



ANNUAL REPORT

for the year ended 30 June 2016

ABERDEEN FOOTBALL CLUB plc • Company Number SC005364

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ANNUAL REPORT

for the year ended 30 June 2016

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Pittodrie Stadium		
Pittodrie Street		
Aberdeen		
AB24 5QH		
BANKERS	SOLICITORS	INDEPENDENT AUDITOR
HSBC Bank PLC	Burness Paull LLP	Deloitte LLP
95-99 Union Street	Union Plaza	Chartered Accountants and
Aberdeen	1 Union Wynd	Statutory Auditor
AB11 6BD	Aberdeen	Union Plaza
	AB10 1DQ	1 Union Wynd
		Aberdeen
		AB10 1SL
		NOMINATED STOCKBROKER
		Capita MBS
		The Registry
		34 Beckenham Road
		Beckenham
		Kent
		BR3 4TU

SHARE MARKETING ARRANGEMENTS

The Company has entered into an arrangement with Capita MBS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU who are regulated by the Financial Services Authority, to act as nominated stockbrokers to the Company and to operate a matched bargain service designed to bring buyers and sellers of shares together. The share buying and selling service is operated through a web portal at www.capitambs.com. To use the web portal you will need to register on the database using your shareholder number and some personal details.

The Company employ Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as Registrars and any transfer of shares should be carried out through them.

Further details are available from our website by selecting the options "Club" and then "Shares".

Any shareholder wanting additional advice on their shares should contact Roy Johnston at Pittodrie Stadium on 01224 650400.

CHAIRMAN'S STATEMENT

The 2015/16 season saw the Club consolidate their position at the top end of the SPFL Premiership with the team finishing as runners-up to league champions Celtic in what was a very long football campaign which began as early as July 2015 with our Europa League participation. Despite the early start, we presented a very strong challenge to Celtic for a sustained period before running out of steam at the tail end of the season, mainly due to injuries to key players and also the loss of our First Team goalkeeper Danny Ward, who returned to Liverpool FC from his loan spell here.

There were many positives to come from last season, not least of which were two memorable home matches against Celtic, with Aberdeen deservedly winning both games in front of a packed-out Pittodrie Stadium. On the flip side of this the team's exits from both League and Scottish Cups were perhaps our biggest disappointments over a period during which the Club continued to strengthen both on and off the field. At U20 level, Paul Sheerin and Scott Anderson had a very young squad, which despite not reaching the high of the previous season in winning the Development League, nevertheless gave an excellent account of themselves and produced some very talented youngsters such as Frank Ross, Joe Nuttall, Scott McKenna and Connor McLennan, all of whom broke through into the First Team.

In addition to bringing in Graeme Shinnie, a Scottish Cup winning captain with Inverness Caledonian Thistle, Simon Church joined us on a short term loan from MK Dons which assisted in his making the successful Welsh squad in the 2016 European Championships. The Club also secured contract extensions for members of the First Team squad, thereby giving us a strong core of key players and a solid base to sustain a successful team. Gordon Marshall, who was formerly goalkeeper coach at Motherwell FC, joined us as a welcome addition to our First Team coaching staff. We also said goodbye to David Wylie who was Club Physio for more than 30 years and who leaves with our thanks and very best wishes for a long and happy retirement.

At Youth Academy level, Neil Simpson and Gavin Levey continued with the restructuring of their coaches, scouts and support staff. They are making significant progress both on and off the field with a seemingly never-ending flow of talented youngsters, and we hold very high hopes of their being offered full-time contracts in the years ahead. Our Talent Partner STATOIL continues to provide valued support to the Academy through their 'Heroes of Tomorrow' initiative, which allows the Club to invest in our youngsters' development at all age groups.

Off the park, the Club continued to enjoy tremendous support from our corporate community, with many local businesses committing to seasonal packages, advertising, sponsorships and participating in Club events throughout the season. Sales from our Club Shop and the Ticket Office also reached new heights with our range of sports-wear and AFC ticketing packages being well received by our fans. The Aberdeen FC Community Trust success story continued to grow with the Trust securing the SFA's 'Best Professional Club Community Award' at national level and its Dementia Friendly Programme being voted one of the best four programmes in the European Club Association's Best Community and Social Responsibility Programme Award in 2016.

In more recent times, we unfortunately had to discontinue the new stadium project at Loirston Loch when it became apparent to the Club that the loss of area around the periphery of the proposed stadium rendered the site inoperable having regard to match-day transport and supporter parking requirements. However, our disappointment was put aside very quickly when we identified the Kingsford site to the West of the Aberdeen Western Peripheral Route (AWPR), near Kingswells, as a suitable location for our training and community facilities and also as a potential alternative site for the new AFC stadium. We have now completed the opening round of public consultations, and whilst there are specific issues to be addressed in relation to traffic management, there is also widespread support across various supporters' groups for the Kingsford site.

CHAIRMAN'S STATEMENT (continued)

Subject to planning consent being obtained, the proposed site layout will feature much-needed training, community and youth academy facilities. The final stadium design will incorporate many of the features being proposed in feedback received from supporters and as part of the detailed consultation process that was undertaken in July this year.

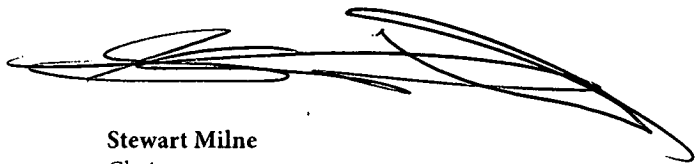
At the present time the Club and the project team are progressing with the detailed design ahead of the final planning application being submitted in Q4 2016. In parallel with this work, the Club is visiting various other stadia in the UK and Northern Europe to assess best-in-class facilities at other football clubs with the ultimate aim of Aberdeen FC providing its supporters, players and staff with a modern facility that we – and much of the North-East of Scotland community – can be justifiably proud of. Delivering this facility would also provide the Club, the Community Trust and our Youth Academy with appropriate facilities and infrastructure to increase their portfolio of activities in the local area.

On the staff front, we recruited Adam Stokes into the newly created position as Head of Medical and Sports Science with former player Barry Robson joining the football coaching team. Jayden Stockley, Miles Storey, Joe Lewis, Neil Alexander, Anthony O'Connor and Calum Morris joined the Club on permanent contracts alongside Wes Burns who has come on a season long loan from Bristol City and James Maddison who has joined on loan from Norwich City until January 2017.

In March 2016 the Directors approved and put in place an Enterprise Management Incentive Scheme (EMIS) for key executive directors and employees of the Company and after approval was received from HMRC, options over 89,194 Ordinary Shares were granted at a price of £0.75 per share. The Directors believe that the EMIS will provide an effective incentive for management and align the interests of management with those of the Company's shareholders. Further information is given in the Financial Statements Notes 3(m), 6 and 7.

I said last year that I was pleased with how things had been going but that there was still much hard work to be done, and despite continued good performances across all areas of the Club this remains the case. In addition to all the normal challenges, a major focus during the coming months will be on gaining Planning Consent for the Kingsford Project and at the same time, starting a major drive on fund raising to enable delivery of the first phase of the project, the Training and Community Facilities. In the current environment we acknowledge this will be a major challenge and we would hope we will be able to harness the support of the whole AFC family out there to help us with this task. There is so much potential opportunity for the Club to push forward and achieve our vision to create a sustainable future and to consolidate our position in full-time professional football as a successful organisation, with best-in-class facilities for staff and supporters, a strong balance sheet and many happy times to look forward to on the pitch!

Last, but by no means least, I need to acknowledge the fantastic support given to us on an ongoing basis by our Club Sponsor Saltire Energy. We are extremely proud to have this successful local company, with a terrific brand, on our First Team shirts and across the Club, and we fully appreciate their enthusiastic commitment to Aberdeen Football Club.



