

Registered number: 00171970

The Walsall Football Club Limited

Directors' Report and Financial Statements

For the Year Ended 31 May 2024



The Walsall Football Club Limited

Company Information

Directors	S Gamble (resigned 8 August 2024) L M Pomlett D S Mole (resigned 17 November 2023) B Boycott B R Sadler (appointed 19 June 2024)
Company secretary	G Whittaker
Company number	00171970
Registered office	Poundland Bescot Stadium Bescot Crescent Walsall West Midlands WS1 4SA
Independent auditor	Dains Audit Limited 2 Chamberlain Square Paradise Circus Birmingham B3 3AX

The Walsall Football Club Limited

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Chairman's statement
For the Year Ended 31 May 2024

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 2024.

The key headlines for this year were building for the future in a number of ways. These included:

- **Football Department.** This was the first full season under Head Coach Mat Sadler, and he along with our recruitment team at Trivela worked through both transfer windows to continue to build a core squad of players who fit our culture and style. The First Team finished 11th on 65 points, which was our best finish in League Two since relegation back in 2019.
- **Facilities.** This year saw significant capital investment, including the total renovation of the Saddlers' Club into the new Locker facility, as well as a number of close-season upgrades to the Stadium.
- **Personnel.** This year saw the significant expansion of the clubs Strategic Leadership Team, with Trivela funding a major investment in personnel to grow the long-term future of the Football Club and its ability to operate sustainably and generate increased revenue.

In addition to our strategic decision to invest significantly on a number of fronts, the Club experienced financial headwinds in terms of significant cost inflation in English football and in the economy at large. In addition, the returns generated through "football fortune income" (transfer fees, cup prize monies, etc...) were much lower than historical averages.

The net effect of all of this was a loss of £1.783 million, with this figure including significant depreciation on the Poundland Bescot Stadium property which was acquired in December of 2022 – this being the first full year of ownership. The loss also includes interest accruals on monies injected by Trivela Group UK, so the more relevant figure would be our operating result/EBITDA of (£914,000).

Whilst at the beginning of the year we expected to see the results of our significant operational investment in the Locker pre-opening, the football department, and the SLT, this was again exacerbated by overall economic and industry financial headwinds, and by lower-than-average football fortune income. However, I remain confident that these financial investments have grown the Football Club's capacity to operate sustainably and generate additional revenue in the long term and that we will be seeing the financial fruits of these investments for years to come.

In keeping with these results and decisions, we have seen some significant movement on the balance sheet as well, with the net indebtedness increasing primarily due to debt injections from Trivela Group UK. These funds were utilised by the club to supplement the operating result described above, retire approximately £440,000 in third-party debt, and invest approximately £1.1m in capital, including the Locker renovation and various Stadium projects.

With Trivela Group UK LLC owning the majority of the equity of the football club, the use of debt injection to make these investments (as opposed to equity) is merely a function of simplicity and practicality.

As always, I would like to acknowledge the Club's Sponsors and Commercial Partners who continued their support throughout the year. In particular, I would like to thank Poundland, NoFo Brew Co., Pallet-Track, Howard Evans, SPV Special Projects, Tile Choice, B.A.T Fabrications, Experienced Energy Solutions, RayGray Snacks, S&S Steelstock Ltd, Dains Accountants Ltd, HomeServe, Excel Print, Guardian Support, Bailey & Mackey Ltd, J Haywards & Sons (Walsall) Ltd and Brellis Recruitment.

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

The Walsall Football Club Limited

**Chairman's Statement (continued)
For the Year Ended 31 May 2024**

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. Thank you for your support of this Football Club, and my partners and I at Trivela are fully committed to the long-term success of this Football Club.

Despite this loss-making result, I remain extremely confident in the stability of this club moving forward, and its ability to operate sustainably. This is especially true given the significant investments that we have made over the course of this year in growing our organisational capacity by growing our leadership team, and growing our long-term revenue generating ability by significantly enhancing our physical infrastructure at Bescot Stadium. Both the club and Trivela are in a strong position, and we look forward to a very bright future for Walsall FC, both on the pitch and off.

This report was approved by the board on 24 February 2025 and signed on its behalf.



B Boycott
Director

The Walsall Football Club Limited

Directors' Report For the Year Ended 31 May 2024

The directors present their report and the financial statements for the year ended 31 May 2024.

Principal activity

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

Results and dividends

The loss for the year, after taxation, amounted to £1,783,000 (2023 - profit £11,000).

The directors do not recommend payment of a dividend (2023 - £nil).

