARNOCK FOOTBALL CLUB LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MAY 2022**

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### Strategy and Business Model

The Board of Kilmarnock Football Club remain committed to ensuring that the club runs sustainably, with the aim of competing at the highest level of Scottish football, while functioning as a symbol of pride for the supporters.

Our financial strategy is based on rigorous management, with every effort made to ensure the business operates independently of any external influence.

The impact of Covid-19 has presented challenges to our business model. However, our long-term sustainable plans remain achievable.

At the year end, the main shareholders (Holding in excess of 2% of the Issued Share Capital) of the club are: -

- Bowie Ventures Ltd – 3,845,000 (57.67%)
- William Bowie – 805,000 shares (12.74%)
- Phyllis McLeish – 600,000 shares (8.99%)
- Kilmarnock Supporters Society Ltd (The Killie Trust) – 476,709 shares (7.15%)
- The Kilmarnock Community Sports Trust – 163,483 shares (2.45%)

Despite relegation to the Championship, and the ongoing impact of Covid-19 during the financial year, the club continued to pursue development projects to further enhance the experience for fans.

The Killie Museum was completed and opened to the public during the 2022/23 season. Already gaining impressive footfall, the space allows us to showcase some of the club's most prized artefacts, while exhibiting European success and illuminating trips around the world that have played a key part in building a unique history.

Phase one of renovating the structure at the rear of the Moffat Stand has been completed, with plans for this area set to enhance the community offering, in addition to providing much needed office space for club staff. Phase two of the renovation work is likely to commence at the end of the current 2022/23 season.

The Disabled Access Viewing Platform was also completed and unveiled during the 2022/23 season, and maximum capacity has since been achieved via our disabled supporters' association. Moving forward, there are plans to scope how we can enhance this area as part of phase two of the Moffat Stand development.

The Memorial Garden is now also in full use following Moffat Stand renovation works. Fans are able to buy commemorative plaques, in memory of lost loved ones, either within the garden or on the memory wall which aptly looks out onto the pitch. Our services with the Club Chaplain have been well utilised and the garden is a fitting tribute to those who lost their lives during the First and Second World Wars.

Our retail offering continues to expand under club management, and we would like to thank fans for the support and investment in our commercial operations during the pandemic period and beyond. With peak levels of shirt sales, and Season Ticket highs that date back to the late 1990's, we look forward to continuing to enhance our offering to you as we approach the 2023/24 season.

# THE KILMARNOCK FOOTBALL CLUB LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MAY 2022**

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### Principal Risks and Uncertainties

The board consider the following to be the main risks and uncertainties faced by Kilmarnock FC:

- As a results-driven business, there is the risk of a downturn in first-team football performance. This is demonstrated with recent events resulting in the following: -
  - The club's relegation to the Championship for the 2021/22 Season.
  - The Board of Directors provided financial support to the football department to rebuild the first-team squad ahead of the 2021/22 Scottish Championship season, with a view of winning promotion back to the Premiership.
  - In December 2021, the Board decided a change of management was necessary, with Derek McInnes becoming the club's new manager in January 2022.
  - Our percentage of broadcasting and competition revenues is reliant on positive first-team results, and this was affected negatively by relegation.
- Navigating the transfer market is always precarious. Wage demands need to be carefully managed to maintain the robust financial management of the club. The Board committed tremendous resource to the first-team squad which provided the platform for an immediate return to the Premiership.
- Uncertainty from global pandemics with the effects now noticeably clear. The absence of supporters from stadiums throughout season 2020/21, and partly in 2021/22, was devastating from both a financial and sporting point of view.
- The ability of football authorities to maintain key revenue streams from league sponsorship and broadcasting.
- Player injuries

A number of the aforementioned risks are out with the control of the board. The board do however strive to minimise the potential effects of the Risks and Uncertainties on a day-to-day basis.

### Performance and Position

The 2021/22 season was the first for the club in the second tier of Scottish football since the 1992/93 season. It turned out to be as challenging as feared, however, the club managed to secure promotion back to the Premiership at the first time of asking; a feat rarely achieved. The Board committed significant funds to the first-team playing staff budget to provide the best chance of promotion.

During the season, with concern surrounding results, Tommy Wright was relieved of the managers role and the board managed to secure the services of Derek McInnes.

The Scottish Championship trophy and promotion to the Premiership was subsequently secured on that amazing night at Rugby Park, where we overcame Arbroath 2-1 with a last-minute goal.