Stewart Milne
Chairman
28 October 2016

Introduction

The 2015/16 season was one of mixed fortunes for the Club. Finishing in second place in the league for a second successive season, having run Celtic very close on both occasions and reaching the third qualifying round of the Europa League for a third successive season, was a great effort from Derek McInnes and his team of players and back-room staff, and shows that progress is being made. The players had a fantastic start to the league campaign allowing the Club to be right in contention at the half-way stage. However, injuries to key players at the wrong moment and the loss of goalkeeper Danny Ward in the second half of the season, impacted upon performances and led to us falling short at the end of the campaign. Our cup performances were a source of disappointment - having landed tough away draws against Hibernian in the League Cup and Hearts in the Scottish Cup, we failed to progress on either occasion.

Second place in the Premiership again allowed the Club to enter into the UEFA Europa League in season 2016/17 and the players and staff acquitted themselves well over the three rounds, but there was a real sense of disappointment that we could not overcome Maribor to reach the play-off round for the first time, having been the better team over the two legs. The financial impact of the Europa League campaign in June, July and August 2016 will be reflected in the Annual Report for the year ended 30 June 2017.

The reshaping of the First Team squad has been significant, with Paul Quinn, David Goodwillie, Michael Rose, Scott Brown and Willo Flood leaving the Club and Barry Robson retiring to take up a place on the coaching staff. In their place we have added Calum Morris, Neil Alexander, Joe Lewis, Jayden Stockley, Miles Storey and Anthony O'Connor on permanent contracts, with Wes Burns joining on loan for the season and James Maddison on loan until January. Contract extensions have been put in place for young goalkeepers Aaron Lennox and Danny Rogers, and for Craig Storie, Scott McKenna, Frank Ross, Shay Logan and Adam Rooney.

At the end of the 2015/16 season we said farewell to long-serving physiotherapist David Wylie who had been with the Club for some 33 years, having joined the Club just after we won the European Cup-Winners' Cup in 1983 and who made the difficult decision to retire in July 2016. We thank David for his considerable contribution to the Club over such a long period. In his place we have Adam Stokes in the newly created role of Head of Medical and Sports Science, who has responsibility for overseeing the whole area of medical provision for players.

Business Review

The Directors consider the key performance indicators of the Group to be turnover and the ratio of payroll costs to turnover. The fixed costs of the business, which are mainly football related payroll costs and the upkeep of the football stadium, must be maintained within the constraints of the turnover figure. Turnover is directly influenced by the performance of the Club in the Scottish Professional Football League (SPFL), the Scottish Professional Football League Cup (League Cup) and the Scottish Football Association Cup (Scottish Cup) each season. The Club's final position in each of these competitions will impact on the future prospects for the Group. Further positive impact on the turnover can be achieved in the event of a sustained run in European club competitions.

STRATEGIC REPORT (continued)

Turnover increased by £0.337 million from £13.077 million to £13.414 million as the Club again reached the third qualifying round of the UEFA Europa League, were knocked out in the third round of the League Cup and in the fourth round of the Scottish Cup and once more finished second in the SPFL, as opposed to the third qualifying round of the UEFA Europa League, reaching the semi-final of the League Cup, being knocked out in the fourth round of the Scottish Cup and finishing second in the SPFL in season 2014/15. The turnover figure of £13.414 million is a new record for the Club, with commercial, sponsorship, UEFA and broadcasting revenues being higher than the previous year, whilst the average crowd fell from 12,750 to 12,360 and was reflected in slightly reduced gate revenues, particularly in the last four home games of the season. The turnover figures can be examined in further detail in Note 5.

Wages increased from £6.644 million to £6.817 million as a direct result of our continuing investment in the overall quality of the playing squad. The wages to turnover ratio has been maintained at 51% which is excellent when compared with other clubs. Other Operating Charges rose slightly from £5.730 million to £5.906 million due to our continued commercial success in increasing club shop and hospitality package sales and our short-term investment in additional training facilities at Countesswells and in improvements to the playing surfaces at Balgownie and the Barracks in Bridge of Don.

The financial performance discussed above delivered a trading surplus for the third successive year, with an operating profit of £448,000 (2015 - £542,000). This is a noteworthy statistic which will help us to deliver a balanced budget over the medium-term and puts the Club in a strong position when subjected to monitoring under UEFA Financial Fair Play regulations.

During the year the Directors decided to write-down the carrying value of the new stadium project costs which had been incurred in progressing the planning application for the Loirston site by £2.097 million. This is discussed further in the Chairman's Statement, in the section on Future Prospects below and in the Financial Statements Notes 4, 9 and 14.

Financial Reporting Standard 102 – New Accounting Rules

The Group and Company have prepared the Financial Statements on pages 9 to 25 under the new UK Reporting Standard, Financial Reporting Standard (FRS) 102 which became mandatory for all financial year ends on or after 31 December 2015. The transitional provisions of FRS 102 require the balance sheet at the beginning of the comparative period and the comparative profit and loss account to be prepared under the FRS 102 based accounting policies. On transition to FRS 102, the estimated market value of Pittodrie Stadium at 1 July 2014 was adopted as the deemed cost and the policy of revaluation of the stadium ceased. Application of the transitional provisions has resulted in recognition of deferred tax liabilities arising on the revaluation gain on the stadium of £431,000 at 30 June 2015 (1 July 2014: £1,010,000). The impact of this has been to reduce the total assets of the football club by the same amount at each of those dates. At 30 June 2016, a deferred tax liability has been recognised amounting to £341,000.

Principal Risks and Uncertainties

The Directors believe that the principal risks and market uncertainties include a) a downturn in First Team football performance in the SPFL particularly if the team were to finish in the bottom six (out of 12); b) the general economic climate affecting spending capacity of commercial partners and supporters; c) the ability of central football authorities to develop and maintain key revenue streams for broadcast and league sponsorship; and d) achievement of key milestones required to progress the new stadium and training facilities projects. The difficult period being experienced by Aberdeen's oil sector as a consequence of the lower oil price will require careful monitoring, with special efforts being made to gain business from other (non-oil-related) sectors. However, the impact of these difficulties and uncertainties is lessened by the ongoing careful management of operating finances and an open-minded and flexible approach by our commercial team.

Going Concern

The Directors have undertaken a process to ensure that an appropriate funding structure is in place to meet both the short-term funding requirements of the Group's football operations as well as position the Group for the longer term. The Board continue to concentrate primarily on achieving an operating break-even position in the short to medium term, whilst seeking to move forward with new training facilities and a new stadium development.

STRATEGIC REPORT (continued)

The Directors have considered and approved future financial projections which demonstrate that the Group will have sufficient resources to continue to meet its obligations and liabilities as they fall due. The Directors have considered the assumptions and estimates used in the preparation of the future financial projections, including those in relation to activity levels which are influenced by the performance of the football team and the availability of future funding, including support from certain shareholders if required. Having considered the projections including reasonably possible sensitivities, the Directors have a reasonable expectation that the Group will continue as a going concern in the foreseeable future.

Financial Risk Management

The Group's activities expose it to a number of financial risks including credit risk and liquidity risk. The Group's principal financial assets are cash at bank and trade debtors. The Group's credit risk is primarily attributable to its trade debtors and the amounts presented in the balance sheet are net of allowances for doubtful receivables where thought necessary. The Group's credit risk can in certain circumstances be concentrated on football clubs in respect of the sale of player registrations, but there are no such agreements in place at present. The credit risk on liquid funds is considered limited because the counterparties are banks with recognised credit-ratings assigned by international credit-rating agencies. In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Group uses cash generated from operations, including player sales when these occur. The Group does not make use of derivative financial instruments for speculative purposes.

