

Company registration number 00224792 (England and Wales)

MORECAMBE FOOTBALL CLUB LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2022

MORECAMBE FOOTBALL CLUB LIMITED

COMPANY INFORMATION

Directors	Mr R H Taylor Mr G A Howse Mr M Horton Mr J T Wakefield Mr C E Appleyard Mr B R Sadler	(Appointed 4 July 2022)
Secretary	Mr G A Howse	
Company number	00224792	
Registered office	Mazuma Stadium Christie Way Westgate Morecambe LA4 4TB	
Auditor	MHA Moore and Smalley Richard House 9 Winckley Square Preston PR1 3HP	

MORECAMBE FOOTBALL CLUB LIMITED

CONTENTS

	Page
Strategic report	1 - 4
Directors' report	5
Directors' responsibilities statement	6
Independent auditor's report	7 - 9
Statement of comprehensive income	10
Balance sheet	11
Statement of changes in equity	12
Statement of cash flows	13
Notes to the financial statements	14 - 29

MORECAMBE FOOTBALL CLUB LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MAY 2022

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

Fair review of the business

The financial year 2021/22 was Morecambe's fifteenth consecutive season in the English Football League and first in League One. The club were able to post a profit before tax for the year of £1,273,251 (20/21: Profit before tax of £725,355).

The 21/22 season ended with the club claiming its highest ever league position and represented its fifth year operating a Category 3 Academy.

Key performance indicators

The highlight of the season was the Club maintaining its status in EFL League One. A good run in the FA Cup culminated in the Club's first visit to the Tottenham Hotspur Stadium where a flurry of late goals saw the team eliminated, losing 3-1. The Club were drawn with two local Championship teams in the EFL Cup defeating Blackburn Rovers in the First Round before defeat to Preston North End in Round Two. In the EFL Trophy the club was eliminated at the group stage registering 1 point.

Performance on the Pitch

Target	2021/22 Performance	2020/21 Performance
	Finished in 19th position	Finished 4th position (in L2)
Avoid relegation from League One		Won League Two Play-off Final Gained Promotion to League One
	FA Cup - 3rd Round	FA Cup – 3rd Round
Generate Income from Cup Runs	EFL Cup - 2nd Round	EFL Cup – 3rd Round
	EFL Trophy – Group Stage	EFL Trophy – Group Stage

Strategy

The key elements to the company's strategy for growth are:

- Continue to invest in our staff, both footballing and non-footballing, and facilities
- Further develop our retail, commercial and hospitality business to help diversify income streams and margins
- Enhance awareness and the reach of our brand

MORECAMBE FOOTBALL CLUB LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

Principal risks and uncertainties

The principal risks to the business are relegation and the consequential loss of income, or if the company were unable to secure sufficient finance from either the directors, owners or other sources to continue funding the cashflow requirements. These and other risks are monitored by the Board on a regular basis.

In addition to the above:

- Performance of the men's first team and age group
- Maintaining and enhancing our reputation and brand
- Renewal/replacement of key commercial contracts on similar or better terms
- Retention and recruitment of key employees

Performance of the men's first team

The Club achieved it's highest ever finish in the football pyramid in 2021/22, culminating in a 19th place finish in League One. Good cup runs were achieved in both the FA and EFL Cups before defeats in the 3rd Round and 2nd Round respectively to higher division opposition.

The above marked a season which exceeded the expectations of all those concerned with the club and most outsiders, built on the solid foundations put in place in the previous 14 years as a Football League club.

Maintaining and enhancing our reputation and brand

The club's performance against the odds throughout 2021/22, especially its FA Cup run which saw a Saturday lunchtime BBC TV Appearance in the Second Round against Buxton and widespread coverage of its eventual defeat away to Tottenham Hotspur in the Third Round, continue to enhance awareness of the brand both locally and nationally. The continued strategy of ensuring that the club is run on equitable and fair grounds in dealings with both its own employees, supporters and the wider footballing community ensured that its existing reputation was only enhanced by success on the field.

Increased coverage of the club in League One has raised awareness and publicity of the brand and with that comes both opportunity and risk, with the Board conscious that the club needs to seek out the former but not at the risk of damaging the club's deserved reputation for fair play and dealings.