Our Scottish Cup quest ended at the Fourth-Round stage, following defeat to Dundee United at Rugby Park after extra-time. In the League Cup, we exited at the Second-Round stage with a loss to Hibernian. In the SPFL Trust Trophy, the club reached the Semi-Final stage, losing to Raith Rovers at Rugby Park.

### Financial summary

It is no surprise that the club records a significant loss of over £1.8m for the financial year to 31 May 2022. This compares to a profit the previous year of £215,402.

The income streams, when you take Turnover and Operating Income together, fell by over £1m. The previous year was of course supported by the Business Interruption insurance claim. At the same time, costs rose by over £800,000 which accounts for the large swing in the results. The club effectively maintained – as best it could – its day-to-day operating levels despite relegation to the Championship.

# THE KILMARNOCK FOOTBALL CLUB LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2022

#### Financial Summary (cont.)

The loss is driven by the commitment to maintain the first-team player budget in the lower division and the legacy effects of Covid-19. The figures were assisted once again by the treatment given to the final drawdown on the SPFL funding loan with a credit of £249,624 (last year's credit was £476,991). Note, this is now disclosed as a credit within Interest payable on the face of the Profit and Loss, with the 2021 comparative figure reclassified accordingly.

Other financial highlights: -

- The overall turnover rose from £2,939,514 in the year to 30 May 2021 (Covid affected year) to £3,698,945. The operating income however fell from £2,209,357 to £383,297. A high-level summary of turnover and Other Operating Income is as follows: -

	Year ended 31 May 2022	Year ended 30 May 2021
	£	£
Total Revenue	3,698,945	2,939,514
<b>Main items:</b>		
Season ticket revenue	655,010	1,381
Gate receipts	488,421	-
SPFL Club fees	1,064,589	1,404,613
UEFA Central revenues	730	391,597
Advertising and Sponsorship	359,480	413,712
Academy support funding	135,579	133,297
Hospitality & Matchday income	351,716	128,104
Cup Prizemoney	86,935	20,070
Shop Takings/Commission	556,220	446,038
Sundry income	265	702
<b>Other Operating Income:</b>		
Covid-19 Grant support	137,648	304,799
Loan Player revenue	69,414	62,622
Donations	12,398	780,779
Business Interruption Insurance	150,000	970,000
Other income	13,837	91,156

- The administrative expenses rose from just over £5 million to just under £5.4 million. Included in Administrative expenses are the costs associated with the first-team playing squad and coaching staff summarised as follows: -

	Year ended 31 May 2022	Year ended 30 May 2021
	£	£
Total Administrative Costs	5,329,799	5,030,770
<b>Highlighted Items:</b>		
First team playing squad	1,737,864	1,694,396
Loan Players	214,966	157,435
First Team Coaching staff	439,187	422,853
Termination payments	235,456	141,144
Agent's costs	65,711	238,373
Transfer fees	(108,242)	(393,194)

# THE KILMARNOCK FOOTBALL CLUB LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MAY 2022**

### Financial Summary (cont.)

- Please note, the disposal of intangible assets, effectively transfer fees in connection with the transfer of player registrations, are now disclosed within Administration expenses, as opposed to Other Operating income. As a result, the 2021 comparative figure has been reclassified accordingly.
- Despite the significant loss arising in the year the cash position at the year-end improved by £487,634 on the previous year. The cash position was assisted greatly by the positive uptake of Season Tickets for the 2022/23 season prior to the year-end.
- The Net Current Assets did however worsen from a positive £1,129,637 last year to a negative £149,578 at this year-end.
  - The Season Tickets sold for 2022/23 prior to the year-end are carried as deferred income under Current Liabilities.
  - The Other Debtors in the previous year included £770,000 due under the Business Interruption insurance claim and the amount due to the club from the 2020/21 Season for Solidarity funds for the Academy of £214,000 plus the final SPFL Club fees of approximately £220,000.
  - There are no Solidarity funds for the academy for 2021/22 due to our being in the Championship plus the funds were received on the Business Interruption Insurance Claim. This is not yet finalised.
  - The Club fees were significantly less as a Championship club.
  - The Trade creditors figure includes amounts due for Capital Projects in the year in relation to the Moffat Stand and the Disabled ramp.
  - During the year there was a debt: equity swap to the value of £500,000. This saw the Directors loan position reducing by £500,000 and was part of the Shares issued during the year.
- Overall net worth fell by £1,254,583 with the two factors being: -
  - Retained loss in the year of £1,848,459; offset to an extent by
  - Share Capital invested - £593,876
- During the process of drafting these financial statements certain costs and income streams have been reclassified which distorts some of the disclosures when compared to the previous year's financial statements. This was done with a view of improving the disclosures. The overall results are unchanged.