Future Prospects

In March this year, the Club announced that it was making a new planning application for a site at Kingsford between Kingswells and Westhill some 250 metres to the West of the AWPR currently under construction and which is expected to be open by Winter 2017. The site at Kingsford would allow the Club to develop much-needed training and community facilities for our professional players, Youth Academy and Aberdeen FC Community Trust, and accommodate a new stadium as part of the proposed development. If our application is approved, funding secured and all else goes to plan, we would aim to have the football academy in place for the 2018/19 season, and the stadium built for the start of the 2020/21 season.

During the year the Club made the decision to abandon its planning application for a new stadium at Loirston Loch in the South of Aberdeen. The planning process had been very long and was further complicated by the protracted negotiations with Aberdeen City Council and its joint-venture partners regarding the extent and value of the site available for the Club to develop. The Directors considered that the final size of the site available to the Club was insufficient to allow it to deliver the stadium project as had originally been envisaged and consequently the planning application was withdrawn.

As a direct result of this decision to move our focus from Loirston to Kingsford, the Directors have decided to write-down to £900,000 the capitalised costs of the stadium project as is detailed in Notes 4, 9 and 14. A full analysis of the capitalised costs was performed and only those costs have been retained that the Directors consider are fully transferrable to the new site. The costs of £2.097 million written off plus the further costs required to have delivered a new stadium at Loirston would have been far greater than the expected costs of delivering a project at Kingsford and the Directors are of the view that the change of intended site will deliver the best value for the Club. Allied to this, the strengthening of the balance sheet delivered in 2014 has put the Club in a much better position to seek the investment required to deliver training facilities and a new stadium in the medium term.

In keeping with our stated aim of breaking even over the medium-term, we will continue to ensure that costs are maintained at a level that we can afford and that the ratio of wages to turnover is maintained at or below accepted industry norms. One of our major priorities will be to maintain the level of the First Team squad, and the encouraging performance of the First Team over the last few seasons will assist in doing this, but common sense will need to prevail. In keeping with all SPFL clubs we will continue to look for opportunities to supplement our income with transfer fees where this represents good business.

Progress continues to be made across all fronts in a challenging local economy, and with huge efforts continuing behind the scenes to ensure that the Club is always moving forward, we are optimistic about the future. Although we have all been delighted to see the improvement in performance on the pitch in recent years, we remain focussed on achieving greater success for the Club.



On Behalf of the Board
Duncan G Fraser
Chief Executive
28 October 2016

REPORT OF THE DIRECTORS

The Directors have pleasure in submitting their Annual Report and audited Financial Statements for the year ended 30 June 2016.

1. DIRECTORS INFORMATION

Brief biographical details of the Directors are as follows: -

Stewart Milne was appointed a director of the Company in June 1994. Stewart became Vice Chairman in 1997 and Executive Chairman in June 1998 and following the appointment of the Club's first Chief Executive in November 1999, stepped down to a non-executive role. Stewart is also Chairman and Chief Executive of the Stewart Milne Group.

George Yule was appointed an executive director of the Company in June 2012 in the role of Executive Vice-Chairman. His career background in successfully managing and growing businesses in the Oil Sector internationally, and his network of key business contacts, have positioned him for the lead role in developing the Club's future ambitions - with areas of specific responsibility being the Kingsford training and community facilities, the new AFC Stadium, and the governance of the Club's ongoing activities as a member of the AFC Executive Team. George is also a Trustee for Aberdeen FC Community Trust, who along with the AFCCT Board, have taken the vision for the charity from concept to reality over the past 3 years.

Duncan Fraser was appointed an executive director of the Company in May 2004 with responsibility for all non-football operations, having been Company Secretary since November 2002. In November 2007 he was promoted to the role of Managing Director and in August 2010 was appointed Chief Executive. He is a Chartered Accountant and held senior positions in the oil and gas industry prior to his appointment. Duncan has held a number of key roles within the wider game, including a non-executive directorship of the Scottish Professional Football League from which he stepped down in July 2016. He remains an elected member of the SFA Professional Gaming Board and an elected member of the Competitions Working Group of the European Club Association. He is also a member of the UEFA Match Delegate Board and the FIFA Match Commissioners Board as well as a Trustee of the Scottish Football Benevolent Trust.

Gordon Buchan was appointed a non-executive director of the Company in April 1992. He is a solicitor and advises the Board on all legal matters concerning the Company.

Colin Welsh was appointed a non-executive director of the Company in July 2011. He is the Chief Executive Officer of Simmons & Company International Limited, an investment bank specialising in the oil industry.

Ian Jack was appointed a non-executive director of the Company in July 2011. Ian is Regional Vice-President for UK and Holland for M-I SWACO UK.

Craig Brown was appointed a non-executive director of the Company in March 2013. Craig has a wealth of experience in football, being the longest serving Scotland manager over a period of 8 years encompassing 70 international matches and back-to-back qualifications for the 1996 European Championships and the 1998 World Cup. In club football Craig has managed Clyde, Preston North End, and Motherwell and managed the Club during the 2011/12 and 2012/13 seasons.

Duncan Skinner was appointed a non-executive director of the Company in January 2015. He is a Chartered Management Accountant with 34 years of experience in the Oil and Gas industry. Duncan took early retirement from his role as Chief Financial Officer at Wood Group PSN in April 2013 to concentrate his activities on social enterprise and charity work. He is Chairman of Glencraft Aberdeen Limited, a social enterprise employing blind and disabled people in the mattress and bed manufacturing sector, and also the Chairman of the Aberdeen FC Community Trust and is involved in a number of other similar organisations.

Colin Welsh, Ian Jack and Craig Brown retire by rotation and, being eligible, offer themselves for re-election at the forthcoming Annual General Meeting.

An insurance policy for Directors' and Officers' Liability has been maintained during the course of the year.

2. ENVIRONMENT

The Group recognises the importance of its environmental responsibilities. As the principal activity is the running of a professional football club, the impact on the environment is considered limited.

REPORT OF THE DIRECTORS (continued)

3. DIRECTORS' RESPONSIBILITIES STATEMENT

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). 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 the Group and of the profit or loss of the Company and the Group 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; and
- 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 on financial statements may differ from legislation in other jurisdictions.

4. AUDIT INFORMATION

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

5. AUDITOR

Deloitte LLP have indicated their willingness to be reappointed for another term and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.



On Behalf of the Board
Duncan G Fraser
Chief Executive
28 October 2016

INDEPENDENT AUDITOR'S REPORT

to the Members of Aberdeen Football Club plc

We have audited the Financial Statements of Aberdeen Football Club plc for the year ended 30 June 2016 which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statements of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes 1 to 31. 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".

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the Parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the Financial Statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited Financial Statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on Financial Statements

In our opinion the Financial Statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2016 and of the Group's 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.

Emphasis of matter – new stadium project

Note 14 to the Financial Statements discloses that the balance sheet at 30 June 2016 includes capitalised costs amounting to £900,000 in connection with the proposed development of a new stadium. A number of important milestones, including obtaining planning permission and undertaking of the necessary fund-raising process, need to be achieved before the project can progress to a construction stage. Notwithstanding the lengthy timeframe for this project, and the risks and uncertainties involved, the Directors remain confident of progressing the development. Accordingly, the Directors have concluded that it is appropriate to carry these costs in the balance sheet. Given the significance of this conclusion to the overall Financial Statements, and without modifying our opinion, we draw this matter to your attention.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company Financial Statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Graeme Sheils CA (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

Aberdeen, Scotland

28 October 2016

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year ended 30 June 2016

	Notes	Group	
		2016 £000	2015 £000
Turnover	5	13414	13077
Operating Expenses	6	(12966)	(12535)
Operating Profit	8	448	542
Gain on disposal of intangible assets		-	81
Exceptional item - Impairment of New Stadium Project Costs	9, 14	(2097)	-
Exceptional item - Other Financing Income	10	-	6588
(Loss)/Profit before Interest and Taxation		(1649)	7211
Interest Payable and similar expenses (net)	11	(7)	(53)
(Loss)/Profit Before Taxation		(1656)	7158
Tax on (Loss)/Profit	12	105	991
(Loss)/Profit for the financial year		(1551)	8149

As is permitted by Section 408 of the Companies Act 2006, no separate Profit and Loss Account or Statement of Comprehensive Income is presented in respect of the parent company. The loss for the year for the parent company was £1,883,000 (30 June 2015 – Profit £6,886,000).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2016

There are no gains or losses for the current and preceding financial years other than those dealt with through the Profit and loss Account shown above. Consequently, no separate Consolidated Statement of Comprehensive Income is presented.

