

Registered number: SC004585

THE DUNDEE FOOTBALL CLUB LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2006



THE DUNDEE FOOTBALL CLUB LIMITED

COMPANY INFORMATION

DIRECTORS

R Brannan (Chairman)
G G Knight
D D MacKinnon (appointed 06/06/2006)
I R Bodie (appointed 25/03/2007)
J M Marr (resigned 13/03/2007)
P Marr (resigned 13/03/2007)
W R Barnett (resigned 01/04/2007)
R Dow (resigned 28/03/2007)
F J Esposito (resigned 06/07/2006)

SECRETARY

A R Robertson

COMPANY NUMBER

SC004585

REGISTERED OFFICE

Dens Park Stadium
Sandeman Street
Dundee
DD3 7JY

AUDITORS

EQ Chartered Accountants
Registered Auditors
41 North Lindsay Street
Dundee
DD1 1PW

BANKERS

Bank of Scotland
3 5 Luna Place
Dundee Technology Park
Dundee
DD2 1TP

SOLICITORS

Thorntons Law LLP
Whitehall House
33 Yeaman Shore
Dundee
DD1 4BJ

THE DUNDEE FOOTBALL CLUB LIMITED

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THE DUNDEE FOOTBALL CLUB LIMITED

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 JULY 2006

These accounts reflect the results of The Dundee Football Club Limited for the year to 31 July 2006 and, in football terms, the season 2005/06

The accounts show a profit before interest, prior year adjustments and depreciation/amortisation of £60k, a remarkable outcome given relegation from the SPL the previous season. Two key factors influenced this result significantly

- the immediate actions that were taken by the Board to reduce the cost base following relegation, and
- the Club's run to the semi final of the Scottish Cup that drew in additional gate receipts and television revenue

However, once interest (£176k) and depreciation (£254k) is applied and the prior year adjustment (£153k) is added back, there is a loss for the year of £523k. The prior year adjustment relates to television income received in the year to 31 July 2006 that should have been included in the accounts of previous years. Including it as part of this year's revenue would reduce the losses to £370k.

The Balance Sheet remains an unpleasant reading with negative Shareholders' Funds of £9.8million, including Bank indebtedness of £6.6million. Under Creditors there is £5.5million of indebtedness due to Dundee F C Holdings PLC. This will be dealt with as part of the restructuring exercise that is explained below.

Following the receivership of P&J Taverns Limited and Macrocom (399) Limited, the previous majority shareholders in Dundee F C Holdings PLC (the parent company of The Dundee Football Club Limited) the shares held by them are now owned by DFC (2007) Limited, a company controlled by the current Board.

The Board has now completed a financial restructuring of the Club that has transformed the indebtedness of the Club. Statutory disclosures relating to this restructuring have been included within the Directors' Report to these financial statements and the Board will make further disclosure to the shareholders at the AGM.

The completion of these accounts and the subsequent AGM has been delayed by the restructuring discussions. The Board regrets this and commits to ensuring that in future, the Annual General Meeting will take place within 6 months of the Club's financial year end and trusts that shareholders will understand the exceptional circumstances in which we have been operating.

Shareholders in Dundee F C Holdings PLC should also be aware that it is intended that an Extraordinary General Meeting will be convened in the Autumn to propose the simplification of the legal structure of the company following completion of the restructuring. Assuming clearance is granted by HM Revenue & Customs, this will involve the movement of the shareholding interest from Dundee F C Holdings PLC to The Dundee Football Club Limited. This change means that your shares will transfer to The Dundee Football Club Limited and there will be no need for the holding company, which will then be struck off. We also plan to take the opportunity at that time to consolidate the 10p shares into denominations of £1.

As for the performance on the field, 2005/06 was a very disappointing season, despite the Scottish Cup run, with the team finishing seventh in Division 1. The Board took the decision towards the end of the season to part company with the management team of Alan Kernaghan and Billy Kirkwood. Whilst acknowledging the difficult circumstances that they faced on taking command, the Board was not comfortable with the degree of progress that was being made and took what was a very difficult decision. We note that both are back in the game in good positions and we wish them well for the future and thank them for their effort, which was never in question.

