

Registered number: 00171970

The Walsall Football Club Limited

Directors' Report and Financial Statements

For the Year Ended 31 May 2023



The Walsall Football Club Limited

Company Information

Directors K R Whalley (resigned 22 June 2022)
R E Tisdale (resigned 22 June 2022)
S Gamble
P J Gilman (resigned 22 June 2022)
L M Pomlett
D S Mole
G A Whittaker (resigned 22 June 2022)
B Boycott

Company secretary S Gamble

Company number 00171970

Registered office Poundland Bescot Stadium
Bescot Crescent
Walsall
West Midlands
WS1 4SA

Independent auditors Dains Audit Limited
15 Colmore Row
Birmingham
B3 2BH

The Walsall Football Club Limited

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The Walsall Football Club Limited

Chairman's statement For the Year Ended 31 May 2023

On behalf of myself, my business partners at Trivela Group, and the rest of the Board of Directors, I am pleased to present the Annual Report and Accounts for the year ended 31 May 2023.

In a foundation-building year, the First Team finished in the same position as the prior season in the League 2 table - 16th. This was certainly a disappointing outcome, given where we stood at Christmas. However, we are very hopeful to continue to build on what I view as a very positive summer transfer window, and continue to systematically build the Club on the pitch going forward. This mid-table finish in the League was offset somewhat by a very positive run in the FA Cup, culminating in a home clash against Premier League side Leicester City.

Away from the pitch, this was an extremely eventful year which saw, most notably, the club return to profitability, and crucially exercise its option to acquire the Poundland Bescot Stadium freehold from its previous owner. This represents a landmark event in the Club's history as it once again is the owner of its own freehold for the first time in over 30-years and as a consequence is the master of its own destiny.

After reporting a £742,000 loss in 2022, I am pleased to report that the Club did indeed return to profitability for the year ended 31 May 2023 with a net profit of £11,000. This positive result was driven by a large increase in revenue, with turnover up to £7.615M - an increase of nearly 20% from 2022.

This increase was driven in particular by higher revenues in ticketing, commercial, retail, and a substantial increase in revenues from our conference and events business, which is slowly but surely rebuilding after being decimated by the Covid-19 pandemic.

This return to profitability was also accomplished whilst funding a much higher technical & playing budget than in the previous season and was assisted by the elimination of the significant rental payment obligations on the stadium.

A series of significant changes on the Balance Sheet and Statement of Changes in Equity can be noted, all related to the Club's acquisition of the stadium freehold. These include an increase in tangible assets, increases in the share premium account driven by new shares issued during the year, due to equity injection from Trivela, and an increase in long-term liabilities. The increase in long term liabilities includes both a conservative financing package that was secured by the Club from an American financial institution to assist with the stadium acquisition and additional injections of capital from Trivela Group UK to the Club.

Overall, this report should be viewed as a positive reflection what is both a financial and technical foundational year to build on going forward. I'd like to thank my fellow directors, as well as the entire technical and front office staff of Walsall Football Club for their tireless efforts to make these positive results possible.

It is also appropriate at this point in time that I acknowledge the incredible backing the Club has continued to receive from Sponsors and Commercial Partners. In particular, I would like to thank Poundland, NoFo Brew Co., Tile Choice, B.A.T Fabrications, Experienced Energy Solutions, RayGray Snacks, S&S Steelstock Ltd, Jobsworth Recruitment Ltd, Dains Accountants Ltd, HomeServe, SPV Group, Excel Print, Barclays Bank, Leamore Windows, Guardian Support, Bailey & Mackey Ltd, J Haywards & Sons (Walsall) Ltd, Swift Smart Repair, National Car Finder and Brellis Recruitment for their ongoing support.

I would also like to pay tribute to the Walsall FC Foundation Team who continued to deliver services within the local community touching the lives of tens of thousands of local people.

Finally, and most importantly, on behalf of everyone at Walsall Football Club I would like to say a huge thank you to all Supporters who continue to back the Club for their unwavering support.

The Walsall Football Club Limited

**Chairman's Statement (continued)
For the Year Ended 31 May 2023**

This report was approved by the board on 12 October 2023 and signed on its behalf.

