



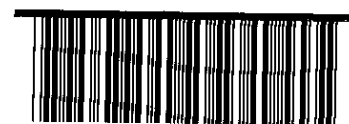
Company Number: SC4585

THE DUNDEE FOOTBALL CLUB LIMITED

ANNUAL REPORT

YEAR ENDED 31 MAY 2001

PKF



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COMPANIES HOUSE 03/07/02

THE DUNDEE FOOTBALL CLUB LIMITED

COMPANY INFORMATION

Directors J M Marr (Chairman)
P Marr
J H C Connor

Secretary A R Robertson

Company Number SC4585

Registered Office Dens Park Stadium
Sandeman Street
Dundee
DD3 7JY

Auditors PKF
78 Carlton Place
Glasgow
G5 9TH

Solicitors Thorntons WS
50 Castle Street
Dundee
DD1 3RU

Bankers Bank of Scotland
2 West Marketgait
Dundee
DD1 1QN

THE DUNDEE FOOTBALL CLUB LIMITED

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THE DUNDEE FOOTBALL CLUB LIMITED
CHAIRMAN'S STATEMENT
YEAR ENDED 31 MAY 2001

The start of the new year saw Ivano Bonetti in full charge as manager of the squad, with his brother Dario as assistant manager. This was the first part of the implementation of the new board strategy and during the summer and autumn a number of overseas players were signed. The most famous player to sign was Claudio Caniggia, the Argentine world cup star. Additions to the backroom staff included Claudio Bozzini as goal keeping coach and Giovanni Grassi as the club physio.

The second part of the plan was to try and achieve a top six position in the Scottish Premier League for season 2000/2001 and perhaps get a European place for the 2001/02 season. We were pleased to achieve the first objective although we did not move above sixth. In the CIS Cup we beat Montrose but then fell to St Mirren at Love Street. In the third round of the Scottish Cup we needed a second match against Falkirk to go through before we were beaten by Hearts at Tynecastle in the fourth round. The cups over the past few seasons have not been a happy hunting ground. In the League our best result was the win against Dundee United by the score of 3 - 0 with Juan Sara scoring all the goals. We also had a memorable win at Ibrox by two goals. There is no doubt that our style of play and numerous good performances caused quite a stir in the Scottish Premier League and Scottish football in general.

The financial results attached are not good, with a loss for the year of £2,054,532. This is largely due to the increase in wages paid to attract new players. However, our fans were pleased with performances on the field and our season ticket base improved for the fourth season in a row and now stands at 4,400. This is a significant improvement, considering it was only 700 four seasons ago. The financial package for our season ticket holders was one of the best in the Premier League and was very attractive for families. During the year we sold our outstanding goalkeeper Robert Douglas to Celtic and at the end of the season Claudio Caniggia was sold to Rangers. The selling of players was the third strand of the strategy and the team management, with their world-wide network of contacts, is confident that more than adequate replacements can be found.

The retail outlet was moved from the city centre to a purpose built shop behind the home support stand and it has proved a hit with our supporters, as has our internet shopping venture which has allowed our overseas fans to buy goods and feel part of the Club.

The 2001/2002 season was not as successful as the last, due mainly to problems, in particular to key players such as Georgi Nemsadzi and Zurab Zhiznashvili, but I believe the supporters have enjoyed the skills of Temuri Ketsbaia and Fan Zhiyi. It is disappointing that we achieved neither a top six position in the SPL, nor qualification for Europe for the forthcoming season. We are looking closely at developing our Chinese interests as a result of the popularity of Fan and we hope this will bring concrete results both on the playing field and from a financial point of view. It is also pleasing to see the continued development of our young players such as Steven Milne and David McKay.

I would like on behalf of the Board to express my thanks to our loyal supporters who are attending matches in ever greater numbers and to the extensive band of volunteers who assist the Club throughout the year.



Jim Marr
Chairman

28 June 2002

THE DUNDEE FOOTBALL CLUB LIMITED
DIRECTORS' REPORT
YEAR ENDED 31 MAY 2001

The directors submit their report and the financial statements for the year ended 31 May 2001.

Results and dividends

The loss for the year, after taxation, amounted to £2,504,532 (2000 - £759,875).

The directors are unable to recommend the payment of a dividend and it is proposed to transfer the retained loss to reserves.

Principal activity and review of business

The principal activity of the company during the year continued to be that of a professional football club. A full review of the business for the year can be found in the Chairman's Statement.

