

THE KILMARNOCK FOOTBALL CLUB LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

Company Registration No. SC006219 (Scotland)

THE KILMARNOCK FOOTBALL CLUB LIMITED

COMPANY INFORMATION

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

THE KILMARNOCK FOOTBALL CLUB LIMITED

CONTENTS

	Page
Strategic report	1 - 8
Directors' report	9
Directors' responsibilities statement	10
Independent auditor's report	11 - 13
Profit and loss account	14
Statement of comprehensive income	15
Balance sheet	16
Statement of changes in equity	17
Statement of cash flows	18
Notes to the financial statements	19 - 32

THE KILMARNOCK FOOTBALL CLUB LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MAY 2023

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

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 Performance and Position
 - Analysis of performance and position
 - Financial Summary
 - Key Performance Indicators
 - Covid finances
 - Going Concern
 - Financial Risk Management
- Future Prospects

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 2023

Strategic Management

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 and the local community.

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

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

- Bowie Ventures Ltd – 4,100,000 (59.04%)
- William Bowie – 805,000 shares (11.59%)
- Phyllis McLeish – 600,000 shares (8.64%)
- Kilmarnock Supporters Society Ltd (The Killie Trust) – 497,991 shares (7.17%)
- The Kilmarnock Community Sports Trust – 163,483 shares (2.35%)

During the year to 31 May 2023 after returning to the Premiership at the first time of asking the club continued to pursue development projects to further enhance the experience for fans.

Our retail operations have continued to grow from strength to strength, with a record turnover from June 2022 to May 2023. Our shirt sales are now almost seven thousand units, with the aim of eclipsing eight thousand. The Killie Ltd line is our best-selling bespoke range ever, selling just under five thousand units since creation.

We have exceeded the five thousand season ticket mark for the first time since the late nineties. Our efforts to increase and enhance the youth pathway has seen the age groups of under twenty ones become our fastest growing portion of season ticket holders. Walk-up sales exceeded sixty thousand tickets, helping to increase our turnover significantly. The club's investment in the ticketing software has assisted here, with over ninety three percent of sales now down on mobile and online devices.

This financial year saw the introduction of a mix of new commercial partners, secured for the next three years, which has helped us achieve record targets. James Frew Ltd took over the title sponsorship mantle from departing partner Brownings. Hamilton Tarmac, the Killie Trust, and Red Rock Automation continue their support at title partner level. We also welcomed Blackwood Plant Hire to our partner family. We thank all the sponsors for their continued support and look forward to working with them all as we progress.

Our corporate hospitality offerings continued to grow, and we achieved another turnover peak here from June 2022 – May 2023. With increased offerings, enhanced experience, and the investment in catering facilities, we can offer more for our fans. With constant reviews, we will aim to keep our offerings at the top tier of corporate hospitality. We continued our stadium catering partnership with the team at DEC, who operate our matchday kiosks. Fan feedback has been extremely positive, and we will continue to enhance and increase the offerings.

The development works planned for behind the Moffat stand were delayed to allow us to focus attention and investment in other more pressing areas of the club. With a successful funding bid, our exciting plans for the rear of the Moffat stand will be unveiling in the coming months. The space will be one of the more inclusive community football spaces in Kilmarnock and we look forward to revealing more in due course.

With this documented growth in the level of shirt sales, investment in our commercial operations and season ticket numbers that have beaten targets last seen in the late nineties, we would like to thank our partners and fans for their continued support in our investment in the above operations. With some exciting plans, we look forward to continuing to enhance these offerings as we approach the 2024/25 season.

THE KILMARNOCK FOOTBALL CLUB LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

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 was demonstrated over recent years with: -
 - 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, which provided the platform for a successful season winning promotion back to the Premiership at the first time of asking.
 - As part of that process in January 2022, the Board appointed Derek McInnes as the club's new manager.
 - Our percentage of broadcasting and competition revenues is reliant on positive first-team results, and this was demonstrated clearly with the effect of 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 the team to remain in the Premiership at the end of Season 2022/23 and then build further for season 2023/24.
- 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

Several 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 2022/23 season was the first year back in the Premiership following relegation. This was a challenging year for the team with safety only guaranteed by beating Ross County in the final game of the Season at Rugby Park. The financial statements show the Board committed significant funds to the first-team playing staff budget to provide the best chance of promotion back to the Premiership for 2022/23 and then successfully stay in the Premiership at the end of that season..

