

**MORECAMBE FOOTBALL CLUB.LIMITED
STRATEGIC REPORT, DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2025**

Morecambe Football Club.Limited
Contents

	Page
Company Information	1
Strategic Report	2—3
Directors' Report	4—5
Independent Auditor's Report	6—8
Statement of Comprehensive Income	9
Balance Sheet	10
Statement of Changes in Equity	11
Statement of Cash Flows	12
Notes to the Statement of Cash Flows	13
Notes to the Financial Statements	14—26

Morecambe Football Club.Limited
Company Information
For The Year Ended 31 May 2025

Directors	Mr M Horton Mr C E Appleyard Mr G A Howse Mr R Taylor Mr J T Wakefield Mr K S Momi Mr H Singh
Secretary	Mr G A Howse
Company Number	00224792
Registered Office	Mazuma Stadium Christie Way Morecambe LA4 4TB
Business	Mazuma Stadium Christie Way Morecambe LA4 4TB
Accountants	M. Tatar & Associates 32 Willoughby Road London N8 0JG

Mr K S Momi and Mr H Singh were appointed as directors on 17 August 2025, subsequent to the year end.

Morecambe Football Club.Limited
Strategic Report
For The Year Ended 31 May 2025

The directors present their strategic report for the year ended 31 May 2025.

Review of the Business

The financial year 2024/25 was Morecambe's eighteenth consecutive season in the English Football League. The club posted a loss before tax for the year of £1,023,450 (2024: £1,194,058). The 2024/25 season represented its eighth year operating a Category 3 Academy.

Key performance indicators

Performance on the Pitch

Target	2024/2025 Performance	2023/2024 Performance
League performance	Finished in 24th position with 36 points (League 2). Relegated	Finished in 15th position with 58 points (League 2)
Generate Income from Cup Runs	FA Cup - 3rd Round EFL Cup - 1st Round EFL Trophy - Group Stage	FA Cup - 3rd Round EFL Cup - 1st Round EFL Trophy - Group Stage

Strategy

The key elements to the club's strategy for growth are:

- Continue to invest in our staff, both footballing and non-footballing, and facilities
- Further develop our retail, commercial and hospitality business to help diversify income streams and margins
- Enhance awareness and the reach of our brand

Principal Risks and Uncertainties

The principal risks to the business are relegation and the consequential loss of income, or if the club was unable to secure sufficient finance from either the directors, owners or other sources to continue funding the cashflow requirements. These and other risks are monitored by the Board on a regular basis.

In addition to the above:

- Performance of the men's first team
- Maintaining and enhancing our reputation and brand
- Renewal/replacement of key commercial contracts on similar or better terms
- Retention and recruitment of key employees

Performance of the men's first team

A good cup run was achieved in the FA Cup, with an away win at Worthing FC and a home win against Bradford City before losing away at Premier League side Chelsea FC in the 3rd round. In the EFL Cup the club was defeated away at Huddersfield Town in the 1st Round. The club failed to progress beyond the group stage in the EFL trophy.

On the pitch, the club lost its EFL status and was relegated to the National League.

Maintaining and enhancing our reputation and brand

The continued strategy of ensuring that the club is run on equitable and fair grounds in dealings with both its own employees, supporters and the wider footballing community is monitored regularly by the Board to ensure that the club's reputation and brand are each maintained and enhanced wherever possible, notwithstanding the men's first team relegation.

Future developments and going concern

The Club generated a loss before taxation of £1,023,450 in the year ended 31 May 2025, which was funded by its then majority shareholders. As described in the post balance sheet events section below, control of the Club transferred to Panjab Warriors Sports Limited (PWSL) on 18 August 2025.

The Club was relegated from League Two at the end of the 2024/25 season. Subsequent to the year end, the Club was further relegated from the National League to National League North at the end of the 2025/26 season. These successive relegations have resulted in material reductions to the Club's revenue from central distributions, matchday income and commercial activities.

...CONTINUED

Morecambe Football Club.Limited
Strategic Report (continued)
For The Year Ended 31 May 2025

Principal Risks and Uncertainties - continued

The directors are confident that additional funding will be made available for the Club to continue to operate and meet its obligations as they become due over the period to 31 May 2027. In forming this view, the directors have had regard to the funding already provided since the takeover, the interest-free terms of the Master Loan Agreement, and the written commitment from PWSL to fund the Club for at least twelve months from the date of approval of these financial statements. However, the scale of the projected cost reductions required, the consecutive relegations, and the Club's dependence on a single shareholder group constitute a material uncertainty that may cast doubt on the Club's ability to continue as a going concern. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Based on the above, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

Stakeholders

The Board take into consideration the interests of the club's employees, supporters, commercial partners and all its stakeholders in its decision making.

Employees

The wellbeing of the club's employees is of primary importance to the club, with the development of a 'people' department which has broadened the provision in support and development opportunities for colleagues as well as mental health awareness, safeguarding standards and access to club officials specialising in these areas.

