



# **Aberdeen Football Club plc**

Company Number SC005364

THURSDAY



\*S4MGQ562\*

SCT

17/12/2015

#166

COMPANIES HOUSE

## **ANNUAL REPORT**

for the year ended 30 June 2015

# ANNUAL REPORT

for the year ended 30 June 2015

| Directors and Advisers           | Contents  | Page |
|----------------------------------|---|------|
| <b>CHAIRMAN</b>                  | Chairman's Statement                              | 1    |
| Stewart Milne (non-executive)    | Strategic Report                                  | 3    |
| <b>VICE-CHAIRMAN</b>             | Report of the Directors                           | 6    |
| George K Yule                    | Independent Auditor's Report                      | 8    |
| <b>CHIEF EXECUTIVE</b>           | Consolidated and Company Profit and Loss Accounts | 9    |
| Duncan G Fraser                  | Statement of Total Recognised Gains and Losses    | 9    |
| <b>DIRECTORS</b>                 | Note of Historical Cost Profits and Losses        | 9    |
| Gordon A Buchan (non-executive)  | Consolidated and Company Balance Sheets           | 10   |
| Colin I Welsh (non-executive)    | Consolidated Cash Flow Statement                  | 11   |
| Ian Jack (non-executive)         | Notes to the Consolidated Cash Flow Statement     | 12   |
| J Craig Brown (non-executive)    | Notes to the Financial Statements                 | 13   |
| Duncan R Skinner (non-executive) | Notice of Annual General Meeting                  | 24   |
| <b>COMPANY SECRETARY</b>         |   |      |
| Roy M Johnston                   |   |      |
| <b>REGISTERED OFFICE</b>         |   |      |
| Pittodrie Stadium                |   |      |
| Pittodrie Street                 |   |      |
| Aberdeen                         |   |      |
| AB24 5QH                         |   |      |

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

## 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](http://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

---

This report covers one of the most progressive periods enjoyed by Aberdeen Football Club in recent times, with the Financial Statements included in this report marking the best ever annual turnover for the Club of £13.077 million, topping the 2007/08 total of £12.869 million, which included the very lucrative match against Bayern Munich in the knock-out stages of the UEFA Cup. Sales in the Club Shop also reached a new record and it is pleasing to see so much AFC merchandise being worn throughout the country.

Having maintained our SPFL Premiership challenge until the latter stages of last season, the indications for the present campaign are also encouraging. The good performances by the team have been reflected in the attendances, both home and away, with average crowds at Pittodrie continuing to increase and season ticket holders now numbering over 10,000.

The Club once more enjoyed a UEFA Europa League qualifying run, which again saw us receive a less than fair rub of the green as far as the draw was concerned, but we still achieved excellent victories over KF Shkendija and HNK Rijeka followed by a narrow defeat by FC Kairat Almaty. The future looks promising as well, with our Development Squad lifting the SPFL U20's title, a fantastic achievement for Paul Sheerin, in his first season back, and his team.

At last year's Annual General Meeting, the refinancing of the Club's debt as detailed in the Strategic Report and in Notes 16 and 17 of the Financial Statements was formally approved, enabling £14.493 million to be moved to Shareholders' Funds and allowing the Club to trade for the first time in many years without the burden of debt and regular interest and capital payments. The consequent strengthening of the balance sheet has put us in a better position to deliver the much sought-after dedicated training facilities and also a new AFC stadium.

We did receive a setback earlier this year when we were forced to shelve plans for new training facilities at Balgownie for the first team, U20's team and youth development teams and for use by the Aberdeen FC Community Trust. Unfortunately, despite much dialogue and debate, the University of Aberdeen and the Club could not ultimately reach an agreement on the utilisation of the proposed facilities and we have had to turn our attentions elsewhere. I would add that negotiations between the two parties were entirely amicable and we continue to work with the University of Aberdeen on a number of other initiatives. We have been exploring other options that could provide an area with a sufficiently large footprint to cater for our training requirements on a permanent basis and these are now being progressed very aggressively. In the interim, for the first team squad, the existing arrangements and facilities at Countesswells are being enhanced, with good co-operation between Robert Gordon's College and the Club. In addition to this, the pitches at the Bridge of Don Barracks have been improved to ensure we have contingency in our arrangements and to allow for pitch rotation.

In terms of the proposed relocation to a new stadium, Loirston Loch remains our preferred option, and we have been encouraged by the progress being made with Aberdeen City Council and their development partner at Loirston. While discussions are ongoing, we are still optimistic that we can reach a satisfactory arrangement among the parties to allow the development to progress.

Although the local economy has been buoyant over the past five or six years, it is now evident that the wider region has been hit by the recent challenges being faced by the oil and gas industry and this will require careful management on our part, to ensure our business is protected from the effects of recession within our corporate client network.

The service given to the Club by Andrew Considine and Jamie Langfield (now with St. Mirren) over the past decade was recognised in our awarding testimonials to both, with matches against FC Twente and Brighton & Hove Albion respectively. At the end of season 2014/15 we also bade farewell to Jim Leighton and I would like to add my personal thanks to Jim for the contribution he made to the Club, over the years. Our Club captain Russell Anderson also announced his retirement as a player and we were delighted when he accepted a permanent role at the Club as a Business Development Executive.

In January of this year, local businessman Duncan Skinner joined the Board of Aberdeen Football Club and, combined with his other role as Chairman of the Aberdeen FC Community Trust, he adds considerable value and skillsets to the Club.

The Aberdeen FC Community Trust has continued to extend its reach over the past year in providing support and opportunity to those less fortunate and, in less than two years since its inception, is making a real impact in so many diverse areas within the City and Shire. The Trust is a remarkable success story and has already received a number of awards including the prestigious SFA Best Professional Club Community Club of the Year accolade at Hampden in September.

## CHAIRMAN'S STATEMENT (continued)

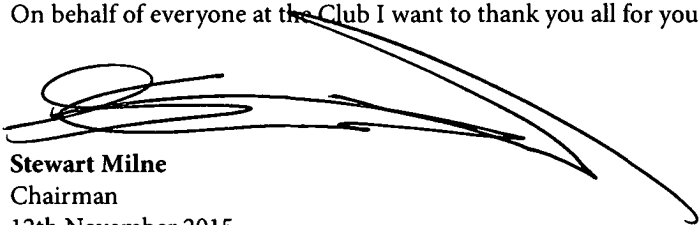
---

I said last year that I was pleased with how things had been going at the Club but that there was still much hard work to be done. The past twelve months have witnessed further improvement and, with our football management team as well as the vast majority of the squad under contract for the foreseeable future, everyone involved with the Club is looking forward with confidence and enthusiasm and with a commitment to deliver further success on and off the pitch.

