

The Motherwell Football and Athletic Club Limited

FINANCIAL STATEMENTS

for the year ended
31 May 2012

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COMPANIES HOUSE

Company Registration No. SC005702

The Motherwell Football and Athletic Club Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J Boyle
J Swinburne
J C McMahon
L Dempster
A Wilson
D Weir
S M Robertson

COMPANY SECRETARY

G D Keys

REGISTERED OFFICE

Firpark
Motherwell
ML1 2QN

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
1 St. James' Gate
Newcastle upon Tyne
NE1 4AD

The Motherwell Football and Athletic Club Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of The Motherwell Football and Athletic Club Limited for the year ended 31 May 2012.

PRINCIPAL ACTIVITIES

Throughout the year the company was engaged in the promotion and organisation of professional football and allied activities.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £599,919 (2011 - profit £541,663). The directors have not recommended a dividend.

DIRECTORS

The directors who served the company during the year were as follows:

J Boyle
J Swinburne
J C McMahon
L Dempster
A Wilson
D Weir
S M Robertson
W H Dickie – resigned 10 January 2012
A C Lapping – resigned 20 June 2012

BUSINESS REVIEW

After a successful year on the pitch, when we finished 3rd in the SPL and qualified for the Champions league qualifying rounds, it is disappointing to report that the Club made a significant loss of £599,919 for the 2011/12 season. This means, however, that the Club has achieved a close breakeven position over the past two seasons.

Following a successful 2010 / 11 season, where we were able to generate a healthy profit due primarily to extended runs in both cup competitions, together with extensive discussions with representatives of numerous clubs from England, the Board decided to maintain the player and other costs at the same level as the previous season. This was based on the strong belief that we were highly likely to benefit from transfer fees which would mitigate any trading losses. Ultimately no acceptable offers were forthcoming. We also exited the Cups in earlier rounds than the previous season and did not benefit from any income from European competitions. In addition we incurred higher than expected bonus costs, due to the excellent league performance, and also had to absorb substantial legal and regulatory costs in relation to the formation of the Well Society.

We have taken steps to reduce the cost base while retaining a competitive squad but have to recognise that any benefit of these measures and our participation in European competitions will be offset by a reduction in income, due to Rangers no longer being in the SPL.

We are delighted that season ticket numbers have increased for a third successive season and that the first tranche of John Boyle's shares are due to be transferred to the Well Society by the end of 2012.

The Motherwell Football and Athletic Club Limited

DIRECTORS' REPORT

BUSINESS REVIEW *(continued)*

The club is in a strong position relative to many others, due to having no bank debt, but the reality is that we cannot continue to run the risk of repeating losses of this size. A full review of all costs is underway. We currently have no benefactor able to financially support the club and we have repeatedly said we will only draw on funds from the Well Society to assist with short term cashflow requirements and not to absorb trading losses. We continue to work hard to attract additional supporters to matches but we have suffered from a large reduction in total away support. If we were able to add an average of 1,500 additional paying supporters to each home gate, the loss would disappear. We would therefore ask all Motherwell fans to help us by attending matches, bringing along friends and relatives and also joining the Well Society.

Whilst it was disappointing to exit both European competitions in the qualifying rounds, participation at this level was a fantastic experience for the club. Stuart and the team particularly appreciated the support they received in both Athens and Valencia.

The Board remains delighted with the performance of Stuart, Kenny and the team and are pleased with another strong start to the season.

Discussions remain ongoing about the future of Scottish Football and the possibility of re-structure. We will continue to play a full part in these discussions and to seek change which will lead to a more attractive product for fans.

The Board would like to thank all our staff, management, players, sponsors and particularly supporters for the contribution they made to our success last season. It is more important than ever that this support both continues and grows to ensure the Club can build on the success we have enjoyed over the last few seasons.

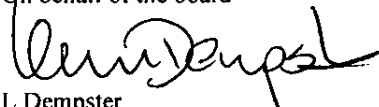
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITOR

Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

On behalf of the board



L Dempster

Director

27 November 2012

The Motherwell Football and Athletic Club Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. The directors 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MOTHERWELL FOOTBALL AND ATHLETIC CLUB LIMITED

We have audited the financial statements on pages 6 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As more fully explained 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2012 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report.