The club had an exciting run in the League Cup making it to the semi final at Hampden where we were defeated 1-0 by Celtic FC in a very close run game. Our Scottish Cup quest ended at the Quarter finals stages, following defeat to Inverness Caledonian Thistle 2-1 in Inverness.

Financial summary

It is no surprise that the club records a significant loss of over £1.1m for the financial year to 31 May 2023. This compares to the loss the previous year of £1.8m. This reflects the commitment the board have given to the first team to provide a platform for success on the pitch.

The income streams, when you take Turnover and Operating Income together, increased by over £2.6m compared to the previous year in the championship. The claim under the Business Interruption insurance policy for Covid was finalised recently with a total settlement of £1.2m. The figures in this year have been credited with £161,849 of this with the balance being recognised in earlier years. At the same time, costs rose by over £1.9m which accounts for the large loss once again.

The loss is driven by the commitment to provide a first-team player budget to provide as good a platform as possible for success on the pitch. The figures in the previous year were assisted by the treatment given to the final drawdown on the SPFL funding loan with a credit in last year's figures of £249,624. Note, this is disclosed as a credit within Interest payable on the face of the Profit and Loss.

THE KILMARNOCK FOOTBALL CLUB LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

Financial Summary (cont.)

Other financial highlights: -

- The overall turnover rose from £3,698,945 in the year to 30 May 2022 to £6,408,974. The operating income however fell from £383,297 to £333,481. A high-level summary of turnover and Other Operating Income is as follows: -

	<u>Year ended</u> <u>31 May 2023</u>	<u>Year ended</u> <u>30 May</u> <u>2022</u>
	<u>£</u>	<u>£</u>
Total Revenue	6,408,974	3,698,945
Main items:		
Season ticket revenue	910,171	655,010
Gate receipts	1,149,465	488,421
SPFL Club fees	1,773,202	1,064,589
UEFA Central revenues	648,190	730
Advertising and Sponsorship	386,382	359,480
Academy support funding	168,470	135,579
Hospitality & Matchday income	515,840	351,716
Cup Prizemoney	272,531	86,935
Shop Takings/Commission	584,384	556,220
Sundry income	265	267
Other Operating Income:		
Government grant support	56,868	137,648
Loan Player revenue	61,649	69,414
Donations	3,448	12,398
Business Interruption Insurance	161,849	150,000
Other income	27,475	13,837

- The administrative expenses rose from just over £5 million to just under £6.9 million. Included in Administrative expenses are the costs associated with the first-team playing squad and coaching staff summarised as follows: -

	<u>Year ended</u> <u>31 May 2023</u>	<u>Year ended</u> <u>30 May</u> <u>2022</u>
	<u>£</u>	<u>£</u>
Total Administrative Costs	6,874,606	5,329,799
Highlighted Items:		
First team playing squad	2,427,237	1,737,864
Loan Players	626,772	214,966
First Team Coaching staff	616,960	439,187
Termination payments	-	235,456
Agent's costs	116,610	65,711
Transfer fees	(263,699)	(108,242)

THE KILMARNOCK FOOTBALL CLUB LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

Financial Summary (cont.)

- Please note, the disposal of intangible assets, effectively transfer fees in connection with the transfer of player registrations, are disclosed within Administration expenses.
- The significant loss contributes to a lower cash balance at the year end which falls by £452,273 to £592,479.
- The Net Current Assets did however improve slightly from a negative £149,578 last year to a positive £105,173 at this year-end.
 - The Season Tickets sold for 2023/24 prior to the year-end are carried as deferred income under Current Liabilities.
 - The Other Debtors figure includes £ 305,349 due under the Business Interruption insurance claim; the amount due to the club from the 2022/23 Season for Solidarity funds for the Academy of £637,532 plus the final SPFL Club fees of approximately £371,684. The solidarity money was significantly higher than normal due to the improvement in performances of Celtic Fc and The Rangers Fc in European competition.
 - There was no Solidarity funds for the academy showing for the previous year for 2021/22 due to being in the Championship.
 - The Club fees were significantly less in the previous year 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.
- Overall net worth fell by £843,717 with the two factors being: -
 - Retained loss in the year of £1,121,701; offset to an extent by
 - Share Capital invested - £277,984