DocuSigned by:


B Boycott
Director

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The Walsall Football Club Limited

Directors' Report For the Year Ended 31 May 2023

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

Principal activity

The principal activity of the company continued to be that of a Professional Football League Club.

Results and dividends

The profit for the year, after taxation, amounted to £11,000 (2022 - loss £742,000).

The directors do not recommend payment of a dividend (2022 - £nil).

Directors

The directors who served during the year were:

K R Whalley (resigned 22 June 2022)
R E Tisdale (resigned 22 June 2022)
S Gamble
P J Gilman (resigned 22 June 2022)
L M Pomlett
D S Mole
G A Whittaker (resigned 22 June 2022)
B Boycott

Future developments and events after the balance sheet date

Details of future developments and events that have occurred after the balance sheet date can be found in the Chairman's Statement and form part of this report by cross reference.

The Walsall Football Club Limited

Directors' Report (continued) For the Year Ended 31 May 2023

Directors' responsibilities statement

The directors are responsible for preparing the Chairman's Statement, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company's financial statements 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

Disclosure of information to auditors


Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditors, Dains Audit Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 12 October 2023 and signed on its behalf.

DocuSigned by:

S Gambie
Director

The Walsall Football Club Limited

Independent Auditors' Report to the Members of The Walsall Football Club Limited

Opinion

We have audited the financial statements of The Walsall Football Club Limited (the 'company') for the year ended 31 May 2023, which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, 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 31 May 2023 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 United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

The Walsall Football Club Limited

Independent Auditors' Report to the Members of The Walsall Football Club Limited (continued)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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.

Opinion 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 Chairman's Statement and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Chairman's Statement and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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.

The Walsall Football Club Limited

Independent Auditors' Report to the Members of The Walsall Football Club Limited (continued)

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 an Auditors' 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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the football club sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the financial reporting legislation, Companies Act 2006, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

The Walsall Football Club Limited

Independent Auditors' Report to the Members of The Walsall Football Club Limited (continued)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

DocuSigned by:

Andy Morris

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Andrew Morris FCA (Senior Statutory Auditor)

for and on behalf of
Dains Audit Limited

Statutory Auditor
Chartered Accountants

Birmingham

12 October 2023

The Walsall Football Club Limited**Profit and Loss Account
For the Year Ended 31 May 2023**

	Note	2023 £000	2022 £000
Turnover	4	7,615	6,348
Net operating costs		(7,437)	(7,137)
Other operating income	6	-	146
Operating profit/(loss)	7	178	(643)
Interest payable and similar expenses	10	(167)	(99)
Profit/(loss) before tax		11	(742)
Tax on profit/(loss)	11	-	-
Profit/(loss) for the financial year		11	(742)

The notes on pages 16 to 32 form part of these financial statements.

The Walsall Football Club Limited**Statement of Comprehensive Income
For the Year Ended 31 May 2023**

	2023	2022
	£000	£000
Profit/(loss) for the financial year	11	(742)
Total comprehensive income for the year	11	(742)

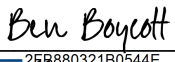
The notes on pages 16 to 32 form part of these financial statements.

The Walsall Football Club Limited
Registered number:00171970

Balance Sheet
As at 31 May 2023

	Note	2023 £000	2022 £000
Fixed assets			
Intangible assets	12	58	2
Tangible assets	13	13,346	6,447
		<u>13,404</u>	<u>6,449</u>
Current assets			
Stocks	14	195	88
Debtors: amounts falling due within one year	15	786	602
Cash at bank and in hand	16	3	3
		<u>984</u>	<u>693</u>
Creditors: amounts falling due within one year	17	(2,874)	(2,763)
Net current liabilities		<u>(1,890)</u>	<u>(2,070)</u>
Total assets less current liabilities		<u>11,514</u>	<u>4,379</u>
Creditors: amounts falling due after more than one year	18	(5,278)	(1,609)
Net assets		<u><u>6,236</u></u>	<u><u>2,770</u></u>
Capital and reserves			
Called up share capital	22	114	50
Share premium account	23	3,391	-
Other reserves	23	-	4,113
Profit and loss account	23	2,731	(1,393)
		<u>6,236</u>	<u>2,770</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12 October 2023.

