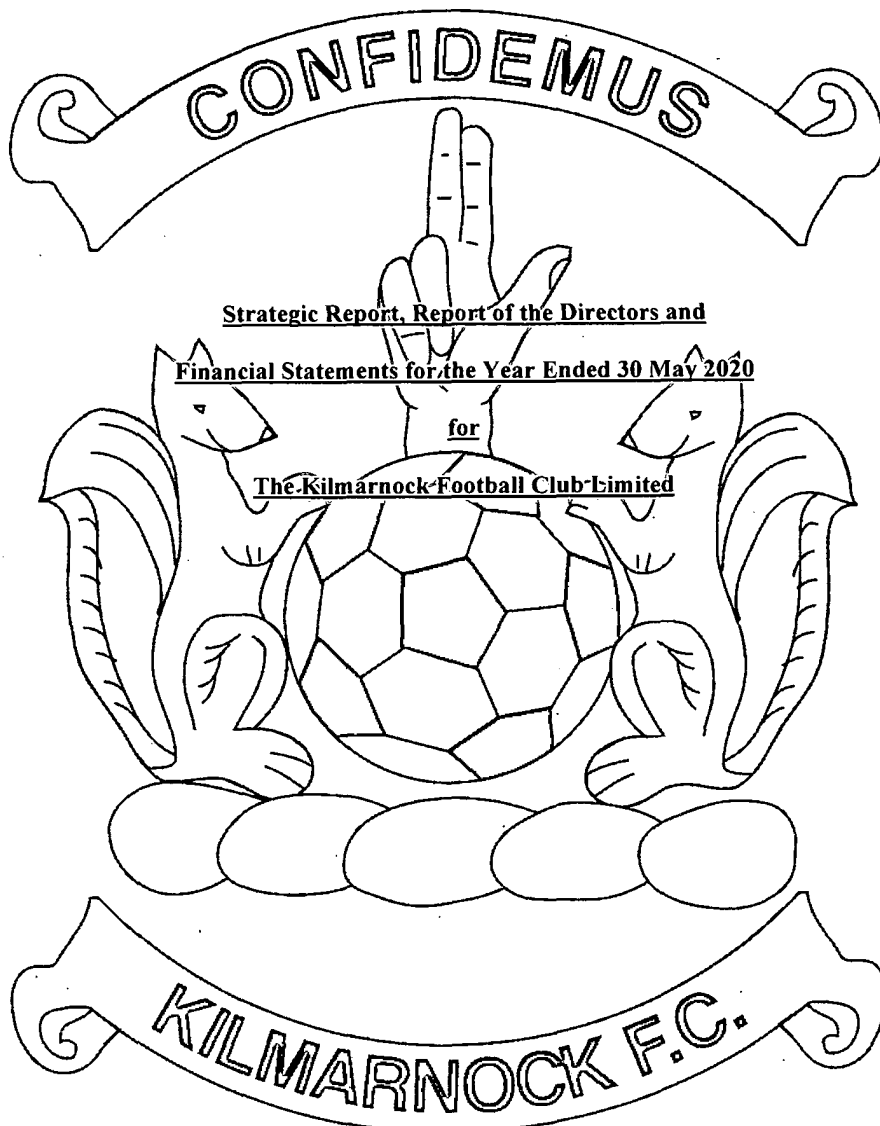
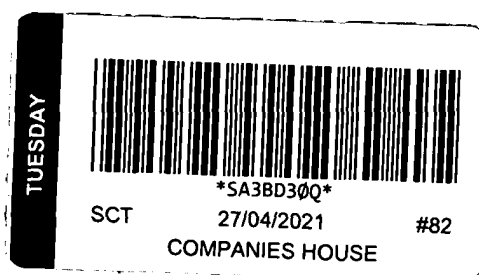




THE  
**KILMARNOCK**  
FOOTBALL CLUB



Strategic Report, Report of the Directors and  
Financial Statements for the Year Ended 30 May 2020  
for  
The Kilmarnock Football Club Limited



Rugby Park • Kilmarnock • KA1 2DP  
switchboard: 01563 545300 • facsimile: 01563 522181  
[www.kilmarnockfc.co.uk](http://www.kilmarnockfc.co.uk)

**The Kilmarnock Football Club Limited**

**Contents of the Financial Statements**  
**for the Year Ended 30 May 2020**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Strategic Report</b>	<b>2</b>
<b>Report of the Directors</b>	<b>8</b>
<b>Report of the Independent Auditors</b>	<b>10</b>
<b>Statement of Comprehensive Income</b>	<b>12</b>
<b>Balance Sheet</b>	<b>13</b>
<b>Statement of Changes in Equity</b>	<b>14</b>
<b>Cash Flow Statement</b>	<b>15</b>
<b>Notes to the Cash Flow Statement</b>	<b>16</b>
<b>Notes to the Financial Statements</b>	<b>17</b>

**The Kilmarnock Football Club Limited**

**Company Information**  
**for the Year Ended 30 May 2020**

**DIRECTORS:**

Mr W D Bowie  
Mrs P McLeish  
Mrs C Jamieson

**SECRETARY:**

Mr G W B Bryson

**REGISTERED OFFICE:**

Rugby Park  
Rugby Road  
Kilmarnock  
East Ayrshire  
KA1 2DP

**REGISTERED NUMBER:**

SC006219 (Scotland)

**AUDITORS:**

Rogerson & Goldie  
Statutory Auditors  
Chartered Accountants  
29 Portland Road  
Kilmarnock  
KA1 2BY

## **The Kilmarnock Football Club Limited**

### **Strategic Report** **for the Year Ended 30 May 2020**

The directors present their strategic report for the year ended 30 May 2020.

