

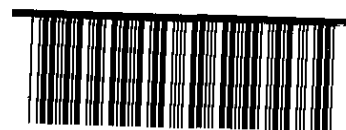
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Company Number SC011580

**DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED**

**FINANCIAL STATEMENTS**

For the year ended 31st May 2000



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**DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED**

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**DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED**

**DIRECTORS AND OFFICERS**

**DIRECTORS**

John Yorkston (Chairman)  
Charles R Woodrow  
William M Rennie  
Gavin G Masterton  
Andrew T Gillies  
John Meiklem  
Francis M McConnell  
Graham A Thomson  
W Brian Robertson

**SECRETARY**

Paul D'Mello

**GENERAL MANAGER**

Paul D'Mello

**HEAD COACH**

James Calderwood

**REGISTERED OFFICE**

East End Park  
Halbeath Road  
Dunfermline, KY12 7RB  
Tel (01383) 724295  
Fax (01383) 723468

**BANKERS**

Bank of Scotland  
1 Bothwell Street  
Dunfermline, KY11 3AG

**AUDITORS**

Thomson Cooper & Co.  
Accountants  
18 Viewfield Terrace  
Dunfermline, KY12 7JU

# DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED

## CHAIRMAN'S REPORT

On behalf of the Board of Directors, I am very pleased to present this report with the club progressing towards its rightful place in the upper echelons of Scottish football. The past year has seen us win promotion and then exceed our immediate expectations of survival in the Premier League.

At the time of writing we are sitting 6th in the league with every chance of making the top six. Results have been well earned and the appointment of Jimmy Calderwood has been justified both on and off the park. As well as bringing us results and a style of play that we can all enjoy and be proud of, he has instilled a strong work ethic which has moulded individuals together into an impressive team. Using his knowledge of Dutch football the manager has also made valuable acquisitions bringing the likes of Ruitenbeek, Skerla, and Rossi to East End Park. Other additions to playing staff are youth with great potential; the likes of Hampshire, Nicholson and Mason allow us to look forward with much optimism.

The great work has continued behind the scenes at the club. Everyone from General Manager to ground, backroom and office staff have all worked hard to ensure that everything at Dunfermline Athletic happens in a professional manner worthy of a top Scottish football club.

We all want Dunfermline Athletic to be a club of enterprise and ambition where we have not just a top team but a club where young players can develop. Our Youth Development Programme is a model to the rest of the sport. The fruits of the programme are already tangible with Chris McGroarty already an established regular and more than one or two other promising youngsters being included in the first team squad.

As a feeder to the Youth Development programme a Soccer Centres Scheme is run by the club and involves over 1000 kids at 31 different centres in Fife. We cannot say we want a strong and secure club if we ignore its very foundation: youth. This expansion into the community is a deliberate strategy to grow our own talent and even our own supporters. Our aim is to use the strengths of our success and history to build our own future.

Having touched on building and the future we are pleased to have received recently approval of the planning application to further develop East End Park. The development of East End Park by Stadia Management will deliver in time further benefit to the club.

This is the type of club we want. It's a club where our fans should be proud and happy to support us. A club where we feel good about ourselves and about the community around us. We are sure that you share our confidence that we can look forward to the next twelve months with our aspirations getting ever closer to reality.



JOHN YORKSTON  
CHAIRMAN

20th March 2001

# **DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED**

## **DIRECTORS' REPORT**

The directors have pleasure in presenting their annual report and financial statements for the year ended 31st May 2000.

### **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 the 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.

### **Status**

The company, which is incorporated in the United Kingdom and is registered in Scotland, is a close company, as defined by the Income and Corporation Taxes Act 1988, and is a private company under the terms of the Companies Act 1985.

### **Results and Dividends**

The loss for the year after taxation was £1,506,533 (1999: Loss £329,735). The directors are unable to recommend the payment of a dividend.

### **Review of the Business**

The company's principal activity during the year continued to be the promotion and practice of football. Turnover for the year amounted to £1,684,750 (1999: £2,831,484). A detailed review of the business is contained within the Chairman's Report on page 3.

# **DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

### **Fixed Assets**

Movements in fixed assets are shown in note 9 to the financial statements.

### **Directors and their Interests**

The directors who served on the Board during the year and their beneficial interests in the issued share capital of the company were as follows: -

	<u>31/5/2000</u>	<u>31/5/99</u>
John Yorkston (Chairman) (Appointed 11/6/99)	-	-
Charles R Woodrow	50	50
William M Rennie	1,098	1,533
Gavin G Masterton	300	300
Andrew T Gillies	75	75
John Meiklem	500	500
Francis McConnell (Appointed 12/7/99)	-	-
W Brian Robertson (Appointed 12/7/99)	-	-
Graham A Thomson (Appointed 30/8/99)	23,333	-

In addition to his personal shareholding, William M Rennie has an interest in a further 928 ordinary shares registered in the name of his wife.