Key Performance Indicators:

	<u>Year ended</u> <u>31 May 2023</u> <u>Premiership</u>	<u>Year ended</u> <u>30 May 2022</u> <u>Championship</u>
	£	£
Turnover	6,408,974	3,698,945
Operating Profit/(Loss)	(1,121,701)	(1,848,459)
Final League position	10th	1st
First Team Reward	3,670,969	2,371,954
First Team Reward/Turnover	57.28%	64.13%
Season Ticket sales (2023/24 – 5,223)	5,022	4,022
Average attendance	6,487	4,780
Highest Home Attendance 14th August 2022	9,162 v Celtic	11,500 v Arbroath
Lowest Home Attendance 23rd July 2022	2,429 v Stenhousemuir	Restricted 500 v Greenock Morton

THE KILMARNOCK FOOTBALL CLUB LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

Financial Impact of COVID-19

Covid Summary

The effects of Covid were still felt through the year to 31 May 2022 with restricted numbers attending matches at times in the year. The financial effect will be felt for the next 19 years.

One of the measures used to offset the effects of covid was the 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.

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 fair value adjustment of this interest free borrowing with a debit of £44,606 in the year to 31 May 2023 and £249,624 credit in the previous year. This will be written back as notional interest charges over the term of the loan.

The balance on this loan after these adjustments, per the balance sheet at 31 May 2023, was £1,077,440 with £1,828,000 having been drawn down. The repayments on the loan started during September 2022.

The successful claim under Business Interruption insurance has seen the club receive a total of £1,275,349 with £970,000 being credited to the Profit and loss account in the year to 31 May 2021/ £ 150,000 in the year to 31 May 2022 and the final £161,849 in the year to 31 May 2023.

THE KILMARNOCK FOOTBALL CLUB LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

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. This process has considered the position to 31 May 2025.

The Directors, whilst accepting the difficulties in forecasting, 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, 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 last season, with the sale of Charlie McArthur to Newcastle United, alongside first-team debuts for David Watson, Bobby Wales, and Steven Warnock.

In the current year we see further development with Bobby Wales having a successful loan period at Alloa and David Watson cementing his first team place, and several development / Academy players being called up to their respective Scotland squads.

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

The Board has invested in the Womens game, with the appointment of Jim Chapman as Women's Development Manager, and bringing the girls' academy fully within the Club

The Club welcomes the support from the Killie Trust, which has refocussed its funding efforts to support young player development.

The Board recognises the importance of on-field achievement. The Board are happy with securing a place in the Premiership at the end of season 2022/23 and reaching the Scottish Cup semi-final in that year. We can see further development and improvement in the current season. 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 return to Hampden Park as we competed in a national Semi-Final for the first time in more than a decade during January 2023.

The Club is committed to supporting our charity Killie Community (KCST) which is now providing a wide range of sport and wellbeing programmes for all age groups, and looks forward to the further development of the Community Hub which will enable expansion of community engagement.

THE KILMARNOCK FOOTBALL CLUB LIMITED

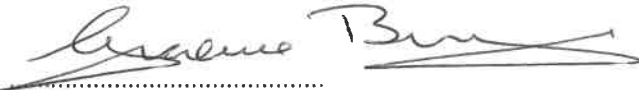
STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

Future Prospects (cont.)

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. There is a need to continue to explore all potential revenue streams and hopefully see continued growth with all current revenue streams.

By order of the board



Mr Graeme Bryson CTA, ACA
Secretary

Date: *9th February 2024*

THE KILMARNOCK FOOTBALL CLUB LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2023

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

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 14.

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.