#### **Introduction**

The directors present their strategic report for the year ended 30 May 2020. The strategic report aims to link historical information and data with the company strategy and future expectations and prospects. Any reference to future prospects and expectations are made in good faith and based on the information available and the directors' knowledge at the present time. The assumptions made consider the effects of the Covid-19 pandemic and the impact it is currently having on day-to-day operations of the company, however, there remains significant uncertainty as to the on-going effects in the short to medium term. These are part of the inherent uncertainties including both economic and business risk factors.

The Strategic report covers the following: -

#### **Strategic Management**

- Strategy, Business Model and Objectives
- Principal Risks and Uncertainties

#### **Business Environment**

- Trends and Factors
- Environmental, Employee, Social, Community and human rights matters

#### **Business Performance and Position**

- Analysis of performance and position
- Key Performance Indicators

#### **Covid-19**

- Impact on the business
- Actions taken and sources of replacement funding.

### **STRATEGY AND BUSINESS MODEL**

The board of Kilmarnock Football Club remains committed to creating a sustainable and competitive football club that aims to compete in the top half of the Scottish Premiership Football League. This is with rigorous financial management and the continued efforts to deliver homegrown players. The board's financial strategy is to manage the club funding to avoid any external influence from the bank in day-to-day operations. The impact of Covid-19 has challenged the club business model and objectives however they remain at the core of the long-term plans for the club.

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

- William Bowie/ Billy Bowie Special Projects Ltd/ Etc – 4,150,000shares (71.24%)
- Phyllis McLeish - 600,000 shares (9.99%)
- Kilmarnock Supporters Society Ltd (The Killie Trust) - 321,944 shares (5.36%)
- The Kilmarnock Community Sports Trust - 163,483 shares (2.72%)
- James Mann - 130,000 (2.16%)

## **The Kilmarnock Football Club Limited**

### **Strategic Report (Cont'd)** **for the Year Ended 30 May 2020**

During the financial year and prior to March 2020 the club continued through the modernisation programme on various fronts with the following being a summary of the main projects undertaken: -

- The relaying of the new playing surface after the end of the 2018/19 season and in time for the start of the 2019/20 season. As controversial as the new pitch might be with certain other clubs this helps to maintain the financial stability of the club both from revenue generation and a cost perspective.
- The old playing surface was donated to The Kilmarnock Community Sports Trust charity who sold this off raising funds of £ 28,380. The Kilmarnock Community Sports Trust charity is for the advancement of public participation in sport in the local community.
- The hospitality lounges have been refurbished which is again to enhance the offering. The latest phase being the completion and launch of the 1869 Suite - formerly "The Park Suite".
- There remain further plans for the development of indoor training facilities to provide first class facilities for the ongoing development of the youth squad and improved first team training also. These have been put on hold due to the financial effect of the Covid-19 pandemic.
- There also remains plans for further developments for fanzone areas to improve the matchday experience when fans can return in full. This will hopefully generate and build upon what has been achieved over recent seasons. These plans have also been put on hold due to the financial effect of the Covid-19 pandemic.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

There are risks and uncertainties in running any business however there are additional matters that need to be managed whilst operating a successful football club. The board considers the following to be the main risks and uncertainties faced by Kilmarnock FC: -

- The risks and uncertainties for a football club were highlighted concisely with changes to the manager following the departure of Steve Clarke to manage the National Team. Unfortunately, despite fantastic high profile experience Angelo Alessio's appointment did not deliver on the hopes, aims and unity within the football club and unfortunately his successor Alex Dyer failed to make the improvements required on the field of play.
- The operation of the player transfer market and player wage demands is a day-to-day challenge for the club. The club strives to be in the higher echelons of Scottish Football however those efforts can be scuppered by frustrations in the transfer market system to bring players to the club who will enhance the performance of the first team.
- There is also the frustration of losing players to higher profile clubs with the prime example of Greg Taylor to Celtic FC at the start of season 2019/20. Whilst classifying this as a risk this is an important factor and need for the finances of the club. It is however difficult to obtain the financial reward commensurate with the player's ability and what he offers to the squad. The wage demands also need to be managed carefully to ensure the financial management of the club remains robust.
- Player Injuries.

