



Financial Statements
for the Year Ended 31 May 2020
for
St Johnstone Football Club Limited



St Johnstone Football Club Limited

Contents of the Financial Statements
for the Year Ended 31 May 2020

	Page
Company Information	1
Chairman's Report	2
Balance Sheet	4
Notes to the Financial Statements	5

St Johnstone Football Club Limited

Company Information
for the Year Ended 31 May 2020

DIRECTORS:

S Brown
S Y Harris
C W S Fraser

REGISTERED OFFICE:

McDiarmid Park
Crieff Road
Perth
PH1 2SJ

REGISTERED NUMBER:

SC007629 (Scotland)

AUDITORS:

MMG Archbold Ltd
Statutory Auditor
Chapelshade House
78-84 Bell Street
Dundee
DD1 1RQ

St Johnstone Football Club Limited

Chairman's Report
for the Year Ended 31 May 2020

Season 2019-20 will always be dominated by the devastating effects of the COVID Pandemic which arrived in March 2020 impacting all aspects of our lives. At the time of preparing this statement, the effects of this Pandemic still continue to adversely affect families and businesses alike, and this is likely to continue well into 2021.

The Season was the Club's eleventh consecutive year in the top flight and it got off to an extremely poor start with a failure to qualify from the Group Stages of the Betfred Cup and a 7-0 trouncing at the hands of the Champions on the opening League game of the Season. This disappointing run continued until December when there was a complete change in fortunes with four clean sheets and a charge up the League helped by a seven match unbeaten run, culminating in a top six finish (but more of this later). A narrow loss to Celtic in the Quarter Finals of the Scottish Cup in March was one of the last competitive fixtures of the Season.

Off the field, the Club continued to pursue all avenues of Commercial activity to generate additional income. In particular, plans were being put together to enhance and update the match day hospitality experience.

The Club was successful in securing UEFA Under 19's Ladies Fixtures, which resulted in the upgrading of the dugouts, and McDiarmid Park was also due to host the Tunnocks Carmel Wafer Cup Final in March.

Once again, the Club was able to assist a Gleneagles Golf Tournament by providing a Park and Ride Facility for the Solheim Cup and "the Wright Way" was a popular initiative for local schools in partnership with AVIVA.

An electronic ticketing system was introduced at the start of the season which proved to be a welcome innovation for fans and was long overdue.

Kirsten Robertson joined the Club as Head of Football Operations and she has been a most welcome addition to the St Johnstone family.

St Johnstone Women had a strong finish to the 2019 Season and they started the 2020 Season very positively before their Season was suspended and ultimately voided. Rebecca McGowan and Hannah Clark were both included in the U19 squad for the 2019 Euros, and both were selected for the U19 Pinatar Cup in Spain. The Club was delighted to have two of their players representing their country in a major European Finals.

The Youth Academy has continued to make progress and there has been a growth in talent identification. A large proportion of players training and playing with the Academy are local to Perth and Perthshire, which is very pleasing. We have actively encouraged players to remain at school and complete their education and the Day Release programme has been effective in benefitting both scholastic and football development.

However, on 13th March 2020, matches were suspended and on 23rd March the Stadium was closed, coinciding with the announcement by the UK Government of the National Lockdown.

Players continued to train by themselves, with each having their own individual programmes, but it was becoming increasingly unlikely that there would be a resumption of the Season.

The UK Government introduced the Furlough Scheme in April 2020 and this proved to be a most welcome financial lifeline for the Club and businesses up and down the country. As a result of this positive initiative, we were able to retain a number of both playing and non-playing staff over the period.

However, with little or no income from either football or commercial activities, hard decisions were required and regrettably a number of redundancies were made, which included several long serving and loyal employees of the Club. Of the remaining staff, the Club topped up furlough payments through March, April, and May to reduce any potential financial hardship so that in the main staff wages were unaffected over that period. Needless to say, the fans rallied round and the Club received many offers of financial support during this difficult period.