The notes on pages 14 to 25 form part of the Financial Statements.

CONSOLIDATED AND COMPANY BALANCE SHEETS

as at 30 June 2016

	Notes	Group		Company	
		2016 £000	2015 £000	2016 £000	2015 £000
Fixed Assets					
Intangible assets	13	272	342	272	342
Tangible assets	14	19382	21354	1382	3354
Investments	15	-	-	-	-
		19654	21696	1654	3696
Current Assets					
Stock	16	629	419	629	419
Debtors	17	1827	2340	17967	18668
Cash at bank and in hand		1680	1388	1672	1387
		4136	4147	20268	20474
Creditors					
Amounts falling due within one year	18	(2489)	(2285)	(2489)	(2285)
Net Current Assets		1647	1862	17779	18189
Total Assets less Current Liabilities		21301	23558	19433	21885
Creditors					
Amounts falling due after more than one year	19	(1480)	(1230)	(1480)	(1230)
Deferred Taxation	20, 31	(341)	(431)	-	-
Deferred Income	21	(5046)	(5912)	(4246)	(5065)
Net Assets		14434	15985	13707	15590
Capital and Reserves					
Called-up share capital	22	3528	3528	3528	3528
Share Premium Account	23	7119	7119	7119	7119
Revaluation reserve	23, 31	-	-	-	-
Profit and loss account	23	3787	5338	3060	4943
Shareholders' Funds	31	14434	15985	13707	15590

The loss for the year for the parent company was £1,883,000 (30 June 2015 – Profit £6,886,000).

The notes on pages 14 to 25 form part of the Financial Statements.

The Financial Statements of Aberdeen Football Club plc, registered number SC005364 were approved by the Board of Directors and authorised for issue on 28 October 2016.



Signed on behalf of the Board of Directors
Duncan G Fraser
Chief Executive
28 October 2016

CONSOLIDATED AND COMPANY STATEMENTS OF CHANGES IN EQUITY

for the year ended 30 June 2016

Group	Notes	Called-up Share Capital £000	Share Premium Account £000	Revaluation Reserve £000	Profit and Loss Account £000	Total £000
At 1 July 2014 reported under previous UK GAAP		2834	-	14913	(16124)	1623
Pittodrie Stadium transitioned to deemed cost on 1st July 2014		-	-	(14913)	14913	-
Deferred tax on revaluation of Pittodrie Stadium	31	-	-	-	(1010)	(1010)
Deferred tax on potential de-grouping charge on transfer of Pittodrie Stadium to Talltray Limited in July 2006	31	-	-	-	(427)	(427)
Impairment of Pittodrie Stadium		-	-	-	(153)	(153)
At 1 July 2014 as restated	31	2834	-	-	(2801)	33
Profit for the year to 30 June 2015		-	-	-	8149	8149
Impairment of Pittodrie Stadium		-	-	-	(10)	(10)
Issue of Ordinary shares		310	3250	-	-	3560
Issue of A Ordinary shares		384	4036	-	-	4420
Expense of share issue		-	(167)	-	-	(167)
At 1 July 2015 as restated	31	3528	7119	-	5338	15985
Loss for the financial year		-	-	-	(1551)	(1551)
At 30 June 2016		3528	7119	-	3787	14434
Company						
At 1 July 2014 reported under previous UK GAAP and as restated		2834	-	-	(1943)	891
Profit for the year to 30 June 2015		-	-	-	6886	6886
Issue of Ordinary shares		310	3250	-	-	3560
Issue of A Ordinary shares		384	4036	-	-	4420
Expense of share issue		-	(167)	-	-	(167)
At 1 July 2015 as restated		3528	7119	-	4943	15590
Total comprehensive loss for the financial year		-	-	-	(1883)	(1883)
At 30 June 2016		3528	7119	-	3060	13707

The notes on pages 14 to 25 form part of the Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOW

for the year ended 30 June 2016

Net Cash Flow	Notes	2016 £000	2015 £000
Net cash inflow from operating activities	i	394	708
Net cash outflow from investing activities	ii	(345)	(472)
Net cash inflow before financing		<u>49</u>	<u>236</u>
Net cash inflow/(outflow) from financing activities	iii	243	(405)
Increase/(decrease) in net cash flow		<u>292</u>	<u>(169)</u>
Reconciliation of Net Cash Flow to Movement in Net Funds (See Note iv)	iii	2016 £000	2015 £000
Increase/(decrease) in net cash flow in the year		292	(169)
Cash (inflow)/outflow from (increase)/decrease in debt		(243)	405
Change in net funds resulting from cash flows		<u>49</u>	<u>236</u>
Non-cash movements:			
Capitalisation of shareholder loans		-	14493
Share issue expenses offset against share premium		-	(144)
Bank loan issue costs		-	(167)
		<u>-</u>	<u>14182</u>
Change in net funds after non cash movements		49	14418
Net funds/(debt) at 1 July		151	(14267)
Net funds at 30 June		<u>200</u>	<u>151</u>

The notes on pages 14 to 25 form part of the Financial Statements.

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2016

i	Cash Flows from Operating Activities	2016	2015		
		£000	£000		
	(Loss)/Profit for the financial year	(1551)	8149		
	Amortisation of intangible assets	151	88		
	Depreciation of tangible assets	139	121		
	Amortisation of grants	(47)	(48)		
	Gain on disposal of intangible assets	-	(81)		
	Impairment of new stadium project costs	2097	-		
	Other financing income	-	(6588)		
	Interest paid and similar expenses	-	14		
	Corporation tax (credit)/charge	(15)	15		
	Increase in stocks	(210)	(159)		
	Decrease/(increase) in debtors	513	(281)		
	Increase in creditors	226	312		
	(Decrease)/increase in other deferred income	(819)	172		
	Decrease in deferred taxation	(90)	(1006)		
	Net cash inflow from operating activities	<u>394</u>	<u>708</u>		
ii	Cash Flows from Investing Activities				
	Payments to acquire players' registrations	(81)	(352)		
	Receipts from sales of players' registrations	-	81		
	Payments to acquire tangible assets	(264)	(201)		
	Net cash outflow from investing activities	<u>(345)</u>	<u>(472)</u>		
iii	Cash Flows from Financing Activities				
	Related Party loans	500	-		
	Related Party loan repayments	(250)	(220)		
	Capital element of finance lease rental payments	(7)	(18)		
	Share issue expenses offset against share premium account	-	(167)		
	Net cash inflow/(outflow) from financing activities	<u>243</u>	<u>(405)</u>		
iv	Analysis of Changes in Net Debt				
	30 June	Cash	Non-Cash	30 June	
	2015	Flows	Changes	2015	
	£000	£000	£000	£000	
	Cash in hand and at bank	1388	292	-	1680
	Debt due after more than one year:				
	Related Party loans	(1030)	(250)	-	(1280)
	Other loans	(200)	-	-	(200)
	Finance leases	(7)	7	-	-
	Net Funds	<u>151</u>	<u>49</u>	<u>-</u>	<u>200</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2016

1. Company Information

The Company is a Public Limited Company limited by shares and registered in Scotland, number SC005364, with its registered office and principal place of business at Pittodrie Stadium, Pittodrie Street, Aberdeen AB24 5QH. The principal activity of the Company is the operation of a professional football club playing its first team matches in the Scottish Premiership under the control of the Scottish Professional Football League and under the auspices of the Scottish Football Association. The Company trades only in Scotland, UK - see also Note 29.