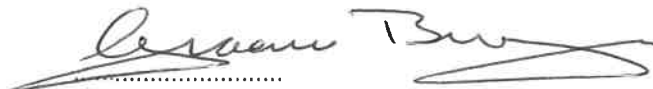
Auditor

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

Date: 9th February 2024

6

THE KILMARNOCK FOOTBALL CLUB LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MAY 2023

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

Opinion

We have audited the financial statements of The Kilmarnock Football Club Limited (the 'company') for the year ended 31 May 2023 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 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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, 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

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

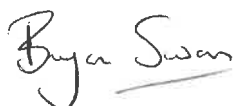
In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- 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

Date: 9/2/24

THE KILMARNOCK FOOTBALL CLUB LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MAY 2023

	Notes	2023 £	2022 £
Turnover	3	6,408,974	3,698,945
Cost of sales		(909,525)	(850,545)
Gross profit		5,499,449	2,848,400
Administrative expenses		(6,874,606)	(5,329,799)
Other operating income		333,481	383,297
Operating loss	4	(1,041,676)	(2,098,102)
Interest receivable and similar income	6	142	19
Interest payable and similar expenses	7	(80,167)	249,624
Loss before taxation		(1,121,701)	(1,848,459)
Tax on loss	8	-	-
Loss for the financial year		(1,121,701)	(1,848,459)

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 2023

	2023	2022
	£	£
Loss for the year	(1,121,701)	(1,848,459)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(1,121,701)</u>	<u>(1,848,459)</u>


THE KILMARNOCK FOOTBALL CLUB LIMITED

BALANCE SHEET

AS AT 31 MAY 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Intangible assets	9		-		16,360
Tangible assets	10		10,782,459		10,985,444
Investments	11		20,000		20,000
			<u>10,802,459</u>		<u>11,021,804</u>
Current assets					
Stocks	12	134,794		222,167	
Debtors	13	1,572,518		555,157	
Cash at bank and in hand		592,479		1,044,752	
		<u>2,299,791</u>		<u>1,822,076</u>	
Creditors: amounts falling due within one year	14	(2,194,618)		(1,971,654)	
Net current assets/(liabilities)			105,173		(149,578)
Total assets less current liabilities			10,907,632		10,872,226
Creditors: amounts falling due after more than one year	15		(2,183,432)		(1,247,441)
Government grants	17		(1,014,307)		(1,071,175)
Net assets			<u>7,709,893</u>		<u>8,553,610</u>
Capital and reserves					
Called up share capital	19		6,944,867		6,666,883
Share premium account			6,593,734		6,593,734
Revaluation reserve			6,275,619		6,354,419
Capital redemption reserve			421,603		421,603
Profit and loss reserves			(12,525,930)		(11,483,029)
Total equity			<u>7,709,893</u>		<u>8,553,610</u>

The financial statements were approved by the board of directors and authorised for issue on 9/2/24 and are signed on its behalf by:


 Mr William Bowie
 Director

Company registration number SC006219 (Scotland)

THE KILMARNOCK FOOTBALL CLUB LIMITED

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

	Notes	Share capital £	Share premium account £	Revaluation reserve £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 June 2021		6,073,007	6,593,734	6,433,219	421,603	(9,713,370)	9,808,193
Year ended 31 May 2022:							
Loss and total comprehensive income		-	-	-	-	(1,848,459)	(1,848,459)
Issue of share capital	19	593,876	-	-	-	-	593,876
Transfers		-	-	(78,800)	-	78,800	-
Balance at 31 May 2022		6,666,883	6,593,734	6,354,419	421,603	(11,483,029)	8,553,610
Year ended 31 May 2023:							
Loss and total comprehensive income		-	-	-	-	(1,121,701)	(1,121,701)
Issue of share capital	19	277,984	-	-	-	-	277,984
Transfers		-	-	(78,800)	-	78,800	-
Balance at 31 May 2023		6,944,867	6,593,734	6,275,619	421,603	(12,525,930)	7,709,893

THE KILMARNOCK FOOTBALL CLUB LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MAY 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash absorbed by operations	22	(674,076)		(305,190)	
Interest paid		(35,561)		-	
Net cash outflow from operating activities		(709,637)		(305,190)	
Investing activities					
Purchase of intangible assets		-		(30,000)	
Proceeds on disposal of intangibles		269,147		108,242	
Purchase of tangible fixed assets		(221,359)		(524,394)	
Proceeds on disposal of tangible fixed assets		(1)		17,082	
Interest received		142		19	
Net cash generated from/(used in) investing activities			47,929		(429,051)
Financing activities					
Proceeds from issue of shares		277,984		593,876	
Loans advanced		(68,549)		627,999	
Net cash generated from financing activities			209,435		1,221,875
Net (decrease)/increase in cash and cash equivalents			(452,273)		487,634
Cash and cash equivalents at beginning of year			1,044,752		557,118
Cash and cash equivalents at end of year			592,479		1,044,752

