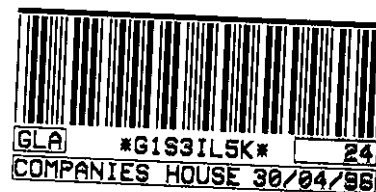


**HAMILTON ACADEMICAL FOOTBALL CLUB  
LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 1995**

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**WILLIAM DUNCAN & CO.  
Chartered Accountants  
Silverwells House  
114 Cadzow Street  
Hamilton ML3 6HP**

**HAMILTON ACADEMICAL FOOTBALL CLUB LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 1995**

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**INFORMATION FOR THE DIRECTORS ONLY:**

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

# HAMILTON ACADEMICAL FOOTBALL CLUB LIMITED

## COMPANY INFORMATION

**Directors:** David Campbell  
David Campbell Jnr.  
William A. Donnelly  
Alistair Duguid  
James W. Watson  
William Whitelaw

**Secretary:** Scott A. Struthers

**Company number:** SC005420

**Registered office:** Tudor Lodge  
Burnbank Road  
Hamilton ML3

**Auditors:** William Duncan & Co.  
Chartered Accountants  
Registered Auditor  
Silverwells House  
114 Cadzow Street  
Hamilton ML3 6HP

**Solicitors:** Kerr & Co.  
181 West George Street  
Glasgow G2

**Bankers:** Clydesdale Bank plc  
135 Almada Street  
Hamilton ML3 0EX

# HAMILTON ACADEMICAL FOOTBALL CLUB LIMITED

## DIRECTORS' REPORT

The directors submit their report and the financial statements for the year ended 30 June 1995.

### 1. Directors' responsibilities

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### 2. Principal activity

The company's principal activity continues to be that of a member of the Scottish Football League, at the date of these accounts, regrettably based in the First Division.

### 3. Directors and their interests

The directors who served during the year and their beneficial interests in the company's issued ordinary share capital were:

	At 30 June 1995	At 1 July 1994
	No.	No.
David Campbell	100	-
David Campbell Jnr	100	-
William P. Davidson (resigned 12.9.95)	100	100
William A. Donnelly	-	-
Alistair Duguid	100	100
Robert D. Gibb (deceased 29.4.95)	-	100
James W. Watson	100	100
William Whitelaw	100	-

# **HAMILTON ACADEMICAL FOOTBALL CLUB LIMITED**

## **DIRECTORS' REPORT**

(continued)

### **3. Directors and their interests (continued)**

Alistair Duguid retires by rotation but, being eligible, offers himself for re-election. James W. Watson also retires by rotation but is not seeking re-election. William A. Donnelly does not retire, at this time, but offers his resignation.

### **4. Parent company**

The company is a subsidiary of Deeka Limited, incorporated in Scotland.

### **5. Close company status**

The company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

### **6. Auditors**

The auditors, William Duncan & Co., have indicated their willingness to accept reappointment under Section 385(2) of the Companies Act 1985.

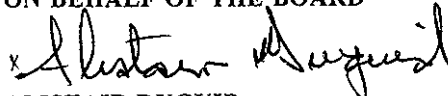
### **7. New stadium**

The board are of the view that the Club will be in a position to commence construction of a new stadium in the near future.

### **8. Small company exemptions**

This report has been prepared taking advantage of the exemptions conferred by Part II of Schedule 8 of the Companies Act 1985, on the grounds that in the opinion of the directors the company is entitled to these exemptions as a small company.

ON BEHALF OF THE BOARD



ALISTAIR DUGUID

DIRECTOR

28 April 1996



**AUDITORS' REPORT TO THE MEMBERS  
OF  
HAMILTON ACADEMICAL FOOTBALL CLUB LIMITED**

We have audited the financial statements on pages 5 to 14 which have been prepared under the historical cost convention and the accounting policies set out on pages 7 and 8.