## **The Kilmarnock Football Club Limited**

### **Strategic Report (Cont'd)** **for the Year Ended 30 May 2020**

- The club relies heavily on matchday revenue and season ticket sales. The performance of the first team can have a direct impact on those revenue streams - positively and negatively. Also changes to kick-off times; inclement weather and other external financial factors can impact on club revenue.
- Broadcasting and competition revenues again relies on good first team performance and results. The club also relies on other teams performing well with the effects felt throughout the league for good or bad European performance.
- The financial risk of the club is currently affected by the restrictions under Covid-19 and in particular the barring of fans from matches. The pandemic led to the suspension of the league on 13 March 2020 and eventually the league was taken as ended for that season with Kilmarnock finishing in 8th position. The financial impact of the pandemic on the club is estimated at almost £3 million taking into account ticket sales for League, League Cup and Scottish Cup games. There are obviously additional costs because of the pandemic. The financial effect of the pandemic has been offset by various measures: -
  - The fans committing to purchase season tickets for 2020/21 season with the uncertainty of access to games. This has implications for season 2021/22 with credits offered for games where no fans were allowed. A working group has been formed to review and develop a strategy which is acceptable to the fans and deliver the needs of the club.
  - The 2 main directors and company shareholders committing further funds to the club in times of great need - in excess of £400,000.
  - The Killie Trust making regular month to month contributions.
  - The sale of club shares to Season Ticket holders.
  - The club shop operations were taken back in-house and generated good revenues.
  - The Pay for View offering provides a matchday income.
  - The use of Jobs Retention Scheme Furlough monies.
  - The use of Scottish Government loan funds facilitated through the SPFL. The terms of this loan are extremely favourable with the available facility of £ 1.8 million being repayable over 20 years with a 0% coupon interest rate.
  - Submission of Business Interruption Insurance claim.

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

The combination of all these measures will guarantee club survival for the medium term and hopefully restrictions will be lifted by that time. Several of the aforementioned risks are out with the control of the board. They do however strive to minimise the potential effects of the risks and uncertainties on a day-to-day basis.

## **PERFORMANCE AND POSITION**

The club struggled after the departure of Steve Clarke who had such a successful time with the club. It was hoped the appointment of Angelo Alessio with such an impressive CV would continue the success however that was not to be. There was disappointment from early in the season with exit at the first round from the UEFA Europa League Qualifiers.

## **The Kilmarnock Football Club Limited**

### **Strategic Report** **for the Year Ended 30 May 2020**

Angelo Alessio was relieved of his post during December 2020 and assistant Alex Dyer took on the role of Interim Manager. The club finished 8th on the termination of the league on 13th March 2020.

The lesser success on the pitch had a direct impact on the income streams of the club (See KPI's). The cost base of the club did of course increase on the back of the good performance in the previous season although the commitments under managerial and player contracts providing for bonuses left a reduced cost for the club because of the challenges on the field of play - (again see KPI's).

The club received transfer fees during the financial year for Greg Taylor going to Celtic FC (£1 million plus add-ons) and Liam Smith going to Manchester City (£200,000). The funds were all re-invested into the club infrastructure with Fixed Asset investment of £1,296,407 per note 8 of the financial statements. These funds were also very important for the club with the impact of Covid-19 from March onwards. The club requires the financial resources from player sales and this highlights one of the principal risks with the lure of the bigger clubs having a significant impact on the individual players.

The club had a disappointing exit from the League Cup losing to Hibernian on penalties in the third round. In the Scottish Cup the club defeated Queens Park in the fourth round 6-0 before going on to a frustrating defeat in a replay to Aberdeen in the next round 3-4 at Rugby Park.

#### **Financial summary: -**

The finances on the back of the various challenges in the year saw the club record a profit for the financial year of £61,483 which compares to a profit the previous year of £125,096.

#### **Other financial highlights: -**

- The overall turnover fell by £434,710 from £6,643,390 to £6,208,680. A high-level summary of turnover is as follows:

#### **Key Performance Indicators: -**

	<b>Year ended 30 May 2020</b>	<b>Year ended 30 May 2019</b>
	<b>£</b>	<b>£</b>
Total revenue	6,208,680	6,643,390
Main items:		
Season ticket revenue	559,770	582,780
League gate receipts	580,838	1,149,237
European gate receipts	112,651	0
Betfred cup gate receipts	68,757	146,794
Scottish cup gate receipts	53,376	409,670
SPFL club fees	1,226,135	2,127,500
Transfer fees	1,204,562	23,436

- The administrative expenses fell from just over £6.57million to £6.17million. Included in Administrative expenses are the payroll costs with some the main categories summarised as follows: -

	<b>Year ended 30 May 2020</b>	<b>Year ended 30 May 2019</b>
	<b>£</b>	<b>£</b>
Total costs	6,204,3087	6,575,735
Main items:		
First team playing squad	1,525,935	1,497,373
Loan players	159,708	404,018
First team coaching	326,187	506,205
Agent's costs	98,925	31,500

## **The Kilmarnock Football Club Limited**

### **Strategic Report** **for the Year Ended 30 May 2020**

- The Cash position worsened by £ 665,305 on the previous year with Net Current Assets tightening by £719,573 to a negative £211,225.
- One main factor was the delay to the sale of Season Tickets which would normally be in progress at the year-end date for the next season.
- The club invested £1,296,407 on fixed assets in the year with various renovations and improvements around the stadium.
- Overall net worth improved by £209,794 with the two factors being: -
  - Trading profit in the year of £61,483
  - Share Capital invested of £148,311.

