

Company registration number SC005323 (Scotland)

**THE HIBERNIAN FOOTBALL CLUB LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**



# THE HIBERNIAN FOOTBALL CLUB LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr R Gordon Mr D Davies Mr S Dunn Ms J Goba Ms K Hamilton Ms G Hutchison Mr B Kensell Mr B Langham Mr M McPherson Mr A Paton	(Appointed 5 July 2022)      (Appointed 27 July 2021)
<b>Secretary</b>	Mr C Gaunt	
<b>Company number</b>	SC005323	
<b>Registered office</b>	Easter Road Stadium 12 Albion Place Edinburgh EH7 5QG	
<b>Switchboard</b>	0131 661 2159	
<b>Website</b>	<a href="http://www.hibernianfc.co.uk">www.hibernianfc.co.uk</a>	
<b>Auditor</b>	Thomson Cooper 3 Castle Court Carnegie Campus Dunfermline Fife KY11 8PB	
<b>Bankers</b>	Santander UK plc 12-13 St Andrew Square Edinburgh EH2 2AF	
<b>Solicitors</b>	Vialex Limited Floor 3 1-4 Atholl Crescent Edinburgh EH3 8HA	
<b>Main Sponsors</b>	Utilia - Club Sponsor Joma - Technical Sponsor	

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# THE HIBERNIAN FOOTBALL CLUB LIMITED

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# THE HIBERNIAN FOOTBALL CLUB LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 30 JUNE 2022

The Directors present their Strategic Review along with the Directors' Report and audited financial statements for the year ended 30 June 2022.

The Club is a leading professional football club in Scotland. Established in 1875, the Club owns Easter Road Stadium which is its registered home ground for senior competitions. The Club also has its own training centre near Ormiston, in East Lothian. The Club is a full member of the Scottish FA and the Scottish Professional Football League Limited.

#### Strategic Review

The Club's results for the last five seasons may be summarised in the following table of key performance indicators:

Football Season		2017-18	2018-19	2019-20	**2020-21	2021-22
League Position		4th	5th	7th	3rd	8th
Division		Premiership	Premiership	Premiership	Premiership	Premiership
Scottish Cup		R4	R4	SF	F	SF
League Cup		SF	QF	SF	SF	F
UEFA		nq	Europa	nq	nq	Europa C
Period Ended		Year 30 June 2018	Year 2 July 2019	Year 30 June 2020	Year 30 June 2021	Year 30 June 2022
Turnover	£m	9.6	10.8	8.9	8.6	11.9
Staff costs	£m	5.3	6.3	6.7	6.6	8.5
Operating profit/(loss)	£m	0.4	(0.7)	(1.4)	0.5	(3.5)
Transfer fees (loss)/gain	£m	(0.2)	2.8	0.2	0.3	2.1
Profit/(loss) before tax	£m	0.2	2.0	(1.2)	0.9	(1.5)
Wages/turnover ratio	%	56%	59%	68%*	73%*	71%
As at		30 June 2018	2 July 2019	30 June 2020	30 June 2021	30 June 2022
Fixed Assets	£m	24.2	25.1	24.4	24.6	27.7
Net Assets	£m	19.8	25.9	24.6	27.0	25.6
Cash balance	£m	4.2	5.5	5.4	6.9	5.2

\*The wages/turnover ratio for the years ended 30 June 2020 and 30 June 2021 is inclusive of the furlough income received from United Kingdom's Coronavirus Job Retention Scheme.

\*\*The amounts included in the year ended 30 June 2021 are as restated. See note 29 of these financial statements.

The Scottish Professional Football League 2021/2022 campaign saw the return of live spectators for the first time since March 2020. This included the Scottish Cup and Scottish League Cup competitions as well.

The Club continued its success in the Cups competitions, reaching the Final of the Scottish league Cup, and the semi-final of the Scottish Cup. The Club entered in the newly established Europa Conference League competition in the second round of qualifying and exited in the third round. Unfortunately, the league campaign was less successful than our Cup campaigns, with the club failing to finish in the top sixth for the second time in the past five seasons.