CLAIRE LEECE (Senior Statutory Auditor)
BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
1 St. James' Gate
Newcastle upon Tyne
NE1 4AD

29 November 2012

The Motherwell Football and Athletic Club Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 May 2012

	Notes	2012 £	2011 £
TURNOVER	1	4,347,229	5,956,091
OPERATING COSTS:			
Employment costs	3	(3,513,206)	(3,524,514)
Depreciation of tangible fixed assets		(129,968)	(129,370)
External and other operating charges		(1,290,024)	(1,905,629)
Other operating income		3,000	184,268
OPERATING (LOSS)/PROFIT	4	(582,969)	580,846
Exceptional items	5	-	(12,530)
Interest receivable		1,851	173
Interest payable and similar charges	6	(18,765)	(27,302)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(599,883)	541,187
Taxation	7	(36)	476
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	18	(599,919)	541,663

The (loss)/profit for the year arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

The Motherwell Football and Athletic Club Limited

BALANCE SHEET

31 May 2012

	Notes	2012 £	2011 £
FIXED ASSETS			
Tangible assets	8	<u>2,010,411</u>	<u>2,100,493</u>
CURRENT ASSETS			
Stocks	9	10,724	10,943
Debtors	10	434,431	564,782
Cash at bank and in hand		<u>400,699</u>	<u>677,315</u>
		845,854	1,253,040
CREDITORS			
Amounts falling due within one year	11	<u>(1,350,499)</u>	<u>(1,244,858)</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(504,645)</u>	<u>8,182</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,505,766	2,108,675
CREDITORS			
Amounts falling due after more than one year	12	(366,902)	(355,022)
Government grants	14	<u>(182,071)</u>	<u>(197,251)</u>
NET ASSETS		<u>956,793</u>	<u>1,556,402</u>
CAPITAL AND RESERVES			
Called up share capital	16	270,216	270,185
Share premium account	17	205,013	204,734
Profit and loss account	18	<u>481,564</u>	<u>1,081,483</u>
SHAREHOLDERS' FUNDS	19	<u>956,793</u>	<u>1,556,402</u>

The financial statements on pages 6 to 17 were approved by the board of directors and authorised for issue on 27 November 2012 and are signed on their behalf by:


L Dempster
Director

The Motherwell Football and Athletic Club Limited

CASH FLOW STATEMENT for the year ended 31 May 2012

		2012	2011
	Notes	£	£
Net cash flow from operating activities	20.a	(231,102)	785,055
Returns on investments and servicing of finance	20.b	(16,914)	(27,129)
Taxation	20.b	(36)	7,780
Capital expenditure and financial investment	20.b	(21,220)	(52,870)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(269,272)	712,836
Financing	20.b	(7,344)	(284,387)
Exceptional items		-	10,187
(DECREASE)/INCREASE IN CASH IN THE PERIOD		(276,616)	438,636

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

		2012	2011
		£	£
(Decrease)/increase in cash in the period		(276,616)	438,636
Cash inflow from repayment of debts and lease financing		7,654	285,057
New hire purchase contracts		(22,000)	-
Change in net funds/(debt)	20.c	(290,962)	723,693
Net funds/(debt) at the beginning of the year	20.c	317,393	(406,300)
Net funds at the end of the year	20.c	26,431	317,393

The Motherwell Football and Athletic Club Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

GOING CONCERN

As set out in the directors' responsibilities statement on page 4, in preparing these financial statements the directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. In satisfaction of this responsibility the directors have reviewed in detail the future financial projections of the business and considered the company's ability to meet its liabilities as they fall due without the availability of a bank overdraft facility.

The Club meets its day to day working capital requirements through its net cash flow from operating activities. The future financial projections cover the period for at least 12 months from the date of signing these accounts. Having considered the assumptions and estimates used in the preparation of the future financial projections, including those inherent uncertainties in relation to activity levels which are influenced by the performance of the football team and the level of player trading, and having considered the forecast results, the directors have a reasonable expectation that the Club will have adequate resources to continue in operational existence for the foreseeable future.

As set out in the directors' business review on page 2 the Club is currently undergoing an ownership transition, following John Boyle's decision to step down as Chairman, with the creation of the Well Society. Membership of the Society is now open and funds being raised will be used to acquire a significant stake in the Club. It is intended that these funds will be made available to the Club to meet short term cash flow requirements.

The directors remain confident about the Club's future performance and operating activities, and accordingly, notwithstanding the uncertainties identified above, they continue to adopt the going concern basis in the preparation of these financial statements.