Community

The club works closely with its community partners, Morecambe Football Club Community Sports and Shrimps Supporters Society Limited, to engage with as wide a range of the local demographic as possible, supporting these organisations with their work in the community.

Supporters

The club maintains a supporter's charter, committed to delivering a professional football team, success on the pitch, whilst delivering a community-orientated experience and service at all levels both footballing and non-footballing. It has officials tasked to ensure that it is accessible as possible and is increasingly looking at ways to engage with both its supporters and the wider community.

Other Stakeholders

The Board acknowledge that it is in its own best interests in securing both footballing and reputational success that it has mutually beneficial relationships with both its footballing and commercial partners. The club looks to enter into mutually beneficial relationships with both its business partners and customers, seeking regular and detailed feedback in order to ensure that its standards remain high and areas where they can be improved upon.

On behalf of the board

Mr K S Momi

Director

25/05/2026

Morecambe Football Club.Limited
Company No. 00224792
Directors' Report For The Year Ended 31 May 2025

The directors present their report and the financial statements for the year ended 31 May 2025.

Principal Activity

The company's principal activity continues to be that of professional football club.

Dividends

The value of dividends paid amounted to £NIL .

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year were as follows:

Directors	Resigned	Appointed	Resigned	Appointed	Resigned
R H Taylor	02/07/2025	04/07/2025	07/07/2025	20/08/2025	08/12/2025
G A Howse	02/07/2025	04/07/2025	07/07/2025	20/08/2025	08/12/2025
M Horton	02/07/2025	04/07/2025	07/07/2025		
J T Wakerfield	02/07/2025	04/07/2025	07/07/2025		
C E Appleyard	02/07/2025	04/07/2025	07/07/2025		
R A Smith		15/08/2025	20/08/2025		
O W Fish		15/08/2025	20/08/2025		
K S Momi		17/08/2025			
H Singh		17/08/2025			

Matters covered in the Strategic Report

Disclosures required under s416(4) of the Companies Act 2006 are commented upon in the Strategic Report as the directors consider them to be of strategic importance to the business.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic Report, 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, comprising FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', 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 the financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS102, have been followed subject to any material departures disclosed and explained in the financial statements;
- 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. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Statement of Disclosure of Information to Auditors

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- 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 the company's auditors are aware of that information.

Morecambe Football Club.Limited
Directors' Report (continued)
For The Year Ended 31 May 2025

Independent Auditors

The auditors, M. Tatar & Associates, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

Medium-sized companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the medium-sized companies exemption.

On behalf of the board

Mr K S Momi

Director

25/05/2026

**Independent Auditor's Report
to the Members of
Morecambe Football Club.Limited**

Opinion

We have audited the financial statements of Morecambe Football Club.Limited for the year ended 31 May 2025 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes of Equity, Cash Flow Statement and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2025 and of its profit/(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.

Material Uncertainty related to Going Concern

We draw attention to Note 2.2 in the financial statements, which describes the principal conditions giving rise to a material uncertainty that may cast doubt on the Club's ability to continue as a going concern. These conditions include the Club's continued loss-making position, its reliance on the continuing financial support of its parent PWSL and the wider consortium of funding entities, the impact of the Club's third relegation in four seasons on its revenue base, and the significant cost reductions assumed in the directors' financial projections.

As stated in Note 2.2, these events and conditions indicate that a material uncertainty exists that may cast doubt on the Club's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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. In connection with our audit of the financial statements, 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 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 the audit:

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

Independent Auditor's Report (continued)
to the Members of
Morecambe Football Club.Limited

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 or returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4—5, 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:

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, is detailed below:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations;
- Enquires with management about any known or suspected instances of fraud;
- Review of minutes of board meetings;
- Examination of journal entries and other adjustments to test for appropriateness and identify any instances of management override of controls;
- Review of legal and professional expenditure to identify any evidence of ongoing litigation or enquiries;
- Reviewed the systems for recording revenue and tested a sample of transactions recorded within the accounts throughout the year, to test they agree to supporting documentation;
- Reviewed a sample of sales transactions around the year end to test cut off has been correctly applied.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website 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 that 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.

Independent Auditor's Report (continued)
to the Members of
Morecambe Football Club.Limited

Munir Tatar (Senior Statutory Auditor)
for and on behalf of M. Tatar & Associates , Statutory Auditor

25/05/2026

Morecambe Football Club.Limited
Statement of Comprehensive Income
For The Year Ended 31 May 2025

	Notes	2025 £	2024 £
TURNOVER	3	5,076,300	4,942,241
Cost of sales		(4,892,287)	(4,885,919)
GROSS PROFIT		184,013	56,322
Administrative expenses		(908,674)	(874,903)
OPERATING LOSS	4	(724,661)	(818,581)
Exceptional items		-	(99,663)
Other interest receivable and similar income	9	1,143	-
Interest payable and similar charges	10	(362,598)	(275,814)
LOSS BEFORE TAXATION		(1,086,116)	(1,194,058)
Tax on Loss	11	62,666	8,605
LOSS AFTER TAXATION BEING LOSS FOR THE FINANCIAL YEAR		(1,023,450)	(1,185,453)
OTHER COMPREHENSIVE INCOME FOR THE YEAR		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(1,023,450)	(1,185,453)

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

The notes on pages 13 to 26 form part of these financial statements.