Turnover increased by 38% from the previous year to £11.9m as fans returned to Easter Road Stadium and Hampden for the cup success. The club also continued to grow its commercial revenue, through new partnership deals as well as upscaling existing sponsorship agreements. Central distributions in the current year decreased as the club finished in 8th place in the league compared to 3rd in the prior year, however this decrease was partially offset by UEFA distributions from the conference league qualification rounds.

# THE HIBERNIAN FOOTBALL CLUB LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2022

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During the year, the Club took the decision to help bolster sporting performance and invested significantly in improving the playing squad this year, adding £1.9m in player registrations during the period. This spending is in line with our peers, with player budgets throughout the league increasing due to the potential of securing group stage European football and the related revenue.

To support the return of spectators at grounds, and to drive increased commercial revenue, the Club also investing in non-playing staff at both the stadium and the training centre. This increased the average number of commercial and administrative staff during the year from 27 to 42. The increased investment in the playing squad also required increased investment in support staff, with overall player and management numbers increased from 65 in 2021 to 83 in 2022. The increase in headcount was not the sole reason for the overall increase in payroll as the club incurred severance costs related to the club twice relieving management teams of their duties due to poor sporting performance. Overall the staff costs increased by £1.9m compared to the previous year. The important wage to turnover ratio decreased by 2%, from 73% in the prior year, to 71% in the current year. This percentage remains higher than historical, and higher than our goal of 60%.

Other operating costs increased to £5.6m for the year compared to £2.8m in the previous year. This reflected the increased activity within the club now that spectators can return to Easter Road. These costs related to hospitality, conference and banqueting, match hosting costs, and corporate travel. The club also experienced significant one-off team travel costs for its European games as social distancing guidelines were still in effect when the team travelled to both Andorra and Croatia. Additionally, the power, light, and heating costs increased by 240% due to rising energy prices, higher consumption due to spectators, and the use of grow lights on the pitches.

Player trading resulted in a gain of £2.1m for the year compared to a gain of £0.3m achieved in the previous year. The current year gain is mostly related to the sale of Martin Boyle, however in August 2022 the amounts due were foregone in order to regain the player's registration.

Included within other income is £0.4m of business interruption proceeds related to the pandemic (2021: £2.1m).

The Club had cash balances at 30 June 2022 of £5.2m, down from £6.9m at 30 June 2021. The decrease is driven primarily by the cash outflows from operations and increased spending on investment activities related to both player registrations and tangible assets. The tangible assets expenditures primarily relate to the fitout of the West Stand for hospitality and the installation of the perimeter LED. The investment in this infrastructure will allow for higher turnover in subsequent years, which will ultimately allow for a higher playing budget. The investing cash proceeds were provided by an increase in financing cashflows from a loan provided by the Club's ultimate parent company.

Net assets at 30 June 2022 were £25.6m, down from £27.0m at 30 June 2021, primarily due to the loss achieved in the current year. Net assets at 30 June 2022 equate to 20.4p per share.

The Club seeks to live within its means and uses its cash balances to fund the working capital cycle during the year and as a buffer against the financial fluctuations which flow from changes in sporting success. Revenues from attendances at matches and other income, including prize money depend on continuing sporting success, a dependency which affects all professional football clubs. The Club has worked to set targets within their club controlled income and seeks to maximise the performance within this area of the business.

The Club seeks to invest in football talent within a budget while maintaining control over costs. Careful player trading can contribute to results for the year and help to offset any operating losses. The Club's objective is to post a 5-10% EBITDA margin from year to year. However, sporting success can make this target difficult, especially if the club does not achieve its minimum targets in cup competitions.