TURNOVER

Turnover is shown net of Value Added Tax, for goods and services provided to customers during the year.

FIXED ASSETS

All fixed assets are initially recorded at cost.

DEPRECIATION

Depreciation is calculated so as to write off the cost of a tangible fixed asset, less its estimated residual value, over the useful economic life of that asset as follows:

Heritable Property	- 2% straight line
Equipment and fittings	- 15% reducing balance - 20% straight line
Computer equipment	- 25% straight line

STOCKS

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

HIRE PURCHASE AGREEMENTS

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

The Motherwell Football and Athletic Club Limited

ACCOUNTING POLICIES

OPERATING LEASE AGREEMENTS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

DEFERRED GOVERNMENT GRANTS

Deferred government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

FINANCIAL INSTRUMENTS

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

The Motherwell Football and Athletic Club Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2012

1 TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the company wholly undertaken in the UK.

An analysis of turnover is given below:

	2012	2011
	£	£
Gate receipts	1,429,166	2,332,667
Television and radio	1,865,617	1,901,452
Other income	1,052,446	1,721,972
	<u>4,347,229</u>	<u>5,956,091</u>

2 OTHER OPERATING INCOME

Other operating income relates to transfer fees receivable, net of transfer fees payable, for players disposed of during the year who were not capitalised on the balance sheet.

	2012	2011
	£	£
Transfer fees receivable	3,000	189,368
Transfer fees payable	-	(5,100)
	<u>3,000</u>	<u>184,268</u>

3 PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year was:

	2012	2011
	No	No
Administration	13	14
Football staff	8	8
Players	24	26
Youth players	18	16
Youth development including coaches	23	22
Ground staff and cleaners	7	6
Community	9	38
Catering	27	-
	<u>129</u>	<u>130</u>

The aggregate payroll costs of the above were:

	2012	2011
	£	£
Wages and salaries	3,182,230	3,165,418
Social security costs	322,675	357,079
Other pension costs	8,301	2,017
	<u>3,513,206</u>	<u>3,524,514</u>

The directors' aggregate remuneration during the year in respect of qualifying services were:

	2012	2011
	£	£
Aggregate remuneration	<u>94,500</u>	<u>100,000</u>

The Motherwell Football and Athletic Club Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2012

4 OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging/(crediting):

	2012 £	2011 £
Amortisation of government grants	(15,180)	(15,180)
Depreciation of fixed assets:		
- owned	125,369	127,213
- leased	4,599	2,157
Auditor's remuneration		
- as auditor	<u>10,500</u>	<u>10,500</u>

5 EXCEPTIONAL ITEMS

During the prior year the Company's majority shareholder, John Boyle, made a proposal to the Joint Administrators offering to facilitate a final dividend payment to pre-administration creditors. He offered to immediately pay £25,000 in lieu of the final instalments due from the sale of a player in 2003 and £7,500 for the assignment of legal action against a former player to the Joint Administrators. The offer was put to the pre-administration creditors for acceptance and the creditors were advised that if they did not accept then the final dividend would be minimal and not paid out for another two years. In light of this, the offer was accepted.

On receipt of the above sums, on 2 December 2010 the company's former Administrators paid a final dividend of £22,313 to pre-administration creditors. John Boyle waived his substantial claim in respect of this final distribution which enhanced the final dividend payment to ordinary creditors.

	2012 £	2011 £
Release of pre-administration creditors	-	215,857
Reversal of expired cheques written to pre-administration creditors	-	3,614
Book value of debt in respect of player sale	-	(117,188)
Book value of players' loans sold	-	(125,000)
	-	<u>22,717</u>
Consideration received from John Boyle	-	32,500
Final dividend payment to ordinary creditors	-	(22,313)
	-	<u>(12,530)</u>

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2012 £	2011 £
Interest on director's loan	17,904	26,250
Hire purchase interest	861	1,052
	<u>18,765</u>	<u>27,302</u>

The Motherwell Football and Athletic Club Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2012

7 TAXATION ON ORDINARY ACTIVITIES

a) Analysis of charge in the year

	2012 £	2011 £
Current tax:		
UK Corporation tax based on the results for the year at 27.67% (2011 - 28%)	-	-
Under/(over) provision in prior year	36	(476)
Total current tax	<u>36</u>	<u>(476)</u>

b) Factors affecting current tax charge

	2012 £	2011 £
(Loss)/profit on ordinary activities before taxation	<u>(599,883)</u>	<u>541,187</u>
Profit on ordinary activities by rate of tax	(165,963)	151,532
Effects of:		
Expenses not deductible for tax purposes	1,012	10,093
Depreciation for period in excess of capital allowances	17,095	13,898
Utilisation of taxation losses brought forward	-	(175,523)
Taxation losses carried forward	147,856	-
Adjustments to tax charge in respect of previous periods	36	(476)
Total current tax (note 7(a))	<u>36</u>	<u>(476)</u>

There are tax losses of £7,000,000 (2011: £6,450,000) available to carry forward.