Directors

The directors who served during the year and their interests in the company's issued share capital at the balance sheet date and at the start of the year were:

	Ordinary 10p shares	
	2001	2000
J M Marr	-	-
P Marr	-	-
A R Robertson (resigned 25 June 2002)	-	-
J H C Connor	-	-

The interests of the directors in Dundee FC Holdings Plc, the immediate parent undertaking, are disclosed in the directors' report of that company. The interests of J M Marr and P Marr, who are directors in P & J Taverns Limited, the ultimate holding company, are disclosed in that company's directors' report.

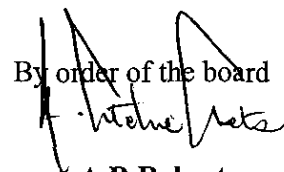
Political and charitable contributions

During the year the company made charitable donations amounting to £4,753 (2000 - £1,080).

Employee involvement and employment of disabled persons

Auditors

Pannell Kerr Forster changed its name to PKF on 1 November 2000 and has signed its audit report in its new name. The auditors, PKF, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

By order of the board

A R Robertson
Secretary
28/6/02

THE DUNDEE FOOTBALL CLUB LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards 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 proper accounting records which 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 1985. 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 ensuring that the directors' report and other information included in the annual report is prepared in accordance with company law in the United Kingdom.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE DUNDEE FOOTBALL CLUB LIMITED

We have audited the financial statements of The Dundee Football Club Limited for the year ended 31 May 2001 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report and the Chairman's Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Fundamental uncertainty

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the financial support provided by the company's creditors. The financial statements have been prepared on going concern basis, the validity of which depends on the continuance of this support. The financial statements do not include any adjustments that would result from the discontinuance of this support. Details of the circumstances relating to this fundamental uncertainty are described in note 25. Our opinion is not qualified in this respect.

AUDITORS' REPORT (continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 May 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PKF

Registered Auditors

Glasgow, UK

Date: 1 July 2002

THE DUNDEE FOOTBALL CLUB LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MAY 2001

	Notes	2001 £	2000 £
TURNOVER	2	3,456,951	3,059,822
Operating expenses		(6,423,975)	(3,631,227)
Loss from operations		(2,967,024)	(571,405)
Amortisation of player registrations		(676,449)	(107,580)
Net gain on sale of player registrations		1,468,661	10,000
OPERATING LOSS	3	(2,174,812)	(668,985)
Interest receivable and similar items		3,828	42
Interest payable and similar items	6	(333,548)	(90,932)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(2,504,532)	(759,875)
TAXATION		-	-
LOSS FOR THE FINANCIAL YEAR	16	(2,504,532)	(759,875)

All amounts relate to continuing operations.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31 MAY 2001

	2001 £	2000 £
Loss for the financial year	(2,504,532)	(759,875)
Unrealised surplus on revaluation of properties	-	1,252,567
Total recognised gains and losses relating to the year	(2,504,532)	492,692

THE DUNDEE FOOTBALL CLUB LIMITED
BALANCE SHEET
31 MAY 2001


	Notes	2001 £	2000 £
FIXED ASSETS			
Intangible	7	611,843	191,371
Tangible	8	4,748,922	4,843,087
		<u>5,360,765</u>	<u>5,034,458</u>
CURRENT ASSETS			
Stocks	9	32,762	29,631
Debtors	10	1,018,931	346,502
Cash at bank and in hand		143,507	59,611
		<u>1,195,200</u>	<u>435,744</u>
CREDITORS: amounts falling due within one year	11	(5,519,771)	(1,761,682)
NET CURRENT LIABILITIES		<u>(4,324,571)</u>	<u>(1,325,938)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,036,194</u>	<u>3,708,520</u>
CREDITORS: amounts falling due after more than one year	12	(2,422,683)	(2,590,477)
NET (LIABILITIES)/ASSETS		<u>(1,386,489)</u>	<u>1,118,043</u>
CAPITAL AND RESERVES			
Called up share capital	15	594,422	594,422
Share premium account		1,384,921	1,384,921
Revaluation reserve	16	1,231,691	1,252,567
Profit and loss account	16	(4,597,523)	(2,113,867)
SHAREHOLDERS' FUNDS	17	<u>(1,386,489)</u>	<u>1,118,043</u>