In the season just ended, whilst disappointed not to have achieved promotion, the Board believes that good progress has been made by the new management team of Alex Rae and David Farrell. We are encouraged by the standard of players the management have recruited and by the improvement in performance in the second half of the season. David MacKinnon has done an excellent job since his recruitment as Chief Executive, in particular in how he has achieved the rationalisation of player contracts as well as bringing a much greater sense of unity to the way in which the Club, as a business, is managed.

THE DUNDEE FOOTBALL CLUB LIMITED

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 JULY 2006

We have been disappointed that the recent proposals for SPL2 have failed to meet with the approval of the SFL clubs. The proposed change would have brought some much needed additional income and we are hopeful that it can be resurrected following the arbitration process. The need for reform in the administration of football in Scotland is acute. The need to have three bodies administer the game in such a small country is quite ridiculous and is draining resource from the clubs to the benefit of highly paid administrators.

Finally, on behalf of the Board I would also like to put on record our thanks to the shareholders and all of our supporters including Dee4Life and the Dundee Supporters' Association and its member clubs, for their continued support in these difficult times as we attempt to claw our way back to the top table of Scottish football!



R Brannan
Chairman

Date 19 July 2007

THE DUNDEE FOOTBALL CLUB LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2006

The directors present their report and the financial statements for the year ended 31 July 2006

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK 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 that 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.

So far as each of the directors is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year continued to be that of a professional football club.

BUSINESS REVIEW

A full review of the business for the year can be found in the Chairman's Statement.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £523,484 (2005 Profit £2,971,593 as restated).

The year ended 31 July 2005 included an exceptional item of £3,631,644 which represented the net amount of debtors and creditors written off in accordance with the terms of administration less professional fees paid for the costs of administration. Excluding this item, the reported loss would have been £660,051 (as restated) compared to £523,484 for 2006 as above.

The directors are unable to recommend payment of a dividend.

THE DUNDEE FOOTBALL CLUB LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2006 DIRECTORS

The directors who served during the year were

R Brannan (Chairman)
G G Knight
D D MacKinnon (appointed 06/06/2006)
I R Bodie (appointed 25/03/2007)
J M Marr (resigned 13/03/2007)
P Marr (resigned 13/03/2007)
W R Barnett (resigned 01/04/2007)
R Dow (resigned 28/03/2007)
F J Esposito (resigned 06/07/2006)

FINANCIAL INSTRUMENTS

The company's principal financial instruments are bank balances and amounts due from customers. The amounts presented in the balance sheet are net of any provisions for doubtful debts where required. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies. The company does not directly enter into any derivative financial instruments. The company's principal financial liabilities are bank overdrafts, bank loans and loans from the parent undertaking. The terms of these financial liabilities are disclosed in note 12.

EVENTS SINCE THE END OF THE YEAR

Full disclosure of events since the end of the year are given in note 20 to the financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

As with every professional football club, the main risk lies in the team's playing performance which, in turn, has a direct impact on gate receipts and hospitality and sponsorship income. This is notoriously difficult to predict and relies on player form, injuries and, to a significant extent, chance. These factors can often be mitigated by greater cost control and increasing efforts in securing new commercial income. However, where poor performance results in relegation (as it did for Dundee FC in season 2004/05), it is difficult to compensate for the loss of income without major restructuring.

This is shown in the main key performance indicator, the percentage of wages and salaries (including the cost of players on loan and consultancy) to gross turnover. In the year ended 31 July 2005 that percentage was 67.5%. Following relegation to the Scottish Football League Division 1, this rose to 79.0% in the year ended 31 July 2006, despite a reduction in wages and salaries and a good cup run. As indicated in the Chairman's Statement, further action has been taken successfully by the Chief Executive to bring the percentage down to close to the 2004/05 figure.