Renewal/replacement of key commercial contracts on similar or better terms

The club's presence in League One resulted in increased commercial and hospitality contracts as well as Matchday income, this however was hampered slightly by the effects of the Omicron Covid-19 outbreak and Government restrictions around Christmas 2021 and as such the club saw increases here but not necessarily the full benefits it could have expected. The Club continued with its contract with the NHS for it to use the Clubs' facilities as a Covid-19 vaccination centre.

MORECAMBE FOOTBALL CLUB LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

Retention and recruitment of key employees

During the 2021/22 football season, the club's success brought with it interest in its personnel with the result that Stephen Robinson the First Team Manager and Diarmuid O'Carroll the First Team coach were approached to take up a high-profile vacancy in the Scottish Premiership and left the Club mid-season. The Club acted quickly and re-appointed Derek Adams as First Team Manager and John McMahon as his Deputy, reuniting the successful management team who guided the Club to promotion in 2020/21. The Directors believe that this has resulted in a management structure and playing staff capable of challenging at this level. Off the pitch, the company has continued to invest in non-footballing staff to embrace the demands placed upon it by operating in League One. The Board is confident that in all aspects the club are better placed now to compete.

Future developments and going concern

Post year end, the club has been relegated into League Two of the English Football League. It is estimated that this will impact the club's ability to generate revenue at current levels, and the directors have adjusted the operational and playing budgets to reflect this.

During the year ended 31 May 2022 the club continued to reduce the amount due to the club's owners and financiers. The directors have prepared projections up to 31 May 2024 for the club to be run on a break-even basis.

At the date of approval of these financial statements, the majority shareholders remain in negotiations to sell their shares in the company. The Board are hopeful that this process will be completed shortly, however at the date of approval of these financial statements the process is still ongoing.

The Board are confident that additional funding will be made available if required for the company to continue to operate and meet its obligations as they become due over the next 12 months, whether this be from the current majority shareholders, or by way of new investment following the conclusion of the sale process.

Whilst the directors believe that the company will be able to continue to operate and meet its obligations over the next 12 months, the impact of the ongoing sales process naturally brings uncertainty as to future ownership, financing and investment.

Based on the above, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, the uncertainty around the future ownership, financing and investment constitutes a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

MORECAMBE FOOTBALL CLUB LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

Stakeholders

The Board take into consideration the interests of the club's employees, supporters, commercial partners and all its stakeholders in its decision making.

Employees

The wellbeing of the company's employees is of primary importance to the club, with training in mental health awareness, safeguarding standards and access to club officials specialising in these areas.

Community

The club works closely with its community partner, Shrimps Supporters Society Limited, to engage with as wide a range of the local demographic as possible, supporting the society with its work in the community.

Supporters

The club maintains a supporter's charter, committed to delivering a professional football team, success on the pitch, whilst delivering a community-orientated experience and service at all levels both footballing and non-footballing. It has officials tasked to ensure that it is accessible as possible and is increasingly looking at ways to engage with both its supporters and the wider community.

Other Stakeholders

The Board acknowledge that it is in its own best interests in securing both footballing and reputational success that it has mutually beneficial relationships with both its footballing and commercial partners. The club looks to enter into mutually beneficial relationships with both its business partners and customers, seeking regular and detailed feedback in order to ensure that its standards remain high and areas where they can be improved upon.

By order of the board

Mr G A Howse
Secretary

18 May 2023

MORECAMBE FOOTBALL CLUB LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2022

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.

Results and dividends

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

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

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr R H Taylor	
Mr G A Howse	
Mr J Whittingham	(Resigned 29 August 2022)
Mr C A Goldring	(Resigned 29 August 2022)
Mr M Horton	
Mr J T Wakefield	
Mr C E Appleyard	
Mr B R Sadler	(Appointed 4 July 2022)

Auditor

The auditor, MHA Moore and Smalley, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments.

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 G A Howse
Secretary

18 May 2023

MORECAMBE FOOTBALL CLUB LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MAY 2022

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

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

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

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

MORECAMBE FOOTBALL CLUB LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MORECAMBE FOOTBALL CLUB LIMITED

Opinion

We have audited the financial statements of Morecambe Football Club Limited (the 'company') for the year ended 31 May 2022 which comprise 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 profit 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.