The financial statements were approved by the board on

Signed on behalf of the board of directors

P Marr

Director


28/6/02

THE DUNDEE FOOTBALL CLUB LIMITED
CASH FLOW STATEMENT
YEAR ENDED 31 MAY 2001

	2001 £	2000 £
Reconciliation of operating loss to net cash outflow from operating activities		
Operating loss	(2,174,812)	(668,985)
Amortisation of intangible assets	676,449	107,580
Depreciation of tangible fixed assets	168,077	164,072
Gain on sale of player registrations	(1,468,661)	(10,000)
(Increase)/decrease in debtors	(672,429)	392,064
Increase in stocks	(3,131)	(16,854)
Increase/(decrease) in creditors	1,524,606	(528,888)
Net cash outflow from operating activities	<u>(1,949,901)</u>	<u>(561,011)</u>
 CASH FLOW STATEMENT (note 18)		
Net cash outflow from operating activities	(1,949,901)	(561,011)
Returns on investments and servicing of finance	(329,720)	(90,890)
Capital expenditure	313,828	(403,504)
	<u>(1,965,793)</u>	<u>(1,055,405)</u>
Financing	36,583	810,716
Decrease in cash	<u>(1,929,210)</u>	<u>(244,689)</u>
 Reconciliation of net cash flow to movement in net debt (note 19)		
Decrease in cash in the period	(1,929,210)	(244,689)
Cash inflow from increase in debt and finance leases	-	-
	<u>(36,583)</u>	<u>(810,716)</u>
Change in net debt resulting from cash flows	(1,965,793)	(1,055,405)
New finance leases	(16,000)	(187,267)
Change in net debt	<u>(1,981,793)</u>	<u>(1,242,672)</u>
Net debt at 1 June 2000	(3,402,793)	(2,160,121)
Net debt at 31 May 2001	<u>(5,384,586)</u>	<u>(3,402,793)</u>

THE DUNDEE FOOTBALL CLUB LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2001

1 ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain freehold land and buildings, and in accordance with applicable accounting standards

(b) Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

(c) Player registrations

The costs associated with the acquisition of players are capitalised and treated as intangible fixed assets. After allowing for any appropriate residual value these are amortised over the contract period. Residual values are assessed on an annual basis and any provision for impairment is made accordingly.

(d) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold buildings (excluding stadium)	20 yrs straight line
Plant and machinery	10 % straight line and 25 % reducing balance
Fixtures, fittings and equipment	10 % straight line

The football stadium is not depreciated within the financial statements. The directors are of the opinion that, having assessed the expected useful life of the asset, any annual charge for depreciation would be immaterial. The company has adopted Financial Reporting Standard No. 15 and will accordingly carry out an annual impairment review of the stadium.

Freehold land is not depreciated.

(e) Finance and operating leases

Assets acquired under finance leases or hire purchase are treated as tangible fixed assets and depreciation is provided accordingly. The present value of future rentals is shown as a liability and the interest element of rental obligations is charged to the profit and loss account over the period of the lease in proportion to the capital balance outstanding.

Operating lease rentals are charged in the profit and loss account on a straight line basis over the lease term.

(f) Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is determined on a first in first out basis. Net realisable value is based on estimated selling price allowing for all further costs of completion and disposal.

THE DUNDEE FOOTBALL CLUB LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2001

(g) Grants

Grants in respect of capital expenditure on assets which are depreciated are treated as deferred income, a proportion of which is transferred to revenue annually over the estimated useful life of the asset.

Grants in respect of capital expenditure on assets which are not depreciated are deducted from the cost of the asset. This represents a departure from the requirements of the Companies Act 1985; the financial effect of this departure is disclosed in note 8. In the opinion of the directors the accounting treatment adopted is appropriate in order to show a true and fair view on the basis that the grants are specific to the acquisition of the assets concerned and not made as a contribution to finance the general activities of the company.

Other grants of a revenue nature are credited to revenue as received.

(h) Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

(i) Deferred taxation

Provision is made for deferred tax using the liability method to the extent that it is probable that a liability will crystallise.

2 TURNOVER

An analysis of turnover by class of business is given below:

	2001	2000
	£	£
Gate receipts	1,219,570	1,227,638
Commercial income	472,083	404,849
Television and radio fees	1,387,217	1,202,566
Retail and other income	378,081	224,769
	<hr/>	<hr/>
Total	3,456,951	3,059,822
	<hr/>	<hr/>

All turnover arose within the United Kingdom.