THE KILMARNOCK FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2023

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 2023

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 2023

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 2023

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 2023

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 2023

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.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

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:

	2023	2022
	£	£
Turnover analysed by class of business		
Football and related activities	6,408,974	3,698,945

THE KILMARNOCK FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

3 Turnover and other revenue	(Continued)	
	2023	2022
	£	£
Other significant revenue		
Interest income	142	19
Grants received	56,868	137,648
Loan player revenues	61,649	69,414
Business interruption insurance claim	161,849	150,000
Donations	3,448	12,398
Other income	27,475	13,837
	<u> </u>	<u> </u>

4 Operating loss	2023	2022
	£	£
Operating loss for the year is stated after charging/(crediting):		
Government grants	(56,868)	(137,648)
Fees payable to the company's auditor for the audit of the company's financial statements	5,000	4,500
Depreciation of owned tangible fixed assets	424,345	430,655
Profit on disposal of tangible fixed assets	-	(16,618)
Amortisation of intangible assets	10,912	13,640
Profit on disposal of intangible assets	(263,699)	(108,242)
Operating lease charges	38,311	24,713
	<u> </u>	<u> </u>

5 Employees

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

	2023	2022
	Number	Number
Playing & backroom staff	39	53
Retail	6	4
Hospitality & commercial	49	37
Matchday	58	33
Management	13	7
Finance & administration	4	2
Ground & maintenance	9	8
	<u> </u>	<u> </u>
Total	178	144
	<u> </u>	<u> </u>

THE KILMARNOCK FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

5 Employees	(Continued)	
Their aggregate remuneration comprised:		
	2023	2022
	£	£
Wages and salaries	3,714,517	3,067,179
Social security costs	418,936	294,520
Pension costs	59,171	42,819
	<u>4,192,624</u>	<u>3,404,518</u>
6 Interest receivable and similar income	2023	2022
	£	£
Interest income		
Interest on bank deposits	142	19
	<u>142</u>	<u>19</u>
	2023	2022
	£	£
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	142	19
	<u>142</u>	<u>19</u>
7 Interest payable and similar expenses	2023	2022
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	35,561	-
Other finance costs:		
Effective interest rate discount on loans	44,606	(249,624)
	<u>80,167</u>	<u>(249,624)</u>

THE KILMARNOCK FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

8 Taxation

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

	2023 £	2022 £
Loss before taxation	(1,121,701)	(1,848,459)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	(213,123)	(351,207)
Tax effect of income not taxable in determining taxable profit	107,844	26,909
Unutilised tax losses carried forward	105,279	301,007
Permanent capital allowances in excess of depreciation	-	23,291
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 are expected to exceed any future capital gain.

9 Intangible fixed assets

	Player registrations £
Cost	
At 1 June 2022	30,000
Disposals	(30,000)
At 31 May 2023	-
Amortisation and impairment	
At 1 June 2022	13,640
Amortisation charged for the year	10,912
Disposals	(24,552)
At 31 May 2023	-
Carrying amount	
At 31 May 2023	-
At 31 May 2022	16,360

THE KILMARNOCK FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

10 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation					
At 1 June 2022	11,996,004	715,022	347,145	24,068	13,082,239
Additions	208,993	-	12,366	-	221,359
Disposals	-	(536,475)	(11,638)	-	(548,113)
At 31 May 2023	12,204,997	178,547	347,873	24,068	12,755,485
Depreciation and impairment					
At 1 June 2022	1,255,290	621,615	218,423	1,467	2,096,795
Depreciation charged in the year	297,736	59,393	61,566	5,650	424,345
Eliminated in respect of disposals	-	(536,478)	(11,636)	-	(548,114)
At 31 May 2023	1,553,026	144,530	268,353	7,117	1,973,026
Carrying amount					
At 31 May 2023	10,651,971	34,017	79,520	16,951	10,782,459
At 31 May 2022	10,740,714	93,407	128,722	22,601	10,985,444

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 £2,654,997, represents the fair value at 31 May 2023.