The Management and Players spent a certain amount of time calling more elderly Season Ticket Holders to assist in their health and well-being. The Season Ticket Holders are also to be thanked as they did not in the main take issue with the fact that a number of games became unavailable to them.

A Youth Development Fund was set up on the 8th April 2020, where most welcome donations were earmarked for the benefit of our younger players.

St Johnstone Football Club Limited

Chairman's Report
for the Year Ended 31 May 2020

The League was called on the 18th May 2020. Although sitting in seventh position, it was decided that final positions be determined on an average points basis. As a result, the Club finished in sixth place. This would have been most welcome in any year, but the unintended consequence to the Club was that we required contractually to pay bonuses to staff and players alike, without having the benefit of the enhanced income that a top sixth finish would have ordinarily produced.

Talks were held in late May in respect of League Reconstruction as a possible solution to the issues caused by the early calling of the Season. Although we have been great advocates for League Reconstruction over a number of years, the Club did not believe that there was sufficient time to properly introduce a sufficient alternative and we were also mindful that the Broadcasting Deals be preserved, as this appeared to be both the Club's and Scottish Footballs main source of income for the foreseeable future.

The decision by the SPFL, and the circumstances surrounding it, caused a huge amount of controversy which was perpetuated throughout the Summer of 2020 by way of Court and Arbitration Proceedings.

During the course of this Financial period, the Club also noted the departure of arguably the most successful Manager in the history of the Club. Tommy Wright had joined the Club in November 2011 as Assistant Manager and was promoted to Manager in June 2013. He had an immediate impact with an impressive away win against Rosenborg in his first match in charge and there followed multiple Top Six finishes and European forays. The Scottish Cup win in 2014 cemented his name in the hearts and minds of St Johnstone fans and he will forever be a Club Legend.

Tommy had for some months been in discussion with the Board about taking a break from the Game and the pause in proceedings gave an opportunity for there to be an amicable parting of the ways. Tommy left the Club on the best of terms and he will always be welcome back to the place where he provided so many happy memories to so many St Johnstone fans.

Shortly after, Steven Anderson, another long-term servant to the Club moved on. "Ando" holds the record for most appearances (439) and he will always be remembered for his back post header for our first goal in the Cup Final.

And so, by 31st May 2020, the Club was operating with a skeleton staff, little or no income, little prospect of a resumption of football, (far less with fans in attendance) and no full time Manager.

The SPFL was in a state of disarray being roundly criticised in the Press and elsewhere for its lack of leadership and handling of the COVID crisis.

The Accounts show a loss of approximately £20,000, which whilst disappointing, can be seen as a decent result given the fact that there was little or no income during the last fifth of the year, at a time when we could have expected to maximise our income given the potential League position and related Commercial spin offs. The cash at the bank shows a healthy figure. However, there are deferred liabilities which will reduce that figure significantly. The full effect of the decimation of the income will be shown in the coming financial year and potentially beyond.

I would like to thank my fellow Directors, Charlie Fraser and Stan Harris, for their hard work and support during this extremely difficult time. The Board required to make numerous difficult decisions during the height of the Pandemic. It is testament to the Board, and the former Chairman and his Directors who preceded us, that the Club has been in a better position than most to meet these unprecedented times.

Without the reserves which have been prudently built up over a number of years, the Club would almost certainly have been in dire financial straits moving into the next financial year. This policy has sometimes proved unpopular with a small section of our fan base, but the Club remains free of borrowing and debt.

However, a lack of income cannot go on indefinitely and it remains essential that there is a return of fans to football and a return to normality.

We will always endeavour to run the Club prudently and within our means, whilst being mindful of the expectations of the fans and the demands of the management team.

All said, we have to be mindful that we are in the clutches of a World Pandemic. We all know through recent experiences that there has been and continues to be numerous personal challenges and sacrifices. As a Board we are fully aware that football is an important part of the National psyche and particularly for our loyal supporters. But health is the most important wealth and it must always come first.