DocuSigned by:

 B Boycott
 Director

The notes on pages 16 to 32 form part of these financial statements.

The Walsall Football Club Limited

**Statement of Changes in Equity
For the Year Ended 31 May 2023**

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 June 2022	50	-	4,113	(1,393)	2,770
Comprehensive income for the year					
Profit for the year	-	-	-	11	11
Contributions by and distributions to owners					
Shares issued during the year	64	3,391	-	-	3,455
Transfer to profit and loss account	-	-	(4,113)	4,113	-
At 31 May 2023	114	3,391	-	2,731	6,236

**Statement of Changes in Equity
For the Year Ended 31 May 2022**

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 June 2021	50	4,113	(651)	3,512
Comprehensive income for the year				
Loss for the year	-	-	(742)	(742)
At 31 May 2022	50	4,113	(1,393)	2,770

The notes on pages 16 to 32 form part of these financial statements.

The Walsall Football Club Limited**Statement of Cash Flows
For the Year Ended 31 May 2023**

	2023	2022
	£000	£000
Cash flows from operating activities		
Profit/(loss) for the financial year	11	(742)
Adjustments for:		
Amortisation of intangible assets	39	15
Depreciation of tangible assets	252	199
Impairments of fixed assets	-	63
Interest paid	167	99
Increase in stocks	(107)	(9)
(Increase)/decrease in debtors	(184)	67
Increase in creditors	284	621
Net cash generated from operating activities	462	313
Cash flows from investing activities		
Purchase of intangible fixed assets	(95)	(75)
Purchase of tangible fixed assets	(7,133)	(103)
Sale of tangible fixed assets	3	-
HP interest paid	(2)	-
Net cash from investing activities	(7,227)	(178)

The Walsall Football Club Limited**Statement of Cash Flows (continued)
For the Year Ended 31 May 2023**

	2023	2022
	£000	£000
Cash flows from financing activities		
Issue of ordinary shares	3,455	-
New secured loans	5,194	-
Repayment of bank loans	(1,499)	(62)
Other new loans	302	200
Repayment of other loans	(425)	(119)
Repayment of/new finance leases	(15)	(4)
Interest paid	(165)	(99)
	<hr/>	<hr/>
Net cash used in financing activities	6,847	(84)
	<hr/>	<hr/>
Net increase in cash and cash equivalents	82	51
Cash and cash equivalents at beginning of year	(363)	(414)
	<hr/>	<hr/>
Cash and cash equivalents at the end of year	(281)	(363)
	<hr/> <hr/>	<hr/> <hr/>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3	3
Bank overdrafts	(284)	(366)
	<hr/>	<hr/>
	(281)	(363)
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 16 to 32 form part of these financial statements.

The Walsall Football Club Limited

**Analysis of Net Debt
For the Year Ended 31 May 2023**

	At 1 June 2022 £000	Cash flows £000	New finance leases £000	At 31 May 2023 £000
Cash at bank and in hand	3	-	-	3
Bank overdrafts	(366)	82	-	(284)
Debt due after 1 year	(1,413)	(3,720)	-	(5,133)
Debt due within 1 year	(536)	148	-	(388)
Finance leases	(32)	(25)	20	(37)
	<u>(2,344)</u>	<u>(3,515)</u>	<u>20</u>	<u>(5,839)</u>

The notes on pages 16 to 32 form part of these financial statements.

The Walsall Football Club Limited

Notes to the Financial Statements For the Year Ended 31 May 2023

1. General information

The Walsall Football Club Limited is a private company limited by shares and registered in England and Wales under the Companies Act. The address of the registered office is given in the Company Information page. The nature of the company's operations and its principal activities are set out in the Directors Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The company is currently reporting net current liabilities of £1.89m (2022 - £2.070m). The directors have prepared cash flow forecasts which show that the club is able to meet its debts as they fall due in the foreseeable future. The company has also obtained support from their ultimate parent company confirming their intention to support the company for a period of 12 months. On the basis of this support and the cash flow forecasts the financial statements have been prepared on the going concern basis.