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	
	2023 £	2022 £
Cost	7,675,400	7,466,407
Accumulated depreciation	(3,874,897)	(3,723,298)
Carrying value	3,800,503	3,743,109

THE KILMARNOCK FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

11 Fixed asset investments

	2023 £	2022 £
Unlisted investments	20,000	20,000

12 Stocks

	2023 £	2022 £
Raw materials and consumables	9,332	13,788
Finished goods and goods for resale	125,462	208,379
	<u>134,794</u>	<u>222,167</u>

13 Debtors

Amounts falling due within one year:		2023 £	2022 £
Trade debtors		164,947	250,652
Other debtors		1,325,879	189,132
Prepayments and accrued income		81,692	115,373
		<u>1,572,518</u>	<u>555,157</u>

14 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Other borrowings	16	91,400	68,550
Trade creditors		803,296	1,009,413
Taxation and social security		435,629	244,040
Deferred income	17	474,329	415,874
Other creditors		140,000	171,327
Accruals and deferred income		249,964	62,450
		<u>2,194,618</u>	<u>1,971,654</u>

15 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
SPFL Scottish Government funding facility	16	986,041	1,032,834
Other creditors		1,197,391	214,607
		<u>2,183,432</u>	<u>1,247,441</u>

THE KILMARNOCK FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

15 Creditors: amounts falling due after more than one year (Continued)

During the year, the Club started to repay the SPFL Scottish Government funding facility. The total loan outstanding at 31 May 2023, amounted to £1,759,450 (2022 - £1,828,000). 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 £1,077,440 (2022 - £1,101,384).

The effect of discounting using the effective interest rate method has resulted in £44,606 (2022 - £249,624 credit) being transferred to the profit and loss account and is shown as a debit to Finance costs.

16 Loans and overdrafts

	2023 £	2022 £
SPFL Scottish Government funding facility	1,077,441	1,101,384
Payable within one year	91,400	68,550
Payable after one year	986,041	1,032,834

17 Deferred income

	2023 £	2022 £
Arising from government grants	1,014,307	1,071,175
Other deferred income	474,329	415,874
	1,488,636	1,487,049
Included in the financial statements as follows:		
Current liabilities	474,329	415,874
Shown as deferred income on the face of the balance sheet	1,014,307	1,071,175
	1,488,636	1,487,049

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

	2023 £	2022 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	59,171	42,819

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.

THE KILMARNOCK FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

19 Share capital

	2023	2022	2023	2022
Ordinary share capital Issued and fully paid	Number	Number	£	£
Ordinary shares of £1 each	6,944,867	6,666,883	6,944,867	6,666,883

During the year, 277,984 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 2023

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 £11,280 (2022 - £299,860) and sales to the value of £375 (2022 - £50,333). At the year end the company's trade creditors included £7,861 (2022 - £428,138) and trade debtors included £60,700 due from BBSP (2022 - £115,139).

At the year end the balance outstanding to BBSP amounted to £569,529 (2022 - £142,961). 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 £697,859 (2022 - £214,607). 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

	2023 £	2022 £
Loss for the year after tax	(1,121,701)	(1,848,459)
Adjustments for:		
Finance costs	80,167	(249,624)
Investment income	(142)	(19)
Gain on disposal of tangible fixed assets	-	(16,618)
Gain on disposal of intangible assets	(263,699)	(108,242)
Amortisation and impairment of intangible assets	10,912	13,640
Depreciation and impairment of tangible fixed assets	424,345	430,655
Decrease in deferred income	(56,868)	(56,868)
Movements in working capital:		
Decrease/(increase) in stocks	87,373	(120,705)
(Increase)/decrease in debtors	(1,017,361)	970,047
Increase in creditors	1,124,443	321,945
Increase in deferred income	58,455	359,058
Cash absorbed by operations	<u>(674,076)</u>	<u>(305,190)</u>

23 Analysis of changes in net debt

	1 June 2022 £	Cash flows £	Market value movements £	31 May 2023 £
Cash at bank and in hand	1,044,752	(452,273)	-	592,479
Borrowings excluding overdrafts	(1,101,384)	68,549	(44,606)	(1,077,441)
	<u>(56,632)</u>	<u>(383,724)</u>	<u>(44,606)</u>	<u>(484,962)</u>