2. Basis of Preparation

(a) Financial Statements

The Financial Statements have been prepared in UK Sterling currency under the historical cost convention and in accordance with applicable United Kingdom accounting standards, including FRS 102 and with the Companies Act 2006. This is the first period in which the Financial Statements have been prepared under FRS 102 – see also Note 31.

The consolidated Financial Statements incorporate the Financial Statements of the Company and its wholly owned subsidiary Talltray Limited, made up to 30 June. As is permitted by Section 408 of the Companies Act 2006, no separate Profit and Loss Account or Statement of Comprehensive Income is presented in respect of the Parent Company.

(b) Going Concern

The Directors have considered and approved future financial projections which demonstrate that the Group will have sufficient resources to continue to meet its obligations and liabilities as they fall due. The Directors have considered the assumptions and estimates used in the preparation of the future financial projections, including those in relation to activity levels which are influenced by the performance of the football team and the availability of future funding, including support from certain shareholders if required. Having considered the projections including reasonably possible sensitivities, the Directors have developed a reasonable expectation that the Group will continue as a going concern for the foreseeable future. Accordingly, the Financial Statements continue to be prepared on a going concern basis.

3. Principal Accounting Policies

The principal accounting policies, which have been applied consistently in the current and prior year are summarised below.

(a) Intangible Assets

Intangible assets are measured at cost less accumulated amortisation and any impairment losses.

Fees payable on the transfer of players' registrations are capitalised and amortised over the period of the respective players' contracts. Fees receivable from other football clubs on the transfer of players' registrations are dealt with through the profit and loss account in the accounting period in which the transfer takes place. Signing-on fees are expensed to the profit and loss account in the accounting period in which they are payable. Compensation payments made to other clubs for young players or football management staff joining the Company are amortised over the period of the relevant contract.

Payments or receipts, which are contingent on the performance of the team or players, are recognised in the profit and loss account when the events crystallising such payments or receipts occur. Compensation fees receivable for young players or management staff leaving the Company are not recognised in the profit and loss account until the events crystallising such payments or receipts have taken place.

(b) Tangible Assets

Tangible assets are stated at cost less depreciation, calculated to write off their cost in equal annual amounts over their estimated useful lives down to their estimated residual value. On transition to FRS 102, the estimated market value of Pittodrie Stadium at 1 July 2014 was adopted as the deemed cost and the policy of revaluation of the stadium ceased. Pittodrie Stadium is not depreciated as the net book value is deemed to equate to the residual value. No depreciation is provided on the New Stadium Project costs as these are treated as construction in progress. Depreciation on the New Stadium Project Costs will not commence until the new stadium is available for use. The applied depreciation rates are as follows:

	% per annum
Plant, Furniture and Fittings	10 - 33%

(c) Investments

Investments are stated at cost.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2016

(d) Stocks

Stock of goods for resale is stated on a first in, first out basis, and at the lower of cost or net realisable value.

(e) Debtors and Creditors

Debtors are measured at fair value, represented by the transactional price of debts including VAT where appropriate, less any provision for doubtful debts which may be required. Creditors are measured at fair value represented by the transactional cost where known, or where accruals for unbilled goods and services are necessary, at their estimated amount.

(f) Taxation

Corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

(g) Grants

Grants received from the Football Trust for stands, safety improvements and plant are credited to deferred income and amortised through the profit and loss account over the estimated useful lives of the related assets.

(h) Other Deferred Income

Other deferred income represents income from season ticket renewals, advance ticket sales and from sponsorship agreements and other contractual arrangements, which are credited to the profit and loss account over the period of the agreement.

(i) Turnover

Turnover represents income receivable, net of VAT, from football and related commercial activities.

Gate and other match day revenues are recognised over the period of the football season as games are played. Sponsorship and similar commercial income is recognised over the duration of the respective contracts. The fixed element of broadcasting revenues is recognised over the duration of the football season whilst fees due for live coverage or highlights are taken when earned. Merit awards are accounted for only when the amount receivable is known. Income from commissions is recognised when known with reasonable accuracy.

(j) Donations from Lotteries

Donations from lotteries are accounted for in the accounting period in which they are received.

(k) Pension Costs

Contributions to the Group's defined contribution pension schemes are expensed to the profit and loss account in the period in which they become payable.

(l) Leasing, Hire Purchase and Finance Leases

Assets held under hire purchase contracts or finance leases and the related obligations are recorded in the balance sheet at the fair value of the assets at the inception of the agreements. The excess of payments over the recorded obligations is treated as finance expenses in the profit and loss account. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the lease assets to the Group. All other leases are treated as operating leases. Rentals paid under operating leases are expensed to the profit and loss account on a straight-line basis over the lease term.

(m) Share-based Payments

The Company operates an Enterprise Management Incentive Scheme for key executive directors and employees of the Company to award options over the Company's ordinary shares. The Directors believe that the EMIS will provide an effective incentive for management and align the interests of management with those of the Company's shareholders.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2016

(n) Impairment of Assets

Assets other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the profit and loss account. An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount is the higher of its fair value less costs to sell and its value in use.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in Note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the Financial Statements.

Revenue recognition

Revenue is recognised only when the Group's obligations are considered to have been fulfilled, the amount can be measured reasonably, and it is probable that the economic benefits associated with a transaction will be received. Where services are performed gradually over time, revenue is recognised as activity progresses by reference to the value of work performed.

Key sources of estimation uncertainty

Carrying value of Pittodrie Stadium

Pittodrie Stadium is carried at residual value. The determination of the residual value net of selling costs includes an estimation of the market value of a potential property development on the Pittodrie Stadium site. The Group appointed an external valuer to perform this assessment and the most recent valuation report on Pittodrie Stadium was prepared as at 30 June 2015 by F G Burnett Limited. Having considered the expected timing of realisation of the residual value, the Directors consider it appropriate to retain Pittodrie Stadium and the surrounding land in the Financial Statements at £18.0 million - see Note 14.

Carrying value of new stadium project costs

Included in tangible assets are capitalised costs amounting to £900,000 in respect of the proposed new stadium project, which represent stadium design and other costs incurred in prior years on the Loirston Loch site. The Directors have assessed the total costs incurred on the Loirston site as at 30 June 2015 of £2.997 million and retained only those costs which are considered to be transferable to the new site identified at Kingsford. Consequently, £2.097 million of those costs have been written off in the year - see also Note 9.