Material uncertainty related to going concern

We draw attention to note 1.2 in the financial statements, which highlights that at the date of approval of these financial statements, the majority shareholders remain in negotiations to sell their shares in the company. The Board are hopeful that this process will be completed shortly, however at the date of approval of these financial statements the process is still ongoing. As stated in note 1.2, the impact of the future ownership, financing and investment indicates that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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.

MORECAMBE FOOTBALL CLUB LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MORECAMBE FOOTBALL CLUB LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the 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 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. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, are detailed below:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations;
- Enquires with management about any known or suspected instances of fraud;
- Review of minutes of board meetings;
- Examination of journal entries and other adjustments to test for appropriateness and identify any instances of management override of controls;
- Review of legal and professional expenditure to identify any evidence of ongoing litigation or enquiries;
- Reviewed the systems for recording revenue and tested a sample of transactions throughout the year, to test they have been recorded within the accounts;
- Reviewed a sample of sales transactions around the year end to test cut off has been correctly applied.

We identified the following areas as those most likely to have a material impact on the financial statements: employment law, health and safety legislation, compliance with EFL regulations, and compliance with the UK Companies Act.

MORECAMBE FOOTBALL CLUB LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MORECAMBE FOOTBALL CLUB LIMITED

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognize the non-compliance.

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.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Williams (Senior Statutory Auditor)
For and on behalf of MHA Moore and Smalley
Chartered Accountants
Statutory Auditor

Richard House
9 Winckley Square
Preston
PR1 3HP

18 May 2023

MORECAMBE FOOTBALL CLUB LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MAY 2022

	Notes	2022 £	2021 £
Turnover	3	6,418,991	2,780,736
Cost of sales		(5,030,180)	(2,868,646)
Gross profit/(loss)		1,388,811	(87,910)
Administrative expenses		(592,659)	(422,840)
Other operating income		467,416	1,616,110
Operating profit	4	1,263,568	1,105,360
Interest receivable and similar income	7	-	8
Interest payable and similar expenses	8	9,683	(380,013)
Profit before taxation		1,273,251	725,355
Tax on profit	9	8,759	(332,689)
Profit for the financial year		1,282,010	392,666

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

MORECAMBE FOOTBALL CLUB LIMITED

BALANCE SHEET

AS AT 31 MAY 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Intangible assets	10	8,991		-	
Tangible assets	11	7,635,263		7,543,780	
		<u>7,644,254</u>		<u>7,543,780</u>	
Current assets					
Stocks	12	20,072		2,539	
Debtors	13	358,063		1,075,769	
Cash at bank and in hand		264,231		213,669	
		<u>642,366</u>		<u>1,291,977</u>	
Creditors: amounts falling due within one year	14	<u>(1,004,926)</u>		<u>(2,761,160)</u>	
Net current liabilities			<u>(362,560)</u>		<u>(1,469,183)</u>
Total assets less current liabilities			<u>7,281,694</u>		<u>6,074,597</u>
Creditors: amounts falling due after more than one year	15		<u>(54,496)</u>		<u>(120,650)</u>
Provisions for liabilities					
Deferred tax liability	18	1,412,299		1,421,058	
		<u>(1,412,299)</u>		<u>(1,421,058)</u>	
Net assets			<u>5,814,899</u>		<u>4,532,889</u>
Capital and reserves					
Called up share capital	20	4,823,260		4,823,260	
Share premium account		10,000		10,000	
Profit and loss reserves		981,639		(300,371)	
Total equity			<u>5,814,899</u>		<u>4,532,889</u>

The financial statements were approved by the board of directors and authorised for issue on 18 May 2023 and are signed on its behalf by:

Mr G A Howse
Director

Company Registration No. 00224792

MORECAMBE FOOTBALL CLUB LIMITED

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

	Share capital	Share premium account	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 June 2020	4,823,260	10,000	(693,037)	4,140,223
Year ended 31 May 2021:				
Profit and total comprehensive income for the year	-	-	392,666	392,666
Balance at 31 May 2021	4,823,260	10,000	(300,371)	4,532,889
Year ended 31 May 2022:				
Profit and total comprehensive income for the year	-	-	1,282,010	1,282,010
Balance at 31 May 2022	4,823,260	10,000	981,639	5,814,899