Directors, John Yorkston, Gavin G Masterton, Francis McConnell and W Brian Robertson have an interest in the company as shareholders in Wood Investments (Scotland) Limited.

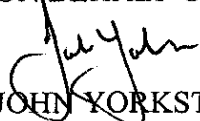
### **Significant Shareholdings**

During the year, Woodrows of Dunfermline Limited who previously held 79.6% of the issued share capital of the company, disposed of its shareholding to Wood Investments (Scotland) Limited.

### **Auditors**

In accordance with Section 384 (1) of the Companies Act 1985 a Resolution to re-appoint Thomson Cooper & Co, Accountants, as auditors will be put to the members at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD

  
JOHN YORKSTON  
CHAIRMAN

20th March 2001

East End Park, Halbeath Road  
DUNFERMLINE, KY12 7RB

**REPORT OF THE AUDITORS**  
to the members of  
**DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED**

We have audited the financial statements on pages 7 to 15 which have been prepared under the historical cost convention and the accounting policies set out on page 9.

**Respective responsibilities of directors and auditors**

As described on page 4 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.

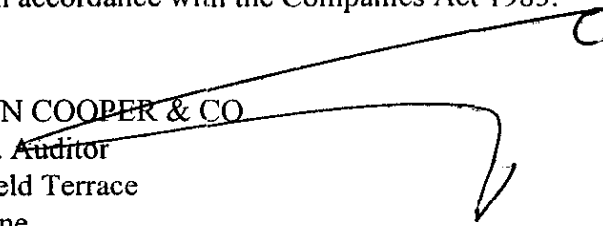
**Fundamental uncertainty**

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the inherent uncertainty as to the continued support of the company's bankers and creditors. The company meets its day to day working capital requirement through its overdraft facility which, in common with all such facilities, is repayable on demand. The nature of the company's business is such that there can be considerable variation in the timing of the cash flows. Details of the circumstances relating to this inherent uncertainty are described in Note 2. We consider that, in view of the matters referred to above and in Note 2, there is a significant level of concern as to the appropriateness of the going concern basis. Our opinion is not qualified in this respect.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st May 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

THOMSON COOPER & CO  
Registered Auditor  
18 Viewfield Terrace  
Dunfermline  
Fife, KY12 7JU



20th March 2001

# **DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED**

## **PROFIT AND LOSS ACCOUNT** **For the year ended 31st May 2000**

	Notes	2000 £	1999 £
Turnover	3	1,684,750	2,831,484
Cost of Sales		3,057,080	2,591,657
GROSS (LOSS)/PROFIT		<u>(1,372,330)</u>	<u>239,827</u>
Other Operating Income	4	461,456	172,802
		<u>( 910,874)</u>	<u>412,629</u>
Administrative Expenses		347,063	315,286
		<u>(1,257,937)</u>	<u>97,343</u>
Net Transfer Fees		<u>( 7,744)</u>	<u>108,750</u>
OPERATING LOSS	5	<u>(1,250,193)</u>	<u>(11,407)</u>
Interest Payable	7	256,340	318,328
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(1,506,533)</u>	<u>(329,735)</u>
Taxation	8	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		<u><u>(1,506,533)</u></u>	<u><u>(329,735)</u></u>

All amounts relate to continuing activities.


All recognised gains and losses are included in the profit and loss account.


# DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED

## BALANCE SHEET As at 31st May 2000

	Notes	£	2000 £	1999 £
<u>FIXED ASSETS</u>				
Tangible Assets	9		4,488,903	<u>4,554,416</u>
<u>CURRENT ASSETS</u>				
Stock	10	5,757		500
Debtors	11	283,263		855,775
Cash at Bank and in Hand		<u>2,635</u>		<u>777</u>
		<u>291,655</u>		<u>857,052</u>
<u>CREDITORS: amounts falling due within one year</u>				
Bank Overdraft	12	3,085,610		2,428,734
Creditors	13	<u>958,822</u>		<u>700,467</u>
		<u>4,044,432</u>		<u>3,129,201</u>
NET CURRENT LIABILITIES			<u>3,752,777</u>	<u>2,272,149</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			736,126	2,282,267
<u>CREDITORS: amounts falling due after more than one year</u>				
	14		3,556,084	4,182,702
<u>PROVISIONS FOR LIABILITIES AND CHARGES</u>				
Deferred Income	15		<u>1,620,493</u>	<u>1,636,718</u>
			<u>(4,440,451)</u>	<u>(3,537,153)</u>
<u>CAPITAL AND RESERVES</u>				
Called Up Share Capital	16		85,582	45,587
Share Premium Account	17		1,344,893	781,653
Profit and Loss Account	17		<u>(5,870,926)</u>	<u>(4,364,393)</u>
SHAREHOLDERS' FUNDS - Equity Interests			<u>(4,440,451)</u>	<u>(3,537,153)</u>

Approved by the Board on 1st March 2001 and signed on its behalf by:

  
 \_\_\_\_\_ Chairman  
 JOHN YORKSTON

  
 \_\_\_\_\_ Director  
 GAVIN G MASTERTON

# **DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31st May 2000**

### **1. ACCOUNTING POLICIES**

#### **Accounting Convention**

The accounts are prepared under the historical cost convention and on the basis of applicable accounting standards. In accordance with the exemptions available under FRS No 1, the Company has not prepared a Cash Flow Statement.