Morecambe Football Club.Limited
Balance Sheet
As At 31 May 2025

Registered number: 00224792

	Notes	2025		2024	
		£	£	£	£
FIXED ASSETS					
Intangible Assets	12		5,140		6,292
Tangible Assets	13		7,943,296		7,944,639
			7,948,436		7,950,931
CURRENT ASSETS					
Stocks	14	22,328		25,029	
Debtors	15	268,784		332,064	
Cash at bank and in hand		83,419		97,719	
		374,531		454,812	
Creditors: Amounts Falling Due Within One Year	16	(3,810,357)		(3,110,545)	
NET CURRENT ASSETS (LIABILITIES)			(3,435,826)		(2,655,733)
TOTAL ASSETS LESS CURRENT LIABILITIES			4,512,610		5,295,198
Creditors: Amounts Falling Due After More Than One Year	17		(27,264)		(99,053)
PROVISIONS FOR LIABILITIES					
Deferred Taxation	20		(1,393,109)		(1,395,109)
NET ASSETS			3,092,237		3,801,036
CAPITAL AND RESERVES					
Called up share capital	21		5,570,832		5,256,181
Share premium account			10,000		10,000
Profit and Loss Account			(2,488,595)		(1,465,145)
SHAREHOLDERS' FUNDS			3,092,237		3,801,036

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors on 25 May 2026 and were signed on its behalf by:

Mr K S Momi
Director

The notes on pages 13 to 26 form part of these financial statements.

Morecambe Football Club.Limited
Statement of Changes in Equity
For The Year Ended 31 May 2025

	Share Capital	Share Premium	Profit and Loss Account	Total
	£	£	£	£
As at 1 June 2023	5,256,181	10,000	(279,692)	4,986,489
Loss for the year and total comprehensive income	-	-	(1,185,453)	(1,185,453)
As at 31 May 2024 and 1 June 2024	<u>5,256,181</u>	<u>10,000</u>	<u>(1,465,145)</u>	<u>3,801,036</u>
Loss for the year and total comprehensive income	-	-	(1,023,450)	(1,023,450)
Arising on shares issued during the period	314,651	-	-	314,651
As at 31 May 2025	<u><u>5,570,832</u></u>	<u><u>10,000</u></u>	<u><u>(2,488,595)</u></u>	<u><u>3,092,237</u></u>

Morecambe Football Club.Limited
Statement of Cash Flows
For The Year Ended 31 May 2025

	Notes	2025 £	2024 £
Cash flows from operating activities			
Net cash used in operations	1	(797,105)	(917,525)
Interest paid		(362,598)	(275,814)
Tax refunded		60,666	-
Net cash used in operating activities		<u>(1,099,037)</u>	<u>(1,193,339)</u>
Cash flows from investing activities			
Purchase of tangible assets		(54,808)	(16,979)
Interest received		1,143	-
Net cash used in investing activities		<u>(53,665)</u>	<u>(16,979)</u>
Cash flows from financing activities			
Proceeds from issue of share capital		314,651	-
Proceeds from new other loans		908,569	1,240,209
Repayment of other loans		(80,241)	(141,971)
Repayment of finance leases		(4,577)	(3,800)
Net cash generated from financing activities		<u>1,138,402</u>	<u>1,094,438</u>
Decrease in cash and cash equivalents		(14,300)	(115,880)
Cash and cash equivalents at beginning of year	2	<u>97,719</u>	<u>213,599</u>
Cash and cash equivalents at end of year	2	<u><u>83,419</u></u>	<u><u>97,719</u></u>

Morecambe Football Club.Limited
Notes to the Statement of Cash Flows
For The Year Ended 31 May 2025

1. Reconciliation of loss for the financial year to cash used in operations

	2025	2024
	£	£
Loss for the financial year	(1,023,450)	(1,185,453)
<i>Adjustments for:</i>		
Tax on loss	(62,666)	(8,605)
Interest expense	362,598	275,814
Interest income	(1,143)	-
Amortisation of intangible assets	1,152	8,849
Depreciation of tangible assets	73,933	63,341
<i>Movements in working capital:</i>		
Decrease/(increase) in stocks	2,701	(5)
Decrease/(increase) in trade and other debtors	63,280	(23,058)
Decrease in trade and other creditors	(213,510)	(48,408)
Net cash used in operations	<u>(797,105)</u>	<u>(917,525)</u>

2. Cash and cash equivalents

Cash and cash equivalents, as stated in the Statement of Cash Flows, relates to the following items in the Balance Sheet:

	2025	2024
	£	£
Cash at bank and in hand	<u>83,419</u>	<u>97,719</u>

3. Analysis of changes in net debt

	As at 1 June 2024	Cash flows	As at 31 May 2025
	£	£	£
Cash at bank and in hand	97,719	(14,300)	83,419
Finance leases	(8,353)	(16,931)	(25,284)
Debts falling due within one year	(2,174,769)	(908,602)	(3,083,371)
Debts falling due after more than one year	(94,500)	84,000	(10,500)
	<u>(2,179,903)</u>	<u>(855,833)</u>	<u>(3,035,736)</u>

Morecambe Football Club.Limited
Notes to the Financial Statements
For The Year Ended 31 May 2025

1. General Information

Morecambe Football Club.Limited is a private company, limited by shares, incorporated in England & Wales, registered number 00224792 . The registered office is Mazuma Stadium, Christie Way, Morecambe, LA4 4TB.

2. Accounting Policies

2.1. Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

2.2. Going Concern Disclosure

The Club generated a loss before taxation of £1,023,450 in the year ended 31 May 2025 (2024: £1,194,058). As at 31 May 2025, the Club had net current liabilities of £3,435,826 (2024: £2,655,733), accumulated losses on the profit and loss reserve of £2,488,595, and was reliant on borrowings from its then majority shareholders totalling £2,999,371 classified within current liabilities.

As described in Note 25, subsequent to the year end, control of the Club transferred on 18 August 2025 to PWSL, which became the new ultimate controlling party. Prior to the transfer, the Club experienced severe financial distress including non-payment of staff wages for two months and a winding-up petition from HMRC, which was subsequently withdrawn. On completion, substantially all existing shareholder loans were assigned to or assumed by PWSL and its consortium of funding entities.

The Club was relegated from League Two to the National League at the end of the 2024/25 season, and subsequently relegated from the National League to National League North at the end of 2025/26 season. This represents the Club's third relegation in four seasons. The impact of these relegations on the Club's revenue base has been significant: central league distributions have reduced from £944,000 (EFL Basic Award, FY25) to substantially lower National League distributions in FY26, with a further reduction anticipated on entry to National League North in FY27. Matchday, commercial and sponsorship income has also been impacted as a result.

The following funding instruments are in place to support the Club's continued operations:

- (a) Master Loan Agreement: An agreement dated 31 March 2026 between JKM Capital Ltd and the Club for £2,086,300, interest-free, repayable over 10 years. This formalises the cumulative advances made by the consortium to the Club since the takeover.
- (b) BGI Loan Assignment: The Bond Group Investments Limited loan was assigned to PWSL on 17 August 2025 at a balance of £1,619,191, which included accrued interest charged during the period of Bond Group's control.
- (c) PWSL Funding Commitment Letter: A letter dated 15 May 2026 from PWSL confirming its intention to provide such funding as is necessary to enable the Club to meet its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements.

The directors have prepared financial projections for the period to 31 May 2027. The projections anticipate a further net loss of approximately £2.0 million in the year ending 31 May 2026 and approximately £0.2 million in the year ending 31 May 2027, with the improvement in FY27 principally driven by significant reductions in the playing and coaching wage bill following the expiry of existing player contracts in June 2026 and the anticipated lower cost base of operating in the National League North. Since the takeover in August 2025, the consortium has provided cumulative cash funding of approximately £1.4 million. The projections indicate that a further £174k of net shareholder funding will be required in the year ending 31 May 2027.

The directors are confident that PWSL and the consortium will continue to provide the necessary funding. In forming this view, the directors have had regard to the demonstrated track record of funding since the takeover (cumulative cash advances of approximately £1.4 million in the 10 months to 31 March 2026), the interest-free terms of the Master Loan Agreement, and the PWSL Funding Commitment Letter.

Notwithstanding the directors' confidence, the following matters give rise to a material uncertainty:

- (i) The FY27 projections are principally driven by a significant reduction in the playing and coaching wage bill following the expiry of existing contracts in June 2026, reflecting the lower cost base typical of clubs operating at the National League North level; whilst comparable clubs operate on similar or lower budgets, the Club has not yet operated at this level and the actual cost base will only be confirmed once the transition is complete;
- (ii) The Club has suffered three relegations in four seasons, with each successive relegation reducing the revenue base and increasing the Club's dependency on shareholder support;
- (iii) The Club's continued operations during the period to 31 May 2027 remain dependent on the willingness and financial capacity of PWSL and the consortium to provide funding, and neither PWSL nor its parent JKM Capital Ltd has published financial statements from which their financial position can be independently assessed.

Based on the above, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

Morecambe Football Club.Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 May 2025

2.3. Significant judgements and estimations

In the application of the club'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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Classification of finance and operating leases

At the inception of each lease, management undertake an assessment of the terms of the lease including payments to be made over the life of the lease, the fair value of the asset subject to the lease, the length of the lease and whether the terms of the lease transfer substantially all of the risks and rewards of ownership.