MORECAMBE FOOTBALL CLUB LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MAY 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	26	2,054,011		622,936	
Interest paid		9,683		(3,141)	
Income taxes refunded		-		81,975	
Net cash inflow from operating activities		2,063,694		701,770	
Investing activities					
Purchase of intangible assets		(13,990)		-	
Purchase of tangible fixed assets		(176,864)		(18,894)	
Proceeds on disposal of tangible fixed assets		-		1,459	
Interest received		-		8	
Net cash used in investing activities		(190,854)		(17,427)	
Financing activities					
Repayment of borrowings		(1,817,441)		(647,681)	
Payment of finance leases obligations		(4,837)		(8,872)	
Net cash used in financing activities		(1,822,278)		(656,553)	
Net increase in cash and cash equivalents		50,562		27,790	
Cash and cash equivalents at beginning of year		213,669		185,879	
Cash and cash equivalents at end of year		264,231		213,669	

MORECAMBE FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2022

1 Accounting policies

Company information

Morecambe Football Club Limited is a private company limited by shares incorporated in England and Wales. The registered office is Mazuma Stadium, Christie Way, Westgate, Morecambe, LA4 4TB.

1.1 Accounting convention

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

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

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

1.2 Going concern

Post year end, the club has been relegated into League Two of the English Football League. It is estimated that this will impact the club's ability to generate revenue at current levels, and the directors have adjusted the operational and playing budgets to reflect this.

During the year ended 31 May 2022 the club continued to reduce the amount due to the club's owners and financiers. The directors have prepared projections up to 31 May 2024 for the club to be run on a break-even basis.

At the date of approval of these financial statements, the majority shareholders remain in negotiations to sell their shares in the company. The Board are hopeful that this process will be completed shortly, however at the date of approval of these financial statements the process is still ongoing.

The Board are confident that additional funding will be made available if required for the company to continue to operate and meet its obligations as they become due over the next 12 months, whether this be from the current majority shareholders, or by way of new investment following the conclusion of the sale process.

Whilst the directors believe that the company will be able to continue to operate and meet its obligations over the next 12 months, the impact of the ongoing sales process naturally brings uncertainty as to future ownership, financing and investment.

Based on the above, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, the uncertainty around the future ownership, financing and investment constitutes a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

1.3 Turnover

Turnover represents income receivable, net of VAT, from football and related commercial activities. Sponsorship and similar income are recognised over the duration of the respective contracts. Gate and other match day revenues are recognised over the period of the football season as games are played. Other corporate and hospitality revenues are recognised at the time of the event.

MORECAMBE FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

1 Accounting policies

(Continued)

1.4 Intangible fixed assets other than goodwill

Player registration fees are capitalised as intangible assets and are initially recognised at cost. After recognition, under the cost model, the registrations are measured at cost less accumulated amortisation and accumulated impairment losses.

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

Trademarks	10% straight line
Player registrations	straight line over the period of the initial contract

1.5 Tangible fixed assets

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

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

Freehold land	No depreciation provided
Leasehold property	2% straight line
Plant and machinery	15% reducing balance
Motor vehicles	25% reducing balance

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 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).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell.

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 sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

MORECAMBE FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

1 Accounting policies

(Continued)

1.9 Financial instruments

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

Financial instruments are recognised in the company's 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.

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.

MORECAMBE FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors 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

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

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

Derecognition of financial liabilities

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

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the 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.

MORECAMBE FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

1 Accounting policies

(Continued)

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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

1.13 Retirement benefits

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

1.14 Leases

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

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

1.15 Government grants

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.

1.16 Foreign exchange

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

1.17 Sale and finance lease back

FRS 102 requires that where a sale and leaseback transaction results in a finance lease the seller shall not recognise immediately, as income, any excess of sale proceeds over carrying amount but should instead defer such excess and amortise it over the lease term. However it is silent on the treatment of any deficit of sale proceeds over carrying amount. Therefore in formulating an accounting policy the directors have looked up the hierarchy of accounting standards to IFRS 16 which requires that the seller continues to recognise the assets and to recognise a financial liability equal to the transfer proceeds.