# THE HIBERNIAN FOOTBALL CLUB LIMITED

## STRATEGIC REPORT (CONTINUED)

***FOR THE YEAR ENDED 30 JUNE 2022***

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The state of the economy affects the ability of supporters to attend matches. The Club continues to offer flexible and cost-effective ways to purchase tickets on a seasonal and match to match basis and seeks to provide value for money to supporters and to enhance the matchday experience. The Club seeks sporting success in league and cup competitions and strives to compete in Europe on a regular basis. The Club operates in an open and transparent manner with supporters and business partners at all levels and seeks to make a contribution to Scottish football generally.

The Board would like to thank all those who supported the Club during the 21/22 season. Whilst the Club had sporting success in the cups with a terrific win over Rangers in the semi-final of the League Cup ultimately we did not succeed in the league campaign and lost out on significant revenues from finishing top six and incurred significant cost to change management teams. We are grateful for those who continued to support us in the 22/23 season, particularly to our season ticket holders, who continue to support the club. We also are grateful to the players and coaching staff, and the entire team at Hibernian FC for their tireless work behind the scenes to ensure that the Club performs at the highest levels.

On behalf of the board



Mr R Gordon  
**Director**

7 February 2023

# THE HIBERNIAN FOOTBALL CLUB LIMITED

## DIRECTORS' REPORT

### *FOR THE YEAR ENDED 30 JUNE 2022*

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The Directors present their Report on the business of the Company together with the audited financial statements for the year ended 30 June 2022. The registered number of the Company is SC005323.

The Directors who served throughout the year and to date are Ronald Gordon (Executive Chairman); Benjamin Kensell (Chief Executive appointed 27 July 2021) and Non-Executive Directors Bruce Langham, Malcolm McPherson (appointed 1 August 2020), Brian Houston (resigned 5 July 2022), Stephen Dunn (appointed 5 July 2022), Archibald Paton, Jemma Goba, David Davies, Gillian Hutchison, and Kathrin Hamilton.

The principal activity of the company is the operation of a professional football club within Scottish Professional Football League ("SPFL").

#### **Disclosure of information to auditor**

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

#### **Statement of Directors' responsibilities in respect of the Strategic Review, the Directors' Report and the Financial Statements**

The Directors are responsible for preparing the Strategic Review, 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect 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 UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### **Auditor**

Thomson Cooper were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

# THE HIBERNIAN FOOTBALL CLUB LIMITED

## DIRECTORS' REPORT (CONTINUED)

***FOR THE YEAR ENDED 30 JUNE 2022***

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On behalf of the board



Mr R Gordon

**Director**

7 February 2023



# THE HIBERNIAN FOOTBALL CLUB LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF THE HIBERNIAN FOOTBALL CLUB LIMITED

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#### Opinion

We have audited the financial statements of The Hibernian Football Club Limited (the 'company') for the year ended 30 June 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2022 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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.

#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

# THE HIBERNIAN FOOTBALL CLUB LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF THE HIBERNIAN FOOTBALL CLUB LIMITED

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

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

We considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: existence and timing of recognition of income, posting of unusual journals along with complex transactions and manipulating the company's key performance indicators to meet targets. We discussed these risks with management, designed audit procedures to test the timing and existence of revenue, tested a sample of journals to confirm they were appropriate and reviewed areas of judgement for indicators of management bias to address these risks.

We communicated identified law and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and we assessed the extent of compliance with these laws and regulation as part of our procedures on the related financial statements items.

The company is also subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law and certain aspects of company legislation recognising the nature of the company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

# THE HIBERNIAN FOOTBALL CLUB LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF THE HIBERNIAN FOOTBALL CLUB LIMITED

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#### **Context of the ability of the audit to detect fraud or breaches of law or regulation**

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing stand would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omission, misrepresentation, or the override of internal controls. Our audit procedures are designed to detect material misstatements. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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.