Based on this assessment, management will determine whether the lease should be classified as a finance or operating lease.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

The residual value and estimated useful life of leasehold property

At the acquisition date of the property, management made an assessment of the useful life of the property. They have used their knowledge of the business, geographical area and the property itself in reaching a decision of a useful life of 50 years.

Management have also assessed the estimated residual value of the property at the end of its 50 year useful life. Using the factors noted above as well as the property market in the area they have reached an appropriate residual value which has been applied in the depreciation calculation.

2.4. Turnover

Turnover represents income receivable, net of VAT, from football and related commercial activities. Sponsorship and similar income are recognised over the duration of the respective contracts. Gate and other match day revenues are recognised over the period of the football season as games are played. Other corporate and hospitality revenues are recognised at the time of the event.

2.5. Intangible Fixed Assets and Amortisation - Other Intangible

Player registration fees are capitalised as intangible assets and are initially recognised at cost. After recognition, under the cost model, the registrations are measured at cost less accumulated amortisation and accumulated impairment losses.

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

Trademarks	15% Straight Line
Player registrations	Straight line over the period of the initial contract

2.6. Tangible Fixed Assets and Depreciation

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold land	No depreciation provided
Leasehold Property	2% Straight Line
Plant & Machinery	15% Reducing Balance
Motor Vehicles	25% Reducing Balance

Freehold land is not depreciated.

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.

Morecambe Football Club.Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 May 2025

2.7. Leasing and Hire Purchase Contracts

Assets obtained under finance leases are capitalised as tangible fixed assets. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives. Assets acquired under hire purchase contracts are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the club. Obligations under such agreements are included in the creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account as incurred.

2.8. Stocks and Work in Progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

At the end of each reporting period stocks are assessed for impairment. If an item of stock is impaired, the identified stock is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the profit and loss account. Where a reversal of the impairment is required the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the profit and loss account.

2.9. Cash and Cash Equivalents

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks, other short-term highly liquid investments that mature in no more than three months from the date of acquisition and are readily convertible to a known amount of cash with insignificant risk of change in value, and bank overdrafts.

2.10. Financial Instruments

The club has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the club's balance sheet when the club 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.

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 club 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 club after deducting all of its liabilities.

Basic financial liabilities

...CONTINUED

Morecambe Football Club.Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 May 2025

2.10. Financial Instruments - continued

Basic financial liabilities, including creditors 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.

Derecognition of financial liabilities

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

2.11. Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The club's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable timing differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible timing differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. The measurement of deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the Club expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss for the year, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case current and deferred tax are recognised in other comprehensive income or directly in equity respectively.

2.12. 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 of 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 club is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2.13. Pensions

The club operates a defined pension contribution scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2.14. Impairment of fixed assets

At each reporting period end date, the club 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).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

2.15. Equity Instruments

Equity instruments issued by the club 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 club.

Morecambe Football Club.Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 May 2025

3. Turnover

Analysis of turnover by class of business is as follows:

	2025	2024
	£	£
Football	3,412,403	2,986,831
Hospitality	921,299	901,587
Other	97,717	111,026
Other Corporate	398,305	422,299
Player sales	106,000	332,000
Shop	140,576	188,498
	<u>5,076,300</u>	<u>4,942,241</u>

Analysis of turnover by geographical market is as follows:

	2025	2024
	£	£
United Kingdom	<u>5,076,300</u>	<u>4,942,241</u>
	<u>5,076,300</u>	<u>4,942,241</u>

4. Operating Loss

The operating loss is stated after charging:

	2025	2024
	£	£
Bad debts	(2,101)	14,804
Depreciation of tangible fixed assets	73,933	63,341
Amortisation of intangible fixed assets	1,152	8,849
	<u>72,984</u>	<u>86,994</u>

5. Auditor's Remuneration

Remuneration received by the club's auditors and their associates during the year was as follows:

	2025	2024
	£	£
Audit Services		
Audit of the company's financial statements	<u>10,000</u>	<u>17,650</u>

6. Staff Costs

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

	2025	2024
	£	£
Wages and salaries	3,249,693	3,196,994
Social security costs	285,342	273,800
Other pension costs	45,265	37,408
	<u>3,580,300</u>	<u>3,508,202</u>

Morecambe Football Club.Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 May 2025

7. Average Number of Employees

Average number of employees, including directors, during the year was as follows:

	2025	2024
Playing and Management Staff	43	44
Other Football Related Staff	67	71
Shop Staff	1	2
Hospitality Staff	74	69
Support and Administrative Staff	14	17
	<u>199</u>	<u>203</u>

8. Directors' remuneration

	2025	2024
	£	£
Emoluments	52,885	77,360
Company contributions to money purchase pension schemes	1,587	2,321
	<u>54,472</u>	<u>79,681</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2024 - 2).