2.3 Revenue

Turnover represents all income arising from the activities of the company excluding Value Added Tax. Included within turnover are player transfer fees, Football League receipts, net gate receipts, merchandising/retail receipts, sponsorship and advertising receipts, conferencing and events receipts and other income.

Football League income is recognised in full in the season to which it relates.

Season tickets and seasonal hospitality income is recognised over the season to which they relate and released over the home matches played.

Sponsorship and advertising income is recognised over the duration of the contract. Dependent on the terms of the contract this can be spread on a match to match or straight line basis.

Net gate receipts, including match day hospitality receipts, are recognised on the relevant match date.

Conference and event income is recognised on the date of the event.

Retail income is recognised at the point of sale.

The Walsall Football Club Limited

Notes to the Financial Statements For the Year Ended 31 May 2023

2. Accounting policies (continued)

2.4 Intangible assets

The cost of players' registrations is capitalised and amortised over the period of the respective players' contracts in accordance with Financial Reporting Standard 102 Section 18 Intangible assets other than Goodwill.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is provided on the following basis:

Freehold football stadium	- 2% straight line*
Leasehold training ground	- over the term of the lease
Motor vehicles	- 10% straight line
Fixtures, fittings and equipment	- 10-20% straight line

*No depreciation is provided in respect of the land element of the freehold football stadium.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceed with the carrying amount and are recognised in profit or loss.

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.7 Debtors

Short-term debtors are measured at transaction price, less any impairment.

The Walsall Football Club Limited

Notes to the Financial Statements For the Year Ended 31 May 2023

2. Accounting policies (continued)

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

2.9 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

2.10 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Contingent appearance fees

Where the directors consider the likelihood of a player meeting future appearance criteria laid down in the transfer agreement of that player to be probable, provision for this cost is made. If the likelihood of meeting these criteria is not probable, no provision is made.

The Walsall Football Club Limited**Notes to the Financial Statements
For the Year Ended 31 May 2023**

2. Accounting policies (continued)**2.12 Foreign currency translation****Functional and presentation currency**

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and Loss Account within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.13 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.14 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.15 Pensions**Defined contribution pension plan**

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the company in independently administered funds.

Multi-employer pension plan

The company is a member of a multi-employer plan. Where it is not possible for the company to obtain sufficient information to enable it to account for the plan as a defined benefit plan, it accounts for the plan as a defined contribution plan.

The Walsall Football Club Limited**Notes to the Financial Statements
For the Year Ended 31 May 2023**

2. Accounting policies (continued)**2.16 Taxation**

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

2.17 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.18 Government grants

Grants of a revenue nature are recognised in the Profit and Loss Account in the same period as the related expenditure.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies which are described in note 2, the directors are required to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results in the future could differ from those estimates. In this regard, the Directors believe that the critical accounting policies where judgements or estimating are necessarily applied are summarised below.

Depreciation and residual values

The directors have reviewed the asset lives and associated residual values of all fixed asset classes, and in particular, the useful economic life and residual values of the football stadium and training ground, and have concluded that asset lives and residual values are appropriate.

The Walsall Football Club Limited**Notes to the Financial Statements
For the Year Ended 31 May 2023****4. Turnover**

An analysis of turnover by class of business is as follows:

	2023 £000	2022 £000
Match receipts	1,263	1,024
Football and commercial income	6,352	5,324
	<u>7,615</u>	<u>6,348</u>

All turnover arose within the United Kingdom.

5. Net operating cost

	2023 £000	2022 £000
Staff costs	4,458	4,155
Tangible fixed assets - depreciation	252	199
Intangible fixed assets - amortisation	39	15
Other operating charges	2,688	2,659
Pension revaluation	-	109
	<u>7,437</u>	<u>7,137</u>

6. Other operating income

	2023 £000	2022 £000
Government grants receivable	-	146

In the previous year the company furloughed certain staff under the government's Coronavirus Job Retention Scheme (CJRS). The funding received of £146k relates to claims made in respect of the prior year. No government grants were received in the current year.