**Sharon Collins (Senior Statutory Auditor)**  
**For and on behalf of Thomson Cooper, Statutory Auditors**  
**Dunfermline**

**8 February 2023**

# THE HIBERNIAN FOOTBALL CLUB LIMITED

## PROFIT AND LOSS ACCOUNT

**FOR THE YEAR ENDED 30 JUNE 2022**

		<b>2022</b>	<b>2021</b>
	<b>Notes</b>	<b>£</b>	<b>as restated £</b>
<b>Turnover</b>	<b>3</b>	11,883,939	8,551,617
Administrative expenses		(15,804,511)	(10,538,934)
Other operating income		383,263	2,514,577
<b>Operating (loss)/profit</b>	<b>4</b>	(3,537,309)	527,260
Interest receivable and similar income	<b>8</b>	4,717	25,431
Interest payable and similar expenses	<b>9</b>	(86,666)	(49,763)
Gain on disposal of intangible fixed assets	<b>10</b>	2,096,490	313,528
<b>(Loss)/profit before taxation</b>		(1,522,768)	816,456
Tax on (loss)/profit	<b>11</b>	56,909	55,116
<b>(Loss)/profit for the financial year</b>		(1,465,859)	871,572

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# THE HIBERNIAN FOOTBALL CLUB LIMITED

## BALANCE SHEET

AS AT 30 JUNE 2022

		2022		2021 as restated	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	12		1,997,286		1,119,539
Tangible assets	13		25,722,412		23,505,054
Investments	14		-		1
			<u>27,719,698</u>		<u>24,624,594</u>
<b>Current assets</b>					
Debtors	16	4,114,565		3,276,466	
Cash at bank and in hand		5,157,272		6,944,555	
		<u>9,271,837</u>		<u>10,221,021</u>	
<b>Creditors: amounts falling due within one year</b>	17	(7,037,082)		(6,341,867)	
<b>Net current assets</b>			<u>2,234,755</u>		<u>3,879,154</u>
<b>Total assets less current liabilities</b>			29,954,453		28,503,748
<b>Creditors: amounts falling due after more than one year</b>	18		(4,387,700)		(1,471,136)
<b>Net assets</b>			<u>25,566,753</u>		<u>27,032,612</u>
<b>Capital and reserves</b>					
Called up share capital	22		2,500,000		2,500,000
Share premium account			11,106,006		11,106,006
Revaluation reserve			7,140,056		7,305,783
Capital redemption reserve			339,750		339,750
Other reserves			1,433,605		1,482,584
Profit and loss reserves			3,047,336		4,298,489
<b>Total equity</b>			<u>25,566,753</u>		<u>27,032,612</u>

The financial statements were approved by the board of directors and authorised for issue on 7 February 2023 and are signed on its behalf by:



Mr R Gordon  
Director

Company Registration No. SC005323

# THE HIBERNIAN FOOTBALL CLUB LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

	Share capital £	Share premium account £	Revaluation reserve £	Capital redemption reserve £	Other reserves £	Profit and loss reserves £	Total £
As restated for the period ended 30 June 2021:							
Balance at 1 July 2020	2,500,000	11,106,006	7,471,510	339,750	-	3,213,867	24,631,133
Year ended 30 June 2021:							
Profit and total comprehensive income for the year	-	-	-	-	-	871,572	871,572
Transfers	-	-	(165,727)	-	1,482,584	213,050	1,529,907
Balance at 30 June 2021	2,500,000	11,106,006	7,305,783	339,750	1,482,584	4,298,489	27,032,612
Year ended 30 June 2022:							
Loss and total comprehensive income for the year	-	-	-	-	-	(1,465,859)	(1,465,859)
Transfers	-	-	(165,727)	-	(48,979)	214,706	-
Balance at 30 June 2022	2,500,000	11,106,006	7,140,056	339,750	1,433,605	3,047,336	25,566,753