The main risks associated with the company's financial assets and liabilities are set out below:

- Credit risk is managed by agreeing payment terms in advance, including stage milestone payments for high value contracts, such as a shirt sponsorship, to ensure trading cashflow is not adversely affected. Appropriate credit control procedures are followed.
- There is little currency risk as the company's transactions are virtually all in sterling.
- The company is financed by bank borrowing and therefore there is exposure to interest rate fluctuations and liquidity risk.

THE DUNDEE FOOTBALL CLUB LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2006 ENVIRONMENT, HEALTH AND SAFETY

The company recognises the importance of its environmental and health & safety responsibilities, including the implications of the Health & Safety at Work Act 1974, the Environmental Protection Legislation and all new Health & Safety legislation, including that being introduced through EU Directives. It monitors its impact on the environment by implementing any policies necessary to reduce any damage that might be caused by the company's activities. Day to day management of the Club involves discussion of health and safety matters and any relevant information is communicated to staff.

EMPLOYEES

Details of employees and related costs can be found in note 5 to the financial statements.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned related to the position in question. In the event of any member of staff becoming disabled, every effort is made to ensure their employment within the company continues.

CREDITOR PAYMENT POLICY

It is the company's policy that payments to suppliers are made in accordance with those terms and conditions agreed with its suppliers, providing that all trading terms have been complied with.

AUDITORS

The auditors, EQ Chartered Accountants, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report was approved by the board on *19 July 2007* and signed on its behalf



I R Bodie
Director

THE DUNDEE FOOTBALL CLUB LIMITED

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 July 2006 set out on pages 8 to 19. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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, the Chairman's statement and the Operating and Financial Review. 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 International Standards on Auditing (UK and Ireland) 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.

THE DUNDEE FOOTBALL CLUB LIMITED

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

OPINION

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 July 2006 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

EMPHASIS OF MATTER GOING CONCERN

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 bankers and the parent company. The financial statements have been prepared on a going concern basis, the validity of which depends on the continuation of this support. The financial statements do not include any adjustments that would result from the discontinuation of this support. Details of the circumstances relating to this fundamental uncertainty are described in note 1.1. Our opinion is not qualified in this respect.



EQ CHARTERED ACCOUNTANTS

Registered Auditors

41 North Lindsay Street
Dundee
DD1 1PW

Date *20 July 2007*

THE DUNDEE FOOTBALL CLUB LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2006**

	Note	Year ended 31 July 2006 £	<i>As restated Period ended 31 July 2005 £</i>
TURNOVER	1,2	1,952,355	2,879,235
Administrative expenses normal items		(2,400,123)	(3,084,038)
Administrative expenses exceptional items	3		3,631,644
Other operating income		53,375	53,375
OPERATING (LOSS)/PROFIT	4	(394,393)	3,480,216
EXCEPTIONAL ITEMS			
Net profit/(loss) on sale of tangible fixed assets		-	(1,383)
Net profit on sale of intangible fixed assets		47,500	172,744
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		(346,893)	3,651,577
Interest receivable		1,747	15,597
Interest payable	6	(178,338)	(695,581)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(523,484)	2,971,593
Tax on (loss)/profit on ordinary activities			
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	15	(523,484)	2,971,593

All amounts relate to continuing operations

The notes on pages 11 to 19 form part of these financial statements

THE DUNDEE FOOTBALL CLUB LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 JULY 2006**

		Year ended 31 July 2006 £	<i>As restated Period ended 31 July 2005 £</i>
	Note		
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(523,484)	2,971,593
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR		(523,484)	2,971,593
Prior year adjustment	16	153,696	
TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST FINANCIAL STATEMENTS		(369,788)	