9. Interest Receivable and Similar Income

	2025	2024
	£	£
Bank interest receivable	1,143	-

10. Interest Payable and Similar Charges

	2025	2024
	£	£
Bank loans and overdrafts	-	6,054
Interest payable on other loans	346,472	268,774
Finance charges payable under finance leases and hire purchase contracts	170	986
Other finance charges	15,956	-
	<u>362,598</u>	<u>275,814</u>

11. Tax on Profit

The tax credit on the loss for the year was as follows:

	Tax Rate		2025	2024
	2025	2024	£	£
Current tax				
UK Corporation Tax	25.0%	25.0%	-	-
Prior period adjustment			(60,666)	-
			<u>(60,666)</u>	-

...CONTINUED

Morecambe Football Club.Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 May 2025

Deferred Tax

Deferred taxation	(2,000)	(8,605)
Total tax charge for the period	(62,666)	(8,605)

Included within the prior period adjustment is a R&D tax credit of £60,666 (2024: £nil) received from HMRC in the year, relating to qualifying R&D expenditure incurred in the year ended 31 May 2023, recognised in the year of receipt.

The actual credit for the year can be reconciled to the expected credit for the year based on the loss and the standard rate of corporation tax as follows:

	2025	2024
	£	£
Profit before tax	(1,086,116)	(1,194,058)
Tax on profit at 25% (UK standard rate)	(249,711)	(298,514)
Goodwill/depreciation not allowed for tax	8,241	8,261
Expenses not deductible for tax purposes	1,732	11,235
Prior period adjustment	(60,666)	-
Rollover relief on profit on disposal of fixed assets	(2,000)	(8,605)
Deferred tax from unrecognised tax loss or credit	239,738	279,018
Total tax charge for the period	(62,666)	(8,605)

Factors affecting future tax and charges

At the balance sheet date, the club had tax losses carried forward of £9,693,844 (2024 £8,614,669). The club has not recognised a deferred tax asset in respect of these losses until such time as it believes that there is certainty that future profits will arise.

12. Intangible Assets

	Trademarks	Player registrations	Total
	£	£	£
Cost			
As at 1 June 2024	8,990	15,000	23,990
As at 31 May 2025	8,990	15,000	23,990
Amortisation			
As at 1 June 2024	2,698	15,000	17,698
Provided during the period	1,152	-	1,152
As at 31 May 2025	3,850	15,000	18,850
Net Book Value			
As at 31 May 2025	5,140	-	5,140
As at 1 June 2024	6,292	-	6,292

Morecambe Football Club.Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 May 2025

13. Tangible Assets

	Land & Property				Total
	Freehold land	Leasehold Property	Plant & Machinery	Motor Vehicles	
	£	£	£	£	
Cost					
As at 1 June 2024	557,903	7,719,280	817,065	33,078	9,127,326
Additions	-	28,148	24,165	20,277	72,590
As at 31 May 2025	<u>557,903</u>	<u>7,747,428</u>	<u>841,230</u>	<u>53,355</u>	<u>9,199,916</u>
Depreciation					
As at 1 June 2024	-	580,315	583,680	18,692	1,182,687
Provided during the period	-	36,148	33,081	4,704	73,933
As at 31 May 2025	<u>-</u>	<u>616,463</u>	<u>616,761</u>	<u>23,396</u>	<u>1,256,620</u>
Net Book Value					
As at 31 May 2025	<u>557,903</u>	<u>7,130,965</u>	<u>224,469</u>	<u>29,959</u>	<u>7,943,296</u>
As at 1 June 2024	<u>557,903</u>	<u>7,138,965</u>	<u>233,385</u>	<u>14,386</u>	<u>7,944,639</u>

Tangible fixed assets with a carrying amount of £7,948,975 (2024 - £7,944,640) have been pledged to secure borrowings of the club.

Included above are assets held under finance leases or hire purchase contracts with a net book value as follows:

	2025	2024
	£	£
Motor Vehicles	<u>22,313</u>	<u>7,031</u>
14. Stocks		
	2025	2024
	£	£
Stock	<u>22,328</u>	<u>25,029</u>
15. Debtors		
	2025	2024
	£	£
Due within one year		
Trade debtors	49,800	57,729
Prepayments and accrued income	183,408	168,422
Other debtors	35,576	105,913
	<u>268,784</u>	<u>332,064</u>

Morecambe Football Club.Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 May 2025

16. Creditors: Amounts Falling Due Within One Year

	2025	2024
	£	£
Net obligations under finance lease and hire purchase contracts	8,520	3,800
Trade creditors	340,022	400,882
Other loans	3,083,371	2,174,769
Other creditors	7,735	9,994
Taxation and social security	128,409	155,187
Accruals and deferred income	242,300	365,913
	<u>3,810,357</u>	<u>3,110,545</u>

17. Creditors: Amounts Falling Due After More Than One Year

	2025	2024
	£	£
Net obligations under finance lease and hire purchase contracts	16,764	4,553
Other loans	10,500	94,500
	<u>27,264</u>	<u>99,053</u>

18. Loans

An analysis of the maturity of loans is given below:

	2025	2024
	£	£
Amounts falling due within one year or on demand:		
Other loans	3,083,371	2,174,769
	<u>3,083,371</u>	<u>2,174,769</u>
Amounts falling due between one and five years:		
Other loans	10,500	94,500
	<u>10,500</u>	<u>94,500</u>

Of the other loan balance above £52,500, (2024: £137,121) is secured by way of a fixed and floating charge over the property and assets of the club.