St Johnstone Football Club Limited (Registered number: SC007629)

Balance Sheet
31 May 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Intangible assets	4	24,107	-
Tangible assets	5	833,464	830,893
Investments	6	26,256	30,026
		<u>883,827</u>	<u>860,919</u>
CURRENT ASSETS			
Stocks		28,842	34,302
Debtors	7	178,472	209,431
Cash at bank		2,843,652	2,170,123
		<u>3,050,966</u>	<u>2,413,856</u>
CREDITORS			
Amounts falling due within one year	8	1,515,926	843,999
NET CURRENT ASSETS		<u>1,535,040</u>	<u>1,569,857</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,418,867</u>	<u>2,430,776</u>
PROVISIONS FOR LIABILITIES	9	129,303	121,191
NET ASSETS		<u><u>2,289,564</u></u>	<u><u>2,309,585</u></u>
CAPITAL AND RESERVES			
Called up share capital	10	157,500	157,500
Revaluation reserve	11	46,029	46,029
Retained earnings	11	2,086,035	2,106,056
SHAREHOLDERS' FUNDS		<u><u>2,289,564</u></u>	<u><u>2,309,585</u></u>

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Statement of Income and Retained Earnings has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 20 January 2021 and were signed on its behalf by:



S Brown - Director

The notes form part of these financial statements

St Johnstone Football Club Limited

Notes to the Financial Statements **for the Year Ended 31 May 2020**

1. STATUTORY INFORMATION

St Johnstone 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" including the provisions of Section 1A. "Small Entities" 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 company's forecast and projections, taking account of reasonable changes in trading performance, indicate that the company plans to operate within cash generated.

The Board of Directors acknowledge that there is a level of uncertainty in the general economic environment which may impact the trading position of its customers and suppliers. The Board of Directors have undertaken a thorough review of the company's forecasts and associated risk. The extent of this review takes into account the current economic environment, the club's current and projected trading, and the expected position in the Scottish Football League.

The Board of Directors confirm that it has reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the statutory financial statements.

Preparation of consolidated financial statements

The financial statements contain information about St Johnstone Football Club Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

Turnover

Turnover represents the income arising from football for the year in respect of gate receipts, advertising boards, sponsorships and corporate hospitality and is stated exclusive of value added tax.

Season ticket sales are deferred and, together with gate and other matchday revenues, recognised through the football season as games are played. Sponsorship and other commercial income is recognised over the duration of the respective contracts. The fixed element of broadcasting revenues is recognised over the duration of the football season whilst broadcasting revenue for live coverage or other highlights are recognised when the relevant televised match is played. Merit awards are recognised when they are certain.

Revenue from contracts for the provision of services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Player registrations are being amortised evenly over the length of the contract.

St Johnstone Football Club Limited

Notes to the Financial Statements - continued
for the Year Ended 31 May 2020

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Freehold property	- Straight line over 50 years and Straight line over 10 years
Plant and machinery	- Straight line over 2 - 10 years
Fixtures and fittings	- Straight line over 10 years
Motor vehicles	- 25% on reducing balance

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs).

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Creditors and provisions are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, 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.

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.

St Johnstone Football Club Limited

Notes to the Financial Statements - continued
for the Year Ended 31 May 2020

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 151 (2019 - 185).

4. INTANGIBLE FIXED ASSETS

	Other intangible assets £
COST	
Additions	25,000
At 31 May 2020	<u>25,000</u>
AMORTISATION	
Charge for year	893
At 31 May 2020	<u>893</u>
NET BOOK VALUE	
At 31 May 2020	<u><u>24,107</u></u>

5. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 June 2019	574,125	426,211	481,332	10,500	1,492,168
Additions	-	55,227	25,338	-	80,565
At 31 May 2020	<u>574,125</u>	<u>481,438</u>	<u>506,670</u>	<u>10,500</u>	<u>1,572,733</u>
DEPRECIATION					
At 1 June 2019	120,470	250,007	288,173	2,625	661,275
Charge for year	2,741	40,431	32,197	2,625	77,994
At 31 May 2020	<u>123,211</u>	<u>290,438</u>	<u>320,370</u>	<u>5,250</u>	<u>739,269</u>
NET BOOK VALUE					
At 31 May 2020	<u>450,914</u>	<u>191,000</u>	<u>186,300</u>	<u>5,250</u>	<u>833,464</u>
At 31 May 2019	<u>453,655</u>	<u>176,204</u>	<u>193,159</u>	<u>7,875</u>	<u>830,893</u>

St Johnstone Football Club Limited

Notes to the Financial Statements - continued
for the Year Ended 31 May 2020

6. FIXED ASSET INVESTMENTS

	Shares in group undertakings £	Other investments £	Totals £
COST OR VALUATION			
At 1 June 2019	2	30,024	30,026
Share of profit/(loss)	-	(5,355)	(5,355)
Dividends received	-	1,585	1,585
	<hr/>	<hr/>	<hr/>
At 31 May 2020	2	26,254	26,256
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31 May 2020	2	26,254	26,256
	<hr/>	<hr/>	<hr/>
At 31 May 2019	2	30,024	30,026
	<hr/>	<hr/>	<hr/>

Cost or valuation at 31 May 2020 is represented by:

	Shares in group undertakings £	Other investments £	Totals £
Valuation in 2020	2	26,254	26,256
	<hr/>	<hr/>	<hr/>

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	42,478	36,914
Other debtors	135,994	172,517
	<hr/>	<hr/>
	178,472	209,431
	<hr/>	<hr/>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade creditors	63,821	105,752
Deferred Income	107,316	-
Social security and other taxes	277,685	206,824
VAT	290,162	128,354
Other creditors	653,885	265,277
Accrued expenses	67,473	73,208
Deferred government grants	55,584	64,584
	<hr/>	<hr/>
	1,515,926	843,999
	<hr/>	<hr/>

9. PROVISIONS FOR LIABILITIES

	2020 £	2019 £
Deferred tax	51,606	49,609
Stadium maintenance	77,697	71,582
	<hr/>	<hr/>
	129,303	121,191
	<hr/>	<hr/>

St Johnstone Football Club Limited

Notes to the Financial Statements - continued
for the Year Ended 31 May 2020

9. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £	Stadium Maintenance £
Balance at 1 June 2019	49,609	71,582
Provided during year	1,997	6,115
	<hr/>	<hr/>
Balance at 31 May 2020	51,606	77,697
	<hr/>	<hr/>

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2020 £	2019 £
630,000	Ordinary	£0.25	157,500	157,500
			<hr/>	<hr/>

11. RESERVES

	Retained earnings £	Revaluation reserve £	Totals £
At 1 June 2019	2,106,056	46,029	2,152,085
Deficit for the year	(20,021)		(20,021)
	<hr/>	<hr/>	<hr/>
At 31 May 2020	2,086,035	46,029	2,132,064
	<hr/>	<hr/>	<hr/>

12. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Paul Crichton, BAcc, CA, CTA (Senior Statutory Auditor)
for and on behalf of MMG Archbold Ltd

13. RELATED PARTY DISCLOSURES

G S Brown Construction Limited, is a company in which Geoff Brown, majority shareholder in St Johnstone Football Club Limited, is a majority shareholder. During the year G S Brown Construction Limited charged a total of £22,840 (2019 - £21,875) for rent and repair expenses incurred. St Johnstone Football Club Limited charged the company a total of £25,773 (2019 - £23,590) for sales relating to advertising and hospitality.

Amount due from related party at the balance sheet date £14,075 (to related party 2019 - £1,462)

G S Brown Construction Limited previously had underwritten a security taken out by St Johnstone Football Club Limited to allow the club to benefit from the returns on the investment returns whilst reducing the risk to the Club. During the year, due to investment uncertainties because of COVID-19, St Johnstone Football Club Limited called in the guarantee provided and transferred the security to G S Brown Construction Limited.