The Walsall Football Club Limited

Notes to the Financial Statements For the Year Ended 31 May 2023

7. Operating profit/(loss)

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

	2023	2022
	£000	£000
Depreciation of tangible assets	252	199
Amortisation of intangible fixed assets	39	15
Loss on sale of intangible assets	-	63
Fees payable to the company's auditor for the audit of the company's annual financial statements	8	6
Other operating lease rentals - football stadium, training ground, overflow car park and machinery	308	502
	<u>308</u>	<u>502</u>

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2023	2022
	£000	£000
Wages and salaries	4,038	3,804
Social security costs	346	305
Cost of defined contribution scheme	74	46
	<u>4,458</u>	<u>4,155</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2023	2022
	No.	No.
Playing and coaching staff	67	77
Other staff	39	41
	<u>106</u>	<u>118</u>

The Walsall Football Club Limited

Notes to the Financial Statements For the Year Ended 31 May 2023

9. Directors' remuneration

	2023	2022
	£000	£000
Directors' emoluments	227	331
Company contributions to defined contribution pension schemes	20	16
	247	347

During the year retirement benefits were accruing to 2 directors (2022 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £136,000 (2022 - £136,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £16,000 (2022 - £13,000).

10. Interest payable and similar expenses

	2023	2022
	£000	£000
Bank interest payable	12	15
Finance leases and hire purchase contracts	2	3
Other interest payable	153	81
	167	99

11. Taxation

	2023	2022
	£000	£000
Current tax on profits for the year	-	-
Total current tax	-	-
Deferred tax		
Total deferred tax	-	-
Taxation on profit on ordinary activities	-	-

The Walsall Football Club Limited

**Notes to the Financial Statements
For the Year Ended 31 May 2023**

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022 - higher than) the standard rate of corporation tax in the UK of 20% (2022 - 19%). The differences are explained below:

	2023	2022
	£000	£000
Profit/(loss) on ordinary activities before tax	11	(742)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2022 - 19%)	2	(141)
Effects of:		
Expenses not deductible for tax purposes	11	12
Capital allowances for year in excess of depreciation	2	4
Other differences leading to a decrease in the tax charge	(15)	125
Total tax charge for the year	-	-

Factors that may affect future tax charges

The company has estimated losses of £1,256,000 (2022 - £1,526,000) available for carry forward against future trading profits. Pre-1 April 2017 trading losses of £665,000 are available to offset against future profits of the same trade and post 1 April 2017 trading losses of £591,000 are available to offset against total future profits.

The deferred tax asset in excess of deferred tax liabilities that would arise in respect of these amounts to £254,000 (2022 - £273,000) which has not been recognised as the directors are unable to satisfy themselves that it is more likely than not that sufficient taxable profits will arise in the next accounting period.

The Walsall Football Club Limited**Notes to the Financial Statements
For the Year Ended 31 May 2023****12. Intangible assets**

	Player registrations £000	Trademarks £000	Total £000
Cost			
At 1 June 2022	75	2	77
Additions	95	-	95
Disposals	(75)	-	(75)
At 31 May 2023	<u>95</u>	<u>2</u>	<u>97</u>
Amortisation			
At 1 June 2022	75	-	75
Charge for the year on owned assets	39	-	39
On disposals	(75)	-	(75)
At 31 May 2023	<u>39</u>	<u>-</u>	<u>39</u>
Net book value			
At 31 May 2023	<u>56</u>	<u>2</u>	<u>58</u>
At 31 May 2022	<u>-</u>	<u>2</u>	<u>2</u>