THE DUNDEE FOOTBALL CLUB LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2001

3 OPERATING LOSS

The operating loss is stated after charging:

	2001	2000
	£	£
Amortisation of intangible assets	676,449	107,580
Depreciation of tangible fixed assets:		
- owned by the company	107,711	114,618
- held under finance lease or hire purchase contracts	60,366	49,454
Audit fees	7,250	7,250
Operating lease rentals:		
- plant & machinery	12,536	10,447
	<u>676,449</u>	<u>107,580</u>

4 DIRECTORS' EMOLUMENTS AND BENEFITS

	2001	2000
	£	£
Directors' emoluments	47,838	43,289
	<u>47,838</u>	<u>43,289</u>

No directors (2000 - none) were members of company pension schemes.

5 STAFF COSTS

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

	2001	2000
	£	£
Wages and salaries	3,956,313	2,081,770
Social security costs	390,206	208,743
	<u>4,346,519</u>	<u>2,290,513</u>

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

	No	No
Full time players, staff and directors	76	61
Part time staff	281	158
	<u>357</u>	<u>219</u>

THE DUNDEE FOOTBALL CLUB LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2001

6 INTEREST PAYABLE AND SIMILAR ITEMS

	2001	2000
	£	£
Other loans and overdraft	168,480	60,357
Debt factoring finance charge	37,772	-
Interest on late payments	106,869	11,146
Finance charges under finance lease and hire purchase contracts	20,427	19,429
	<u>333,548</u>	<u>90,932</u>

Included within interest on late payments above is an amount of £44,307 representing interest charged on outstanding debts due to Camperdown Construction Limited, an undertaking in which Peter Marr has a controlling interest.

7 INTANGIBLE FIXED ASSETS

	Player registrations £
Cost	
At 1 June 2000	447,934
Additions	1,114,260
Disposals	(374,260)
	<u>1,187,934</u>
At 31 May 2001	
Amortisation	
At 1 June 2000	256,563
Charge for the year	676,449
On disposals	(356,921)
	<u>576,091</u>
At 31 May 2001	
Net book amount	
At 31 May 2001	<u>611,843</u>
At 31 May 2000	<u>191,371</u>

THE DUNDEE FOOTBALL CLUB LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2001

8 TANGIBLE FIXED ASSETS

	Freehold land & buildings £	Plant & machinery £	Fixtures, fittings & equipment £	Total £
Cost or valuation				
At 1 June 2000	4,450,000	520,412	374,977	5,345,389
Additions	54,143	16,009	3,760	73,912
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 May 2001	4,504,143	536,421	378,737	5,419,301
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 June 2000	65,000	175,016	262,286	502,302
Charge for year	65,000	55,077	48,000	168,077
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 May 2001	130,000	230,093	310,286	670,379
	<hr/>	<hr/>	<hr/>	<hr/>
Net book amount				
At 31 May 2001	4,374,143	306,328	68,451	4,748,922
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 May 2000	4,385,000	345,396	112,691	4,843,087
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Freehold land and buildings are net of grants received of £1,334,371 (2000 - £1,334,371).

Included within land and buildings above is land valued at £0.5m (2000 - £0.5m)

The net book amounts of assets held under finance lease or hire purchase contracts included above were:

	2001 £	2000 £
Plant and machinery	167,748	201,904
Fixtures, fittings and equipment	67,247	77,457
	<hr/>	<hr/>
	234,995	279,361
	<hr/>	<hr/>

In August 1999 the land and buildings at Dens Park Stadium were valued at £4.45million by Dunlop Heywood, Consultant Surveyors on a Depreciated Replacement Cost basis. The directors are not aware of any material change in value since this valuation was carried out.

On the historical cost basis, land and buildings would have been included as follows:

	2001 £	2000 £
Cost	4,690,566	4,636,423
Cumulative depreciation	(130,000)	(65,000)
	<hr/>	<hr/>
Net book amount	4,560,566	4,571,423
	<hr/>	<hr/>

THE DUNDEE FOOTBALL CLUB LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2001

9 STOCKS

	2001 £	2000 £
Goods for resale	32,762	29,631

10 DEBTORS

	2001 £	2000 £
Due within one year		
Trade debtors	805,304	345,375
Other debtors	1,127	1,127
	<u>806,431</u>	<u>346,502</u>
Due after one year		
Trade debtors	212,500	-
	<u>1,018,931</u>	<u>346,502</u>