8 TANGIBLE FIXED ASSETS

	Heritable property £	Equipment and fittings £	Computer equipment £	Total £
Cost				
At 1 June 2011	2,703,031	1,198,328	71,055	3,972,414
Additions	-	45,700	2,620	48,320
Disposals	-	(30,626)	-	(30,626)
At 31 May 2012	<u>2,703,031</u>	<u>1,213,402</u>	<u>73,675</u>	<u>3,990,108</u>
Depreciation				
At 1 June 2011	983,624	835,128	53,169	1,871,921
Charge for the year	51,896	70,164	7,908	129,968
On disposals	-	(22,192)	-	(22,192)
At 31 May 2012	<u>1,035,520</u>	<u>883,100</u>	<u>61,077</u>	<u>1,979,697</u>
Net book value				
At 31-May 2012-	<u>1,667,511</u>	<u>330,302</u>	<u>12,598</u>	<u>2,010,411</u>
At 31 May 2011	<u>1,719,407</u>	<u>363,200</u>	<u>17,886</u>	<u>2,100,493</u>

Finance leases and similar agreements

Included within the net book value of £2,010,411 is £44,502 (2011 - £12,221) relating to assets held under finance leases and similar agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £4,599 (2011 - £2,157).

The Motherwell Football and Athletic Club Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2012

9 STOCKS

	2012	2011
	£	£
Bar stocks	<u>10,724</u>	<u>10,943</u>

10 DEBTORS

	2012	2011
	£	£
Trade debtors	194,970	210,175
Other debtors	58,543	11,751
Prepayments and accrued income	<u>180,918</u>	<u>342,856</u>
	<u>434,431</u>	<u>564,782</u>

11 CREDITORS: Amounts falling due within one year

	2012	2011
	£	£
Trade creditors	258,478	342,191
VAT	281,453	142,563
Other taxes and social security	212,498	168,500
Obligations under finance leases and similar agreements	7,366	4,900
Other creditors	19,329	5,456
Accruals and deferred income	<u>571,375</u>	<u>581,248</u>
	<u>1,350,499</u>	<u>1,244,858</u>

Obligations under finance leases are secured on the asset to which it relates.

12 CREDITORS: Amounts falling due after more than one year

	2012	2011
	£	£
Director's loan	354,486	353,389
Obligations under finance leases and similar agreements	<u>12,416</u>	<u>1,633</u>
	<u>366,902</u>	<u>355,022</u>

The director's loan is due to Mr J Boyle, the ultimate controlling shareholder of the company. The loan is secured by a fixed charge, has no fixed repayment terms and currently bears interest at a rate of 4% per annum.

Obligations under finance leases are secured on the asset to which it relates.

13 FINANCIAL COMMITMENTS

At 31 May 2012 the company had no capital commitments (2011: £nil).

At 31 May 2012 the company had annual commitments under non-cancellable operating leases as follows:

	2012	2011
	£	£
Within one year	2,293	11,075
Between one to two years	1,035	6,597
Two to five years	<u>8,098</u>	<u>9,134</u>
	<u>11,426</u>	<u>26,806</u>

The Motherwell Football and Athletic Club Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2012

14 GOVERNMENT GRANTS

	2012 £	2011 £
Received and receivable:		
At 1 June 2011 and 31 May 2012	<u>318,591</u>	<u>318,591</u>
Amortisation:		
At 1 June 2011	121,340	106,160
Credit to profit and loss account	<u>15,180</u>	<u>15,180</u>
At 31 May 2012	<u>136,520</u>	<u>121,340</u>
Net balance at 31 May 2012	<u>182,071</u>	<u>197,251</u>

15 RELATED PARTY TRANSACTIONS

During the year under review the company incurred costs for consultancy services totalling £9,000 (2011: £41,900) provided by The Hamilton Portfolio Partnership, in which Mr John Boyle, the company's majority shareholder, is a partner.