In summary the highlights of the 2014/15 year have been:-

- Finishing second in the league.
- Reaching the third qualifying round of the Europa League.
- Achieving a record turnover for the Club of £13.077 million.
- Achieving record Club Shop income of £2.086 million.
- Eliminating £14.493 million of debt from the Club's balance sheet as discussed in the Strategic Report.
- The Aberdeen FC Community Trust receiving the SFA Best Professional Club in the Community award.

On behalf of everyone at the Club I want to thank you all for your continued support.



**Stewart Milne**  
Chairman  
12th November 2015

# STRATEGIC REPORT

---

## Introduction

The 2014/15 season was again one of the most successful in the Club's recent history. Whilst it did not have the glamour of the previous season's cup success, reaching the third qualifying round of the Europa League and pushing Celtic in the title race into May was an excellent performance from Derek McInnes and his team of players and back-room staff. The success of the U20 team in winning the SPFL Development League for the first time since 1987 was also a great achievement and bodes well for the years ahead.

Second place in the Premiership allowed the Club to enter into the UEFA Europa League in season 2015/16 and the players and staff had to endure some exhausting journeys in the qualifying rounds, running up over 12,500 miles of travel on the away legs, but there was a sense of disappointment that we could not take that further step to the play-off round. The financial impact of the Europa League campaign in July and August 2015 will be reflected in the Annual Report for the year ended 30 June 2016.

The football management team continued the process of reshaping the first team, with Nicky Low, Jamie Masson, Clark Robertson, Joe Shaughnessy, Craig Murray, Kieran Gibbons and Andy Driver all being released at the end of the 2014/15 season. A new contract was offered to Declan McManus, but ultimately he decided to move on, and he signed for Fleetwood Town. In the January transfer window the management team were successful in getting Graeme Shinnie from Inverness Caledonian Thistle to sign a pre-contract and then convince Kenny McLean and St Mirren that his future lay at Aberdeen. Kenny joined the Club during the January transfer window and Graeme joined after the season end. The manager further supplemented the squad with the signing of Ross County captain Paul Quinn in July and the loan signings of Danny Ward and Ryan McLaughlin from Liverpool and Josh Parker from Red Star Belgrade. The early season form of goalkeeper Danny Ward led to his being given a regular starting position for the first team and ultimately led to long term servant Jamie Langfield leaving the Club in August. Jamie has since found a position with St Mirren and we thank him and all those players who moved on in the close season, for their efforts.

At the end of the 2014/15 season the manager decided that a further change was necessary to his back-room staff which led to the appointment of Gordon Marshall as goalkeeping coach with Jim Leighton leaving the Club. Jim had served the Club as a player and twice as goalkeeping coach with great distinction and we wish him well for the future.

The changes in the management set-up of the U20 team - Paul Sheerin being appointed as U20 manager before the start of the 2014/15 season; Scott Anderson assisting Paul, to provide a clear link with youth development; and the introduction of a dedicated sports science manager for the U20 team - had an immediate impact: winning the SPFL Development League which was a great achievement for the management and team.

## 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.

Turnover increased by £1.919 million from £11.158 million to £13.077 million as the Club reached the third qualifying round of the UEFA Europa League, were knocked out in the fourth round of the Scottish Cup, reached the semi-final of the League Cup and finished second in the SPFL, as opposed to being absent from European competition, reaching the semi-final of the Scottish Cup, winning the League Cup and finishing third in the SPFL in season 2013/14. The turnover figure of £13.077 million is a record for the Club, with the previous highest turnover of £12.869 million being achieved in the 2007/08 season when we reached the knockout stages of the UEFA Cup. Commercial and gate revenues were again higher throughout the season, with the average crowd increasing from just over 12,000 in the 2013/14 season, to around 12,750.

## STRATEGIC REPORT (continued)

---

Wages increased from £6.084 million to £6.644 million as a direct result of much higher performance bonuses being paid to the playing and management staff and an investment in the overall quality of the playing squad. The wages to turnover ratio has dropped from 55% to 51% which is excellent when compared with many other clubs.

Other Operating Charges rose from £4.885 million to £5.730 million due to our commercial success in increasing club shop and hospitality package sales and our being involved in the very expensive UEFA Europa League away matches and the additional home legs. The costs associated with the upkeep of an ageing stadium continue to increase and we also made significant investment around the stadium to help keep up the standard of facilities available to corporate hospitality and general supporters.

The reduction of the Club's debt as discussed below has meant that the results of the Group and the Company will become closely aligned in future years, and with the impending change from existing accounting standards to the new FRS102 due to come into force next year, this year will be the last when both consolidated Group and separate Company trading results will be published. Balance Sheets for both Group and Company will continue to be shown and explained in accompanying notes.

### **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 project. 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-oilfield) 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.

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

During the year the Club reached an agreement with the Bank of Scotland and certain creditors which brought about a reduction in the Club's net debt of £14.493 million and led to a significant credit to the profit and loss account as detailed in Notes 5, 16 and 17 to the Financial Statements.

The strengthening of the balance sheet has put the Club in a much better position to seek the investment required to deliver training facilities and a new stadium as and when economic conditions allow. Progress on the new stadium project at Loirston has been slower than we would have liked, but progress is still being made. Based on this, the Board consider it appropriate to continue to carry the development costs incurred to date, as is detailed in Note 10 to the Financial Statements.

We were able to reach agreement with the Bank of Scotland and certain creditors because we have moved to an operating breakeven position. The Operating Profit rose from £34,000 to £509,000 which allied to the reduction in bank interest and facility charges (which have been reduced over the years from a peak of £768,000 in 2005/06 to £61,000 in 2014/15, with the expectation that interest and facility charges will be completely eliminated in 2015/16) puts the Club in an excellent position going forward. The capital costs associated with the upkeep of Pittodrie Stadium continue to be a challenge and the Board remains of the belief that relocation away from Pittodrie to a new site will bring further benefit to the Club in terms of increased revenues and reduced capital outlays.

We are now seeing a degree of stability in the first team squad, with the management process being one of continual improvement rather than wholesale change, and we hope that this can continue. Producing our own young players is always going to be a real challenge, but we continue to invest in our youth development structure and will supplement our U20 squad with outside signings if necessary, to ensure there is always a flow-through into the first team squad. Captain Ryan Jack, Andy Considine, Peter Pawlett and Cammy Smith are great examples of this, and we would like to see Lawrence Shankland, Michael Rose, Craig Storie, Scott McKenna, Scott Wright, Daniel Harvie, Frank Ross, Danny Rogers and others stake a claim for a first team starting position in years to come.

We will continue however to ensure that associated costs are maintained at a level that we can afford and that the ratio of wages to turnover is maintained at or below the accepted industry norm. The immediate priority will be to maintain the level of the first team squad, but common sense will dictate that (in keeping with all SPFL clubs) we will look to supplement our income with transfer fees where this represents good business.

Real progress is being made across all fronts in a challenging environment and we are optimistic about the future with much work going on behind the scenes to ensure that we are always moving the Club forward. We appreciate that the expectations among supporters have increased due to the recent success of the playing squad and we will do our utmost to meet these expectations in the future.