### Key Performance Indicators:

	<b>Year ended 31 May 2022</b>	<b>Year ended 30 May 2021</b>
	<b>£</b>	<b>£</b>
Turnover	<b>3,698,945</b>	<b>2,939,514</b>
Operating Profit/(Loss)	<b>(1,848,459)</b>	<b>215,402</b>
Final League position	<b>1st</b>	<b>11th</b>
First Team Reward	<b>2,371,954</b>	<b>2,052,546</b>
First Team Reward/Turnover	<b>64.13%</b>	<b>68.37%</b>
Season Ticket sales (2022/23 – 5,022)*	<b>4,022</b>	<b>2,878</b>
Average attendance	<b>4,780</b>	<b>n/a</b>
Highest Home Attendance 22nd April 2022 v Arbroath	<b>11,500</b>	<b>n/a</b>
Lowest Home Attendance 29th December 2021 Restricted 500 v Greenock Morton		<b>n/a</b>

*\*Proceeds from Season Tickets sold for the year to 30 May 2021 were treated as donations to the club. This was a fantastic and vital support to the club during a time of need.*



# THE KILMARNOCK FOOTBALL CLUB LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MAY 2022**

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### Financial Impact of COVID-19

As per the below financial summary, the club estimated the financial loss due to the pandemic to be in the region of £3m, considering the loss of ticketing and matchday revenue as well as the additional costs of testing required by the footballing authorities. The effects of Covid continued into season 21/22 with restricted crowd numbers for games at the start of the season and again re-introduced in the middle of the Season. This had a particular impact on the first Ayrshire derby of the season, which saw the crowd restricted to an attendance of 3,692.

However, due to the measures detailed below, this deficit has been reduced significantly.

Tough and difficult decisions were taken regarding reducing the number of support staff at the offset of the pandemic and staffing has remained under constant review in the period since. Elements of the financial impact of Covid-19 have been offset by the following measures:

- The incredible support from fans to purchase Season Tickets for 2020/21 while unable to attend the stadium. Plus, fans opted not to reclaim any refunds, instead renewing their support for Season 2021/22.
- Increased retail revenue in excess of £500,000 during the year to 31 May 2022 and further growth in the current financial year in line with the revamped online store and Killie Superstore launch.
- Significant financial contributions from Club Directors, company shareholders and club sponsors.
- Regular and valuable financial assistance from The Killie Trust, providing fantastic support to the club.
- Use of the Scottish Government's loan fund, facilitated through the SPFL. The terms of this loan are extremely favourable with the available facility of £1.828 million being repayable over 20 years with a 0% coupon interest rate. At the year-end date, the club had drawn down the full facility.  
The financial reporting standards require that we reflect this within the figures as if the loan were provided on normal arm's length terms. The financial statements therefore reflect the benefit of this interest free borrowing with a credit of £249,624 in the year to 31 May 2022 and £476,991 in the previous year. This will be written back as notional interest charges over the term of the loan.  
The balance on this loan at the year-end, per the balance sheet, was £1,101,385 with £1,828,000 having been drawn down.
- The successful claim under Business interruption insurance has seen the club receive £970,000 so far. We hope this will rise to a total more than £1.1m. We have recognised £970,000 in the figures to 30 May 2021 and a further £150,000 in the figures to 31 May 2022.
- Use of the UK Government's Job Retention Furlough Scheme where possible.
- The sale of club shares.

All of these measures were vital to ensuring the club's survival and a huge thanks is due to each and every person supporting the club.

# THE KILMARNOCK FOOTBALL CLUB LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MAY 2022**

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### Going Concern

The Directors are obligated to prepare the statutory financial statements on a going concern basis unless it is inappropriate to assume that the company will continue in business. The board assesses the going concern position of the club through a budgetary process to forecast expected liquidity and cashflow. This review must look at the 12 months following the approval and signing of the financial statements.

The Directors, whilst accepting the unpredictable times we are in, are happy that sufficient funding has been secured to ensure the viability of the club through the next 12 months. They have considered the assumptions and estimates used in preparing the forecasts and while accepting the constraints of forecasting at the present time, consider these to be a fair reflection of the potential worst-case scenario on the financial performance of the club looking forward.