Key Performance Indicators: -

	<b>Year ended 30 May 2020</b>	<b>Year ended 30 May 2019</b>
Total revenue	£6,208,680	£6,643,390
Operating profit	£61,483	£125,096
Final league position	8th	3rd
First team reward/turnover	32.39%	36.24%
Season ticket sales (20/21 - 2,878)	4,421	4,214
Average attendance	5,856	6,894
Highest home attendance	9,196 v Rangers 4 August 2019	12,374 v Rangers 23 January 2019
Lowest home attendance	3,762 v Hamilton 17 August 2019	4,134 v Livingston 5 December 2018

#### **GOING CONCERN**

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

The board is happy that sufficient funding has been secured to ensure the viability of the club through to the end of Season 2021/22. We are forecasting a negative cashflow through to 31 May 2022 based on our concerns and assumptions regarding restrictions on capacities through Season 2021/22. Our main assumptions are: -

- Fans will be allowed to return however in restricted numbers. We have assumed 50% of normal income levels from matchday income.
- Revenue from SPFL will be based on a 10th place finish for season 2020/21 based on current challenges.
- There will be ongoing costs for monitoring and testing for Covid-19. The additional costs for testing and PPE alone during Season 2020/21 will be approximately £200,000.
- The burdens of the funding taken on to allow the club to trade through the pandemic are acknowledged and the impact financially will be part of the forecasting necessary to ensure robust management of the club finances ongoing. This will be an additional cost which will need to be covered with additional income or cost savings in other areas.
- The Business Interruption Insurance claim will be successful.

The current available resources should be adequate for that period however that will leave tight restrictions on budgeted costs.



**The Kilmarnock Football Club Limited**

**Strategic Report**  
**for the Year Ended 30 May 2020**

**FUTURE PROSPECTS**

The club continues to endeavour to improve the quality of the first team playing squad which will be underpinned by continued investment in the youth squad development. It is recognised that the year to 30 May 2020 saw lesser success however the previous year was an exceptional year mainly due to performances from the first team which were beyond expectation.

The club will endeavour to provide the first team with all tools possible to achieve top 6 status of the SPFL Premiership year on year. The principal risks and uncertainties do indeed make that difficult balancing first team player pool against robust financial management. Whilst striving for success the club does not have a divine right to expect that year on year. This is currently more apparent than ever.

The board is conscious of the additional financial commitments placed on the club and will release as large a budget for player reward as possible for the next financial year whilst working within a robust financial model. The difficulties of the transfer market leave the club relying more on short term contract players or indeed loan players.

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to read 'GWB Bryson', with a long horizontal line extending from the end of the signature.

Mr G W B Bryson - Secretary

22 March 2021

## **The Kilmarnock Football Club Limited**

### **Report of the Directors** **for the Year Ended 30 May 2020**

The directors present their report with the financial statements of the company for the year ended 30 May 2020.

#### **PRINCIPAL ACTIVITY**

The company's principal activity is the promotion of football in Scotland, with related and ancillary activities.

#### **DIVIDENDS**

No dividends will be distributed for the year ended 30 May 2020 (2019: £Nil).

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 31 May 2019 to the date of this report.

Mr W D Bowie  
Mrs P McLeish  
Mrs C Jamieson

#### **FINANCIAL INSTRUMENTS**

The company's cash flow requirements are projected for a year in advance and flexed to take account of different operating scenarios including league positioning and Cup competition success. The company monitors cash flow as part of its day-to-day control procedures and adjusts this to take account of actual trading performance to ensure that appropriate funds are available.

Currently the company has no reliance on bank borrowings.

#### **KEY PERFORMANCE INDICATORS**

The directors monitor performance against the following key performance indicators:

- Football success
- Match attendance statistics
- Sales and cost performance per division
- Wage costs
- Profit and cash generation

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors, and the financial statements in accordance with applicable law and regulations.

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

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

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

#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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

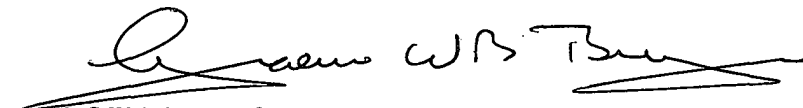
**The Kilmarnock Football Club Limited**

**Report of the Directors**  
**for the Year Ended 30 May 2020**

**AUDITORS**

The auditors, Rogerson & Goldie, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**



Mr G W B Bryson - Secretary

22 March 2021

**Report of the Independent Auditors 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 30 May 2020 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 May 2020 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where: -

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**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 its projected forecast cash flows, which are dependent on future football performance and the success of the Business Interruption Insurance Claim, additional finance will be required in order to continue operations for the next 12 months. Failure to secure 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 result if the company were unable to continue as a going concern.