**Respective responsibilities of directors and auditors**

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of opinion**

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

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

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 1995 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

**WILLIAM DUNCAN & CO.**

Chartered Accountants  
Registered Auditor  
Silverwells House  
114 Cadzow Street  
Hamilton ML3 6HP

28 April 1996

# HAMILTON ACADEMICAL FOOTBALL CLUB LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 1995

		1995	1994
	Notes	£	£
<b>Turnover</b>	2	524,646	753,656
Staff costs		503,325	461,740
		-----	-----
<b>Gross profit</b>		21,321	291,916
Net operating expenses		339,888	321,288
		-----	-----
<b>Operating loss</b>	3	(318,567)	(29,372)
Gain on sale of fixed assets		1,644,077	-
		-----	-----
<b>Profit/(loss) on ordinary activities before interest</b>		1,325,510	(29,372)
		-----	-----
Other interest receivable and similar income	4	3,567	1,046
Interest payable and similar charges	5	(32,025)	(23,102)
		-----	-----
		(28,458)	(22,056)
		-----	-----
<b>Profit/(loss) on ordinary activities before taxation</b>		1,297,052	(51,428)
Taxation on profit/(loss) on ordinary activities	6	-	-
		-----	-----
<b>Retained profit/(loss) for the financial year</b>	14	£1,297,052	£(51,428)
		=====	=====

There were no recognised gains or losses other than those included in the profit and loss account.

There were no acquisitions and no discontinued operations in the year.

The notes on pages 7 to 14 form part of these financial statements.

# HAMILTON ACADEMICAL FOOTBALL CLUB LIMITED

## BALANCE SHEET AT 30 JUNE 1995

	Notes	£	1995 £	1994 £
<b>Fixed assets</b>				
Tangible assets	7		2,095,205	492,771
				-----
<b>Current assets</b>				
Debtors	8	1,015,294		35,597
Cash at bank and in hand		8,515		-
		-----		-----
		1,023,809		35,597
<b>Creditors: amounts falling due within one year</b>	9	2,005,711		959,775
		-----		-----
<b>Net current liabilities</b>			(981,902)	(924,178)
			-----	-----
<b>Total assets less current liabilities</b>			1,113,303	(431,407)
<b>Creditors: amounts falling due after more than one year</b>	10		5,458	24,876
			-----	-----
<b>Net assets/(liabilities)</b>			£1,107,845	£(456,283)
			=====	=====
<b>Capital and reserves</b>				
Called up share capital	13		568,360	467,260
Reserves	14		539,485	(923,943)
			-----	-----
<b>Shareholders' funds</b>	15		£1,107,845	£(456,283)
			=====	=====

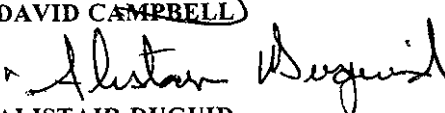
The directors have taken advantage of the exemptions conferred by Part I of Schedule 8 of the Companies Act 1985 and have done so on the grounds that, in their opinion, the company is entitled to those special exemptions as a small company.

These financial statements were approved by the Board on 28 April 1996.

ON BEHALF OF THE BOARD

x   
DAVID CAMPBELL

DIRECTOR

x   
ALISTAIR DUGUID

DIRECTOR

The notes on pages 7 to 14 form part of these financial statements.



# **HAMILTON ACADEMICAL FOOTBALL CLUB LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1995**

### **1. Accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year and also have been consistently applied within the same accounts.

#### **(a) Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention.

The effect of events relating to the year ended 30 June 1995 which occurred before the date of approval of the financial statements by the Board of Directors, have been included in the statements to the extent required to show a true and fair view of the state of affairs at 30 June 1995 and of the results for the year ended on that date.

The company has taken advantage of the exemption in FRS1 from the requirement to prepare a cashflow statement on the grounds that it is a small company.

#### **(b) Depreciation**

Depreciation has been calculated to write off the cost of tangible fixed assets evenly over their expected useful lives using the following rates:

Fixtures and fittings	- 15% per annum of cost
Motor vehicles	- 25% per annum of cost

Heritable Property is maintained out of Revenue and no depreciation is provided on Heritable Property on the basis that, in the opinion of the directors, the property is worth significantly more than the value shown in the Financial Statements. In this respect the company does not comply with Statement of Standard Accounting Practice No. 12 and the Companies Act 1985.

#### **(c) Deferred taxation**

Deferred taxation is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may crystallise.

# HAMILTON ACADEMICAL FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1995 (continued)

### 1. Accounting policies (continued)

#### (d) Leasing

Tangible fixed assets acquired under finance leases or hire purchase contracts are capitalised and depreciated in the same manner as other tangible fixed assets. The related obligations, net of future finance charges, are included in creditors. The interest element of the rental obligations is charged to the profit and loss account on a straight line basis over the period of the lease.

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

#### (e) Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge represents the amounts payable by the company to the fund in respect of the year.

### 2. Turnover

The company's turnover represents the value, excluding value added tax, of goods and services supplied. All turnover relates to the principal activity of the company.