The current available resources should be adequate for that period, however, tight restrictions on budgeted costs will continue. Accordingly, the financial statements continue to be prepared on a going concern basis.

### Financial Risk Management

The club's activities expose it to a number of financial risks including credit risk and liquidity risk. The club's main financial assets are cash at bank and trade debtors. The credit risk is attributable to the Trade debtors and the amount reflected on the Balance Sheet is net of any amounts deemed not to be recoverable. The liquidity risk is based on the funds at the bank and this risk is considered limited due to the banks financial standing.

### Future Prospects

The club is committed to building the best first-team playing squad possible, while aiming to supplement the group with graduates from our youth academy. The academy output is more apparent during the 2022/23 season, with the sale of Charlie McArthur to Newcastle United, alongside first-team debuts for David Watson, Bobby Wales, and Steven Warnock.


Relegation to the Scottish Championship resulted in a partial loss of funding for the academy. However, the Board remains fully committed to our academy system and restructuring has taken place to explore new funding avenues.

The Board recognises that on-field achievement had deteriorated in the past two seasons. The appointment of Derek McInnes and continued investment in our squad underlines our desire to sustain the club's presence in the Premiership, with top-6 finishes continuing to be the ultimate goal.

In trying to achieve our goals, the club continually aims to balance enhancing the first-team squad alongside robust financial management. There are certain milestones that are key to the Board, and they push themselves to give the best possible opportunity for success on the pitch. This commitment has backed our recent return to Hampden Park as we competed in a national Semi-Final for the first time in more than a decade.

With the support of over 5,000 Season Ticket holders, we believe the club is in the strongest possible position to sustain life in the Premiership

By order of the board

  
Mr Graeme Bryson CTA, ACA  
Secretary

28 February 2023

# THE KILMARNOCK FOOTBALL 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 continued to be that of a professional football club and related activities.

### Results and dividends

The results for the year are set out on page 13.

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 William Bowie  
Mrs Phyllis McLeish  
Mrs Cathy Jamieson

### Financial instruments

The company's cash flow requirements are projected for a year in advance and flexed to take account of different operating scenario, including league performance and cup competition successes. The cash flow is monitored as part of the day to day control procedure and adjusted to take account of actual performance to ensure that the appropriate level of funds are available.

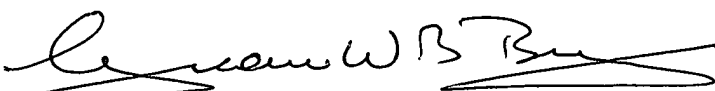
### Auditor

In accordance with the company's articles, a resolution proposing that Rogerson & Goldie be reappointed as auditor of the company will be put at a General Meeting.

### 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.

By order of the board

  
Mr Graeme Bryson CTA, ACA  
Secretary

28 February 2023

# **THE KILMARNOCK FOOTBALL 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 KILMARNOCK FOOTBALL CLUB LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF THE KILMARNOCK FOOTBALL CLUB LIMITED

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#### Opinion

We have audited the financial statements of The Kilmarnock Football Club Limited (the 'company') for the year ended 31 May 2022 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 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.

#### Emphasis of matter

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures in Note 1 to the financial statements concerning the company's ability to continue as a going concern. Should the company not achieve the projected cash flows, which are dependent on future football performance and the success of further claims under the Business Interruption policy, additional finance would be required in order to continue operations for the next 12 months. Failure to secure the additional funding would result in the existence of a material uncertainty which may cast doubt as to the company's ability to continue as a going concern. The financial statements do not include the adjustments that would be required if the company was unable to continue as a going concern.

#### 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 KILMARNOCK FOOTBALL CLUB LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF THE KILMARNOCK FOOTBALL 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 or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

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.

# THE KILMARNOCK FOOTBALL CLUB LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF THE KILMARNOCK FOOTBALL CLUB LIMITED

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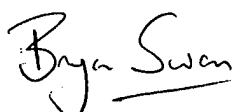
In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud.
- 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 minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing 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 is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

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.