Directors

The directors who served during the year were:

S Gamble (resigned 8 August 2024)

L M Pomlett

D S Mole (resigned 17 November 2023)

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.

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.

Directors' Report (continued)
For the Year Ended 31 May 2024

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 auditor

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 auditor is 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 auditor is aware of that information.

Auditor

The auditor, 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 24 February 2025 and signed on its behalf.



B Boycott
Director

Opinion

We have audited the financial statements of The Walsall Football Club Limited (the 'company') for the year ended 31 May 2024, 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 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The 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; and
- 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.

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

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.

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 Auditor's Report.

Use of our report

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

Andrew Morris

Andrew Morris (FCA) (Senior Statutory Auditor)

for and on behalf of

Dains Audit Limited

Statutory Auditor

Chartered Accountants

Birmingham

24 February 2025

The Walsall Football Club Limited

Profit and Loss Account
For the Year Ended 31 May 2024

	Note	2024 £000	2023 £000
Turnover	4	6,739	7,615
Net operating costs		(8,103)	(7,437)
Operating (loss)/profit	6	(1,364)	178
Interest payable and similar expenses		(419)	(167)
(Loss)/profit before tax		(1,783)	11
Tax on (loss)/profit	10	-	-
(Loss)/profit for the financial year		(1,783)	11

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 2024

	2024	2023
	£000	£000
(Loss)/profit for the financial year	(1,783)	11
Total comprehensive income for the year	(1,783)	11

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 2024

	Note	2024 £000	2023 £000
Fixed assets			
Intangible assets	11	23	58
Tangible assets	12	14,025	13,346
		<u>14,048</u>	<u>13,404</u>
Current assets			
Stocks	13	122	195
Debtors: amounts falling due within one year	14	803	786
Cash at bank and in hand	15	3	3
		<u>928</u>	<u>984</u>
Creditors: amounts falling due within one year	16	(2,742)	(2,874)
Net current liabilities		<u>(1,814)</u>	<u>(1,890)</u>
Total assets less current liabilities		<u>12,234</u>	<u>11,514</u>
Creditors: amounts falling due after more than one year	17	(7,781)	(5,278)
Net assets		<u><u>4,453</u></u>	<u><u>6,236</u></u>
Capital and reserves			
Called up share capital	21	114	114
Share premium account	22	3,391	3,391
Profit and loss account	22	948	2,731
		<u><u>4,453</u></u>	<u><u>6,236</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 February 2025.



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 2024

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 June 2023	114	3,391	2,731	6,236
Comprehensive income for the year				
Loss for the year	-	-	(1,783)	(1,783)
At 31 May 2024	114	3,391	948	4,453

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

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 2024

	2024 £000	2023 £000
Cash flows from operating activities		
(Loss)/profit for the financial year	(1,783)	11
Adjustments for:		
Amortisation of intangible assets	63	39
Depreciation of tangible assets	386	252
Interest paid	419	167
Decrease/(increase) in stocks	73	(107)
(Increase) in debtors	(17)	(184)
(Decrease)/increase in creditors	(173)	284
Net cash generated from operating activities	(1,032)	462
Cash flows from investing activities		
Purchase of intangible fixed assets	(28)	(95)
Purchase of tangible fixed assets	(965)	(7,133)
Sale of tangible fixed assets	-	3
HP interest paid	(4)	(2)
Net cash from investing activities	(997)	(7,227)
Cash flows from financing activities		
Issue of ordinary shares	-	3,455
New secured loans	-	5,194
Repayment of bank loans	(229)	(1,499)
Other new loans	2,726	302
Repayment of other loans	(108)	(425)
Repayment of/new finance leases	7	(15)
Interest paid	(415)	(165)
Net cash used in financing activities	1,981	6,847
Net (decrease)/increase in cash and cash equivalents	(48)	82
Cash and cash equivalents at beginning of year	(281)	(363)
Cash and cash equivalents at the end of year	(329)	(281)
Cash and cash equivalents at the end of year comprise:		

The Walsall Football Club Limited

Statement of Cash Flows (continued)
For the Year Ended 31 May 2024

	2024 £000	2023 £000
Cash at bank and in hand	3	3
Bank overdrafts	(332)	(284)
	<u>(329)</u>	<u>(281)</u>

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 2024

	At 1 June 2023 £000	Cash flows £000	New finance leases £000	At 31 May 2024 £000
Cash at bank and in hand	3	-	-	3
Bank overdrafts	(284)	(48)	-	(332)
Debt due after 1 year	(5,133)	(2,467)	-	(7,600)
Debt due within 1 year	(388)	78	-	(310)
Finance leases	(37)	(7)	(100)	(144)
	<u>(5,839)</u>	<u>(2,444)</u>	<u>(100)</u>	<u>(8,383)</u>

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

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 £1.814m (2023 - £1.89m). 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.