**On Behalf of the Board**  
**Duncan G Fraser**  
Chief Executive  
12th November 2015

# REPORT OF THE DIRECTORS

---

The Directors have pleasure in submitting their Annual Report and audited Financial Statements for the year ended 30 June 2015.

## 1. DIRECTORS INFORMATION

Brief biographical details of the Directors are as follows: -

**Stewart Milne** was appointed a director of the Company in June 1994. He 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. He 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 principal responsibility is to lead the turnaround of all areas of the business and to prepare the Club for the introduction of new training facilities and its relocation to a new football stadium. George is also the non-executive Chairman of Aberdeen Sports Village and a Trustee for Aberdeen FC Community Trust.

**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 he was appointed Chief Executive. He is a Chartered Accountant and held senior positions in the oil and gas industry prior to his appointment. Duncan holds a number of key roles within the wider game, including a non-executive directorship of the Scottish Professional Football League and the SFA Professional Gaming Board. He is also an elected member of the Competitions Working Group of the European Club Association, a member of the UEFA Match Delegate Board and 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. He 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. He 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.

**Stewart Milne** and **Gordon Buchan** retire by rotation and, being eligible, offer themselves for re-election at the forthcoming Annual General Meeting. **Duncan Skinner** was appointed since the last Annual General meeting and requires his appointment to be ratified.

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  
12th November 2015

# 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 2015 which comprise the Consolidated and Company Profit and Loss Accounts, the Consolidated and Company Statement of Total Recognised Gains and Losses, the Consolidated and Company Note of Historical Cost Profits and Losses, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement and notes thereto, and the related notes 1 to 24. 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).

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 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 auditor

As explained more fully in the Directors' Responsibilities Statement in note 3 of the Report of the Directors, 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 the Parent Company's affairs as at 30 June 2015 and of the Group's and Parent Company's profit 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 10 to the Financial Statements discloses that the balance sheet at 30 June 2015 includes capitalised costs amounting to £2,997,000 in connection with the proposed new stadium project. A number of important milestones, including completion of the site acquisition and undertaking of the necessary fund raising process, remain outstanding 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 remains appropriate to continue 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.

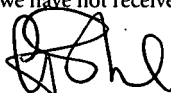
### Opinion on other matter prescribed by the Companies Act 2006

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  
12th November 2015

# CONSOLIDATED AND COMPANY PROFIT AND LOSS ACCOUNTS

for the year ended 30 June 2015

|   | Notes | Group        |              | Company      |              |
|---|-------|--------------|--------------|--------------|--------------|
|   |       | 2015<br>£000 | 2014<br>£000 | 2015<br>£000 | 2014<br>£000 |
| <b>Turnover</b>   | 2     | 13077        | 11158        | 13077        | 11158        |
| <b>Operating Charges</b>                                    | 3     | (12568)      | (11124)      | (12778)      | (11442)      |
| <b>Operating Profit/(Loss)</b>                              | 4     | 509          | 34           | 299          | (284)        |
| Gain/(Loss) on disposal of intangible fixed assets          |       | 81           | (29)         | 81           | (29)         |
| Other Financing Income – Exceptional                        | 5     | 6588         | -            | 6513         | -            |
| <b>Profit/(Loss) Before Interest and Taxation</b>           |       | 7178         | 5            | 6893         | (313)        |
| Interest (payable)/receivable and similar charges (net)     | 6     | (53)         | (307)        | 8            | (5)          |
| <b>Profit/(Loss) on Ordinary Activities Before Taxation</b> |       | 7125         | (302)        | 6901         | (318)        |
| Tax on Profit/(Loss) on ordinary activities                 | 7     | (15)         | -            | (15)         | -            |
| <b>Profit/(Loss) for the Financial Year</b>                 | 18    | 7110         | (302)        | 6886         | (318)        |

The result for the current and prior period related to the continuing activities of both Group and Company.

## Statement of Total Recognised Gains and Losses

There are no recognised gains and losses for the current and preceding financial years other than the Group profit of £7,110,000 (2014 – loss of £302,000) and the Company profit of £6,886,000 (2014 – loss of £318,000) shown above. Accordingly no statement of recognised gains and losses is presented for either the Group or Company.

## Note of Historical Cost Profits and Losses

|  |      |       |      |       |
|--|------|-------|------|-------|
| Profit/(Loss) on ordinary activities before taxation   | 7125 | (302) | 6901 | (318) |
| Difference between historical cost depreciation charge and the actual depreciation charge for the year | 33   | 33    | -    | -     |
| <b>Historical cost profit/(loss) on ordinary activities before taxation</b>                            | 7158 | (269) | 6901 | (318) |
| <b>Historical cost profit/(loss) for the year after taxation</b>                                       | 7143 | (269) | 6886 | (318) |

The notes on pages 13 to 23 form part of the Financial Statements.

# CONSOLIDATED AND COMPANY BALANCE SHEETS

as at 30 June 2015

|  | Notes | Group        |              | Company      |              |
|--|-------|--------------|--------------|--------------|--------------|
|  |       | 2015<br>£000 | 2014<br>£000 | 2015<br>£000 | 2014<br>£000 |
| <b>Fixed Assets</b>                          |       |              |              |              |              |
| Intangible fixed assets                      | 8     | 342          | 78           | 342          | 78           |
| Investments                                  | 9     | -            | -            | -            | -            |
| Tangible fixed assets                        | 10    | 21484        | 21437        | 3354         | 3284         |
|  |       | <b>21826</b> | <b>21515</b> | <b>3696</b>  | <b>3362</b>  |
| <b>Current Assets</b>                        |       |              |              |              |              |
| Stock  | 11    | 419          | 260          | 419          | 260          |
| Debtors                                      | 12    | 2340         | 2059         | 18668        | 4927         |
| Cash at bank and in hand                     |       | 1388         | 1557         | 1387         | 1556         |
|  |       | <b>4147</b>  | <b>3876</b>  | <b>20474</b> | <b>6743</b>  |
| <b>Creditors</b>                             |       |              |              |              |              |
| Amounts falling due within one year          | 13    | (2285)       | (3222)       | (2285)       | (2321)       |
| <b>Net Current Assets</b>                    |       | <b>1862</b>  | <b>654</b>   | <b>18189</b> | <b>4422</b>  |
| <b>Total Assets less Current Liabilities</b> |       | <b>23688</b> | <b>22169</b> | <b>21885</b> | <b>7784</b>  |
| <b>Creditors</b>                             |       |              |              |              |              |
| Amounts falling due after more than one year | 14    | (1230)       | (14758)      | (1230)       | (2000)       |
| <b>Deferred Income</b>                       | 15    | (5912)       | (5788)       | (5065)       | (4893)       |
| <b>Net Assets</b>                            |       | <b>16546</b> | <b>1623</b>  | <b>15590</b> | <b>891</b>   |
| <b>Capital and Reserves</b>                  |       |              |              |              |              |
| Called up share capital                      | 17    | 3528         | 2834         | 3528         | 2834         |
| Share premium account                        | 18    | 7119         | -            | 7119         | -            |
| Revaluation reserve                          | 18    | 14880        | 14913        | -            | -            |
| Profit and loss account                      | 18    | (8981)       | (16124)      | 4943         | (1943)       |
| <b>Shareholders' Funds</b>                   | 19    | <b>16546</b> | <b>1623</b>  | <b>15590</b> | <b>891</b>   |

The notes on pages 13 to 23 form part of the Financial Statements.