# THE HIBERNIAN FOOTBALL CLUB LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

		2022		2021 as restated	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	27		(428,645)		(512,637)
Interest paid			(37,687)		(2,440)
Income taxes refunded			10,157		16,601
<b>Net cash outflow from operating activities</b>			(456,175)		(498,476)
<b>Investing activities</b>					
Purchase of intangible assets		(1,225,053)		(843,239)	
Proceeds from disposal of intangibles		478,574		494,085	
Purchase of tangible fixed assets		(3,020,515)		(459,960)	
Proceeds from disposal of tangible fixed assets		31,399		1,054	
Interest received		4,717		25,431	
<b>Net cash used in investing activities</b>			(3,730,878)		(782,629)
<b>Financing activities</b>					
Proceeds from borrowings		1,949,157		2,882,000	
Proceeds from finance leases		511,104		-	
Payment of finance leases obligations		(60,491)		(12,850)	
<b>Net cash generated from financing activities</b>			2,399,770		2,869,150
<b>Net (decrease)/increase in cash and cash equivalents</b>			(1,787,283)		1,588,045
Cash and cash equivalents at beginning of year			6,944,555		5,356,510
<b>Cash and cash equivalents at end of year</b>			5,157,272		6,944,555

# THE HIBERNIAN FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2022

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#### 1 Accounting policies

##### Company information

The Hibernian Football Club Limited is a private company limited by shares incorporated in Scotland. The registered office is Easter Road Stadium, 12 Albion Place, Edinburgh, EH7 5QG.

##### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 402 of the Companies Act 2006 not to prepare consolidated accounts. The loan company undertaking, Hibernian Business Limited, is excluded from these accounts as it is not material for the purpose of giving a true and fair view. The financial statements present information about the company as an individual entity and not about its group.

##### 1.2 Going concern

The company incurred a loss of £1,465,859 (2021: profit £871,572) during the year, has net current assets of £2,234,755 (2021: £3,879,154) and a balance sheet surplus of £25,566,753 (2021: £27,032,612).

The current and future cash position of the company has been reviewed by the Board. This included a comprehensive review of the financial projections and cash-flow requirements, covering a period beyond one year from the date of approval of the financial statements. The projections make key assumptions around:

- Maintaining Scottish Premiership status
- Season ticket revenues and match day income being consistent with operating in the SPFL Premiership
- Sponsorship and commercial income continuing to increase year-over-year
- Overheads and payroll costs being similar to the level incurred in the current period, subject to inflationary rises;
- Income from net player transfer activities;

After due consideration of the above, including the potential impact of key assumptions not materialising, the Board are satisfied that they consider that the company has adequate resources to continue in operational existence for a period of not less than twelve months from the date of approval of the accounts. Accordingly, the Board consider it appropriate to prepare the financial statements on the going concern basis.

##### 1.3 Turnover

Turnover represents income derived from the operation of a professional football club and excludes value added tax. Income from the sale of season tickets in respect of the upcoming season is deferred until the commencement of the season, at which point it is recognised based on the games played. Gates receipts related to match day tickets and hospitality are recognised when games are played. Sponsorship and similar commercial income is recognised over the specific duration of the respective contracts. Awards earned by cup position and final league position are accounted for only when known at the end of a cup tournament or the end of the football season. All turnover originates from the United Kingdom and is related to the principal activity of the company.



# THE HIBERNIAN FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

---

### 1 Accounting policies

(Continued)

#### 1.4 Intangible fixed assets other than goodwill

The costs associated with the acquisition of players are capitalised and treated as intangible fixed assets. These amounts are amortised over the period of the contract on the basis that nil residual values are assumed. The company assess at each reporting date whether intangible fixed assets should be impaired.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Player registrations	Over the term of the players contract
----------------------	---------------------------------------

#### 1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	50 years
Plant and equipment	3-10 years
Fixtures and fittings	3-10 years
Motor vehicles	5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Easter Road Stadium and Hibernian Training Centre are stated at deemed cost at 31 July 2014 plus subsequent additions at cost less accumulated depreciation. Deemed cost at 31 July 2014 was determined by reference to a detailed assessment by independent property advisers, Jones Lang Lasalle, as at that date.

#### 1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

# THE HIBERNIAN FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

---

### 1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

# THE HIBERNIAN FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2022

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#### 1 Accounting policies

(Continued)

##### ***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### ***Classification of financial liabilities***

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 company after deducting all of its liabilities.