The notes on pages 11 to 19 form part of these financial statements

THE DUNDEE FOOTBALL CLUB LIMITED

**BALANCE SHEET
AS AT 31 JULY 2006**

	Note	£	2006 £	As restated 2005 £
FIXED ASSETS				
Intangible fixed assets	7		10,000	20,000
Tangible fixed assets	8		4,039,368	4,278,247
			<u>4,049,368</u>	<u>4,298,247</u>
CURRENT ASSETS				
Stocks	9	1,000		
Debtors	10	118,705	669,725	
Cash at bank and in hand		13,558	154,773	
		<u>133,263</u>	<u>824,498</u>	
CREDITORS amounts falling due within one year	11	(12,780,989)	(1,189,176)	
NET CURRENT LIABILITIES			<u>(12,647,726)</u>	<u>(364,678)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(8,598,358)</u>	<u>3,933,569</u>
CREDITORS amounts falling due after more than one year	12			(11,955,068)
ACCRUALS AND DEFERRED INCOME	13		(1,174,246)	(1,227,621)
NET LIABILITIES			<u>(9,772,604)</u>	<u>(9,249,120)</u>
CAPITAL AND RESERVES				
Called up share capital	14		594,422	594,422
Share premium account	15		1,384,921	1,384,921
Profit and loss account	15		(11,751,947)	(11,228,463)
SHAREHOLDERS' FUNDS	17		<u>(9,772,604)</u>	<u>(9,249,120)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

19 July 2007



R Brannan
Director

The notes on pages 11 to 19 form part of these financial statements

THE DUNDEE FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2006

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

Going Concern

At the balance sheet date the company had net current liabilities of £12,647,726 (2005 £364,678 as restated) and net liabilities of £9,772,604 (2005 £9,249,120 as restated). At the balance sheet date the total indebtedness to the bankers and parent company was £6,586,920 (2005 £6,300,000) and £5,472,000 (2005 £5,472,000) respectively

The directors are of the opinion that the company can operate within its banking facility and consequently consider it appropriate to prepare the financial statements on the going concern basis

The financial statements do not include any adjustments that would result from the withdrawal of the support of the company's bankers and creditors

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS1

1.3 Turnover

Turnover, which is exclusive of VAT, represents match receipts and other income associated with the principal activity of running a professional football club and is recognised over the course of the football season as games are played

1.4 Intangible fixed assets and amortisation

The costs associated with the acquisition of players are capitalised and treated as intangible fixed assets. These are amortised over the contract period on the basis of nil residual values

1.5 Tangible fixed assets and depreciation

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

Land and buildings	4% straight line
Plant and machinery	10% straight line and 25% reducing balance
Fixtures and fittings	10% 33% straight line

1.6 Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

THE DUNDEE FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2006

1 ACCOUNTING POLICIES (continued)

1.7 Stocks

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

1.8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.9 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at 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 gains and losses are recognised in the profit and loss account

1.10 Grants

Grants relating to tangible fixed assets are treated as deferred income and released to the profit and loss account over the expected useful lives of the assets concerned. Other grants are credited to the profit and loss account as the related expenditure is incurred

2. TURNOVER

An analysis of turnover by class of business is as follows

	Year ended 31 July 2006 £	<i>As restated Period ended 31 July 2005 £</i>
Gate receipts	1,000,941	1,565,057
Television and radio fees	443,115	743,804
Commercial income	297,518	432,824
Retail and other income	137,839	137,550
Donations	72,942	
	<u>1,952,355</u>	<u>2,879,235</u>

All turnover arose within the United Kingdom

THE DUNDEE FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2006

3 ADMINISTRATIVE EXPENSES - EXCEPTIONAL ITEMS

	Year ended 31 July 2006 £	Period ended 31 July 2005 £
Net gain from administration	-	3,631,644

The amount of £3,631,644 in the prior year represents the net amount of debtors and creditors written off in accordance with the terms of the administration

4 OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging/(crediting)

	Year ended 31 July 2006 £	Period ended 31 July 2005 £
Amortisation of intangible fixed assets	10,000	38,228
Depreciation of tangible fixed assets owned by the company	243,801	250,929
Auditors' remuneration	7,973	5,756
Auditors' remuneration non audit	5,050	15,659
Operating lease rentals plant & machinery	12,720	10,374
Administrative expenses exceptional items		(3,631,644)
Release of grant	(53,375)	(53,375)