The remaining balance relates to funding support provided via the parent company.

19. Obligations Under Finance Leases and Hire Purchase

	2025	2024
	£	£
The future minimum finance lease payments are as follows:		
Not later than one year	8,520	3,800
Later than one year and not later than five years	16,764	4,553
	<u>25,284</u>	<u>8,353</u>
	<u>25,284</u>	<u>8,353</u>

The above finance lease obligations are secured over the assets to which they relate.

Finance lease payments represent rentals payable by the club 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.

Morecambe Football Club.Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 May 2025

20. Deferred Taxation

Deferred tax assets and liabilities are offset where the club has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2025	2024
	£	£
Other timing differences	1,393,109	1,395,109
	<u>1,393,109</u>	<u>1,395,109</u>
Movements in the year:		2025
		£
Liability at 31st May 2024		1,395,109
Credit to profit or loss		(2,000)
Liability at 31st May 2025		1,393,109

Due to the level of trading losses carried forward, deferred tax is not recognised on fixed asset timing differences. The movement on deferred tax in respect of the rolled over gain is not expected to change materially in the next reporting period.

21. Share Capital

	2025	2024
	£	£
Allotted, called up and fully paid		
5,514,651 Ordinary Shares of £ 1.00 each	5,514,651	5,200,000
56,181 Ordinary A shares of £ 1.00 each	56,181	56,181
	<u>5,570,832</u>	<u>5,256,181</u>
Shares issued during the period:		£
314,651 Ordinary Shares of £ 1.00 each		<u>314,651</u>

On 26 July 2024 78,000 Ordinary £1 shares were issued.
On 28 November 2024 161,651 Ordinary £1 shares were issued.
On 14 February 2025 75,000 Ordinary £1 shares were issued, increasing the total issued share capital of the club to £5,570,832.

22. Contingent Liabilities

During the year ended 31 May 2017, the club gave a guarantee to Mr P McGuigan, a director, in respect of G50 Holdings Limited's obligations under agreements between Mr P McGuigan and G50 Holdings Limited for the sale and purchase of his shareholdings in both Morecambe Football Club Limited and PMG Leisure Limited.

The guarantees were entered into by the club for £350,000 in total plus any costs and interest to ensure promised investment in the football club by G50 Holdings Limited and this therefore represents a contingent liability at the date of the directors' approval of these financial statements.

During year ended 31 May 2019, Mr P McGuigan transferred the rights under the guarantee to Bond Group Investments Limited.

The guarantee was settled after year-end and prior to the transfer of shares to the new owners in August 2025.

Morecambe Football Club.Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 May 2025

23. Other Commitments

The total of future minimum lease payments under non-cancellable operating leases are as following:

	2025	2024
	£	£
Not later than one year	2,360	3,839
Later than one year and not later than five years	-	2,360
	2,360	6,199
	2,360	6,199

24. Pension Commitments

The club operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the club in an independently administered fund.

During the year the charge to the profit and loss account in respect of defined contribution schemes was £15,265 (2024: £37,408).

25. Post Balance Sheet Events

Change of Control

On 18 August 2025, control of the Club transferred from Bond Group Investments Limited to PWSL, which became the new ultimate controlling party. The share purchase agreement was approved by the EFL on 23 May 2025 and by the National League on 17 August 2025. As part of the transaction, the Bond Group loan of £1,619,191 was assigned to PWSL, and a new Master Loan Agreement was subsequently entered into between JKM Capital Ltd and the Club on 31 March 2026 for £2,086,300, interest-free, repayable over 10 years.

Financial Distress and HMRC Petition

In the period between the year end and the completion of the takeover, the Club experienced severe financial distress. Staff wages were not paid for the months of June and July 2025, and on 15 August 2025 HMRC presented a winding-up petition against the Club in respect of unpaid tax liabilities. The petition was subsequently withdrawn following the completion of the takeover and settlement of the outstanding amounts.

National League Suspension

On 28 July 2025, the National League suspended the Club's membership with immediate effect and removed the Club from the National League Cup due to concerns regarding the Club's ability to meet its financial obligations for the 2025/26 season. The suspension was lifted on 18 August 2025 following the completion of the takeover.

Further Relegation

At the end of the 2025/2026, the Club was relegated from the National League to National League North. This represents the Club's third relegation in four seasons. The Club will compete in the sixth tier of English football for the 2026/27 season for the first time since 1995. The directors expect this to result in a further reduction in central distributions and matchday income, which has been reflected in the financial projections described in Note 2.2.