3. Operating loss	1995 £	1994 £
-------------------	-----------	-----------

This is stated after charging:

Auditors' remuneration	3,000	2,200
Depreciation of tangible fixed assets - owned by the company	2,443	6,642
	<u>          </u>	<u>          </u>

### 4. Other interest receivable and similar income

Bank interest	<u>£3,567</u>	<u>£1,046</u>
---------------	---------------	---------------

# HAMILTON ACADEMICAL FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1995 (continued)

	1995	1994
	£	£

**5. Interest payable and similar charges**

Included in this category are:

Finance charges payable - finance leases and hire purchase contracts	£ 185	£ 964
--	-------	-------

**6. Taxation on profit/(loss) on ordinary activities**

No provision for taxation is required. Trading losses are carried forward and are available for offset against future profits.

**7. Tangible fixed assets**

	Heritable property £	Furniture and fittings £	Motor vehicles £	Total £
<b>Cost or revaluation</b>				
At 1 July 1994	486,101	204,322	23,185	713,608
Additions during year	3,381,160	-	9,774	3,390,934
Disposals during year	(2,280,761)	(204,322)	-	(2,485,083)
Revaluation during year	500,000	-	-	500,000
	-----	-----	-----	-----
At 30 June 1995	2,086,500	-	32,959	2,119,459
	-----	-----	-----	-----
<b>Depreciation</b>				
At 1 July 1994	-	200,902	19,935	220,837
Charge for year	-	-	4,319	4,319
Eliminated on disposals	-	(200,902)	-	(200,902)
	-----	-----	-----	-----
At 30 June 1995	-	-	24,254	24,254
	-----	-----	-----	-----
<b>Net book value</b>				
At 30 June 1995	£2,086,500	£ -	£ 8,705	£2,095,205
	=====	=====	=====	=====
At 1 July 1994	£ 486,101	£ 3,420	£ 3,250	£ 492,771
	=====	=====	=====	=====

Included in the total net book value of tangible fixed assets held at 30 June 1995 was £7,330 in respect of assets held under finance lease and hire purchase contracts. (1994 - £nil).

# HAMILTON ACADEMICAL FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1995

(continued)

### 7. Tangible fixed assets (continued)

Part of the land at at cost of £386,500 was revalued by MacFarlane & Co., Chartered Surveyors at £1,200,000 on current open market value, assuming a reasonable profitable alternative use basis, under the provisions of Statement of Standard Accountancy Practice No. 19 at 30 June 1995. In the interests of conservatism, the directors have incorporated an additional £500,000. Had the revaluation not taken place, heritable property would be carried on the balance sheet at a cost of £1,586,500, no depreciation having been charged.

	1995	1994
<b>8. Debtors</b>		
	£	£
Trade debtors	-	25,000
Other debtors	1,015,294	10,593
Value added tax	-	4
	-----	-----
	<u>£1,015,294</u>	<u>£35,597</u>

There are no amounts due after more than one year included in debtors.

### 9. Creditors: amounts falling due within one year

	£	£
Bank overdraft (secured)	-	282,131
Trade creditors	20,905	79,616
Taxation and Social Security costs	656,001	85,269
Obligations under finance leases and hire purchase contracts (Secured) (See note 11)	2,445	-
Accrued charges and deferred income	543,460	16,905
Other creditors	782,900	495,854
	-----	-----
	<u>£2,005,711</u>	<u>£959,775</u>

### 10. Creditors: amounts falling due after more than one year

	£	£
Directors' current accounts	-	3,876
Obligations under finance leases and hire purchase contracts (Secured) (See note 11)	5,458	-
Other creditors	-	21,000
	-----	-----
	<u>£ 5,458</u>	<u>£24,876</u>

# HAMILTON ACADEMICAL FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1995 (continued)

	1995	1994
<b>11. Obligations under finance leases and hire purchase contracts</b>	<b>£</b>	<b>£</b>
The maturity of these amounts is as follows:		
Amounts payable:		
Within one year	3,337	-
Within two to five years	6,118	-
	-----	-----
	9,455	-
Less: finance charges allocated to future periods	1,552	-
	-----	-----
	<u>£7,903</u>	<u>£ -</u>

Finance leases and hire purchase contracts are disclosed as follows:

	£	£
Current obligations	2,445	-
Non-current obligations	5,458	-
	-----	-----
	<u>£ 7,903</u>	<u>£ -</u>

### 12. Deferred taxation

The company had no liability to deferred taxation, either actual or potential, at the balance sheet date.