MORECAMBE FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Classification of finance and operating leases

At the inception of each lease, management undertake an assessment of the terms of the lease including payments to be made over the life of the lease, the fair value of the asset subject to the lease, the length of the lease and whether the terms of the lease transfer substantially all of the risks and rewards of ownership.

Based on this assessment, management will determine whether the lease should be classified as a finance or operating lease.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

The residual value and estimated useful life of leasehold property

At the acquisition date of the property, management made an assessment of the useful life of the property. They have used their knowledge of the business, geographical area and the property itself in reaching a decision of a useful life of 50 years.

Management have also assessed the estimated residual value of the property at the end of its 50 year useful life. Using the factors noted above as well as the property market in the area they have reached an appropriate residual value which has been applied in the depreciation calculation.

MORECAMBE FOOTBALL CLUB LIMITED

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

3 Turnover and other revenue

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

	2022 £	2021 £
Turnover analysed by class of business		
Football	4,163,412	2,240,660
Shop	150,114	84,463
Corporate	408,730	183,663
Hospitality	786,232	80,168
Other	135,503	70,782
Player sales	775,000	121,000
	<u>6,418,991</u>	<u>2,780,736</u>

	2022 £	2021 £
Turnover analysed by geographical market		
United Kingdom	<u>6,418,991</u>	<u>2,780,736</u>

	2022 £	2021 £
Other revenue		
Interest income	-	8
Grants received	<u>91,913</u>	<u>448,610</u>

4 Operating profit

	2022 £	2021 £
Operating profit for the year is stated after charging/(crediting):		
Government grants	(91,913)	(448,610)
Fees payable to the company's auditor for the audit of the company's financial statements	13,650	12,450
Depreciation of owned tangible fixed assets	80,917	72,632
Depreciation of tangible fixed assets held under finance leases	4,464	5,624
(Profit)/loss on disposal of tangible fixed assets	-	2,338
Amortisation of intangible assets	<u>4,999</u>	<u>-</u>

MORECAMBE FOOTBALL CLUB LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2022****5 Employees**

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

	2022	2021
	Number	Number
Playing and management staff	47	42
Other football related staff	73	64
Shop staff	2	2
Hospitality staff	60	51
Support and administrative staff	6	4
Total	<u>188</u>	<u>163</u>

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	3,451,335	2,159,754
Social security costs	335,542	126,588
Pension costs	36,288	23,076
	<u>3,823,165</u>	<u>2,309,418</u>

6 Directors' remuneration

	2022	2021
	£	£
Remuneration for qualifying services	<u>18,522</u>	<u>17,522</u>

7 Interest receivable and similar income

	2022	2021
	£	£
Interest income		
Interest on bank deposits	<u>-</u>	<u>8</u>
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	<u>-</u>	<u>8</u>

MORECAMBE FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

8 Interest payable and similar expenses

	2022 £	2021 £
Interest on financial liabilities measured at amortised cost:		
Other interest on financial liabilities	(10,483)	376,872
Other finance costs:		
Interest on finance leases and hire purchase contracts	800	657
Other interest	-	2,484
	<u>(9,683)</u>	<u>380,013</u>

9 Taxation

	2022 £	2021 £
Deferred tax		
Origination and reversal of timing differences	(8,759)	(11,006)
Changes in tax rates	-	343,695
	<u>(8,759)</u>	<u>332,689</u>

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

	2022 £	2021 £
Profit before taxation	<u>1,273,251</u>	<u>725,355</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	241,918	137,817
Tax effect of expenses that are not deductible in determining taxable profit	849	1,551
Change in unrecognised deferred tax assets	(241,879)	(147,733)
Depreciation on assets not qualifying for tax allowances	6,797	8,365
Other permanent differences	(7,685)	-
Rolled over gain timing difference	(8,759)	(11,006)
Change in deferred tax rate	-	343,695
	<u>(8,759)</u>	<u>332,689</u>

Factors affecting future tax and charges

In March 2021 the Chancellor confirmed, in the budget, an increase in the corporation tax rate from 19% to 25%. The Finance Bill 2021 had its third reading on 24 May 2021 and is now considered substantively enacted. The timing differences expected to reverse on or after 1 April 2023 have been accounted for at 25% and therefore deferred tax has been provided for at 25% (2021: 25%).