**Bryan Swan CA (Senior Statutory Auditor)**  
**For and on behalf of Rogerson & Goldie**  
**Chartered Accountants**  
**Statutory Auditor**  
29 Portland Road  
Kilmarnock  
Ayrshire  
KA1 2BY

28 February 2023

# THE KILMARNOCK FOOTBALL CLUB LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MAY 2022

	Notes	2022 £	2021 £
Turnover	3	3,698,945	2,939,514
Cost of sales		(850,545)	(379,691)
<b>Gross profit</b>		<b>2,848,400</b>	<b>2,559,823</b>
Administrative expenses		(5,329,799)	(5,030,770)
Other operating income		383,297	2,209,357
<b>Operating loss</b>	<b>4</b>	<b>(2,098,102)</b>	<b>(261,590)</b>
Interest receivable and similar income	6	19	1
Interest payable and similar expenses	7	249,624	476,991
<b>(Loss)/profit before taxation</b>		<b>(1,848,459)</b>	<b>215,402</b>
Tax on (loss)/profit	8	-	-
<b>(Loss)/profit for the financial year</b>		<b>(1,848,459)</b>	<b>215,402</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.



# THE KILMARNOCK FOOTBALL 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>
(Loss)/profit for the year	(1,848,459)	215,402
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(1,848,459)</u>	<u>215,402</u>

# THE KILMARNOCK FOOTBALL CLUB LIMITED

## BALANCE SHEET

AS AT 31 MAY 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Intangible assets	9	16,360		-	
Tangible assets	10	10,985,444		10,892,169	
Investments	11	20,000		20,000	
		11,021,804		10,912,169	
<b>Current assets</b>					
Stocks	12	222,167		101,462	
Debtors	13	555,157		1,525,204	
Cash at bank and in hand		1,044,752		557,118	
		1,822,076		2,183,784	
<b>Creditors: amounts falling due within one year</b>	14	(1,971,654)		(1,054,147)	
<b>Net current (liabilities)/assets</b>		(149,578)		1,129,637	
<b>Total assets less current liabilities</b>		10,872,226		12,041,806	
<b>Creditors: amounts falling due after more than one year</b>	15	(1,247,441)		(1,105,570)	
<b>Government grants</b>	17	(1,071,175)		(1,128,043)	
<b>Net assets</b>		8,553,610		9,808,193	
<b>Capital and reserves</b>					
Called up share capital	19	6,666,883		6,073,007	
Share premium account		6,593,734		6,593,734	
Revaluation reserve		6,354,419		6,433,219	
Capital redemption reserve		421,603		421,603	
Profit and loss reserves		(11,483,029)		(9,713,370)	
<b>Total equity</b>		8,553,610		9,808,193	

The financial statements were approved by the board of directors and authorised for issue on 28 February 2023 and are signed on its behalf by:

*Billy Bowie*

Mr William Bowie  
Director

Company Registration No. SC006219

# THE KILMARNOCK FOOTBALL CLUB LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MAY 2022

	Notes	Share capital £	Share premium account £	Revaluation reserve £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 June 2020</b>		5,825,164	6,593,734	6,512,019	421,603	(10,007,572)	9,344,948
<b>Year ended 31 May 2021:</b>							
Profit and total comprehensive income for the year		-	-	-	-	215,402	215,402
Issue of share capital	19	247,843	-	-	-	-	247,843
Transfers		-	-	(78,800)	-	78,800	-
<b>Balance at 31 May 2021</b>		6,073,007	6,593,734	6,433,219	421,603	(9,713,370)	9,808,193
<b>Year ended 31 May 2022:</b>							
Loss and total comprehensive income for the year		-	-	-	-	(1,848,459)	(1,848,459)
Issue of share capital	19	593,876	-	-	-	-	593,876
Transfers		-	-	(78,800)	-	78,800	-
<b>Balance at 31 May 2022</b>		6,666,883	6,593,734	6,354,419	421,603	(11,483,029)	8,553,610

# THE KILMARNOCK FOOTBALL CLUB LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MAY 2022

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	22		(305,190)		(1,666,577)
<b>Investing activities</b>					
Purchase of intangible assets		(30,000)		-	
Proceeds on disposal of intangibles		108,242		393,194	
Purchase of tangible fixed assets		(524,394)		(118,827)	
Proceeds on disposal of tangible fixed assets		17,082		10,670	
Interest received		19		1	
<b>Net cash (used in)/generated from investing activities</b>			(429,051)		285,038
<b>Financing activities</b>					
Proceeds from issue of shares		593,876		247,843	
Loans advanced		627,999		1,200,000	
<b>Net cash generated from financing activities</b>			1,221,875		1,447,843
<b>Net increase in cash and cash equivalents</b>			487,634		66,304
Cash and cash equivalents at beginning of year			557,118		490,814
<b>Cash and cash equivalents at end of year</b>			1,044,752		557,118

# THE KILMARNOCK FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MAY 2022**

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### **1 Accounting policies**

#### **Company information**

The Kilmarnock Football Club Limited is a private company limited by shares incorporated in Scotland. The registered office is Rugby Park, Rugby Park Road, Kilmarnock, KA1 2DP.