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 proceeds 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. Accounting policies (continued)

2.7 Debtors

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

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.

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. Accounting policies (continued)

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.

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.

Notes to the Financial Statements
For the Year Ended 31 May 2024

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.

4. Turnover

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

	2024	2023
	£000	£000
Match receipts	1,337	1,263
Football and commercial income	5,402	6,352
	<u>6,739</u>	<u>7,615</u>

All turnover arose within the United Kingdom.

5. Net operating cost

	2024	2023
	£000	£000
Staff costs	5,063	4,458
Tangible fixed assets - depreciation	386	252
Intangible fixed assets - amortisation	63	39
Other operating charges	2,591	2,688
	<u>8,103</u>	<u>7,437</u>

Notes to the Financial Statements
For the Year Ended 31 May 2024

6. Operating (loss)/profit

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

	2024 £000	2023 £000
Depreciation of tangible assets	386	252
Amortisation of intangible fixed assets	63	39
Fees payable to the company's auditor for the audit of the company's annual financial statements	14	14
Other operating lease rentals - football stadium, training ground, overflow car park and machinery	22	308
	<u>485</u>	<u>613</u>

7. Employees

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

	2024 £000	2023 £000
Wages and salaries	4,647	4,038
Social security costs	357	346
Cost of defined contribution scheme	59	74
	<u>5,063</u>	<u>4,458</u>

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

	2024 No.	2023 No.
Playing and coaching staff	63	67
Other staff	44	39
	<u>107</u>	<u>106</u>

Notes to the Financial Statements
For the Year Ended 31 May 2024

8. Directors' remuneration

	2024 £000	2023 £000
Directors' emoluments	180	227
Company contributions to defined contribution pension schemes	18	20
	<u>198</u>	<u>247</u>

During the year retirement benefits were accruing to 2 directors (2023 -2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £131,000 (2023 -£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 (2023 -£16,000).

9. Interest payable and similar expenses

	2024 £000	2023 £000
Bank interest payable	8	12
Finance leases and hire purchase contracts	4	2
Other interest payable	407	153
	<u>419</u>	<u>167</u>

10. Taxation

	2024 £000	2023 £000
Current tax on profits for the year	-	-
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>-</u>	<u>-</u>

Notes to the Financial Statements
For the Year Ended 31 May 2024

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2023 - higher than) the standard rate of corporation tax in the UK of 25% (2023 - 20%). The differences are explained below:

	2024 £000	2023 £000
(Loss)/profit on ordinary activities before tax	(1,783)	11
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax In the UK of 25% (2023 -20%)	(446)	2
Effects of:		
Expenses not deductible for tax purposes	6	11
Capital allowances for year in excess of depreciation	20	2
Movement in deferred tax not recognised	420	-
Other differences leading to a decrease in the tax charge	-	(15)
Total tax charge for the year	-	-

Factors that may affect future tax charges

The company has estimated losses of £3,063,000 (2023 - £1,256,000) 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 £2,398,000 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 £641,000 (2023 - £254,000) 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.

Notes to the Financial Statements
For the Year Ended 31 May 2024

11. Intangible assets

	Player registrations £000	Trademarks £000	Total £000
Cost			
At 1 June 2023	95	2	97
Additions	28	-	28
At 31 May 2024	123	2	125
Amortisation			
At 1 June 2023	39	-	39
Charge for the year on owned assets	63	-	63
At 31 May 2024	102	-	102
Net book value			
At 31 May 2024	21	2	23
At 31 May 2023	56	2	58

Notes to the Financial Statements
For the Year Ended 31 May 2024

12. 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 2023	12,446	757	4,245	17,448
Additions	-	139	926	1,065
At 31 May 2024	12,446	896	5,171	18,513
Depreciation				
At 1 June 2023	621	51	3,430	4,102
Charge for the year on owned assets	100	49	232	381
Charge for the year on financed assets	-	-	5	5
At 31 May 2024	721	100	3,667	4,488
Net book value				
At 31 May 2024	11,725	796	1,504	14,025
At 31 May 2023	11,825	706	815	13,346