Included in trade creditors is an amount of £2,160 (2011: £6,081 debtor) due to the Hamilton Portfolio Partnership.

Also included in administrative expenses are consultancy and IT services of £nil (2011: £10,000) charged by Go Travel Direct Inc, a Canadian based company in which Mr Hugh Boyle, brother of director and majority shareholder Mr John Boyle, is the president and member of the board.

16 SHARE CAPITAL

	2012 £	Restated 2011 £
Allotted, called up and fully paid:		
268,128 (2011 - 268,097) Ordinary shares of £1 each	268,128	268,097
2,088 (2011 - 2,088) Deferred shares of £1 each	<u>2,088</u>	<u>2,088</u>
	<u>270,216</u>	<u>270,185</u>

During the year 31 ordinary shares of £1 each were issued for a cash consideration of £310.

The share capital and share premium in the prior year have been restated to reflect the true position at this date. This has resulted in share capital being decreased and share premium increased by £648.

17 SHARE PREMIUM ACCOUNT

	2012 £	Restated 2011 £
At 1 June 2011	204,734	204,131
Premium on shares issued in the year	<u>279</u>	<u>603</u>
At 31 May 2012	<u>205,013</u>	<u>204,734</u>

The Motherwell Football and Athletic Club Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2012

18 PROFIT AND LOSS ACCOUNT

	2012	2011
	£	£
At the beginning of the year	1,081,483	539,820
(Loss)/profit for the financial year	(599,919)	541,663
At the end of the year	<u>481,564</u>	<u>1,081,483</u>

19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012	2011
	£	£
(Loss)/profit for the financial year	(599,919)	541,663
New equity share capital subscribed	31	445
Premium on new share capital subscribed	279	225
Net (reduction)/addition to shareholders' funds	(599,609)	542,333
Opening shareholders' funds	<u>1,556,402</u>	<u>1,014,069</u>
Closing shareholders' funds	<u>956,793</u>	<u>1,556,402</u>

20 CASH FLOWS

a Reconciliation of operating (loss)/profit to net cash (outflow)/inflow from operating activities

	2012	2011
	£	£
Operating (loss)/profit	(582,969)	580,846
Depreciation	129,968	129,370
Loss on disposal of fixed assets	3,334	-
Amortisation of government grants	(15,180)	(15,180)
Decrease/(increase) in stocks	219	(1,436)
Decrease/(increase) in debtors	130,351	(42,460)
Increase in creditors	103,175	133,915
Net cash (outflow)/inflow from operating activities	<u>(231,102)</u>	<u>785,055</u>

b Analysis of cash flows for headings netted in the cash flow

Returns on investment and servicing of finance

	2012	2011
	£	£
Interest received	1,851	173
Interest paid	(18,765)	(27,302)
Net cash outflow from returns on investments and servicing of finance	<u>(16,914)</u>	<u>(27,129)</u>

Taxation

	2012	2011
	£	£
Corporation tax (paid)/recovered	<u>(36)</u>	<u>476</u>

Capital expenditure

	2012	2011
	£	£
Payments to acquire tangible fixed assets	(26,320)	(53,210)
Receipts from sale of fixed assets	5,100	340
Net cash outflow from capital expenditure	<u>(21,220)</u>	<u>(52,870)</u>

The Motherwell Football and Athletic Club Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2012

20 CASH FLOWS *(continued)*

Financing

	2012	2011
	£	£
Issue of equity share capital	310	670
Increase/(repayment) of director's loan account	1,097	(280,157)
Capital element of finance leases and similar	(8,751)	(4,900)
Net cash outflow from financing	<u>(7,344)</u>	<u>(284,387)</u>

c Analysis of net funds

	At 1 Jun 2011	Cash flows	Other changes	At 31 May 2012
	£	£	£	£
Cash in hand and at bank	677,315	(276,616)	-	400,699
Debt due after 1 year	(353,389)	(1,097)	-	(354,486)
Finance leases and similar agreements	(6,533)	8,751	(22,000)	(19,782)
	<u>(359,922)</u>	<u>7,654</u>	<u>(22,000)</u>	<u>(374,268)</u>
Total	<u>317,393</u>	<u>(268,962)</u>	<u>(22,000)</u>	<u>26,431</u>