The Walsall Football Club Limited

**Notes to the Financial Statements
For the Year Ended 31 May 2023**

13. Tangible fixed assets

	Freehold football stadium £000	Leasehold training ground £000	Fixtures and fittings, equipment and motor vehicles £000	Total £000
Cost or valuation				
At 1 June 2022	5,407	757	4,137	10,301
Additions	7,039	-	114	7,153
Disposals	-	-	(6)	(6)
At 31 May 2023	<u>12,446</u>	<u>757</u>	<u>4,245</u>	<u>17,448</u>
Depreciation				
At 1 June 2022	575	36	3,243	3,854
Charge for the year on owned assets	46	15	185	246
Charge for the year on financed assets	-	-	6	6
Disposals	-	-	(4)	(4)
At 31 May 2023	<u>621</u>	<u>51</u>	<u>3,430</u>	<u>4,102</u>
Net book value				
At 31 May 2023	<u>11,825</u>	<u>706</u>	<u>815</u>	<u>13,346</u>
At 31 May 2022	<u>4,832</u>	<u>721</u>	<u>894</u>	<u>6,447</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2023 £000	2022 £000
Furniture, fittings and equipment and motor vehicles	<u>55</u>	<u>40</u>

14. Stocks

	2023 £000	2022 £000
Finished goods and goods for resale	<u>195</u>	<u>88</u>

The Walsall Football Club Limited

**Notes to the Financial Statements
For the Year Ended 31 May 2023**

15. Debtors

	2023	2022
	£000	£000
Trade debtors	250	257
Other debtors	131	108
Prepayments and accrued income	405	237
	<u>786</u>	<u>602</u>

16. Cash and cash equivalents

	2023	2022
	£000	£000
Cash at bank and in hand	3	3
Less: bank overdrafts	(284)	(366)
	<u>(281)</u>	<u>(363)</u>

17. Creditors: Amounts falling due within one year

	2023	2022
	£000	£000
Bank overdrafts	284	366
Bank loans	230	123
Other loans	158	413
Trade creditors	760	545
Other taxation and social security	412	202
Obligations under finance lease and hire purchase contracts	10	13
Other creditors	117	132
Accruals and deferred income	903	969
	<u>2,874</u>	<u>2,763</u>

The Walsall Football Club Limited**Notes to the Financial Statements
For the Year Ended 31 May 2023****18. Creditors: Amounts falling due after more than one year**

	2023	2022
	£000	£000
Loans from immediate parent company	302	-
Bank loans	3,850	262
Other loans	981	1,151
Net obligations under finance leases and hire purchase contracts	27	19
Other creditors	118	175
Accruals and deferred income	-	2
	5,278	1,609

Secured loans

The bank overdraft of £284,000 (2022 - £366,000) is secured by a personal guarantee given by L M Pomlett, a guarantee secured by the Secretary of State for Business, Energy and Industrial Strategy, together with a debenture on the banks standard form.

During the year ended 2021, the company received £500,000 from the Coronavirus Business Interruption Loan Scheme (CBILS). At the year end £260,417 (2022 - £385,417) remained payable.

Obligations under finance leases and hire purchase contracts are secured over the assets to which they relate to.

During the year the company took out a bank loan. The bank loan of £3,819,445 is secured by a fixed and floating charge over the company's assets.

The Walsall Football Club Limited

Notes to the Financial Statements For the Year Ended 31 May 2023

19. Loans

Analysis of the maturity of loans is given below:

	2023	2022
	£000	£000
Amounts falling due within one year		
Bank loans	230	123
Other loans	158	413
	388	536
Amounts falling due 1-2 years		
Bank loans	248	129
Other loans	25	154
	273	283
Amounts falling due 2-5 years		
Bank loans	3,602	133
Other loans	765	232
	4,367	365
Amounts falling due after more than 5 years		
Other loans	191	765
Loans from immediate parent company	302	-
	5,521	1,949

20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2023	2022
	£000	£000
Within one year	10	13
Between 1-5 years	27	19
	37	32

The Walsall Football Club Limited

Notes to the Financial Statements For the Year Ended 31 May 2023

21. Financial instruments

	2023	2022
	£000	£000
Financial assets		
Financial assets measured at undiscounted amount receivable	384	368
Financial liabilities		
Financial liabilities measured at amortised cost	(5,842)	(2,347)
Financial liabilities measured at undiscounted amounts payable	(1,111)	(879)
	(6,953)	(3,226)

Financial assets measured at the undiscounted amount receivable comprise trade debtors, other debtors and cash and cash equivalents.