	1995	1994
<b>13. Share capital</b>	<b>No.</b>	<b>No.</b>
<b>Authorised</b>		
Ordinary shares of £1 each	10,000,000	10,000,000
	=====	=====
<b>Allotted issued and fully paid</b>		
Ordinary shares of £1 each	£ 568,360	£ 467,260
	=====	=====

During the year 100,700 ordinary shares of £1 each were issued for cash at par.

# HAMILTON ACADEMICAL FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1995 (continued)

14. Reserves	1995 £	1994 £
<b>Profit and loss account</b>		
At 1 July 1994	(1,257,567)	(1,206,139)
Retained profit/(loss) for the financial year	1,297,052	(51,428)
	<u>£ 39,485</u>	<u>£(1,257,567)</u>
<b>Football Grounds Improvement Trust</b>		
At 1 July 1994	333,624	333,624
Transferred to profit and loss account	(333,624)	-
	<u>£ -</u>	<u>£333,624</u>
<b>Revaluation reserve</b>		
	£	£
At 1 July 1994	-	-
Revaluation during year	500,000	-
	<u>£500,000</u>	<u>£ -</u>
<b>15. Reconciliation of movement in shareholders' funds</b>	£	£
At 1 July 1994	(456,283)	(405,255)
Retained profit/(loss) for the financial year	1,297,052	(51,428)
Football Grounds Improvement Trust reserve written off	(333,624)	-
Issue of share capital	100,700	400
Revaluation of property	500,000	-
	<u>£1,107,845</u>	<u>£(456,283)</u>

### 16. Pension costs

The company operates a contributory pension scheme. It is a defined contribution scheme and the contributions are charged in the profit and loss account as they accrue.

The charge for the year was £1,201 (1994 - £2,831)

# **HAMILTON ACADEMICAL FOOTBALL CLUB LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1995**

(continued)

### **17. Capital commitments**

In terms of agreements with Hamilton District Council, the Club is obliged to construct a stadium with not less than 6,000 seats by 16 December 1996. No order for the stadium has as yet been placed.

### **18. Contingent liabilities**

In terms of the unconditional missives with one vendor, the Club is obliged to devote the whole of the net sales proceeds towards the construction of a new stadium, failing which it requires to account for the profit on sale to that vendor.

In addition the Club undertakes to indemnify a second vendor against any design fees for the new stadium for which that vendor may be liable. That vendor has a Standard Security over part of the site for the new stadium.

If the Club does not build a new stadium a taxation liability on the disposal of the ground of approximately £900,000 may crystallise. This will not be payable as the Club is expected to utilise taxation legislation to offset the gain incurred against the capital costs incurred on the construction of the new stadium.

### **19. Litigation**

A Writ for fees on the sale of the commercial site was received from Jay & Company. The sum sued for was £304,375. Since the year end the action has been found against the company and the resultant liability payable of £304,375 is provided for in full. Writs were received from loan creditors, Bishopbriggs Holdings Limited, Flayest Limited and Cadzow Distributors which since the year end the actions have been found and settled against the company and the resultant liabilities have been provided for in full.

Writs have also been received from Milecity Limited, Greystone Heating Marketing Limited and The Goring Berry Partnership. The total involved is in excess of £580,000 and is fully provided for in the financial statements.

# **HAMILTON ACADEMICAL FOOTBALL CLUB LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1995**

(continued)

### **20. Substantial property transactions involving directors**

The Club entered into contracts in the form of missives on 10th, 15th and 18th November 1994 with Flayest Limited, in which company James W. Watson who is presently a Director, had an interest and Andrew Dick, George J. Fulston, Robert Dewar Gibb and J. Stepek who were formerly Directors together with, in certain cases, their families have interests, for the purchase of certain sites. These sites were required for the development of both a new stadium and a retail development. The total purchase consideration payable to Flayest Limited was £720,000.

The club entered into contracts in the form of missives on 19 January 1996 with Standforth Limited a company with which the Chairman, Mr David Campbell has an interest to sell land at Auchenraith Avenue, Hamilton. The sale proceeds received by the company was £1,200,000. The transaction was successfully effected on 22 March 1996. Approval under Section 320 Companies Act 1985 was received for this transaction from the members of the company.

### **21. Other substantial transactions involving directors**

Flayest Limited, whose connection with the club is explained in Note 20 above rendered in the year a management fee of £300,000 in respect of Stadium management for a three year period to 31 August 1998. Payment of this fee was made by the Club and the validity of this charge is subject to litigation at present.