During the year, no director received any emoluments (2005 £NIL)

THE DUNDEE FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2006

5 STAFF COSTS

Staff costs were as follows

	Year ended 31 July 2006 £	Period ended 31 July 2005 £
Wages and salaries	1,426,027	1,768,712
Social security costs	116,836	174,073
	<u>1,542,863</u>	<u>1,942,785</u>

The average monthly number of employees, including the directors, during the year was as follows

	Year ended 31 July 2006 No	Period ended 31 July 2005 No
Full time players, staff & directors	53	59
Part time staff	34	40
	<u>87</u>	<u>99</u>

6 INTEREST PAYABLE

	Year ended 31 July 2006 £	Period ended 31 July 2005 £
On bank loans and overdrafts	174,009	695,581
Other interest payable	4,329	
	<u>178,338</u>	<u>695,581</u>

THE DUNDEE FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2006

7 INTANGIBLE FIXED ASSETS

	Player registrations £
Cost	
At 1 August 2005	114,489
Disposals	(84,489)
At 31 July 2006	30,000
Amortisation	
At 1 August 2005	94,489
Charge for the year	10,000
On disposals	(84,489)
At 31 July 2006	20,000
Net book value	
At 31 July 2006	10,000
At 31 July 2005	20,000

8 TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Total £
Cost				
At 1 August 2005	4,808,120	485,432	416,523	5,710,075
Additions			4,922	4,922
At 31 July 2006	4,808,120	485,432	421,445	5,714,997
Depreciation				
At 1 August 2005	663,036	363,125	405,667	1,431,828
Charge for the year	192,325	48,513	2,963	243,801
At 31 July 2006	855,361	411,638	408,630	1,675,629
Net book value				
At 31 July 2006	3,952,759	73,794	12,815	4,039,368
At 31 July 2005	4,145,084	122,307	10,856	4,278,247

9 STOCKS

	2006 £	2005 £
Bar stock etc	1,000	

THE DUNDEE FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2006

10 DEBTORS

	2006 £	As restated 2005 £
Trade debtors	78,623	459,037
Other debtors	23,982	194,588
Prepayments and accrued income	16,100	16,100
	<u>118,705</u>	<u>669,725</u>

11 CREDITORS. Amounts falling due within one year

	2006 £	2005 £
Bank loans and overdrafts	6,586,920	
Trade creditors	57,607	145,041
Amounts owed to parent company	5,472,000	
Social security and other taxes	53,016	166,934
Other creditors	523,966	654,099
Accruals and deferred income	87,480	223,102
	<u>12,780,989</u>	<u>1,189,176</u>

The bank overdraft and bank loans are secured by a bond and floating charge for all monies due over the whole assets of the company

Within other creditors is a loan from Lombard North Central Plc that is secured by a standard security over the land and buildings. This loan has been repaid since the year end and the standard security released

12. CREDITORS. Amounts falling due after more than one year

	2006 £	2005 £
Bank loans		6,300,000
Amounts owed to parent company		5,472,000
Other creditors	-	183,068
	<u>-</u>	<u>11,955,068</u>

THE DUNDEE FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2006

12 CREDITORS: Amounts falling due after more than one year (continued)

Creditors include amounts not wholly repayable within 5 years as follows

	2006 £	2005 £
Repayable by instalments		4,632,354
Repayable other than by instalments		5,472,000
		<u>10,104,354</u>

Included within other creditors within notes 11 and 12 is a loan of £183,068 (2005 £427,140) from Lombard North Central Plc. The loan is repayable in quarterly instalments of £72,248. The APR on this loan is 7.8%. This loan has been repaid since the year end.

The bank loan of £6,300,000 within notes 11 and 12 is being dealt with as part of the financial restructuring that is taking place - see note 20.

There are no fixed repayment terms relating to the amount owing to the parent company of £5,472,000 within notes 11 and 12. No interest is payable.