The Directors are fully committed to the new stadium project and expect progress to be made over the course of the next 12 months on the site at Kingsford. A number of important milestones require to be reached before the project progresses to a construction stage. These include, amongst other things, obtaining planning permission and completion of the necessary fund-raising process. The Directors are confident that these will be satisfactorily achieved and, hence, that it is appropriate to continue to recognise these costs as an asset in the balance sheet. The Chairman's Statement and Strategic Report discuss the developments in this regard - see also Note 14.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2016

5. Turnover

	Group	
	2016	2015
	£000	£000
Gate receipts	4023	4195
Sponsorship & advertising	1801	1769
Broadcasting rights	2322	1972
Commercial	4678	4622
UEFA Solidarity & prize money	552	449
Other operating revenue	38	70
	13414	13077

6. Operating Expenses

	Group	
	2016	2015
	£000	£000
Staff costs (see below)	(6817)	(6644)
Depreciation and other amounts written off tangible assets, net of grant release	(92)	(73)
Amortisation of intangible assets	(151)	(88)
Cost of sales	(2663)	(2577)
Other operating expenses	(3243)	(3153)
	(12966)	(12535)
Staff costs consist of:		
Wages and salaries	6121	5923
Social security costs	659	684
Other pension costs	37	37
	6817	6644

The Company consider that the Directors are key management personnel and their remuneration is disclosed below: -

Directors' remuneration (included above) consists of:

Emoluments	520	415
Pension contributions	13	12
	533	427

The non-executive Directors waived fees due in respect of the year totalling £42,000 (30 June 2015 - £42,000). The highest paid director received £300,000 (2015 - £218,000) including £88,000 (2015 - £Nil) of accumulated performance bonuses, the net proceeds of which were used subsequent to the year-end to purchase 62,341 Ordinary shares in the Company through the share options granted during the year – see Note 7.

	2015	2014
	Number	Number
Number of Directors who: -		
Are members of a defined contribution pension scheme	1	1
Are members of a money purchase pension scheme	1	1

The average number of full and part time employees during the year based on full time equivalents was as follows: -

Players	39	41
Football management	19	15
Scouting / Youth development	9	10
Commercial / Administration	41	35
Maintenance	11	11
	119	112

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2016

7. Share-based Payments	Group		Company	
	2016 Number of shares	2016 Exercise price £	2015 Number of shares	2015 Exercise price £
Outstanding at beginning of year	-	-	-	-
Options granted during year	89194	0.75	-	-
Options exercised during year	-	-	-	-
Outstanding at end of year	<u>89194</u>		<u>-</u>	

The Company operates an Enterprise Management Incentive Scheme for key executive directors and employees of the Company to award options over the Company's ordinary shares. The Directors believe that the EMIS will provide an effective incentive for management and align the interests of management with those of the Company's shareholders.

During the year the Directors granted options over 89,194 ordinary shares in the Club at an exercise price of £0.75 per ordinary share. The options granted during the year must be exercised within 10 years and the holder of the options must be in the employment of the Company at the time the options are exercised. No charge has been made to the profit and loss account as the Directors consider the fair value of the options granted to be nil - see also Note 3(m).

8. Operating Profit	Group	
	2016 £000	2015 £000
This is stated after charging/(crediting): -		
Auditors' remuneration - Audit services	20	16
- Tax compliance services	10	8
- Other audit related services	5	5
- Other non-audit related services	13	-
Amortisation of grants	(47)	(48)
Depreciation of owned assets	139	114
Depreciation of assets held under hire purchase contracts and finance leases	-	7
Amortisation of players' registrations	151	88
Operating lease rentals	133	146
Donations from lotteries (net of expenses)	<u>(80)</u>	<u>(99)</u>

9. Exceptional item - Impairment of New Stadium Project Costs	Group	
	2016 £000	2015 £000
Impairment of new stadium project costs	<u>(2097)</u>	<u>-</u>

The impairment of the new stadium project costs arises from the decision to withdraw the planning application for a new stadium at Loirston Loch in the South of Aberdeen and to file a new planning application for Kingsford in the West of Aberdeen. The Club withdrew its application when it became apparent that the loss of area around the periphery of the proposed new stadium rendered the site inoperable having regard to match-day transport and supporter parking requirements. The impairment represents the costs incurred to date which in the view of the Directors are not transferrable to the new site. Further detail is given in the Chairman's Statement and Strategic Report.

10. Exceptional item - Other Financing Income	Group	
	2016 £000	2015 £000
Loan waiver and write-off of loan issue expenses	<u>-</u>	<u>6588</u>

The Other financing income credit in the year ended 30 June 2015 arose following the exit of banking arrangements with the Bank of Scotland on 31 October 2014 and the immediate conversion of an element of the previous debt into new ordinary share capital.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2016

11. Interest Payable and Similar Expenses (net)

	Group	
	2016	2015
	£000	£000
Bank interest and similar expenses payable	(7)	(61)
Hire purchase interest	-	(1)
Bank interest receivable	-	9
Total interest payable (net)	(7)	(53)

12. Tax on (Loss)/Profit for year

	Group	
	2016	2015
UK corporation provided in year	-	(15)
Release of prior year UK corporation tax provision	15	-
Deferred tax - see Note 20	90	1006
Taxation credit	105	991

The Group has estimated taxation losses available for carry forward amounting to £25,391,000 (30 June 2015 – £25,755,000) - see Note 20. The blended rate of tax for the year, based on the UK standard rate of corporation tax, is 20.00% (30 June 2015 – 20.75%). The actual tax charge for the current and the previous year differs from the standard rate for the reasons set out in the following reconciliation.

(Loss)/profit before taxation	(1656)	7158
Tax on (loss)/profit at standard rate	(331)	1485
Factors affecting charge for the period:		
Expenses not deductible for tax purposes	429	4
Non-taxable income	(10)	(1376)
Utilisation of tax losses	(88)	(101)
Gains etc.	(52)	-
Tax rate changes	(38)	3
Release of deferred tax provided on revaluation of Pittodrie Stadium	-	(579)
Release of deferred tax on potential de-grouping charge on transfer of Pittodrie Stadium to Taltravel Limited in July 2006	-	(427)
Release of prior year current tax provision	(15)	-
Total amount of tax credit to Profit and Loss Account	(105)	(991)

13. Intangible Assets

Group and Company

	Players' Registrations and Compensation Payments	Brand Rights	Total
	£000	£000	£000
Cost			
At 1 July 2015	451	8	459
Additions	81	-	81
Disposals	(47)	-	(47)
At 30 June 2016	485	8	493
Amortisation			
At 1 July 2015	117	-	117
Provided in the period	151	-	151
Disposals	(47)	-	(47)
At 30 June 2016	221	-	221
Net Book Value			
At 30 June 2016	264	8	272
At 30 June 2015	334	8	342

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2016

14. Tangible Assets

	Company	Company	Company	Total Company	Group	Total Group
	Plant, Furniture and Fittings £000	New Stadium £000	New Training Facilities £000	£000	Pittodrie Stadium £000	£000
Cost						
At 1 July 2015	2725	2997	-	5722	18000	23722
Additions	236	-	28	264	-	264
Impairment of new stadium project costs	-	(2097)	-	(2097)	-	(2097)
At 30 June 2016	2961	900	28	3889	18000	21889
Depreciation						
At 1 July 2015	2368	-	-	2368	-	2368
Provided in the period	139	-	-	139	-	139
At 30 June 2016	2507	-	-	2507	-	2507
Net Book Value						
At 30 June 2016	454	900	28	1382	18000	19382
At 30 June 2015	357	2997	-	3354	18000	21354

Pittodrie Stadium is carried at residual value. The most recent valuation of Pittodrie Stadium was prepared as at 30 June 2015 by F G Burnett Limited and identified the estimated market value of the site which equates to the residual value, at £18.0 million. The Directors consider the more difficult market conditions in 2016 to be temporary and that the estimated residual value of £18.0 million continues to be appropriate. The net book value at 30 June 2016 represents the estimated residual value of Pittodrie Stadium, hence there is no depreciation charge.

The net book value of plant, furniture and fittings in respect of assets held under finance leases and hire purchase contracts was £Nil (30 June 2015 - £18,000).

Included in tangible assets are capitalised costs amounting to £900,000 in respect of the proposed new stadium, which represents stadium design and other costs incurred in prior years on the Loirston Loch site. The Directors have reviewed the total costs incurred on the Loirston site as at 30 June 2015 of £2.997 million and retained only those costs which are considered to be transferable to the new site identified at Kingsford. Consequently, £2.097 million has been written off – see also Note 9. This is discussed further in the Chairman's Statement and Strategic Report. Also included in tangible assets are amounts of £28,000 (2015 - £nil) in respect of the proposed new training facilities at Kingsford.