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

	2024 £000	2023 £000
Furniture, fittings and equipment and motor vehicles	134	55

The Walsall Football Club Limited

Notes to the Financial Statements
For the Year Ended 31 May 2024

13. Stocks

	2024	2023
	£000	£000
Finished goods and goods for resale	122	195

14. Debtors

	2024	2023
	£000	£000
Trade debtors	172	250
Other debtors	261	131
Prepayments and accrued income	370	405
	803	786

15. Cash and cash equivalents

	2024	2023
	£000	£000
Cash at bank and in hand	3	3
Less: bank overdrafts	(332)	(284)
	(329)	(281)

Notes to the Financial Statements
For the Year Ended 31 May 2024

16. Creditors: Amounts falling due within one year

	2024 £000	2023 £000
Bank overdrafts	332	284
Bank loans	235	230
Other loans	75	158
Trade creditors	641	760
Other taxation and social security	265	412
Obligations under finance lease and hire purchase contracts	27	10
Other creditors	134	117
Accruals and deferred income	1,033	903
	<u>2,742</u>	<u>2,874</u>

17. Creditors: Amounts falling due after more than one year

	2024 £000	2023 £000
Loans from immediate parent company	3,028	302
Bank loans	3,616	3,850
Other loans	956	981
Net obligations under finance leases and hire purchase contracts	117	27
Other creditors	64	118
	<u>7,781</u>	<u>5,278</u>

Secured loans

During the year ended 2021, the company received £500,000 from the Coronavirus Business Interruption Loan Scheme (CBILS). At the year end £135,417 (2023 - £260,417) remained payable.

The CBILS loan 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.

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

The bank loan of £3,715,518 (2023 - £3,819,445) is secured by a fixed and floating charge over the company's assets.

Notes to the Financial Statements
For the Year Ended 31 May 2024

18. Loans

Analysis of the maturity of loans is given below:

	2024 £000	2023 £000
Amounts falling due within one year		
Bank loans	235	230
Other loans	75	158
	<u>310</u>	<u>388</u>
Amounts falling due 1-2 years		
Bank loans	128	248
Other loans	-	25
	<u>128</u>	<u>273</u>
Amounts falling due 2-5 years		
Bank loans	3,488	3,602
Other loans	574	765
	<u>4,062</u>	<u>4,367</u>
Amounts falling due after more than 5 years		
Other loans	382	191
Loans from immediate parent company	3,028	302
	<u>7,910</u>	<u>5,521</u>

Notes to the Financial Statements
For the Year Ended 31 May 2024

19. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2024 £000	2023 £000
Within one year	27	10
Between 1-5 years	85	27
Over 5 years	32	-
	<u>144</u>	<u>37</u>

20. Financial instruments

	2024 £000	2023 £000
Financial assets		
Financial assets measured at undiscounted amount receivable	<u>436</u>	<u>384</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(8,386)	(5,842)
Financial liabilities measured at undiscounted amounts payable	(914)	(1,111)
	<u>(9,300)</u>	<u>(6,953)</u>

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, loans from immediate parent company 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.

Notes to the Financial Statements
For the Year Ended 31 May 2024

21. Share capital

	2024 £000	2023 £000
Allotted, called up and fully paid		
114,385 (2023 -114,385) ordinary shares of £1 each	114	114

22. 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.

23. 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 £118,907 (2023 - £171,041) at the balance sheet date.

Contributions are also paid into individuals' private pension schemes. Total contributions across all schemes during the year amounted to £59,474 (2023 - £73,669).

Notes to the Financial Statements
For the Year Ended 31 May 2024

24. Commitments under operating leases

At 31 May 2024 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2024 £000	2023 £000
Not later than 1 year	14	14
Later than 1 year and not later than 5 years	45	51
Later than 5 years	94	102
	<u>153</u>	<u>167</u>

25. Related party transactions

During the year capital repayments of £30,000 (2023 - £306,500) were made by the company against loans owed to the directors. At the balance sheet date £956,000 (2023 - £986,000) was owed by the company to the directors.

During the year new loans of £2,726,143 (2023 - £300,000) were provided by the immediate parent to the company. During the year interest of £141,724 (2023 - £2,063) was charged on these loans. At the balance sheet date £3,028,206 (2023 - £302,063) was owed by the company to the immediate parent company.

The total remuneration for key management personnel for the year totalled £198,166 (2023 - £246,606).

26. Controlling Party

At 31 May 2024, the immediate 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 2024, the ultimate parent undertaking is Trivela Group LLC, a limited liability company incorporated and registered in the State of Georgia, United States, whose registered office is at 2701 Cahaba Road, Mountain Brook AL 3522.

At 31 May 2024, there is no one individual person who is the ultimate controlling party.