**Other information**

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

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

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

**Report of the Independent Auditors 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 the audit:

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

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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

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

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page eight, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

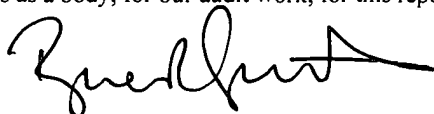
**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**Use of our report**

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



Brian Smith CA (Senior Statutory Auditor)  
for and on behalf of Rogerson & Goldie  
Statutory Auditors  
Chartered Accountants  
29 Portland Road  
Kilmarnock  
KA1 2BY

22 March 2021

**The Kilmarnock Football Club Limited**

**Statement of Comprehensive Income**  
**for the Year Ended 30 May 2020**

	Notes	2020 £	2019 £
<b>TURNOVER</b>		<b>6,208,680</b>	6,643,390
Administrative expenses		<u><b>6,204,308</b></u>	<u>6,575,735</u>
		<b>4,372</b>	67,655
Other operating income		<u><b>56,868</b></u>	<u>56,868</u>
<b>OPERATING PROFIT</b>	<b>4</b>	<b>61,240</b>	124,523
Interest receivable and similar income		<u><b>243</b></u>	<u>573</u>
<b>PROFIT BEFORE TAXATION</b>		<b>61,483</b>	125,096
Tax on profit	<b>5</b>	<u>-</u>	<u>-</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><b>61,483</b></u>	<u>125,096</u>

The notes form part of these financial statements

**The Kilmarnock Football Club Limited (Registered number: SC006219)**

**Balance Sheet**

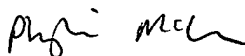
**30 May 2020**

	Notes	2020 £	2019 £
<b>FIXED ASSETS</b>			
Intangible assets	6	9,389	-
Tangible assets	7	11,211,695	10,348,585
Investments	8	<u>20,000</u>	<u>20,000</u>
		<b>11,241,084</b>	<b>10,368,585</b>
<b>CURRENT ASSETS</b>			
Stocks	9	24,345	1,000
Debtors	10	605,042	801,775
Cash at bank		<u>490,814</u>	<u>1,156,119</u>
		<b>1,120,201</b>	<b>1,958,894</b>
<b>CREDITORS</b>			
Amounts falling due within one year	11	<u>1,331,426</u>	<u>1,450,546</u>
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<b>(211,225)</b>	<b>508,348</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>11,029,859</b>	<b>10,876,933</b>
<b>CREDITORS</b>			
Amounts falling due after more than one year	12	(500,000)	(500,000)
<b>ACCRUALS AND DEFERRED INCOME</b>	15	<u>(1,184,911)</u>	<u>(1,241,779)</u>
<b>NET ASSETS</b>		<b><u>9,344,948</u></b>	<b><u>9,135,154</u></b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	5,825,164	5,676,853
Share premium	16	6,593,734	6,593,734
Revaluation reserve	16	6,512,019	6,590,819
Other reserves	16	421,603	421,603
Retained earnings	16	<u>(10,007,572)</u>	<u>(10,147,855)</u>
<b>SHAREHOLDERS' FUNDS</b>		<b><u>9,344,948</u></b>	<b><u>9,135,154</u></b>

The financial statements were approved by the Board of Directors and authorised for issue on 22 March 2021 and were signed on its behalf by:



Mr W D Bowie - Director



Mrs P McLeish - Director

The notes form part of these financial statements

**The Kilmarnock Football Club Limited**

**Statement of Changes in Equity**  
**for the Year Ended 30 May 2020**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Share premium £</b>
<b>Balance at 31 May 2018</b>	5,299,176	(10,351,751)	6,593,734
<b>Changes in equity</b>			
Issue of share capital	377,677	-	-
Total comprehensive income	-	203,896	-
<b>Balance at 30 May 2019</b>	<u>5,676,853</u>	<u>(10,147,855)</u>	<u>6,593,734</u>
<b>Changes in equity</b>			
Issue of share capital	148,311	-	-
Total comprehensive income	-	140,283	-
<b>Balance at 30 May 2020</b>	<u>5,825,164</u>	<u>(10,007,572)</u>	<u>6,593,734</u>
	<b>Revaluation reserve £</b>	<b>Other reserves £</b>	<b>Total equity £</b>
<b>Balance at 31 May 2018</b>	6,669,619	421,603	8,632,381
<b>Changes in equity</b>			
Issue of share capital	-	-	377,677
Total comprehensive income	(78,800)	-	125,096
<b>Balance at 30 May 2019</b>	<u>6,590,819</u>	<u>421,603</u>	<u>9,135,154</u>
<b>Changes in equity</b>			
Issue of share capital	-	-	148,311
Total comprehensive income	(78,800)	-	61,483
<b>Balance at 30 May 2020</b>	<u>6,512,019</u>	<u>421,603</u>	<u>9,344,948</u>

The notes form part of these financial statements



**The Kilmarnock Football Club Limited**

**Cash Flow Statement**  
**for the Year Ended 30 May 2020**

	Notes	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<u>493,148</u>	<u>109,366</u>
Net cash from operating activities		<u>493,148</u>	<u>109,366</u>
 <b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		(13,000)	-
Purchase of tangible fixed assets		(1,296,407)	(354,085)
Sale of tangible fixed assets		2,400	-
Interest received		<u>243</u>	<u>573</u>
Net cash from investing activities		<u>(1,306,764)</u>	<u>(353,512)</u>
 <b>Cash flows from financing activities</b>			
Share issue		<u>148,311</u>	<u>377,677</u>
Net cash from financing activities		<u>148,311</u>	<u>377,677</u>
 <b>(Decrease)/increase in cash and cash equivalents</b>		<u>(665,305)</u>	<u>133,531</u>
<b>Cash and cash equivalents at beginning of year</b>	2	<u>1,156,119</u>	<u>1,022,588</u>
 <b>Cash and cash equivalents at end of year</b>	2	<u><u>490,814</u></u>	<u><u>1,156,119</u></u>