11 CREDITORS

	2001 £	2000 £
Amounts falling due within one year		
Bank overdraft	2,192,543	179,437
Other loans (note 13)	448,553	224,073
Trade creditors	1,079,205	442,180
Amounts owed to group undertakings	349,993	355,631
Amounts owed to related undertakings	234,490	172,645
Other tax and social security	806,975	153,978
Net obligations under finance lease and hire purchase contracts (note 14)	67,817	66,282
Accruals and deferred income	340,195	167,456
	<u>5,519,771</u>	<u>1,761,682</u>

The bank borrowings and other loans are secured by standard securities over the freehold land and buildings of Dens Park Stadium and by a bond and floating charge for all monies due over the whole property and undertakings of the company. An inter-company guarantee is also in place between Dundee Football Club Limited, P & J Taverns Limited and Macrocom (399) Limited.

The company's bankers hold personal guarantees from P Marr and J Marr, directors, as security for the bank overdraft.

THE DUNDEE FOOTBALL CLUB LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2001

12 CREDITORS

	2001 £	2000 £
Amounts falling due after more than one year		
Other loans (note 13)	1,073,746	1,204,763
Amounts owed to group undertakings	1,240,000	1,223,000
Net obligations under finance lease and hire purchase contracts (note 14)	108,937	162,714
	<u>2,422,683</u>	<u>2,590,477</u>

13 LOANS

The loans fall due for payment as follows:

	2001 £	2000 £
Other loans		
Within one year	448,553	224,073
Between one and two years	201,061	218,571
Between two and five years	641,584	629,047
After more than five years	231,101	357,145
	<u>1,522,299</u>	<u>1,428,836</u>

Included within other loans is a loan of £1,123,958 (2000 - £1,250,000) from Lombard North Central plc. This loan is repayable by 28 consecutive quarterly payments of £59,350, which includes interest at a rate of 6.95%.

Also included within other loans are loans of £150,000 from Peter Marr, a director of the company. There are no repayment terms in respect of this loan.

14 FINANCE LEASES

Net obligations under finance lease and hire purchase agreements fall due as follows:

	2001 £	2000 £
Within one year	67,817	66,282
Between one and five years	108,937	162,714
	<u>176,754</u>	<u>228,996</u>

Finance lease and hire purchase creditors are secured on the assets concerned.

THE DUNDEE FOOTBALL CLUB LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2001

15 SHARE CAPITAL

	Authorised £	Allotted, called up and fully paid No	£
At 1 June 2000 and 31 May 2001 Ordinary shares of 10p each	1,000,000	5,944,220	594,422
	<u> </u>	<u> </u>	<u> </u>

16 RESERVES

Revaluation reserve	£
At 1 June 2000	1,252,567
Released to profit and loss reserve	(20,876)
At 31 May 2001	<u>1,231,691</u>
Profit and loss account	£
At 1 June 2000	(2,113,867)
Loss for the year	(2,504,532)
Transferred from revaluation reserve	20,876
At 31 May 2001	<u>(4,597,523)</u>

17 SHAREHOLDERS' FUNDS

	2001 £	2000 £
Shareholders' funds at 1 June 2000	1,118,043	625,351
Loss for the year	(2,504,532)	(759,875)
Other recognised gains and losses	-	1,252,567
Shareholders' funds at 31 May 2001	<u>(1,386,489)</u>	<u>1,118,043</u>

THE DUNDEE FOOTBALL CLUB LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2001

18 GROSS CASH FLOWS

	2001 £	2000 £
Returns on investments and servicing of finance		
Interest received	3,828	42
Interest paid	(313,121)	(71,503)
Interest element of finance lease rentals	(20,427)	(19,429)
	<u>(329,720)</u>	<u>(90,890)</u>
Capital expenditure		
Payments to acquire player registrations	(1,114,260)	(147,134)
Payments to acquire tangible fixed assets	(57,912)	(1,300,388)
Receipts from sales of player registrations	1,486,000	10,000
Government grants received	-	1,034,018
	<u>313,828</u>	<u>(403,504)</u>
Financing		
New loans	292,000	1,478,500
Loans repaid	(187,175)	(601,122)
Capital element of finance lease rentals	(68,242)	(66,662)
	<u>36,583</u>	<u>810,716</u>

19 ANALYSIS OF CHANGES IN NET DEBT

	At 1 June 2000 £	Cash flows £	Other changes £	At 31 May 2001 £
Cash at bank and in hand	59,611	83,896	-	143,507
Overdrafts	(179,437)	(2,013,106)	-	(2,192,543)
		<u>(1,929,210)</u>		
Debt due within 1 year	(626,208)	(218,842)	-	(845,050)
Debt due after 1 year	(2,427,763)	114,017	-	(2,313,746)
Finance leases	(228,996)	68,242	(16,000)	(176,754)
Total	<u>(3,402,793)</u>	<u>(1,965,793)</u>	<u>(16,000)</u>	<u>(5,384,586)</u>

20 CAPITAL AND OTHER FINANCIAL COMMITMENTS

At 31 May 2001 the company had entered into contracts for capital expenditure not provided for in these accounts amounting to approximately £Nil (2000 - £109,403).