At the balance sheet date, the company had tax losses carried forward of £6,215,520 (2021: £7,356,691). The company has not recognised a deferred tax asset in respect of these losses until such time as it believes that there is certainty that future profits will arise.

MORECAMBE FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

10 Intangible fixed assets

	Trademarks £	Player registrations £	Total £
Cost			
At 1 June 2021	-	-	-
Additions	8,990	5,000	13,990
At 31 May 2022	8,990	5,000	13,990
Amortisation and impairment			
At 1 June 2021	-	-	-
Amortisation charged for the year	-	4,999	4,999
At 31 May 2022	-	4,999	4,999
Carrying amount			
At 31 May 2022	8,990	1	8,991
At 31 May 2021	-	-	-

11 Tangible fixed assets

	Freehold land £	Leasehold property £	Plant and machinery £	Motor vehicles £	Total £
Cost					
At 1 June 2021	185,133	7,636,334	714,145	20,000	8,555,612
Additions	-	52,243	124,621	-	176,864
At 31 May 2022	185,133	7,688,577	838,766	20,000	8,732,476
Depreciation and impairment					
At 1 June 2021	-	476,519	531,980	3,333	1,011,832
Depreciation charged in the year	-	35,037	46,178	4,166	85,381
At 31 May 2022	-	511,556	578,158	7,499	1,097,213
Carrying amount					
At 31 May 2022	185,133	7,177,021	260,608	12,501	7,635,263
At 31 May 2021	185,133	7,159,815	182,165	16,667	7,543,780

MORECAMBE FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

11 Tangible fixed assets

(Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2022 £	2021 £
Plant and machinery	1,690	12,984
Motor vehicles	12,501	16,667
	<u>14,191</u>	<u>29,651</u>

Tangible fixed assets with a carrying amount of £7,635,263 (2021 - £7,543,780) have been pledged to secure borrowings of the company.

12 Stocks

	2022 £	2021 £
Finished goods and goods for resale	<u>20,072</u>	<u>2,539</u>

13 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	170,620	38,506
Other debtors	162,146	945,005
Prepayments and accrued income	25,297	92,258
	<u>358,063</u>	<u>1,075,769</u>

14 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Obligations under finance leases	17	4,077	8,123
Other borrowings	16	125,076	1,900,717
Trade creditors		413,421	112,167
Taxation and social security		153,567	52,945
Other creditors		40,025	156,585
Accruals and deferred income		268,760	530,623
		<u>1,004,926</u>	<u>2,761,160</u>

MORECAMBE FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

15 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Obligations under finance leases	17	12,153	12,944
Other borrowings	16	40,200	82,000
Other creditors		2,143	25,706
		<u>54,496</u>	<u>120,650</u>

16 Loans and overdrafts

	2022 £	2021 £
Other loans	165,276	1,982,717
	<u>165,276</u>	<u>1,982,717</u>
Payable within one year	125,076	1,900,717
Payable after one year	40,200	82,000
	<u>165,276</u>	<u>1,982,717</u>

Of the other loan balance above £14,298 (2021: £387,675) is secured by way of a fixed and floating charge over the property and assets of the company.

Other loans include a £80,000 (2021: £119,800) interest free loan from the EFL repayable in installments with the final payment due on 1 April 2024.

17 Finance lease obligations

	2022 £	2021 £
Future minimum lease payments due under finance leases:		
Within one year	4,077	8,123
In two to five years	12,153	12,944
	<u>16,230</u>	<u>21,067</u>

The above finance lease obligations are secured over the assets to which they relate.

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

MORECAMBE FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

18 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2022 £	Liabilities 2021 £
Balances:		
Rolled over gains	1,412,299	1,421,058
	<u>1,412,299</u>	<u>1,421,058</u>
Movements in the year:		2022 £
Liability at 1 June 2021		1,421,058
Credit to profit or loss		(8,759)
		<u>1,412,299</u>
Liability at 31 May 2022		<u>1,412,299</u>

Due to the level of trading losses carried forward, deferred tax is not recognised on fixed asset timing differences. The movement on deferred tax in respect of the rolled over gain is not expected to change materially in the next reporting period.