The Financial Statements of Aberdeen Football Club plc, company registration number SC005364 were approved by the Board of Directors and authorised for issue on 12<sup>th</sup> November 2015.



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

# CONSOLIDATED CASH FLOW STATEMENT

**for the year ended 30 June 2015**

| Net Cash Flow   | Notes | 2015<br>£000 | 2014<br>£000   |
|---|-------|--------------|----------------|
| Net cash inflow from operating activities                             | i     | 747          | 1497           |
| Returns on investments and servicing of finance                       | ii    | (39)         | (259)          |
| Capital expenditure and financial investment                          | ii    | (472)        | (307)          |
| Net cash inflow before financing                                      |       | <u>236</u>   | <u>931</u>     |
| Financing   | ii    | (405)        | 83             |
| (Decrease)/increase in cash   |       | <u>(169)</u> | <u>1014</u>    |
|   |       |              |                |
| <b>Reconciliation of Net Cash Flow to Movement in Net Debt</b>        | iii   |              |                |
| (Decrease)/increase in cash in the year                               |       | (169)        | 1014           |
| Cash outflow/(inflow) from (decrease)/increase in debt                |       | 405          | (83)           |
| Change in net debt resulting from cash flows                          |       | <u>236</u>   | <u>931</u>     |
| New finance leases  |       | -            | (37)           |
| Non cash movement – capitalisation of shareholder loans               |       | 14493        | -              |
| Non cash movement – bank loan issue costs                             |       | (144)        | (41)           |
| Non cash movement – rolled-up loan interest                           |       | -            | (60)           |
| Non cash movement – Share issue expenses offset against share premium |       | (167)        | -              |
|   |       | <u>14418</u> | <u>793</u>     |
| Net debt at 1 July  |       | (14267)      | (15060)        |
| Net cash/(debt) at 30 June  |       | <u>151</u>   | <u>(14267)</u> |

The notes on pages 13 to 23 form part of the Financial Statements.

# NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

for the year ended 30 June 2015

|     |  |                |                 |                     |
|-----|--|----------------|-----------------|---------------------|
| i   | <b>Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities</b> | <b>2015</b>    | <b>2014</b>     |                     |
|     |  | <b>£000</b>    | <b>£000</b>     |                     |
|     | Operating profit   | 509            | 34              |                     |
|     | Amortisation of intangibles  | 88             | 56              |                     |
|     | Depreciation   | 154            | 146             |                     |
|     | Amortisation of grants   | (48)           | (47)            |                     |
|     | Increase in stocks   | (159)          | (152)           |                     |
|     | Increase in debtors  | (281)          | (121)           |                     |
|     | Increase in creditors  | 312            | 138             |                     |
|     | Increase in other deferred income  | 172            | 1443            |                     |
|     | Net cash inflow from operating activities  | <u>747</u>     | <u>1497</u>     |                     |
| ii  | <b>Gross Cash Flows</b>  |                |                 |                     |
|     | <b>Returns on investments and servicing of finance</b>                                 |                |                 |                     |
|     | Interest received  | 9              | 4               |                     |
|     | Interest paid and similar charges  | (47)           | (261)           |                     |
|     | Hire purchase interest   | (1)            | (2)             |                     |
|     |  | <u>(39)</u>    | <u>(259)</u>    |                     |
|     | <b>Capital expenditure and financial investment</b>                                    |                |                 |                     |
|     | Payments to acquire intangible fixed assets  | (352)          | (57)            |                     |
|     | Receipts from sales of intangible fixed assets   | 81             | -               |                     |
|     | Payments to acquire tangible fixed assets  | (201)          | (250)           |                     |
|     |  | <u>(472)</u>   | <u>(307)</u>    |                     |
|     | <b>Financing</b>   |                |                 |                     |
|     | Bank loan repayments   | -              | (747)           |                     |
|     | Related Party loans - new  | -              | 860             |                     |
|     | Related Party loans - repayments   | (220)          | -               |                     |
|     | Share issue expenses offset against share premium                                      | (167)          | -               |                     |
|     | Capital element of finance lease rental payments                                       | (18)           | (30)            |                     |
|     |  | <u>(405)</u>   | <u>83</u>       |                     |
| iii | <b>Analysis of Changes in Net Debt</b>   |                |                 |                     |
|     |  | <b>Cash</b>    | <b>Non-Cash</b> |                     |
|     | <b>1 July 2014</b>   | <b>Flows</b>   | <b>Changes</b>  | <b>30 June 2015</b> |
|     | <b>£000</b>  | <b>£000</b>    | <b>£000</b>     | <b>£000</b>         |
|     | <b>Cash at bank and in hand</b>  | 1557           | (169)           | 1388                |
|     | <b>Debt due within one year:</b>   |                |                 |                     |
|     | Bank loans   | (671)          | -               | 671                 |
|     | Related Party loans  | (380)          | 20              | 360                 |
|     | Other loans  | -              | -               | -                   |
|     | <b>Debt due after more than one year:</b>  |                |                 |                     |
|     | Bank loans   | (8698)         | -               | 8698                |
|     | Related Party loans  | (5290)         | 200             | 4060                |
|     | Other loans  | (760)          | -               | 560                 |
|     | <b>Finance leases</b>  | (25)           | 18              | -                   |
|     |  | <u>(14267)</u> | <u>69</u>       | <u>14349</u>        |
|     |  |                |                 | <u>151</u>          |

The non-cash changes arise from the capitalisation of loans and debt waiver as detailed in note 16.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

## 1. Accounting Policies

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

### (a) Basis of Preparation

The Financial Statements have been prepared under the historical cost convention as modified by the revaluation of freehold land and stands, executive boxes and permanent fixtures, and in accordance with applicable United Kingdom accounting standards.

### (b) Going Concern

As detailed in the strategic report, 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. Accordingly the financial statements have been prepared on a going concern basis.

### (c) Basis of Consolidation

The consolidated Financial Statements of the Group incorporate the Financial Statements of the Company and its wholly-owned subsidiary Taltray Limited made up to 30 June in each year.