Under the terms of certain contracts with other football clubs in respect of the transfer of player registrations, additional amounts would be payable by the Company if specific future conditions are met. Amounts in respect of such contracts could result in an amount payable of £25,000 (2000 - £Nil) which could arise within one year.

THE DUNDEE FOOTBALL CLUB LIMITED
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21 OTHER COMMITMENTS

At 31 May 2001 the company had annual commitments under operating leases as follows:

	Plant and machinery	
	2001	2000
	£	£
Expiry date:		
Between one and five years	34,936	12,536

22 CONTINGENT LIABILITIES

The company has received grants amounting to £1,334,371 in respect of freehold land and buildings. The conditions of the award of these grants stipulate that the grants would have to be repaid in full by the company if there is any change of purpose or ownership of the property during the project or within 20 years of its completion. If any distributable annual profits are made by the company, an appropriate share must be repaid to the funding bodies until the grants are repaid in full.

23 TRANSACTIONS WITH RELATED PARTIES

During the year the company received loans from Peter Marr, a director of the company. Further details relating to this loan are disclosed in note 13.

Included in creditors at 31 May 2001 are loans from P & J Taverns Limited (the ultimate parent undertaking) and Camperdown Construction Limited (an undertaking in which Peter Marr has a controlling interest). The balances at the year end were £1,349,993 (2000 - £1,355,631) and £46,506 (2000 - £46,506) respectively. Interest of £37,786 has been charged on the outstanding balances. At 31 May 2001 the immediate parent undertaking was Dundee FC Holdings Plc and at that date there was a balance due to that company of £240,000 (2000 - £223,000).

During the year the company made purchases from Camperdown Construction Limited amounting to £49,666 (2000 - £1,302). At the year end the total trading balance due to that company was £149,725 (2000 - £146,049).

Call-A-Keg Limited, a company controlled by J M Marr, was also owed £Nil (2000 - £9,717) from the company at the year end. During the year the total sales to this company were £10,528 (2000 - £10,528) and purchases totalling £16,729 (2000 - £16,729) were made from that company.

Also during the year the company made purchases of £67,309 (2000 - £33,582) from The Ballinard House Hotel, a business controlled by J Marr. At the year end £38,259 (2000 - £16,878) was due to this undertaking.

The company also made purchases totalling £21,137 (2000 - £Nil) from Marstar Builders Limited, a company controlled by J Marr. At the year end £4,254 (2000 - £Nil) was due to this company. This balance is included in trade creditors.

The company also made purchases totalling £102,644 (2000 - £21,990) from Global Travel, a business controlled by Peter Marr. At the balance sheet date £42,198 (2000 - £6,097) was due to this creditor and is included within trade creditors.

THE DUNDEE FOOTBALL CLUB LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2001

24 POST BALANCE SHEET EVENTS

Since the balance sheet date, the company has made further player acquisitions at a cost of £2,398,000.

25 GOING CONCERN

At the balance sheet date the company had net current liabilities of £4,324,571 (2000 - £1,325,938) and net liabilities of £1,386,489 (2000 - net assets £1,118,043). The accounts have been drawn up on a going concern basis on the assumption of the continued support of the creditors for the foreseeable future. The financial statements do not include any adjustments that would result from the withdrawal of this support.

26 PARENT UNDERTAKINGS AND CONTROLLING PARTIES

The immediate parent undertaking of the company is Dundee FC Holdings Plc and the ultimate parent undertaking is P & J Taverns Limited; both of these companies are registered in Scotland. Consolidated accounts for P & J Taverns Limited are available from The Secretary, P & J Taverns Limited, 31 Hawkhill, Dundee DD5 3RU. Consolidated accounts for Dundee FC Holdings Plc are available from The Secretary, Dundee FC Holdings Plc, Dens Park Stadium, Sandeman Street, Dundee DD3 7JY. The controlling parties are J M Marr and P Marr.