The bank loan is secured by a bond and floating charge for all monies due over the whole assets of the company.

The loan from Lombard North Central Plc is secured by a standard security over the land and buildings of Dens Park Stadium. This has been repaid in full since the year end and the standard security released.

13. ACCRUALS AND DEFERRED INCOME

	31 July 2006 £	31 July 2005 £
Grants	<u>1,174,246</u>	<u>1,227,621</u>

14 SHARE CAPITAL

	2006 £	2005 £
Authorised		
10,000,000 Ordinary shares of 10p each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, called up and fully paid		
5,944,220 Ordinary shares of 10p each	<u>594,422</u>	<u>594,422</u>

THE DUNDEE FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2006

15 RESERVES

	Share premium account £	Profit and loss account £
At 1 August 2005		(11,382,159)
Prior year adjustment (note 16)		153,696
At 1 August 2005 (P & L as restated)	1,384,921	(11,228,463)
Loss retained for the year		(523,484)
At 31 July 2006	<u>1,384,921</u>	<u>(11,751,947)</u>

16 PRIOR YEAR ADJUSTMENT

Income amounting to £153,696 was received during the year that related to prior periods but had not been provided for. The level was considered significant enough to warrant a prior year adjustment.

17. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2006 £	As restated 2005 £
Opening shareholders' funds	(9,249,120)	(12,220,713)
(Loss)/profit for the year	(523,484)	2,971,593
Closing shareholders' funds	<u>(9,772,604)</u>	<u>(9,249,120)</u>

18 OPERATING LEASE COMMITMENTS

At 31 July 2006 the company had annual commitments under non cancellable operating leases as follows

	Land and buildings 2006 £	2005 £	2006 £	Other 2005 £
Expiry date				
Between 2 and 5 years			8,906	8,906

19 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in paragraph 3(c) of Financial Reporting Standard 8 in relation to transactions with other group undertakings.

R Dow, who was a director of the company until 28 March 2007, was a partner in the partnership of EQ Chartered Accountants until his resignation on 30 June 2006. During the year to 31 July 2006, EQ Chartered Accountants carried out certain accountancy work on behalf of The Dundee Football Club Limited. The total costs for these services charged for the year were £6,000.

THE DUNDEE FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2006

20. POST BALANCE SHEET EVENTS

Since the year end, the directors have negotiated a funding package with Bank of Scotland that has resulted in the following taking place

Two new subsidiary companies of The Dundee Football Club Limited have been incorporated, called Sandeman Properties Limited and Deelite Limited

The land and buildings net of grants received have been transferred to Sandeman Properties Limited for proceeds of £3 million. This was in excess of the net book value of the land and buildings net of grants received at the time of the transfer. The proceeds from the transfer have been used to reduce the original bank loan due to the Bank of Scotland. A formal lease has been put in place between Sandeman Properties Limited and The Dundee Football Club Limited, resulting in monthly rent being charged by Sandeman Properties Limited to The Dundee Football Club Limited based on the level of outstanding debt within the accounts of Sandeman Properties Limited.

In addition, Deelite Limited has provided a loan of £4 million to The Dundee Football Club Limited to extinguish the remainder of the original bank loan together with the company's overdraft.

In effect, the bank loan and overdraft have been transferred to the company's new subsidiaries.

21. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The controlling party is Dundee F C Holdings PLC. The directors of The Dundee Football Club Limited are also the directors of Dundee F C Holdings PLC.

The ultimate controlling party is DFC (2007) Limited. The directors of The Dundee Football Club Limited are also the directors and shareholders of DFC (2007) Limited.

22. CONTINGENT LIABILITIES

The company has received grants amounting to £1,334,371 in respect of 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. DEFERRED TAX ASSET

The company has a potential deferred tax asset of £5,843,347 (2005 5,594,504).

As it is unclear whether the company will return to sustainable taxable profits within the short term, the deferred tax asset has not been recognised in the accounts in line with applicable accounting standards.