### (d) Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost or revalued amount less depreciation. Freehold land and stands, executive boxes and permanent fixtures are valued on a Depreciated Replacement Cost basis, as restricted by the estimated Market Value, with the surplus or deficit on book value transferred to the revaluation reserve. Full detailed valuations are completed every 5 years, with interim valuations completed on the third anniversary of the full valuation. Further interim valuations may be completed on the first, second and fourth anniversaries if there is potentially a material change in value. Tangible fixed assets other than land are depreciated to write off their cost or valuation in equal annual amounts over their estimated useful lives down to their estimated residual value. Land is not depreciated. No depreciation is provided on the New Stadium Project costs as these are treated as being construction in progress. The applied depreciation rates are as follows: -

|  | % per annum |
|--|-------------|
| Freehold land and stands, executive boxes and permanent fixtures | 0-8%        |
| New Stadium Project  | 0%          |
| Plant, Furniture and Fittings                                    | 10 - 33%    |

### (e) Intangible Fixed Assets

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 charged to the profit and loss account in the accounting period in which they are payable.

Payments or receipts, which are contingent on the performance of the team or players, are not recognised until the events crystallising such payments or receipts have taken place.

Compensation payments made to other clubs for young players or football management staff joining the Company are amortised over the period of any relevant contract. Compensation fees receivable for young players or management staff leaving the Company are not recognised until the events crystallising such payments or receipts have taken place.

### (f) 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.

### (g) Stock of Goods for Resale

Stock of goods for resale is stated at the lower of cost or net realisable value.

### (h) Donations from Lotteries

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

# NOTES TO THE FINANCIAL STATEMENTS

**for the year ended 30 June 2015**

## (i) 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. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset.

## (j) Leasing and Hire Purchase

Assets held under hire purchase contracts 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 charges in the profit and loss account.

Rentals paid under operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

## (k) Pension Costs

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

## (l) Revenue Recognition

Turnover represents income receivable, net of VAT, from football and related commercial activities. The Group has one class of business which is the principal activity of operating a professional football club in Scotland.

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.

## (m) 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.

## 2. Analysis of Turnover

|                               | <b>Group</b> |              | <b>Company</b> |              |
|-------------------------------|--------------|--------------|----------------|--------------|
|                               | <b>2015</b>  | <b>2014</b>  | <b>2015</b>    | <b>2014</b>  |
|                               | <b>£000</b>  | <b>£000</b>  | <b>£000</b>    | <b>£000</b>  |
| Gate receipts                 | 4195         | 3575         | 4195           | 3575         |
| Sponsorship & advertising     | 1769         | 1165         | 1769           | 1165         |
| Broadcasting rights           | 1972         | 2133         | 1972           | 2133         |
| Commercial                    | 4622         | 4057         | 4622           | 4057         |
| UEFA Solidarity & prize money | 449          | 78           | 449            | 78           |
| Other operating revenue       | 70           | 150          | 70             | 150          |
|                               | <b>13077</b> | <b>11158</b> | <b>13077</b>   | <b>11158</b> |



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

## 3. Analysis of Operating Charges

|  | <b>Group</b>   |                | <b>Company</b> |                |
|--|----------------|----------------|----------------|----------------|
|  | <b>2015</b>    | <b>2014</b>    | <b>2015</b>    | <b>2014</b>    |
|  | <b>£000</b>    | <b>£000</b>    | <b>£000</b>    | <b>£000</b>    |
| <b>Total Operating Charges</b>   |                |                |                |                |
| Staff costs  | (6644)         | (6084)         | (6644)         | (6084)         |
| Depreciation and other amounts written off tangible and intangible fixed assets, net of grant release including amounts for the amortisation of players' registrations of £88,000 (2014 - £56,000) | (194)          | (155)          | (209)          | (170)          |
| Other operating charges  | (5730)         | (4885)         | (5925)         | (5188)         |
|  | <b>(12568)</b> | <b>(11124)</b> | <b>(12778)</b> | <b>(11442)</b> |

Staff costs consist of:

|                       |             |             |             |             |
|-----------------------|-------------|-------------|-------------|-------------|
| Wages and salaries    | 5923        | 5427        | 5923        | 5427        |
| Social security costs | 684         | 631         | 684         | 631         |
| Other pension costs   | 37          | 26          | 37          | 26          |
|                       | <b>6644</b> | <b>6084</b> | <b>6644</b> | <b>6084</b> |

Directors' remuneration (included above) consists of:

|                       |            |            |            |            |
|-----------------------|------------|------------|------------|------------|
| Emoluments            | 415        | 296        | 415        | 296        |
| Pension contributions | 12         | 12         | 12         | 12         |
|                       | <b>427</b> | <b>308</b> | <b>427</b> | <b>308</b> |

The Directors waived fees totalling £42,000 due in respect of the year ended 30 June 2015 (2014 - £35,000). The highest paid director received £218,000 (2014 - £164,000).

|  | <b>2015</b>   | <b>2014</b>   | <b>2015</b>   | <b>2014</b>   |
|--|---------------|---------------|---------------|---------------|
|  | <b>Number</b> | <b>Number</b> | <b>Number</b> | <b>Number</b> |
| Number of Directors who are members of a defined contribution pension scheme | <b>1</b>      | <b>1</b>      | <b>1</b>      | <b>1</b>      |

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

|                              |            |            |            |            |
|------------------------------|------------|------------|------------|------------|
| Players                      | 41         | 40         | 41         | 40         |
| Football management          | 15         | 14         | 15         | 14         |
| Scouting / Youth development | 10         | 10         | 10         | 10         |
| Community                    | -          | 9          | -          | 9          |
| Commercial / Administration  | 35         | 35         | 35         | 35         |
| Maintenance                  | 11         | 8          | 11         | 8          |
|                              | <b>112</b> | <b>116</b> | <b>112</b> | <b>116</b> |

On 1 July 2014 the Aberdeen FC Community Trust became an independent charitable trust under OSCR registration number SC044720 and all existing members of staff transferred to the new organisation.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

| 4. Operating Profit/(Loss)   | Group        |              | Company      |              |
|--|--------------|--------------|--------------|--------------|
|  | 2015<br>£000 | 2014<br>£000 | 2015<br>£000 | 2014<br>£000 |
| This is stated after charging/(crediting):-  |              |              |              |              |
| Auditor's remuneration - Audit services  | 16           | 15           | 15           | 14           |
| - Tax compliance services  | 8            | 8            | 7            | 7            |
| - Other audit related assurance services   | 5            | 5            | 5            | 5            |
| Amortisation of grants (Note 15)   | (48)         | (47)         | -            | -            |
| Depreciation of owned assets (Note 10)   | 147          | 134          | 114          | 101          |
| Depreciation on assets held under hire purchase contracts and finance leases (Note 10) | 7            | 12           | 7            | 12           |
| Amortisation of intangibles (Note 8)   | 88           | 56           | 88           | 56           |
| Operating lease rentals - Land and buildings   | -            | -            | 195          | 303          |
| - Hire of plant and equipment  | 146          | 121          | 146          | 121          |
| Donations from lotteries   | (99)         | (90)         | (99)         | (90)         |

## 5. Other Financing Income – Exceptional

|                                  |      |   |      |   |
|----------------------------------|------|---|------|---|
| Loan waiver                      | 6513 | - | 6513 | - |
| Write off of loan issue expenses | 75   | - | -    | - |
|                                  | 6588 | - | 6513 | - |

The exceptional credit of £6,588,000 follows the exit of the banking arrangements in the period and the immediate conversion of an element of the previous bank debt and other shareholder loans into new ordinary shares with the balance of the loans being waived by the noteholders (see also note 16).