Management Changes

Following the change of control, the first team manager was replaced. A further managerial change was made in January 2026, and a third appointment was made in April 2026 following the Club's relegation from the National League. In addition, Mr R H Taylor and Mr G A Howse resigned from the Board of Directors in December 2025.

HM Treasury Sanctions Designation

On 4 December 2025, HM Treasury designated an individual under the Counter-Terrorism (Sanctions) (EU Exit) Regulations 2019. The individual had previously acted in a consultancy capacity for PWSL during the takeover process. The Club and PWSL have confirmed that the individual held no directorship, shareholding or beneficial interest in the Club, PWSL or any consortium entity. Following the designation, all association with the individual was terminated. The directors have carried out an internal review and are satisfied that no funds or economic resources of the individual or his sanctioned entities have formed any part of the funding provided to the Club.

Contingent Liability — Settlement

The contingent liability of £350,000 in respect of the guarantee given by the Club in relation to the sale and purchase of shares by Mr P McGuigan (Note 22) was settled in connection with the completion of the takeover in August 2025.

Morecambe Football Club.Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 May 2025

26. Related Party Disclosures

	Sales 2025 £	Sales 2024 £	Purchases 2025 £	Purchases 2024 £
Entities with control, joint control or significant influence over the club	-	578	-	-
Key management personnel	5,660	1,508	872	-
Other related parties	-	8,053	-	4,614

	Interest Payable 2025 £	2024 £
Entities with control, joint control or significant influence over the club	346,472	268,774

Controlling Parties

During the year and to 17 August 2025, the Club was controlled by Bond Group Investments Limited, which held 78% of the issued share capital. On 18 August 2025, control transferred to PWSL, which acquired 100% of the issued share capital. PWSL is 85% owned by JKM Capital Ltd, which is in turn 100% owned by Mr K S Momi. JKM Capital Ltd is the ultimate controlling party.

Transactions with the Controlling Party and its Group

Bond Group Investments Limited (controlling party to 17 August 2025): During the year, interest of £346,472 (2024: £268,774) was charged on loans provided by Bond Group. The loan balance at 31 May 2025 was £1,554,484 (2024: £1,338,243). On 17 August 2025, the outstanding loan of £1,619,191 (including accrued interest) was assigned to PWSL as part of the change of control transaction.

JKM Capital Ltd: At 31 May 2025, the Club owed £1,439,000 (2024: £1,439,000) to JKM Capital Ltd.

JKM Capital Ltd and consortium entities: In the period from to 31 May 2025, the consortium entities (JKM Capital Ltd, JKM Developers Ltd, and Dawlish Construction Ltd) advanced £664,000 to the Club to fund working capital requirements in advance of the formal completion of the takeover. These advances are included within Other Loans in Note 16. Post year-end, cumulative advances from the consortium totalled approximately £1.4 million by 31 March 2026, formalised in a Master Loan Agreement dated 31 March 2026 for £2,086,300.

Terms of Related Party Loans

The Bond Group loan bore interest at an informal rate of 3% per month (36% per annum) during the period of Bond Group's control. There was no formal written loan agreement. Since the takeover, the Company's current directors have had the opportunity to undertake a forensic investigation into this loan and its legitimate existence and characterisation as a bona fide loan are in dispute on several legal grounds.

The Master Loan Agreement with JKM Capital Ltd (dated 31 March 2026, £2,086,300) is interest-free, repayable over 10 years, and unsecured. All consortium advances are subordinated to the Club's other creditors.

No security has been given by the Club in respect of any related party loan, other than as described in Notes 13 and 18.

The following amounts were outstanding at the reporting end date:

Amounts due to related parties

	2025 £	2024 £
Entities with control, joint control or significant influence over the club	1,560,371	1,338,243
Key management personnel	-	13,075
Other related parties	-	1,362

...CONTINUED

Morecambe Football Club.Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 May 2025

26. Related Party Disclosures - continued

Amount due from related parties

	2025 £	2024 £
Entities with control, joint control or significant influence over the club	-	578
Key management personnel	-	81
Other related parties	-	-

27. Controlling Parties

At 31 May 2025, Bond Group Investments Limited owned 78% (2024: 78%) of the club's share capital and was the ultimate controlling party.

Subsequent to the year end, on 18 August 2025, Bond Group Investments Limited transferred its entire shareholding to PWSL. PWSL is 85% owned by JKM Capital Ltd, which is 100% owned by Mr K S Momi. JKM Capital Ltd is the ultimate controlling party of the Club as at the date of approval of these financial statements.

Neither PWSL nor JKM Capital Ltd prepares consolidated financial statements that include the results of the Club. The Club's results are not included in any group financial statements.

28. Exceptional Items

2025 £	2024 £
-	99,662

In the prior year a company owing £99,662 to the club went into liquidation. A full provision of this amount has been made, however following legal advice and opinion from council instruction has commenced to raise a commercial action alongside other parties impacted by this matter.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.