The notes form part of these financial statements

**The Kilmarnock Football Club Limited**

**Notes to the Cash Flow Statement**  
**for the Year Ended 30 May 2020**

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

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Profit before taxation	<b>61,483</b>	125,096
Depreciation charges	<b>432,428</b>	314,955
Loss on disposal of fixed assets	<b>2,086</b>	-
Government grants	<b>(56,868)</b>	(56,868)
Finance income	<b>(243)</b>	(573)
	<b>438,886</b>	382,610
Increase in stocks	<b>(23,345)</b>	-
Decrease in trade and other debtors	<b>196,733</b>	4,513
Decrease in trade and other creditors	<b>(119,126)</b>	(277,757)
<b>Cash generated from operations</b>	<b><u>493,148</u></b>	<b><u>109,366</u></b>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 30 May 2020**

	<b>30.5.20</b>	<b>31.5.19</b>
	<b>£</b>	<b>£</b>
Cash and cash equivalents	<b><u>490,814</u></b>	<b><u>1,156,119</u></b>

**Year ended 30 May 2019**

	<b>30.5.19</b>	<b>31.5.18</b>
	<b>£</b>	<b>£</b>
Cash and cash equivalents	<b><u>1,156,119</u></b>	<b><u>1,022,588</u></b>

**3. ANALYSIS OF CHANGES IN NET FUNDS**

	<b>At 31.5.19</b>	<b>Cash flow</b>	<b>At 30.5.20</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Net cash</b>			
Cash at bank	<b><u>1,156,119</u></b>	<b><u>(665,305)</u></b>	<b><u>490,814</u></b>
	<b><u>1,156,119</u></b>	<b><u>(665,305)</u></b>	<b><u>490,814</u></b>
<b>Total</b>	<b><u>1,156,119</u></b>	<b><u>(665,305)</u></b>	<b><u>490,814</u></b>

The notes form part of these financial statements

## **The Kilmarnock Football Club Limited**

### **Notes to the Financial Statements** **for the Year Ended 30 May 2020**

#### **1. STATUTORY INFORMATION**

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

#### **2. ACCOUNTING POLICIES**

##### **Basis of preparing the financial statements**

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

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

The club are happy that sufficient funding has been secured to ensure the viability of the club through to the end of Season 2021/22. We are forecasting a negative cashflow through to 31 May 2022 based on our concerns and assumptions regarding restrictions on capacities through Season 2021/22. Our main assumptions are: -

- Fans will be allowed to return however on restricted numbers. We have assumed 50% of normal income levels from Matchday income.
- Revenue from SPFL will be based on a 10th place finish for season 2020/21 based on current challenges.
- There will be ongoing costs for monitoring and testing for Covid 19. The additional costs for Testing and PPE alone during Season 2020/21 will approximate to £200,000.
- The burdens of the funding taken on to allow the club to trade through the pandemic are acknowledged and the impact financially will be part of the forecasting necessary to ensure robust management of the club finances ongoing. This will be an additional cost which will need to be covered with additional income or cost savings in other areas.
- The Business Interruption Insurance claim will be successful.

The current available resources should be adequate for that period however that will leave tight restrictions on budgeted costs.

The presentation currency of the financial statements is £ sterling.

##### **Critical accounting judgements and key sources of estimation uncertainty**

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

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

##### **Turnover/revenue recognition**

Sales comprise the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the company's activities.

Sales are presented, net of value-added tax, rebates, and discounts.

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

**Notes to the Financial Statements - continued**  
**for the Year Ended 30 May 2020**

**2. ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, except for freehold land, evenly over their expected useful lives. It is calculated at the following rates:

Stadium	- 2% - 4% straight line
Plant and machinery	- 20% straight line
Motor vehicles	- 25% straight line
Fixtures, fittings & equipment	- 20% straight line

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

**Stocks**

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

**Financial instruments**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account.

Loans and borrowings are initially recognised at the transaction price including transaction costs. They are subsequently measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**2. ACCOUNTING POLICIES - continued**

**Employee benefits**

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

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

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

**Leased assets**

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account over the shorter of estimated useful economic life and the period of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the terms of the lease.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

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

**Cash and cash equivalents**

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held with banks or other short term liquid investments. Bank overdrafts, if applicable, are shown within borrowings in current liabilities.

**Players' registrations**

Players' registrations are being amortised evenly over the period of the relevant contract.

**Government grants**

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

**The Kilmarnock Football Club Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 30 May 2020**

**3. EMPLOYEES AND DIRECTORS**

	2020	2019
	£	£
Wages and salaries	2,769,221	3,689,649
Social security costs	332,764	320,726
Other pension costs	40,198	35,234
	<u>3,142,183</u>	<u>4,045,609</u>

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

	2020	2019
Players & football administration	78	79
Administration	6	6
Retail, commercial & fitness centre	<u>14</u>	<u>16</u>
	<u>98</u>	<u>101</u>

	2020	2019
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

Only the directors are considered to be key management personnel.