Financial liabilities measured at amortised cost comprise bank overdraft, bank loans, other loans and net obligations under finance leases and hire purchase contracts falling due within one and over one year.

Financial liabilities measured at the undiscounted amount payable comprise trade, other creditors falling due within one and over one year and accruals.

22. Share capital

	2023	2022
	£000	£000
Allotted, called up and fully paid		
114,385 (2022 - 50,000) ordinary shares of £1 each	114	50

On the 5 June 2022, the Company increased the share capital from £50,000 to £55,885 by issuing 5,885 shares at a premium of £49.98 above the par value of £1.

On the 16 December 2022, the Company increased the share capital from £55,885 to £114,385 by issuing 58,500 shares at a premium of £52.94 above the par value of £1.

The Walsall Football Club Limited**Notes to the Financial Statements
For the Year Ended 31 May 2023****23. Reserves****Share premium account**

The share premium account represents the premium paid for new shares above their nominal value.

Other reserves

Other reserves represents capital contribution made to the company.

Profit and loss account

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

24. Capital commitments

At 31 May 2023 the company had capital commitments as follows:

	2023	2022
	£000	£000
Contracted for but not provided in these financial statements	-	6,932

25. Pension commitments

Certain employees of the company are members of either the Football League Limited Players Retirement Income Scheme, a defined contribution scheme, or the Football League Limited Pensions and Life Assurance Scheme (FLLPLAS), a defined benefit scheme. As the company is one of a number of participating employers in the FLLPLAS, the scheme's actuary has advised that it is not possible to allocate any actuarial surplus or deficit on a meaningful basis and accordingly, no disclosures are made under the provision of FRS102. Contributions are expensed in the profit and loss account as they become payable. For the purposes of FRS102 the scheme is accounted as a multiple employer scheme. The assets of that scheme are being held separately from those of the company, being invested with insurance companies.

Following a review of the Minimum Funding Requirement (MFR) of the FLLPLAS, accruals of benefits on the final salary section of the scheme was suspended as at 31 August 1999. Since then, the Trustees of the scheme commissioned an independent Actuary's report of the MFR position and a substantial deficit was identified.

Under the Pensions Act 1995, participating employers were required to contribute to the deficiency, in accordance with an agreed Schedule of Contributions beginning on 1 August 2001 which was agreed by the Trustees and their advisers. The company's liability in respect of its share of the deficit has decreased to £171,041 (2022 - £220,688) at the balance sheet date.

Contributions are also paid into individuals' private pension schemes. Total contributions across all schemes during the year amounted to £73,669 (2022 - £47,286).

The Walsall Football Club Limited

Notes to the Financial Statements For the Year Ended 31 May 2023

26. Commitments under operating leases

At 31 May 2023 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023	2022
	£000	£000
Not later than 1 year	14	-
Later than 1 year and not later than 5 years	51	-
Later than 5 years	102	562
	167	562

The prior year commitment is the annual commitment for the remaining 6 years of the lease until the next break clause.

27. Related party transactions

During the year no new loan advances (2022 - £200,000) were provided to the company from the directors. During the year capital repayments of £306,500 (2022 - £110,000) were made by the company against loans owed to the directors and £41,500 was reclassified to other creditors following the resignation of directors. During the year interest of £Nil (2022 - £68,000) was charged on these loans. At the balance sheet date £986,000 (2022 - £1,334,000) was owed by the company to the directors.

During the year the company made no sales (2022 - £12,287) to entities in which directors have an interest. At the balance sheet date no amount (2022 - £2,917) was owed to the company by these entities.

The total remuneration for key management personnel for the year totalled £246,606 (2022 - £347,622).

28. Controlling Party

At 31 May 2023, the immediate and ultimate parent undertaking is TRIVELA GROUP UK, LLC, a limited liability company incorporated and registered in the State of Delaware, United States, whose registered office is at 251 Little Falls Drive, Wilmington, Delaware, DE 19808, United States.

At 31 May 2023, there is no one individual person who is the ultimate controlling party.