## 6. Interest Payable and Similar Charges (net)

|   |      |       |     |     |
|---|------|-------|-----|-----|
| Bank interest payable and similar charges | (61) | (302) | -   | -   |
| Other loan interest payable               | -    | (7)   | -   | (7) |
| Hire purchase interest                    | (1)  | (2)   | (1) | (2) |
| Total interest payable                    | (62) | (311) | (1) | (9) |
| Bank interest receivable                  | 9    | 4     | 9   | 4   |
|   | (53) | (307) | (8) | (5) |

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended 30 June 2015

### 7. Tax on Profit/(Loss) on ordinary activities

|  | Group  |       | Company |       |
|--|--------|-------|---------|-------|
| Taxation charge  | (15)   | -     | (15)    | -     |
| The Group has estimated taxation losses available for carry forward amounting to £25,906,000 (2014 – £26,290,000) - see Note 21. The blended rate of tax for the year, based on the UK standard rate of corporation tax, is 20.75% (2014 – 22.5%). 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. |        |       |         |       |
| Profit/(Loss) on ordinary activities before tax  | 7125   | (302) | 6901    | (318) |
| Tax on profit/(loss) on ordinary activities at standard rate   | 1478   | (68)  | 1432    | (71)  |
| <b>Factors affecting charge for the period:</b>  |        |       |         |       |
| Expenses not deductible for tax purposes   | 4      | 5     | 1       | 5     |
| Capital allowances in excess of depreciation   | (16)   | (27)  | (17)    | (27)  |
| Non-taxable income   | (1377) | (11)  | (1351)  | -     |
| Movement in short term timing differences  | -      | (4)   | -       | (4)   |
| Utilisation of tax losses  | (74)   | 105   | (50)    | 97    |
| Total actual amount of current tax   | 15     | -     | 15      | -     |

### 8. Intangible Fixed Assets

| Group and Company     | Players' Registrations<br>and Compensation Payments<br>£000 | Brand<br>Rights<br>£000 | Total<br>£000 |
|-----------------------|---|-------------------------|---------------|
| <b>Cost</b>           |   |                         |               |
| At 1 July 2014        | 128   | 7                       | 135           |
| Additions             | 351   | 1                       | 352           |
| Disposals             | (28)  | -                       | (28)          |
| At 30 June 2015       | 451   | 8                       | 459           |
| <b>Amortisation</b>   |   |                         |               |
| At 1 July 2014        | 57  | -                       | 57            |
| Charge for year       | 88  | -                       | 88            |
| Disposals             | (28)  | -                       | (28)          |
| At 30 June 2015       | 117   | -                       | 117           |
| <b>Net Book Value</b> |   |                         |               |
| At 30 June 2015       | 334   | 8                       | 342           |
| At 30 June 2014       | 71  | 7                       | 78            |

### 9. Investments

|                                      | Group        |              | Company      |              |
|--------------------------------------|--------------|--------------|--------------|--------------|
|                                      | 2015<br>£000 | 2014<br>£000 | 2015<br>£000 | 2014<br>£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 TO THE FINANCIAL STATEMENTS

## for the year ended 30 June 2015

### 10. Tangible Fixed Assets

|  | Company                                     | Company                           | Total<br>Company | Group        | Group  | Total<br>Group |
|--|---|-----------------------------------|------------------|--------------|--|----------------|
|  | Plant,<br>Furniture<br>and Fittings<br>£000 | New<br>Stadium<br>Project<br>£000 | £000             | Land<br>£000 | Stands,<br>Executive<br>Boxes and<br>Permanent<br>Fixtures<br>£000 | £000           |
| <b>Cost or valuation</b>   |   |                                   |                  |              |  |                |
| At 1 July 2014   | 3008  | 2933                              | 5941             | 4000         | 14186  | 24127          |
| Additions  | 127   | 64                                | 191              | -            | 10   | 201            |
| Disposals  | (410)                                       | -                                 | (410)            | -            | -  | (410)          |
| At 30 June 2015  | 2725  | 2997                              | 5722             | 4000         | 14196  | 23918          |
| <b>Depreciation</b>  |   |                                   |                  |              |  |                |
| At 1 July 2014   | 2657  | -                                 | 2657             | -            | 33   | 2690           |
| Charge for year  | 121   | -                                 | 121              | -            | 33   | 154            |
| Disposals  | (410)                                       | -                                 | (410)            | -            | -  | (410)          |
| At 30 June 2015  | 2368  | -                                 | 2368             | -            | 66   | 2434           |
| <b>Net Book Value</b>  |   |                                   |                  |              |  |                |
| At 30 June 2015  | 357   | 2997                              | 3354             | 4000         | 14130  | 21484          |
| At 30 June 2014  | 351   | 2933                              | 3284             | 4000         | 14153  | 21437          |
| <b>Comparable amounts<br/>determined according to the<br/>historical cost convention</b> |   |                                   |                  |              |  |                |
| <b>Group</b>   |   |                                   |                  |              |  |                |
| Cost   | 2725  | 2997                              | 5722             | 208          | 7072   | 13002          |
| Accumulated depreciation   | (2368)                                      | -                                 | (2368)           | -            | (4097)   | (6465)         |
| Net book value at 30 June 2015   | 357   | 2997                              | 3354             | 208          | 2975   | 6537           |
| Net book value at 30 June 2014   | 351   | 2933                              | 3284             | 208          | 2998   | 6490           |

Financial Reporting Standard 15 has been adopted and all freehold land and stands, executive boxes and permanent fixtures are carried at valuation. An updated valuation was performed by Messrs F G Burnett as at 30 June 2015 under the depreciated replacement cost basis with consideration given also to the estimated market value. Having considered the valuation, the carrying value of Pittodrie Stadium and the surrounding land in the Financial Statements has been retained at £18.130 million, being the estimated open market value. The total depreciation charged in respect of Pittodrie Stadium was £33,000 (2014 - £33,000).

The net book value of plant, furniture and fittings in respect of assets held under finance leases and hire purchase contracts was £18,000 (2014 - £24,000).