#### **1.1 Accounting convention**

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

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

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

The directors are obliged to prepare statutory financial statements on a going concern basis unless it is inappropriate to assume that the company will continue in business. The current and future cash position of the company has been reviewed by the Board. This included a comprehensive review of the financial projections and cash-flow requirements, covering a period beyond one year from the date of approval of the financial statements. The projections make key assumptions around:

- Maintaining Scottish Premiership status.
- Season ticket revenues and match day income being consistent with operating in the SPFL Premiership.
- Sponsorship and commercial income being consistent with previous seasons.
- Overheads and payroll costs being similar to the level incurred in the current period.
- Income from net player transfer activities.
- Further insurance claims being received in respect of loss of earnings due to Covid.
- No repayment of the directors loan being made for a period of at least 12 months from the date of approval of the accounts

The company's liquidity position is reliant on the continued support from the directors and without this a material uncertainty would exist which may cast doubt over the company's ability to continue as a going concern.

After due consideration of the above, including the potential impact of key assumptions not materialising and having received assurances from the owners of the company, the Board are satisfied that they consider that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Board consider it appropriate to prepare the financial statements on the going concern basis.

#### **1.3 Turnover**

Turnover 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.

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.

# THE KILMARNOCK FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2022

---

#### 1 Accounting policies

(Continued)

Gate and other match day revenues are recognised over the period of the football season as matches are played. Sponsorship and similar commercial income is recognised over the duration of the respective contracts. Broadcasting revenues are recognised over the period of the football season.

#### 1.4 Intangible fixed assets other than goodwill

Intangible assets relate to the acquisition of player registrations and are recognised at cost and subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

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 term of the contract
----------------------	-------------------------------

#### 1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation 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:

Freehold land and buildings	2% - 4% straight line
Plant and equipment	20% straight line
Fixtures and fittings	20% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### 1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

# THE KILMARNOCK FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2022

---

#### 1 Accounting policies

(Continued)

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.

#### 1.8 Stocks

Stocks 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 stocks to their present location and condition.

Stocks 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 stocks 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.

#### 1.9 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.

#### 1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

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

# THE KILMARNOCK FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2022

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#### 1 Accounting policies

(Continued)

##### **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.

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

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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

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.



# THE KILMARNOCK FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2022

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#### 1 Accounting policies

(Continued)

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

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

##### **1.11 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.

##### **1.12 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 profit and loss account 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.

##### ***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.

##### **1.13 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### **1.14 Retirement benefits**

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

# THE KILMARNOCK FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

### 1 Accounting policies

(Continued)

#### 1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### 1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### 1.17 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.

### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2022 £	2021 £
Turnover analysed by class of business		
Football and related activities	3,698,945	2,939,514
	<u>          </u>	<u>          </u>
	2022 £	2021 £
Other significant revenue		
Interest income	19	1
Grants received	137,648	304,799
Loan player revenues	69,414	62,622
Business interruption insurance claim	150,000	970,000
Donations	12,398	780,779
Other income	13,837	90,991
	<u>          </u>	<u>          </u>

# THE KILMARNOCK FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022

### 4 Operating loss

	2022 £	2021 £
Operating loss for the year is stated after charging/(crediting):		
Government grants	(137,648)	(304,799)
Fees payable to the company's auditor for the audit of the company's financial statements	4,500	8,700
Depreciation of owned tangible fixed assets	430,655	432,395
Profit on disposal of tangible fixed assets	(16,618)	(4,712)
Amortisation of intangible assets	13,640	9,389
Profit on disposal of intangible assets	(108,242)	(393,194)
Operating lease charges	24,713	15,866
	<u>          </u>	<u>          </u>

### 5 Employees

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

	2022 Number	2021 Number
Playing & backroom staff	53	64
Retail	4	3
Hospitality & commercial	37	15
Matchday	33	1
Management	7	7
Finance & administration	2	3
Ground & maintenance	8	7
Total	<u>144</u>	<u>100</u>

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	3,067,179	2,942,521
Social security costs	294,520	290,884
Pension costs	42,819	43,448
	<u>3,404,518</u>	<u>3,276,853</u>