##### ***Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### ***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

# THE HIBERNIAN FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2022

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#### 1 Accounting policies

(Continued)

##### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

#### **1.10 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### **1.11 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

##### ***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### ***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.12 Employee benefits**

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

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

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

#### **1.13 Retirement benefits**

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

# THE HIBERNIAN FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

### 1 Accounting policies

(Continued)

#### 1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

#### 1.15 Signing-on-fees

Signing-on-fees payable to players are included within staff costs in the year in which they fall due.

#### 1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

### 2 Judgements and key sources of estimation uncertainty

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

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

The directors' consider that there are no areas of significant judgement or estimation which effect the financial statements.

### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2022 £	2021 £
<b>Turnover analysed by class of business</b>		
Football revenue	11,883,939	8,551,617
	<hr/>	<hr/>
	2022 £	2021 £
<b>Other revenue</b>		
Interest income	4,717	25,431
Grants received	4,182	364,136
	<hr/>	<hr/>

# THE HIBERNIAN FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

### 4 Operating (loss)/profit

	2022 £	2021 £
Operating (loss)/profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	6,653	(450)
Government grants	(4,182)	(364,136)
Depreciation of owned tangible fixed assets	705,663	591,370
Depreciation of tangible fixed assets held under finance leases	75,458	10,529
Profit on disposal of tangible fixed assets	(9,362)	-
Amortisation of intangible assets	744,023	537,615
Insurance proceeds	-	2,150,000
	<u>          </u>	<u>          </u>

### 5 Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	16,975	38,078
	<u>          </u>	<u>          </u>
<b>For other services</b>		
Audit-related assurance services	16,975	23,000
Taxation compliance services	-	5,000
All other non-audit services	-	10,078
	<u>          </u>	<u>          </u>
	16,975	38,078
	<u>          </u>	<u>          </u>

### 6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Players and management	83	65
Commercial and administration	42	27
	<u>          </u>	<u>          </u>
Total	125	92
	<u>          </u>	<u>          </u>

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	7,489,066	5,803,874
Social security costs	872,455	720,887
Pension costs	104,976	114,936
	<u>          </u>	<u>          </u>
	8,466,497	6,639,697
	<u>          </u>	<u>          </u>

# THE HIBERNIAN FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

### 7 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	325,075	106,018

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2022 £	2021 £
Remuneration for qualifying services	302,158	62,885
Company pension contributions to defined contribution schemes	22,917	43,133

The level of executive pay is determined by a Remuneration Committee comprised on non-executive directors of the Company. The highest paid director was the chief executive of the company. Remuneration includes any performance related bonuses earned in the period.

The Executive Chairman and Non-Executive Directors did not receive any remuneration for their services to the company.

### 8 Interest receivable and similar income

	2022 £	2021 £
<b>Interest income</b>		
Interest on bank deposits	4,717	25,431

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	4,717	25,431
--	-------	--------

### 9 Interest payable and similar expenses

	2022 £	2021 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	4,906	-
<b>Other finance costs:</b>		
Interest on finance leases and hire purchase contracts	32,781	2,440
Unwinding of discount on provisions	48,979	47,323
	86,666	49,763

# THE HIBERNIAN FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

### 10 Gains on disposal of intangible fixed assets

	2022 £	2021 £
Disposal of player registrations	2,096,490	313,528

### 11 Taxation

	2022 £	2021 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	(56,909)	(45,769)
Adjustments in respect of prior periods	-	(9,347)
Total current tax	(56,909)	(55,116)

The actual credit for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
(Loss)/profit before taxation	(1,522,768)	816,456
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(289,326)	155,127
Tax effect of expenses that are not deductible in determining taxable profit	-	8,530
Unutilised tax losses carried forward	289,326	(173,914)
Adjustments in respect of prior years	-	(9,347)
Research and development tax credit	(56,909)	(45,769)
Other non-reversing timing differences	-	10,257
Taxation credit for the year	(56,909)	(55,116)