Included in fixed assets are capitalised costs amounting to £2,997,000 (2014 - £2,933,000) in respect of the new stadium project. As is noted in the Chairman's Statement and in the Strategic Report, the Directors remain fully committed to the project and 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 project will progress to the construction stage. These include, amongst other things, the site acquisition and completion of the fund-raising process. The Directors remain 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 the New Stadium Project costs as these are treated as being construction in progress.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

## 11. Stock

| Group |      | Company |      |
|-------|------|---------|------|
| 2015  | 2014 | 2015    | 2014 |
| £000  | £000 | £000    | £000 |
| 419   | 260  | 419     | 260  |

## 12. Debtors

|                               |      |      |       |      |
|-------------------------------|------|------|-------|------|
| Trade debtors                 | 2022 | 1836 | 2022  | 1836 |
| Amounts due from subsidiary   | -    | -    | 16335 | 2868 |
| Other debtors and prepayments | 318  | 223  | 311   | 223  |
|                               | 2340 | 2059 | 18668 | 4927 |

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.

## 13. Creditors: Amounts falling due within one year

|  |      |      |      |      |
|--|------|------|------|------|
| Bank loans (see Note 16)                                     | -    | 671  | -    | -    |
| Related Party loans (see Notes 16 and 23)                    | -    | 380  | -    | 380  |
| Obligations under finance leases and hire purchase contracts | 7    | 15   | 7    | 15   |
| Trade creditors  | 781  | 691  | 781  | 691  |
| Other taxes and social security costs                        | 862  | 668  | 862  | 668  |
| Other creditors and accruals                                 | 635  | 797  | 635  | 567  |
|  | 2285 | 3222 | 2285 | 2321 |

## 14. Creditors: Amounts falling due after more than one year

|  |      |       |      |      |
|--|------|-------|------|------|
| Bank loans (see Note 16)                                     | -    | 8698  | -    | -    |
| Related Party loans (see Notes 16 and 23)                    | 1030 | 5290  | 1030 | 1790 |
| Other loans (see Note 16)                                    | 200  | 760   | 200  | 200  |
| Obligations under finance leases and hire purchase contracts | -    | 10    | -    | 10   |
|  | 1230 | 14758 | 1230 | 2000 |

### Obligations under finance leases and hire purchase contracts

Future minimum payments under hire purchase contracts are as follows:

|                           |   |    |   |    |
|---------------------------|---|----|---|----|
| Within one year           | 7 | 15 | 7 | 15 |
| Between one and two years | - | 10 | - | 10 |
|                           | 7 | 25 | 7 | 25 |

Finance leases and hire purchase contracts are secured over the related assets.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

## 15. Deferred Income

|   | <b>Group</b> |             | <b>Company</b> |             |
|---|--------------|-------------|----------------|-------------|
|   | <b>2015</b>  | <b>2014</b> | <b>2015</b>    | <b>2014</b> |
|   | <b>£000</b>  | <b>£000</b> | <b>£000</b>    | <b>£000</b> |
| <b>Deferred grant income - from Football Trust</b>  |              |             |                |             |
| At 1 July   | 895          | 942         | -              | -           |
| Released to profit and loss account   | (48)         | (47)        | -              | -           |
| At 30 June  | 847          | 895         | -              | -           |
| <b>Other deferred income</b>  |              |             |                |             |
| From season tickets, advance ticket sales, executive boxes and sponsorships received in advance | 5065         | 4893        | 5065           | 4893        |
| <b>Total deferred income</b>  | <b>5912</b>  | <b>5788</b> | <b>5065</b>    | <b>4893</b> |

Included in Total deferred income are amounts of £1,160,000 (2014 - £1,387,000) which will be released to the profit and loss account in more than one year.

## 16. Loans

|   |             |              |             |             |
|---|-------------|--------------|-------------|-------------|
| Bank loans (see Note 13)                  | -           | 671          | -           | -           |
| Bank loans (see Note 14)                  | -           | 8698         | -           | -           |
| Related Party loans (see Notes 13 and 23) | -           | 380          | -           | 380         |
| Related Party loans (see Notes 14 and 23) | 1030        | 5290         | 1030        | 1790        |
| Other loans (see Note 14)                 | 200         | 760          | 200         | 200         |
|   | <b>1230</b> | <b>15799</b> | <b>1230</b> | <b>2370</b> |

The loans are repayable as follows:

|                             |             |              |             |             |
|-----------------------------|-------------|--------------|-------------|-------------|
| Within one year             | -           | 1092         | -           | 380         |
| Between one and two years   | 1230        | 9591         | 1230        | 1990        |
| Between two and five years  | -           | 5260         | -           | -           |
|                             | <b>1230</b> | <b>15943</b> | <b>1230</b> | <b>2370</b> |
| Less: Bank loan issue costs | -           | (144)        | -           | -           |
|                             | <b>1230</b> | <b>15799</b> | <b>1230</b> | <b>2370</b> |

On 31 October 2014 the Bank of Scotland loans of £9.513 million as at 30 June 2014 were acquired by third parties in a transaction between those parties and the Bank of Scotland. As a consequence, the Group exited its obligations to Bank of Scotland, other than in regard to certain contingent liabilities as stated below. Immediately on conclusion of the transaction with Bank of Scotland the third parties who acquired the loans and certain creditors entered agreements with the Group whereby the former Bank of Scotland debt, together with certain of the Group's outstanding loans totalling £3.560 million were converted into new ordinary shares (see note 17), with the balance of £6.513 million being waived and released to the Profit and Loss Account (see note 5). A further conversion into A ordinary shares of remaining loans totalling £4.42 million was completed on 15 December 2014 (see note 17).

A contingent liability to the Bank of Scotland exists in respect of future player sales. This means that a liability may arise in respect of the proceeds of future player sales up until the close of the January 2016 transfer window. A further contingent liability to the Bank of Scotland exists in respect of Pittodrie Stadium. This means that a liability may arise from any proceeds relating to the sale of Pittodrie Stadium which are not reinvested in a new stadium.

These contingent liabilities are secured 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, all up until 31 October 2017 when the securities will be removed.

The remaining Related Party loans of £1.03 million (30 June 2014 - £5.67 million) are unsecured, interest free and are repayable by 31 January 2017.

The remaining Other loans of £200,000 (30 June 2014 - £760,000) are unsecured, interest free and are repayable in more than one year.

# NOTES TO THE FINANCIAL STATEMENTS

**for the year ended 30 June 2015**

## 17. Called Up Share Capital

|  | <b>Group and<br/>Company</b> | <b>Group and<br/>Company</b> |
|--|------------------------------|------------------------------|
|  | <b>2015</b>                  | <b>2014</b>                  |
|  | <b>£000</b>                  | <b>£000</b>                  |
| <b>Allotted and fully paid</b>               |                              |                              |
| 8,938,984 Ordinary Shares of 10 pence each   | <b>894</b>                   | <b>584</b>                   |
| 3,843,478 A Ordinary Shares of 10 pence each | <b>384</b>                   | <b>-</b>                     |
| 2,250,000 Preference Shares of £1 each       | <b>2250</b>                  | <b>2250</b>                  |
|  | <b>3528</b>                  | <b>2834</b>                  |

On 31 October 2014, loans totalling £3,560,000 were converted into share capital by the issue of 3,095,651 Ordinary Shares of 10 pence each at £1.15 per share, with £3,250,000 being taken to the Share Premium Account.