**4. OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	2020	2019
	£	£
Other operating leases	25,827	2,718
Depreciation - owned assets	428,811	314,955
Loss on disposal of fixed assets	2,086	-
Players' registrations amortisation	3,611	-
Auditors' remuneration	6,500	6,000
Government grant release	<u>(56,868)</u>	<u>(56,868)</u>

**5. TAXATION**

**Analysis of the tax charge**

No liability to UK corporation tax arose for the year ended 30 May 2020 nor for the year ended 30 May 2019.

**The Kilmarnock Football Club Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 30 May 2020**

**5. TAXATION - continued**

**Reconciliation of total tax charge included in profit and loss**

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

	2020 £	2019 £
Profit before tax	<u>61,483</u>	<u>125,096</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	11,682	23,768
Effects of:		
Income not taxable for tax purposes	(18,698)	(20,825)
Capital allowances in excess of depreciation	(146,160)	(11,099)
Tax losses carried forward	153,176	8,156
	<u>          </u>	<u>          </u>
Total tax charge	<u>          </u>	<u>          </u>

**Tax effects relating to effects of other comprehensive income**

There were no tax effects for the year ended 30 May 2020.

	Gross £	2019 Tax £	Net £
Revaluations	<u>          </u>	<u>          </u>	<u>          </u>

The deferred tax asset in relation to trading losses has not been recognised in the accounts as although the company may make sufficient taxable profits in the future to absorb the losses this is expected to take a long number of years.

No provision for deferred tax liability has been made in respect of the revaluation of the land and buildings as capital losses available exceed any potential capital gain.

**6. INTANGIBLE FIXED ASSETS**

	Players' registrations £
<b>COST</b>	
Additions	<u>13,000</u>
At 30 May 2020	<u>13,000</u>
<b>AMORTISATION</b>	
Amortisation for year	<u>3,611</u>
At 30 May 2020	<u>3,611</u>
<b>NET BOOK VALUE</b>	
At 30 May 2020	<u>9,389</u>

**The Kilmarnock Football Club Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 30 May 2020**

**7. TANGIBLE FIXED ASSETS**

	<b>Sports bar and leisure facilities £</b>	<b>Stadium £</b>	<b>Plant and machinery £</b>
<b>COST OR VALUATION</b>			
At 31 May 2019	589,589	9,803,542	658,847
Additions	-	1,033,356	87,450
Disposals	-	-	(38,600)
At 30 May 2020	<u>589,589</u>	<u>10,836,898</u>	<u>707,697</u>
<b>DEPRECIATION</b>			
At 31 May 2019	207,291	194,705	445,646
Charge for year	11,787	270,299	70,619
Eliminated on disposal	-	-	(38,600)
At 30 May 2020	<u>219,078</u>	<u>465,004</u>	<u>477,665</u>
<b>NET BOOK VALUE</b>			
At 30 May 2020	<u>370,511</u>	<u>10,371,894</u>	<u>230,032</u>
At 30 May 2019	<u>382,298</u>	<u>9,608,837</u>	<u>213,201</u>
	<b>Fixtures, fittings and equipment £</b>	<b>Motor vehicles £</b>	<b>Totals £</b>
<b>COST OR VALUATION</b>			
At 31 May 2019	1,383,181	27,550	12,462,709
Additions	175,601	-	1,296,407
Disposals	(2,616)	(3,775)	(44,991)
At 30 May 2020	<u>1,556,166</u>	<u>23,775</u>	<u>13,714,125</u>
<b>DEPRECIATION</b>			
At 31 May 2019	1,259,020	7,462	2,114,124
Charge for year	69,847	6,259	428,811
Eliminated on disposal	(567)	(1,338)	(40,505)
At 30 May 2020	<u>1,328,300</u>	<u>12,383</u>	<u>2,502,430</u>
<b>NET BOOK VALUE</b>			
At 30 May 2020	<u>227,866</u>	<u>11,392</u>	<u>11,211,695</u>
At 30 May 2019	<u>124,161</u>	<u>20,088</u>	<u>10,348,585</u>

The following tangible fixed asset categories are classified as freehold land and buildings:

- Sports bar & leisure facilities; and
- Stadium



**The Kilmarnock Football Club Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 30 May 2020**

**7. TANGIBLE FIXED ASSETS - continued**

Cost or valuation at 30 May 2020 is represented by:

	<b>Sports bar and leisure facilities £</b>	<b>Stadium £</b>	<b>Plant and machinery £</b>
Valuation in 2012	-	6,311,435	-
Valuation in 2014	-	100,000	-
Valuation in 2018	-	(2,471,427)	-
Cost	<u>589,589</u>	<u>6,896,890</u>	<u>707,697</u>
	<u>589,589</u>	<u>10,836,898</u>	<u>707,697</u>

	<b>Fixtures, fittings and equipment £</b>	<b>Motor vehicles £</b>	<b>Totals £</b>
Valuation in 2012	-	-	6,311,435
Valuation in 2014	-	-	100,000
Valuation in 2018	-	-	(2,471,427)
Cost	<u>1,556,166</u>	<u>23,775</u>	<u>9,774,117</u>
	<u>1,556,166</u>	<u>23,775</u>	<u>13,714,125</u>