The Directors are fully committed to the new stadium and training facilities projects, having secured a site at Kingsford (see Note 24) and should planning permission be obtained, expect further progress to be made over the course of the next 12 months. A number of important milestones require to be reached before the projects will progress to a construction stage. These include, amongst other things, obtaining planning permission and completion of the necessary fund-raising. The Directors are confident that these will be satisfactorily achieved and, hence, that it is appropriate to continue to carry these costs in the balance sheet. No depreciation is provided on costs incurred to date as these are treated as construction in progress. Depreciation will commence when the asset is available for use.

15. Investments

Group		Company	
2016	2015	2016	2015
£000	£000	£000	£000
Investment in subsidiary undertaking	-	-	-

The Company holds one Ordinary Share of £1 in Talltray Limited (a company registered in Scotland - SC299691) a wholly owned subsidiary of the Company. Talltray Limited owns the Pittodrie Stadium football ground which it leases to the Company. The Group Financial Statements reflect the consolidated results of the Company and its subsidiary.

The Company also holds one Ordinary Share of £1 in The Scottish Professional Football League Limited for which a consideration of £1 was paid. This represents a 2.38% interest in the company.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2016

16. Stock

	Group		Company	
	2016	2015	2016	2015
	£000	£000	£000	£000
Goods for resale	629	419	629	419

17. Debtors

	Group		Company	
	2016	2015	2016	2015
	£000	£000	£000	£000
Trade debtors	1448	2022	1448	2022
Amounts due from subsidiary	-	-	16140	16335
Other debtors and prepayments	379	318	379	311
	1827	2340	17967	18668

The amount due from the subsidiary does not bear interest and has no fixed repayment terms. The Company does not intend to seek repayment of the intercompany debts within one year.

18. Creditors: Amounts falling due within one year

	Group		Company	
	2016	2015	2016	2015
	£000	£000	£000	£000
Obligations under finance leases and hire purchase contracts	-	7	-	7
Trade creditors	912	781	912	781
Other taxes and social security costs	802	862	802	862
Other creditors and accruals	775	635	775	635
	2489	2285	2489	2285

Obligations under finance leases and hire purchase contracts

Future minimum payments under finance leases and hire purchase contracts are as follows:

Within one year	-	7	-	7
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Finance leases and hire purchase contracts are secured over the related assets.

19. Creditors: Amounts falling due after more than one year

	Group		Company	
	2016	2015	2016	2015
	£000	£000	£000	£000
Related Party loans	1280	1030	1280	1030
Other loans	200	200	200	200
	1480	1230	1480	1230

The Related Party loans of £1.280 million (30 June 2015 - £1.030 million) are unsecured, interest free and are repayable in more than one year.

The remaining Other loans of £200,000 (30 June 2015 - £200,000) are unsecured, interest free and are repayable in more than one year.

The loans are repayable as follows:

	Group		Company	
	2016	2015	2016	2015
	£000	£000	£000	£000
Between one and two years	1480	1230	1480	1230

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2016

20. Deferred Taxation

	Group		Company	
	2016	2015	2016	2015
	£000	£000	£000	£000
At 1 July	431	1437		
Release of deferred tax on revaluation of Pittodrie Stadium	(90)	(579)	-	-
Release of deferred tax on potential de-grouping charge on transfer of Pittodrie Stadium to Talltray Limited in July 2006	-	(427)	-	-
At 30 June - see Note 31	341	431	-	-

Deferred tax is provided in full in respect of the revaluation of Pittodrie Stadium. Deferred tax at 30 June 2016 has been calculated at 18% (30 June 2015 - 20%), the rate of Corporation tax substantively enacted on 26 October 2015.

At 30 June 2016 the Group has an unrecognised deferred tax asset of £4,584,000 (30 June 2015 - £5,198,000) which primarily represents the availability of tax losses for carry forward. The ability of the Group to utilise the deferred tax asset depends primarily on future trading performance. The deferred tax asset has not been recognised given the uncertainty as to the availability of available future profits to utilise the accumulated tax losses.

21. Deferred Income

	Group		Company	
	2016	2015	2016	2015
	£000	£000	£000	£000
Deferred grant income - from Football Trust				
At 1 July	847	895	-	-
Released to profit and loss account	(47)	(48)	-	-
At 30 June	800	847	-	-
Other deferred income				
From season tickets, advance ticket sales, executive boxes and sponsorships received in advance	4246	5065	4246	5065
Total deferred income	5046	5912	4246	5065

Included in Other deferred income is £933,000 (30 June 2015 - £1,160,000) which will be released to the profit and loss account in more than one year.

22. Called-up Share Capital

	Group and Company	Group and Company
	2016	2015
	£000	£000
Allotted and fully paid		
8,938,984 Ordinary Shares of 10 pence each	894	894
3,843,478 A Ordinary Shares of 10 pence each	384	384
2,250,000 Preference Shares of £1 each	2250	2250
	3528	3528

Called-up Share Capital represents the nominal value of shares that have been issued.

The A Ordinary Shares issued rank pari passu with the Ordinary Shares save that (a) they have no voting rights, and (b) are convertible to Ordinary Shares by giving notice in writing to the Company. A holder of Ordinary Shares, whose shareholding aggregated with those of his connected persons carries 29.9% or fewer in aggregate of the total votes conferred by all of the issued shares in the Company, is only entitled to convert the number of A Ordinary Shares as would result in that shareholder and his connected persons holding Ordinary Shares which would carry 29.9% or fewer in aggregate of the total votes conferred by all of the issued shares in the Company.

The Preference Shares have no rights to dividend and no voting rights, but on a return of capital are entitled to payment of their nominal value in priority to the Ordinary Shares.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2016

23. Reserves

Share Premium Account

The Share Premium Account includes any premiums received on the issue of share capital over and above the notional value. Transaction costs associated with the direct issue of shares are deducted from the Share Premium Account.

Revaluation Reserve

The Revaluation Reserve records increases and decreases in the fair value of Pittodrie Stadium. Following the adoption of FRS 102, the Revaluation Reserve was transferred to the Profit and Loss Account.

Profit and Loss Account

The Profit and Loss Account includes all current and prior year retained profits and losses. Included within the Profit and Loss Account is £14,913,000 (2015 - £14,913,000) of non-distributable reserves represented by unrealised property revaluations under previous UK GAAP.

24. Group Contingent Liabilities

The Group has exited all obligations to Bank of Scotland, other than in regard to a contingent liability which may arise on the disposal of Pittodrie stadium if any part of the proceeds is not reinvested in a new stadium. This remaining commitment to the Bank of Scotland is secured until 31 October 2017 by a floating charge and a standard security over the stadium from the wholly owned subsidiary Talltray Limited to the Bank of Scotland, cross guaranteed by the Company and secured also by a floating charge from the Company. Following 31 October 2017, the contingent liability will continue to exist, but will not be subject to any security.

During the year the Group entered into conditional missives to purchase a site at Kingsford to the West of the AWPR currently under construction. The missives are subject to the Group obtaining Planning and other relevant consents on terms acceptable to the Group. In the event of obtaining the relevant Consents on acceptable terms, the Group intends to purchase the site, then proceed with the development in two phases; Phase 1 being the delivery of Professional Training Facilities and facilities for Community and Youth Development use, with Phase 2 being the delivery of a new Stadium.

25. Related Party Transactions

During the period fees for professional legal services totalling £41,000 (year to 30 June 2015 - £94,000) were rendered by Burness Paull LLP. Gordon A Buchan, a non-executive Director of the Company, was a consultant and a member of the governance and strategy board of this firm up until 31 October 2015.