19 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	36,288	23,076
	<u>36,288</u>	<u>23,076</u>

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

20 Share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	4,767,079	4,767,079	4,767,079	4,767,079
Ordinary 'A' shares of £1 each	56,181	56,181	56,181	56,181
	<u>4,823,260</u>	<u>4,823,260</u>	<u>4,823,260</u>	<u>4,823,260</u>

MORECAMBE FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

21 Financial commitments, guarantees and contingent liabilities

During the year ended 31 May 2017, the company gave a guarantee to Mr P McGuigan, a director, in respect of G50 Holdings Limited's obligations under agreements between Mr P McGuigan and G50 Holdings Limited for the sale and purchase of his shareholdings in both Morecambe Football Club Limited and PMG Leisure Limited.

The guarantees were entered into by the company for £500,000 in total plus any costs and interest to ensure promised investment in the football club by G50 Holdings Limited and this therefore represents a contingent liability at the date of the directors' approval of these financial statements.

During year ended 31 May 2019, Mr P McGuigan transferred the rights under the guarantee to Bond Group Investments Limited.

22 Operating lease commitments

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

	2022 £	2021 £
Within one year	5,790	2,252
Between two and five years	11,989	-
	<u>17,779</u>	<u>2,252</u>

23 Events after the reporting date

On 25 November 2022 178,000 Ordinary £1 shares were issued, on 20 December 2022 54,921 Ordinary £1 shares were issued, on 1 February 2023 50,000 Ordinary £1 shares were issued, and on 31 March 2023 150,000 Ordinary £1 shares were issued, increasing the total issued share capital of the company to £5,256,181.

Since the year-end, the company was given the opportunity to buy-back land at the front of the stadium, thanks to two previous company directors and supporters of the Club, Graham Hodgson and Nigel Adams. It is the directors' intention to continue to explore the options available to them in order to develop this land in a way that would benefit both the Club and its supporters.

24 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sales		Purchases	
	2022 £	2021 £	2022 £	2021 £
Key management personnel	6,314	727	-	-
Other related parties	5,755	3,005	2,368	200
	<u>12,069</u>	<u>3,732</u>	<u>2,368</u>	<u>200</u>

MORECAMBE FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

24 Related party transactions

(Continued)

	Interest payable	
	2022	2021
	£	£
Entities with control, joint control or significant influence over the company	(10,483)	376,872

The following amounts were outstanding at the reporting end date:

	2022	2021
	£	£
Amounts due to related parties		
Entities with control, joint control or significant influence over the company	53,508	1,824,991
Key management personnel	11,640	-
Other related parties	1,296	-

25 Ultimate controlling party

At year end, Bond Group Investments Limited owned 80% of the company's share capital and are the ultimate controlling party.

26 Cash generated from operations

	2022	2021
	£	£
Profit for the year after tax	1,282,010	392,666
Adjustments for:		
Taxation (credited)/charged	(8,759)	332,689
Finance costs	(9,683)	380,013
Investment income	-	(8)
(Gain)/loss on disposal of tangible fixed assets	-	2,338
Amortisation and impairment of intangible assets	4,999	-
Depreciation and impairment of tangible fixed assets	85,381	78,256
Movements in working capital:		
(Increase)/decrease in stocks	(17,533)	16,120
Decrease/(increase) in debtors	717,706	(927,909)
(Decrease)/increase in creditors	(110)	348,771
Cash generated from operations	2,054,011	622,936

MORECAMBE FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

27 Analysis of changes in net funds/(debt)

	1 June 2021	Cash flows	31 May 2022
	£	£	£
Cash at bank and in hand	213,669	50,562	264,231
Borrowings excluding overdrafts	(1,982,717)	1,817,441	(165,276)
Obligations under finance leases	(21,067)	4,837	(16,230)
	<u>(1,790,115)</u>	<u>1,872,840</u>	<u>82,725</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.