If the stadium had not been revalued it would have been included at the following historical cost:

	<b>2020 £</b>	<b>2019 £</b>
Cost	<u>5,863,534</u>	<u>5,863,534</u>
Aggregate depreciation	<u>3,252,865</u>	<u>3,252,865</u>

The company's stadium at Rugby Park, Rugby Road, Kilmarnock was subject to a full revaluation dated 23 February 2018 by Graham & Sibbald, Chartered Surveyors, on a depreciated replacement cost basis, in accordance with both the RICS Appraisal and Valuation Standard and the provisions of FRS 102 relating to specialised properties, at £9.55 million. The directors are of the opinion that this reflects the value, together with capital expenditure incurred since this date amounting to £1,286,898, on this basis, at 30 May 2020.

**8. FIXED ASSET INVESTMENTS**

	<b>Unlisted investments £</b>
<b>COST</b>	
At 31 May 2019 and 30 May 2020	<u>20,000</u>
<b>NET BOOK VALUE</b>	
At 30 May 2020	<u>20,000</u>
At 30 May 2019	<u>20,000</u>

**The Kilmarnock Football Club Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 30 May 2020**

**9. STOCKS**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Goods for resale	<b><u>24,345</u></b>	<b><u>1,000</u></b>

There is no material difference between the replacement cost of stocks and the amounts stated above.

**10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>111,767</b>	<b>241,445</b>
Other debtors	<b>501</b>	<b>501</b>
Prepayments and accrued income	<b><u>492,774</u></b>	<b><u>559,829</u></b>
	<b><u>605,042</u></b>	<b><u>801,775</u></b>

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>133,142</b>	<b>187,857</b>
Amounts owed to associates	<b>297,389</b>	<b>142,834</b>
Social security and other taxes	<b>668,484</b>	<b>539,864</b>
Other creditors	<b>19,035</b>	<b>47,376</b>
Accruals and deferred income	<b>93,581</b>	<b>103,502</b>
Advance income	<b><u>119,795</u></b>	<b><u>429,113</u></b>
	<b><u>1,331,426</u></b>	<b><u>1,450,546</u></b>

**12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Amounts owed to associates	<b><u>500,000</u></b>	<b><u>500,000</u></b>

**13. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Within one year	<b><u>-</u></b>	<b><u>161</u></b>

**14. ACCRUALS AND DEFERRED INCOME**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Deferred government grants	<b><u>1,184,911</u></b>	<b><u>1,241,779</u></b>

**The Kilmarnock Football Club Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 30 May 2020**

**15. CALLED UP SHARE CAPITAL**

Allotted, issued, and fully paid:		Nominal value: £1	<b>2020</b> £	2019 £
Number:	Class:			
5,825,164	Ordinary		<b><u>5,825,164</u></b>	<u>5,676,853</u>

**16. RESERVES**

	<b>Retained earnings £</b>	<b>Share premium £</b>	<b>Revaluation reserve £</b>	<b>Other reserves £</b>	<b>Totals £</b>
At 31 May 2019	<b>(10,147,855)</b>	<b>6,593,734</b>	<b>6,590,819</b>	<b>421,603</b>	<b>3,458,301</b>
Profit for the year	<b>61,483</b>				<b>61,483</b>
Difference between actual and historical cost depreciation	<b>78,800</b>	-	<b>(78,800)</b>	-	-
At 30 May 2020	<b><u>(10,007,572)</u></b>	<b><u>6,593,734</u></b>	<b><u>6,512,019</u></b>	<b><u>421,603</u></b>	<b><u>3,519,784</u></b>

Other reserves include reserves provided for by the Articles of Association.

**17. RELATED PARTY DISCLOSURES**

Consultancy and legal fees of £nil, (2019 - £84,500) were charged during the year by Messes J & A Boyd, a firm in which Mr Michael Johnston is the principal. The amount outstanding and due to Messrs J & A Boyd at 30 May 2020 was £nil (2019 - £nil).

During the year, the company entered into transactions with The Park Hotel Ayrshire Limited ("Hotel") in normal commercial terms and in the normal course of business. The net value of these transactions during the year was £245,602 (2019 - £410,629). The amount due to the Hotel included in creditors as at 30 May 2020 was £2,012 (2019: - £39,455).

At 30 May 2020 a balance of £797,389 (2019 - £642,834) was due to Billy Bowie Special Projects Limited ("BBSP"), a company in which Mr William Bowie is both a director and a shareholder.

During the year, the company entered into transactions with BBSP in normal commercial terms and in the normal course of business. The value of these transaction were sales of £50,320 (2019 - £30,626) and purchases of £141,194 (2018 - £11,603).

During the year, the company entered into transactions with William Bowie in normal commercial terms and in the normal course of business. The value of these transaction were purchases of £4,800 (2019 - £nil) and a balance of £4,800 was outstanding at 30 May 2020 (2019 - £nil).

**19. ULTIMATE CONTROLLING PARTY**

The company is controlled by William Bowie who holds a majority shareholding.