### 6 Interest receivable and similar income

	2022 £	2021 £
Interest income		
Interest on bank deposits	<u>19</u>	<u>1</u>

# THE KILMARNOCK FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2022

(Continued)

#### 6 Interest receivable and similar income

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	19	1
--	----	---

#### 7 Interest payable and similar expenses

	2022 £	2021 £
<b>Other finance costs:</b>		
Effective interest rate discount on loans	(249,624)	(476,991)

#### 8 Taxation

The actual charge 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	(1,848,459)	215,402
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(351,207)	40,926
Tax effect of income not taxable in determining taxable profit	26,909	(101,433)
Unutilised tax losses carried forward	301,007	31,028
Permanent capital allowances in excess of depreciation	23,291	29,479
Taxation charge for the year	-	-

The Deferred tax asset in relation to trading losses has not been recognised in the financial statements. Although the company may make sufficient taxable profits in the future to absorb the losses, this is anticipated to take a long number of years.

No provision for deferred tax in respect of property revaluations has been made. There is no intention to sell the property and capital losses being carried forward exceed any future capital gain.

# THE KILMARNOCK FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2022

#### 9 Intangible fixed assets

	Player registrations £
<b>Cost</b>	
At 1 June 2021	13,000
Additions	30,000
Disposals	(13,000)
At 31 May 2022	30,000
<b>Amortisation and impairment</b>	
At 1 June 2021	13,000
Amortisation charged for the year	13,640
Disposals	(13,000)
At 31 May 2022	13,640
<b>Carrying amount</b>	
At 31 May 2022	16,360
At 31 May 2021	-

#### 10 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 June 2021	11,520,648	702,622	334,575	11,775	12,569,620
Additions	475,356	12,400	12,570	24,068	524,394
Disposals	-	-	-	(11,775)	(11,775)
At 31 May 2022	11,996,004	715,022	347,145	24,068	13,082,239
<b>Depreciation and impairment</b>					
At 1 June 2021	969,306	547,477	151,591	9,077	1,677,451
Depreciation charged in the year	285,984	74,138	66,832	3,701	430,655
Eliminated in respect of disposals	-	-	-	(11,311)	(11,311)
At 31 May 2022	1,255,290	621,615	218,423	1,467	2,096,795
<b>Carrying amount</b>					
At 31 May 2022	10,740,714	93,407	128,722	22,601	10,985,444
At 31 May 2021	10,551,342	155,145	182,984	2,698	10,892,169

# THE KILMARNOCK FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2022

#### 10 Tangible fixed assets

(Continued)

The stadium at Rugby Park, Kilmarnock, was subject to a full revaluation on 23 February 2018 by Graham & Sibbald, Chartered Surveyors, an independent firm, on a depreciated replacement cost basis in accordance with RICS Appraisal & Valuation Standard and FRS102 relating to specialised properties, at £9.55million. The directors are satisfied that this valuation together with subsequent expenditure of £1,856,415, represents the fair value at 31 May 2022.

Previous valuations of the stadium are as follows:

Valuation in 2012 - £11.3million

Valuation in 2014 - £11.4million

Valuation in 2018 - £9.55million

The following assets are carried at valuation. If the assets were measured using the cost model, the carrying amounts would be as follows:

	Freehold land and buildings	
	2022	2021
	£	£
Cost	7,466,407	6,991,051
Accumulated depreciation	(3,723,298)	(3,583,451)
Carrying value	<u>3,743,109</u>	<u>3,407,600</u>
<b>11 Fixed asset investments</b>		
	2022	2021
	£	£
Unlisted investments	<u>20,000</u>	<u>20,000</u>
<b>12 Stocks</b>		
	2022	2021
	£	£
Raw materials and consumables	13,788	5,947
Finished goods and goods for resale	208,379	95,515
	<u>222,167</u>	<u>101,462</u>

# THE KILMARNOCK FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

### 13 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	250,652	210,692
Other debtors	189,132	1,280,774
Prepayments and accrued income	115,373	33,738
	<u>555,157</u>	<u>1,525,204</u>

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

	Notes	2022 £	2021 £
Other borrowings	16	68,550	-
Trade creditors		1,009,413	280,315
Amounts owed to group undertakings		-	500,000
Taxation and social security		244,040	107,054
Deferred income	17	415,874	56,816
Other creditors		171,327	32,762
Accruals and deferred income		62,450	77,200
		<u>1,971,654</u>	<u>1,054,147</u>

