

TJF COMMENTARY ON THE PTFC LIMITED 2025 ACCOUNTS

FOR THE YEAR ENDED 31 MAY 2025

This commentary is intended to provide context to the Club's 2025 Accounts, particularly in relation to the Trustees' ongoing assessment of the Club Board's performance. Prior to delving into the numbers, we would like to pay tribute to the ownership group, in particular our members and Donald McClymont.

Between Donald, his contacts, and TJF members, we are approaching £2m contributed to the Club in various ways in the past 30 months. We do think this compares positively to external finance brought in during any other period of ownership of the Club, and we are grateful to all for their contributions. Without those, the playing budget would have likely been greatly reduced over that period.

1. CASH FLOW: UNSUSTAINABLE DEFICITS

While the Profit & Loss and Balance Sheet provide useful insights, cash flow tells the clearest story.

Note 19 of the accounts shows that over the past two financial years, the Club has experienced a net operational cash outflow of £1.05 million. This has been covered by two tranches of external investment.

However, this was not the intended use of the second tranche of investment in particular. It appears that almost all of the investment received has been used to cover working capital, operating costs and playing budget. This is clearly unsustainable.

Whilst the trustees agreed to a deficit budget for 2024-25, the actual outcome was worse than budgeted. This is why it has been reinforced to the Club Board by the Trustees the importance of delivering a breakeven budget this season, and line by line performance against that budget is being monitored closely.

The budget setting exercise in the summer of 2025 was challenging. But everyone worked together to create a budget for the current season which matched ambition for the playing squad budget to be competitive with the requirements of the Trustees to ensure sustainability was a focus - which means producing and adhering to a balanced budget.

The Trustees have no desire to be micro managing budget adherence by the Club Board but in recent times, this has proven to be a necessity to fulfil our duties and obligations to you of ensuring sustainability of the Football Club.

2. STRATEGIC REPORT AND PROFIT & LOSS ACCOUNT

The Strategic Report provides essential context for interpreting the financial results.

- There were £360,000 of non-recurring donations to the playing budget. Without this, turnover would have declined on the previous year, as would have the playing budget.
- Core revenue streams — ticket sales, prize money, commercial and hospitality income — all fell year-on-year.
- Exceptional restructuring costs of £112,000 were incurred, although these were offset by player sales exceeding that amount.
- Operating expenses remained broadly in line with 2024, but the Women's Team moved from generating a £18,000 surplus to being a £54,000 cost — a £72,000 swing driven by reduced income and higher costs (including a change in the remuneration structure of the Women's Team manager as mentioned in the Accounts).

Fan contributions totalled £169,000 (note 17) and, for context, it should be noted many similar fan owned clubs see supporters groups contribute much less in this way. For example, SMISA contributes only 6.5% of its income to its club generally. TJF contributes about 85% of our income net of our very limited cost base to the Club, and almost all of the remainder goes to the Academy and Women's Team.

Despite this, the Club recorded a loss of £365,979 (operating loss: £372,662). This is the largest operating loss since at least 1997 and closely mirrors the much-criticised 2023 results.

In 2023, the Club incurred termination costs for Ian McCall but benefited from a lucrative Rangers cup tie worth £280,000. In 2025, we again had termination costs (Kris Doolan and Paul McDonald), but this time the £280,000 came from fan contributions and player sales. Both accounting years therefore ended in similar underlying results.

We must be consistent in our assessment: these financial outcomes are neither acceptable nor sustainable. Fan ownership will be lost at our Club if the Board continues to deliver operating cash deficits.

3. PRIOR YEAR ADJUSTMENTS AND GOVERNANCE OVERSIGHT

This year's accounts include a significant technical correction. When the draft audited accounts were presented to Trustees in November, an inconsistency was identified relating to the Depreciated Replacement Cost (DRC) valuation introduced by a previous Board.

Specifically, the Pitch Relay and Ground Drainage assets had been included both as standalone items and within the DRC valuation of the stadium — effectively a double count.

The resulting Prior Period Adjustment corrects this by removing the duplicated values from the Balance Sheet. Full details of the impact of this are at note 21 to the Accounts.

This episode highlights the critical role of Trustee oversight in maintaining financial integrity and governance standards at the Club.

4. BALANCE SHEET CONSIDERATIONS

It's important to note that the stadium is valued on a replacement cost basis — not market value. If sold, the stadium would likely realise significantly less than its book value in the Balance Sheet.

We include this comment to manage expectations as to the value and resource of the Football Club. We still very much need and value TJF members, member contributions, and require to operate budgets that preserve the sustainability of the Football Club.

5. LOOKING FORWARD

Our recent communication noted the Finance Working Group. Over recent times, The Finance Working Group numbered two people. In recent weeks, this has been expanded to seven people, all of whom have appropriate relevant financial qualifications, covering a range of business backgrounds with a financial focus including specialists in tax, audit, business recovery, investment, financial reporting, property, and other business finance skills.

These people - freely giving their time - we feel shows the real upsides of fan ownership where we have been able to lean into the community to create a highly skilled group with complimentary skills, and who will bring challenge to each other and close scrutiny to the financial aspects of any major football plans for the Football Club.

This FWG will be working closely with the internal finance resource in the coming weeks to review financial reporting and planning.

If you have any questions about this note, please contact us at contact@thejagsfoundation.co.uk.