At 30 June 2016 loans of £1,280,000 (30 June 2015 - £1,030,000) are due to the Company's Directors. The terms of the loans are disclosed in Note 19.

26. Pension Fund

The Group operates an approved defined contribution Group Personal Pension Scheme for eligible employees. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost expensed for the period was £6,000 (year to 30 June 2015 - £5,000).

There was £1,000 due for payment at 30 June 2016 (30 June 2015 - £1,000).

The Group also operates an approved defined contribution Group auto-enrolment scheme for eligible employees with The Peoples Pension, a scheme which commenced on 1 April 2014. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost expensed for the period was £18,000 (year to 30 June 2015 - £17,000).

There was £3,000 due for payment at 30 June 2016 (30 June 2015 - £2,000).

In addition, contributions of £13,000 (year to 30 June 2015 - £12,000) were made to personal pension schemes on behalf of employees.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2016

27. Financial Instruments

Financial assets – measured at undiscounted amount receivable

	Group		Company	
	2016	2015	2016	2015
	£000	£000	£000	£000
Trade debtors – see Note 17	1448	2022	1448	2022
Amounts due from subsidiary – see Note 17	-	-	16140	16335
Other debtors	213	167	213	160
Cash at bank and in hand	1680	1388	1671	1387
	3341	3577	19472	19904

Financial liabilities – measured at undiscounted amount payable

Obligations under finance leases – see Note 18	-	7	-	7
Trade creditors – see Note 18	912	781	912	781
Other creditors and accruals – see Note 18	775	635	775	635
Related Party loans – see Note 19	1280	1030	1280	1030
Other loans – see Note 19	200	200	200	200
	3167	2653	3167	2653

The Group's income, expense, gains and losses in respect of financial instruments are summarised below: -

Interest income and expense

	Group	
	2016	2015
	£000	£000
Total interest income for financial assets at amortised cost	-	9
Total interest expense for financial liabilities at amortised cost	(7)	(62)

28. Group Financial Commitments

Total future minimum lease payments under non-cancellable operating leases are as follows: -

	2016	2015
	£000	£000
Within one year	116	95
Between one and five years	37	33
	153	128

29. Controlling Party

At the balance sheet date, the Company does not have a controlling party as there is no single or group of shareholders with a controlling interest in the shareholding of the Company.

30. Subsidiaries and Related Undertakings

The Group comprises the parent company Aberdeen Football Club plc and its sole wholly-owned subsidiary Talltray Limited. Talltray Limited is a Private Limited Company limited by shares and registered in Scotland, number SC299691 with its registered office and principal place of business at Pittodrie Stadium, Pittodrie Street, Aberdeen AB24 5QH. Ownership of the stadium lies with the subsidiary company to which the Company pays a rent for the use of the football stadium.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2016

31. Transition to FRS 102

This is the first year that the Company has presented its Financial Statements under FRS 102. The last Financial Statements under previous UK GAAP were for the year ended 30 June 2015 and the date of transition to FRS 102 was therefore 1 July 2014. As a consequence of adopting FRS 102, the accounting policies for the revaluation of Pittodrie Stadium and for the provision of deferred tax relating to that revaluation, have been changed to comply with the new standard.

Revaluation of Pittodrie Stadium

Under previous UK GAAP, Pittodrie Stadium was included in the Balance Sheet at a valuation based on valuation reports received from external valuers. Under the provisions of FRS 102, it is permitted on a one-off basis to transition the revalued amount of an asset as deemed cost and this basis has been adopted.

Deferred Taxation on Revaluation of Pittodrie Stadium

Under previous UK GAAP deferred tax on the revaluation of tangible assets was not required to be recognised unless there was a binding commitment for the sale of the asset. Under FRS102 the potential deferred tax liability on the revaluation of Pittodrie Stadium requires to be recognised, without any commitment to sell the asset. See Notes 3(f) and 20.

Under previous UK GAAP deferred tax on a potential de-grouping charge, which arose from the transfer of the stadium on 1 July 2006 to a wholly-owned subsidiary Taltray Limited and which could have crystallized if the stadium was transferred outside of the Group, was not recognised. Under UK taxation rules the potential de-grouping charge has expired and fell away in the year ended 30 June 2015.

	Group		Company	
	At 1 July 2014 £000	At 30 June 2015 £000	At 1 July 2014 £000	At 30 June 2015 £000
Deferred Taxation Provision				
Deferred Taxation reported under previous UK GAAP	-	-	-	-
Deferred tax on revaluation of Pittodrie Stadium	1010	431	-	-
Deferred tax on potential de-grouping charge on transfer of Pittodrie Stadium to Taltray Limited in July 2006	427	-	-	-
Restated Deferred Taxation Provision	1437	431	-	-
Revaluation Reserve				
Revaluation Reserve reported under previous UK GAAP	14913	14880	-	-
Transfer of Revaluation Reserve to Profit and Loss Account	(14913)	(14913)	-	-
Reversal of transfer of amount equivalent to depreciation on revaluation	-	33	-	-
Restated Revaluation Reserve	-	-	-	-
Shareholders' Funds				
Shareholders' Funds reported under previous UK GAAP	1623	16546	891	15590
Impairment of Pittodrie Stadium	(153)	(163)	-	-
Reversal of depreciation provided on Pittodrie Stadium	-	33	-	-
Deferred tax on revaluation of Pittodrie Stadium	(1010)	(431)	-	-
Deferred tax on potential de-grouping charge on transfer of Pittodrie Stadium to Taltray Limited in July 2006	(427)	-	-	-
Restated Shareholders' Funds	33	15985	891	15590
Profit and Loss Account				
Profit and Loss Account reported under previous UK GAAP	(16124)	(8981)	(1943)	4943
Transfer-in of Revaluation Reserve balance at 1 July 2014	14913	14913	-	-
Impairment of Pittodrie Stadium	(153)	(163)	-	-
Reversal of transfer of amount equivalent to depreciation on revaluation	-	(33)	-	-
Reversal of depreciation provided on Pittodrie Stadium	-	33	-	-
Deferred tax on revaluation of Pittodrie Stadium	(1010)	(431)	-	-
Deferred tax on potential de-grouping charge on transfer of Pittodrie Stadium to Taltray Limited in July 2006	(427)	-	-	-
Restated Shareholders' Funds	(2801)	5338	(1943)	4943


NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the ONE HUNDRED and THIRTEENTH Annual General Meeting of ABERDEEN FOOTBALL CLUB plc will be held at The Aberdeen Asset Management Suite, Pittodrie Stadium, Pittodrie Street, Aberdeen on 28 November 2016 at 7.00pm to transact the following: -

As ordinary business:

1. To receive and consider the Financial Statements for the year ended 30 June 2016 together with the Reports of the Directors and Auditors thereon.
2. To re-elect Colin I Welsh as a Director.
3. To re-elect Ian Jack as a Director.
4. To re-elect J Craig Brown as a Director.
5. To re-appoint Deloitte LLP, Chartered Accountants and Statutory Auditor, as Auditors and to authorise the Directors to fix their remuneration.

BY ORDER OF THE BOARD



Roy M Johnston
Company Secretary

Registered Office:

Pittodrie Stadium, Pittodrie Street, Aberdeen AB24 5QH

Dated 28 October 2016

Note:

It is requested that notice of questions on the Annual Report should be in the Company Secretary's hands by 5pm on Monday 21 November 2016.

A member entitled to attend and vote is entitled to appoint a proxy to attend and, on a poll, to vote instead of him and that proxy need not also be a member. A form of proxy is enclosed, and completed proxies must be returned to Pittodrie Stadium at least 48 hours before the time appointed for the meeting.

Will Shareholders please intimate any change of address to the Company Secretary.