# THE HIBERNIAN FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

### 12 Intangible fixed assets

	Player registrations £
<b>Cost</b>	
At 1 July 2021	2,258,478
Additions	1,915,283
Disposals	(1,112,084)
At 30 June 2022	3,061,677
<b>Amortisation and impairment</b>	
At 1 July 2021	1,138,939
Amortisation charged for the year	744,023
Disposals	(818,571)
At 30 June 2022	1,064,391
<b>Carrying amount</b>	
At 30 June 2022	1,997,286
At 30 June 2021	1,119,539

### 13 Tangible fixed assets

	Land and buildings £	Assets under construction £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>						
At 1 July 2021	24,543,623	351,416	5,806,820	2,416,407	108,806	33,227,072
Additions	-	1,684,237	1,011,769	324,509	-	3,020,515
Disposals	-	-	-	-	(48,566)	(48,566)
Transfers	-	(351,416)	351,416	-	-	-
At 30 June 2022	24,543,623	1,684,237	7,170,005	2,740,916	60,240	36,199,021
<b>Depreciation and impairment</b>						
At 1 July 2021	2,240,102	-	5,178,932	2,223,520	79,464	9,722,018
Depreciation charged in the year	337,641	-	367,071	74,673	1,736	781,121
Eliminated in respect of disposals	-	-	-	-	(26,530)	(26,530)
At 30 June 2022	2,577,743	-	5,546,003	2,298,193	54,670	10,476,609
<b>Carrying amount</b>						
At 30 June 2022	21,965,880	1,684,237	1,624,002	442,723	5,570	25,722,412
At 30 June 2021	22,303,521	351,416	627,888	192,887	29,342	23,505,054

# THE HIBERNIAN FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

### 13 Tangible fixed assets

(Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2022 £	2021 £
Plant and equipment	720,910	42,626

### 14 Fixed asset investments

	Notes	2022 £	2021 £
Investments in subsidiaries	15	-	1

#### Movements in fixed asset investments

	Shares in subsidiaries £
<b>Cost or valuation</b>	
At 1 July 2021	1
Disposals	(1)
At 30 June 2022	-
<b>Carrying amount</b>	
At 30 June 2022	-
At 30 June 2021	1

### 15 Subsidiaries

Details of the company's subsidiaries are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Hibernian Business Limited	United Kingdom	Dormant company	Ordinary shares	100.00

Hibernian Business Limited whose registered office was Easter Road Stadium, 12 Albion Place, Edinburgh EH7 7QG was dissolved on 5 April 2022.

# THE HIBERNIAN FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

### 16 Debtors

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Trade debtors	516,940	306,717
Corporation tax recoverable	64,303	17,551
Prepayments and accrued income	3,533,322	2,952,198
	<u>4,114,565</u>	<u>3,276,466</u>

### 17 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Obligations under finance leases	20	98,267	17,436
Trade creditors		955,606	375,689
Taxation and social security		625,642	760,261
Deferred income		3,483,590	3,306,833
Accruals and deferred income		1,873,977	1,881,648
		<u>7,037,082</u>	<u>6,341,867</u>

Deferred income is inclusive of £385,909 (2021: £403,979) that will be released after more than one year.

### 18 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Obligations under finance leases	20	369,782	-
Other borrowings	19	3,397,552	1,399,416
Accruals and deferred income		620,366	71,720
		<u>4,387,700</u>	<u>1,471,136</u>

### 19 Loans and overdrafts

	2022 £	2021 £
Other loans	3,397,552	1,399,416
	<u>3,397,552</u>	<u>1,399,416</u>
Payable after one year	3,397,552	1,399,416
	<u>3,397,552</u>	<u>1,399,416</u>

Other loans due represent a loan from the Scottish Government of £1,448,395 (2021: £1,399,416) and a loan from Byland Sports Limited £1,949,157 (2021: £Nil). The Scottish Government loan is interest free and due after more than one year the loan has been discounted to reflect the net present value of the loan. The undiscounted value of the loan is £2,882,000 (2021: £2,882,000).