On 15 December 2014, loans totalling £4,420,000 were converted into share capital by the issue of 3,843,478 A Ordinary Shares of 10 pence each at £1.15 per share, with £4,036,000 being taken to the Share Premium Account.

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.

## 18. Reserves

|  | <b>Share<br/>Premium<br/>Account<br/>Group<br/>£000</b> | <b>Revaluation<br/>Reserve<br/>£000<br/>Group<br/>£000</b> | <b>Profit and<br/>Loss Account<br/>£000<br/>Group<br/>£000</b> |
|--|---|--|--|
| Balance at 1 July 2014                                       | -   | 14913  | (16124)  |
| Transfer of amount equivalent to depreciation on revaluation | -   | (33)   | 33   |
| Issue of Ordinary Shares (see note 17)                       | 3250  | -  | -  |
| Issue of A Ordinary Shares (see note 17)                     | 4036  | -  | -  |
| Expenses of Share Issue                                      | (167)   | -  | -  |
| Group profit for financial year                              | -   | -  | 7110   |
| Balance at 30 June 2015                                      | <b>7119</b>   | <b>14880</b>   | <b>(8981)</b>  |

|  | <b>Company</b> | <b>Company</b> | <b>Company</b> |
|--|----------------|----------------|----------------|
| Balance at 1 July 2014                   | -              | -              | (1943)         |
| Issue of Ordinary Shares (see note 17)   | 3250           | -              | -              |
| Issue of A Ordinary Shares (see note 17) | 4036           | -              | -              |
| Expenses of Share Issue                  | (167)          | -              | -              |
| Company profit for financial year        | -              | -              | 6886           |
| Balance at 30 June 2015                  | <b>7119</b>    | <b>-</b>       | <b>4943</b>    |

# NOTES TO THE FINANCIAL STATEMENTS

## 19. Reconciliation of Movement in Consolidated Shareholders' Funds

|  | <b>Group</b>        | <b>Group</b>       |
|--|---------------------|--------------------|
|  | <b>2015</b>         | <b>2014</b>        |
|  | <b>£000</b>         | <b>£000</b>        |
| Profit/(Loss) for the financial year                     | 7110                | (302)              |
| Issue of Ordinary Share capital                          | 310                 | -                  |
| Issue of A Ordinary Share capital                        | 384                 | -                  |
| Share Premium arising from issue of shares (see Note 18) | 7119                | -                  |
| Net increase/(decrease) in shareholders' funds           | <u>14923</u>        | <u>(302)</u>       |
| Opening shareholders' funds                              | 1623                | 1925               |
| Closing shareholders' funds                              | <u><u>16546</u></u> | <u><u>1623</u></u> |

## 20. Group Commitments Under Operating Leases

Payments falling due in the next year on operating leases are:-

### Other operating leases expiring:-

|                            |            |            |
|----------------------------|------------|------------|
| Within one year            | 95         | 123        |
| Between one and two years  | -          | -          |
| Between two and five years | 11         | 6          |
|                            | <u>106</u> | <u>129</u> |

## 21. Deferred Taxation

At 30 June 2015 the Group has an unrecognised deferred tax asset of £5,198,000 (2014 - £4,816,000) which is primarily due to 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.

The Group has an unrecognised deferred tax liability of £431,000 (2014 - £1,010,000) relating to the revaluation of the stadium. Under UK GAAP this is not recognised in the balance sheet at 30 June 2015 as there is no binding obligation for the sale of the stadium.

At 30 June 2014 the Group had an unrecognised deferred tax liability of £427,000 (2015 - £Nil) related to a potential de-grouping charge which has fallen away as of June 2015 as it is more than 6 years since the Company transferred the stadium into its wholly-owned subsidiary Talltray Limited.

The Finance Act 2013 announced a reduction in the main rate of corporation tax to 21% from 1 April 2014 and to 20% from 1 April 2015. The tax law was substantively enacted in the House of Commons on 17 July 2013. Deferred tax as at 30 June 2015 has been calculated at the enacted rate on the balance sheet date of 20%.

On 8 July 2015, the Summer Budget announced further reductions in the main rate of UK corporation tax to 19% from 1 April 2017 and 18% from 1 April 2020. As these rate changes were not substantively enacted at the balance sheet date, the new rates have not been reflected in these financial statements but are expected to affect the company's deferred tax assets and liabilities in the future.

## 22. Pension Fund

The Group operates a 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 charged for the year was £5,000 (2014 - £5,000).

There was £1,000 due for payment at 30 June 2015 (2014 - £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 charged for the year was £17,000 (2014 - £5,000).

There was £2,000 due for payment at 30 June 2015 (2014 - £3,000).

In addition, contributions of £12,000 (2014 - £12,000) were made to personal pension schemes on behalf of employees.



## NOTES TO THE FINANCIAL STATEMENTS

---

### **23. Related Party Transactions**

During the year fees for professional services totalling £94,000 (2014 - £14,000) were rendered by Burness Paull LLP. Gordon A Buchan, a non-executive director of the Company, was a consultant with this firm throughout the period. In addition, at 30 June 2015 £36,000 (2014 - £20,000) was due to Burness Paull LLP in respect of unbilled fees and this amount is included within other creditors and accruals in Note 13.

Loans of £Nil (2014 - £4.42 million) were due to Stewart Milne Group Limited - Stewart Milne, the non-executive chairman of the Group, is chairman of this company. Loans of £4.42 million were converted into A ordinary shares on 15 December 2014 as detailed in Note 17.

Loans of £1,030,000 (2014 - £1,250,000) were due to the Company's Directors. Loans of £220,000 were repaid during the year as shown in note ii to the Consolidated Cash Flow Statement. The terms of the loans are disclosed in Note 16.

### **24. 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.

# NOTICE OF ANNUAL GENERAL MEETING

---

NOTICE IS HEREBY GIVEN that the ONE HUNDRED and TWELFTH Annual General Meeting of ABERDEEN FOOTBALL CLUB plc will be held at The Aberdeen Asset Management Suite, Pittodrie Stadium, Pittodrie Street, Aberdeen on 14th December 2015 at 7.00pm to transact the following: -

As ordinary business:

1. To receive and consider the Financial Statements for the year ended 30 June 2015 together with the Reports of the Directors and Auditors thereon.
2. To re-elect Stewart Milne as a Director.
3. To re-elect Gordon A Buchan as a Director.
4. To confirm the appointment of Duncan R Skinner 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 12th November 2015

Note:

It is requested that notice of questions on the Annual Report should be in the Company Secretary's hands by 5pm on Monday 7th December 2015.

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.