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

	Notes	2022 £	2021 £
SPFL Scottish Government funding facility	16	1,032,834	723,009
Amounts owed to group undertakings		-	142,961
Other creditors		214,607	239,600
		<u>1,247,441</u>	<u>1,105,570</u>

During the year, the Club drew down a further £628,000 from the SPFL Scottish Government funding facility. The total loan outstanding at 31 May 2022, amounted to £1,828,000 (2021 - £1,200,000). As a result of the interest free terms of the funding facility, the above borrowing has been discounted to fair value to account for the below market value rate of interest applied. The fair value balance of the loan and reflected in the accounts, amounts to £1,101,384 (2021 - £723,009).

The effect of discounting using the effective interest rate method has resulted in £249,624 (2021 - £479,991) being transferred to the profit and loss account and is shown as a credit to Finance costs.

# THE KILMARNOCK FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

### 16 Loans and overdrafts

	2022 £	2021 £
SPFL Scottish Government funding facility	1,101,384	723,009
Payable within one year	68,550	-
Payable after one year	1,032,834	723,009

### 17 Deferred income

	2022 £	2021 £
Arising from government grants	1,071,175	1,128,043
Other deferred income	415,874	56,816
	1,487,049	1,184,859

Deferred income is included in the financial statements as follows:

Current liabilities	415,874	56,816
Shown as deferred income on the face of the balance sheet	1,071,175	1,128,043
	1,487,049	1,184,859

A government grant was received to support the re-development of the stadium. This is being released in line with the depreciation policy of the stadium at a rate of 2% per annum. An amount of £56,868 was released and is recognised as government grant income in the period.

### 18 Retirement benefit schemes

	2022 £	2021 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	42,819	43,448

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.

### 19 Share capital

	2022 Number	2021 Number	2022 £	2021 £
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary shares of £1 each	6,666,883	6,073,007	6,666,883	6,073,007

During the year, 593,876 Ordinary shares were allotted in the company at par value.



# THE KILMARNOCK FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2022

#### 20 Related party transactions

The related party transactions in the year are disclosed as follows:

William Bowie is a director and shareholder of Billy Bowie Special Projects Limited (BBSP). During the year the company made purchases to the value of £299,860 (2021 - £25,690) and sales to the value of £50,333 (2021 - £50,746). At the year end the company's trade creditors included £428,138 (2021 - £101,934) and trade debtors included £115,139 due from BBSP (2021 - £54,738).

During the year £500,000 of the debt owed by Billy Bowie Special Projects Limited (BBSP) was converted into ordinary shares at par, in a debt for equity swap. At the year end the balance outstanding to BBSP amounted to £142,961 (2021 - £642,961). The outstanding balance is interest free and there are no fixed terms for repayment.

Included within 'Other creditors' due after one year, are amounts owed to the company directors of £214,607 (2021 - £239,600). These loans are interest free, with no fixed terms for repayment.

#### 21 Ultimate controlling party

By virtue of his shareholding in Bowie Ventures Limited, Mr William Bowie is the ultimate controlling party.

#### 22 Cash absorbed by operations

	2022 £	2021 £
(Loss)/profit for the year after tax	(1,848,459)	215,402
<b>Adjustments for:</b>		
Finance costs	(249,624)	(476,991)
Investment income	(19)	(1)
Gain on disposal of tangible fixed assets	(16,618)	(4,712)
Gain on disposal of intangible assets	(108,242)	(393,194)
Amortisation and impairment of intangible assets	13,640	9,389
Depreciation and impairment of tangible fixed assets	430,655	432,395
Decrease in deferred income	(56,868)	(56,868)
<b>Movements in working capital:</b>		
Increase in stocks	(120,705)	(77,117)
Decrease/(increase) in debtors	970,047	(920,162)
Increase/(decrease) in creditors	321,945	(451,534)
Increase in deferred income	359,058	56,816
<b>Cash absorbed by operations</b>	<b>(305,190)</b>	<b>(1,666,577)</b>

# THE KILMARNOCK FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MAY 2022**

### 23 Analysis of changes in net debt

	1 June 2021	Cash flows	Market value movements	31 May 2022
	£	£	£	£
Cash at bank and in hand	557,118	487,634	-	1,044,752
Borrowings excluding overdrafts	(723,009)	(627,999)	249,624	(1,101,384)
	<u>(165,891)</u>	<u>(140,365)</u>	<u>249,624</u>	<u>(56,632)</u>