# THE HIBERNIAN FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2022

#### 20 Finance lease obligations

	2022 £	2021 £
Future minimum lease payments due under finance leases:		
Within one year	98,267	17,436
In two to five years	369,782	-
	<u>468,049</u>	<u>17,436</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

#### 21 Retirement benefit schemes

	2022 £	2021 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	104,976	114,936

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

#### 22 Share capital

	2022 Number	2021 Number	2022 £	2021 £
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary shares of 2p each	125,000,000	125,000,000	2,500,000	2,500,000

#### 23 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	44,812	45,256
Between two and five years	51,637	108,523
In over five years	-	11,424
	<u>96,449</u>	<u>165,203</u>

# THE HIBERNIAN FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

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### 24 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2022 £	2021 £
Acquisition of tangible fixed assets	969,278	-

### 25 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022 £	2021 £
Aggregate compensation	194,791	285,255

### 26 Ultimate controlling party

The Company is a subsidiary undertaking of Bydand Sports LLC, whose registered office is at 251 Little Falls Drive, Wilmington, County of New Castle, Delaware 19808, United States of America.

Bydand Sports LLC is 100% owned by Bydand Enterprises LLC, the beneficial owner of 100% of the shares of which is Ronald Gordon. The results of these entities are not available to the public, and therefore the Company is not included in the consolidated results of its parent company.

The company is owned 67.2% by Bydand Sports LLC, 15.5% by Hibernian Supporters Limited and 17.3% from other minority shareholders.

At 30 June 2022 £1,949,457 (2021: £Nil) are due to Bydand Sports LLC.

# THE HIBERNIAN FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

### 27 Cash absorbed by operations

	2022 £	2021 £
(Loss)/profit for the year after tax	(1,465,859)	871,572
<b>Adjustments for:</b>		
Taxation credited	(56,909)	(55,116)
Finance costs	86,666	49,763
Investment income	(4,717)	(25,431)
Gain on disposal of tangible fixed assets	(9,362)	-
Amortisation and impairment of intangible assets	744,023	537,615
Depreciation and impairment of tangible fixed assets	781,121	601,899
Other gains and losses	(2,096,490)	(313,528)
<b>Movements in working capital:</b>		
Decrease in stocks	-	13,085
Increase in debtors	(791,347)	(1,588,793)
Increase/(decrease) in creditors	2,207,472	(578,052)
Increase/(decrease) in deferred income	176,757	(25,651)
<b>Cash absorbed by operations</b>	<b>(428,645)</b>	<b>(512,637)</b>

### 28 Analysis of changes in net funds

	1 July 2021 £	Cash flows £	30 June 2022 £
Cash at bank and in hand	6,944,555	(1,787,283)	5,157,272
Borrowings excluding overdrafts	(1,399,416)	(1,998,136)	(3,397,552)
Obligations under finance leases	(17,436)	(450,613)	(468,049)
	<u>5,527,703</u>	<u>(4,236,032)</u>	<u>1,291,671</u>

# THE HIBERNIAN FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2022

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#### 29 Prior period adjustment

During the year ended 30 June 2021 the company received an interest free loan from the Scottish Government of £2,882,000. In accordance with FRS102 the loan should be measured at the present value of the future payments, discounted at a market rate of interest for a similar debt instrument.

This accounting treatment was not applied in the 2021 financial statements and accordingly a prior period adjustment has been made, the effect of which is shown below.

#### Reconciliation of changes in equity

	1 July 2020 £	30 June 2021 £
<b>Adjustments to prior year</b>		
Discounting of loan	-	1,482,584
Equity as previously reported	24,631,133	25,550,028
	<hr/>	<hr/>
Equity as adjusted	24,631,133	27,032,612
	<hr/>	<hr/>
<b>Analysis of the effect upon equity</b>		
Other reserves	-	1,482,584
	<hr/>	<hr/>

#### Reconciliation of changes in profit for the previous financial period

	2021 £
<b>Adjustments to prior year</b>	
Unwinding of discount on loan	(47,323)
Profit as previously reported	918,895
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Profit as adjusted	871,572
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