#### **Other Operating Income**

The directors consider the other operating income should be presented before administrative expenses in order to reflect correctly the nature of the income which is directly related to the trading operation of the company. This treatment has no effect on the results presented in these accounts.

#### **Depreciation**

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows: -

Leasehold Buildings - 4% Straight line method

Motor Vehicles - 25% Reducing balance method

Computer Equipment - 25% Reducing balance method

#### **Transfer Fees**

Transfer fees paid or received are charged or credited to the profit and loss account in the period in which they arise.

#### **Grants Received**

Grants received on capital expenditure are credited to a deferred income reserve and amortised over the life of the asset.

Grants of a revenue nature are credited to the profit and loss account in the period to which they relate.

#### **Stock**

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

#### **Hire Purchase and Finance Lease Obligations**

Assets obtained under hire purchase and finance lease contracts are capitalised in the balance sheet and are depreciated over their expected useful life.

The interest element is charged to the profit and loss account over the term of the hire purchase contract.

#### **Leased Assets**

Operating leases are charged to the profit and loss account as they fall due.

#### **Pensions**

The company operates a defined contribution pension scheme in respect of certain employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension costs charged represent contributions payable by the company to the fund.

**DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**

For the year ended 31st May 2000

**2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The validity of this assumption depends upon the trading performance of the company and the continued support of the company's bankers and creditors.

The directors have arranged deferred repayment terms for the company's bank loan and its other major creditors. The directors have also prepared cash flows and budgets which show that the company is able to meet its obligations as they fall due within the foreseeable future.

On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis.

**3. TURNOVER**

Turnover represents the income arising from football for the year in respect of gate receipts, advertising boards, sponsorships and corporate hospitality and is stated exclusive of Value Added Tax.

<b>4. OTHER OPERATING INCOME</b>	<u>2000</u>	<u>1999</u>
Donations - Centenary Club	£ 15,000	£ 20,000
Loans Written Off (see note 21)	261,000	-
Other Income	<u>185,456</u>	<u>152,802</u>
	<u>£461,456</u>	<u>£172,802</u>

**5. OPERATING LOSS**

This is stated after charging the following: -

Directors Remuneration	£ -	£ -
Auditors' Remuneration	4,500	4,300
Depreciation - Owned Assets	183,191	180,339
- Finance Lease Assets	32,999	24,781
Operating Lease Rentals - Equipment	11,942	771
- Land and Buildings	<u>100,000</u>	<u>147,812</u>

**6. STAFF COSTS**

Wages and Salaries	£2,177,346	£1,777,448
Social Security Costs	210,616	175,056
Other Pension Costs	<u>6,138</u>	<u>5,216</u>
	<u>£2,394,100</u>	<u>£1,957,720</u>

The average number of employees excluding directors during the year was as follows: -

	No.	No.
Office and Management	17	16
Ground Staff and Players	<u>53</u>	<u>59</u>
	<u>70</u>	<u>75</u>

# **DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED**

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For the year ended 31st May 2000

<b>7. INTEREST PAYABLE</b>	<u>2000</u>	<u>1999</u>
Bank Overdraft and Loan Interest	£186,913	£ 277,176
Finance Lease Interest	47,154	41,152
Other Interest	<u>22,273</u>	<u>-</u>
	<u>£256,340</u>	<u>£ 318,328</u>

## 8. TAXATION

No taxation liability arises on the results for the year. The company has losses available to carry forward estimated at £6,000,000.

## 9. TANGIBLE FIXED ASSETS

	Leasehold Buildings	Fixtures & Fittings	Motor Vehicles	Total
<u>Cost</u>				
At 1st June 1999	£4,689,070	£ 237,165	£ 11,250	£4,937,485
Additions	83,233	42,822	61,848	187,903
Disposals	<u>-</u>	<u>( 94,912)</u>	<u>( 11,250)</u>	<u>( 106,162)</u>
At 31st May 2000	<u>£4,772,303</u>	<u>£ 185,075</u>	<u>£ 61,848</u>	<u>£5,019,226</u>

### Aggregate Depreciation

At 1st June 1999	£ 215,980	£ 164,275	£ 2,814	£ 383,069
Charge for Year	188,861	15,680	11,649	216,190
Disposals	<u>-</u>	<u>( 65,185)</u>	<u>( 3,751)</u>	<u>( 68,936)</u>
At 31st May 2000	<u>£ 404,841</u>	<u>£ 114,770</u>	<u>£ 10,712</u>	<u>£ 530,323</u>

### Net Book Value

At 31st May 2000	<u>£4,367,462</u>	<u>£ 70,305</u>	<u>£ 51,136</u>	<u>£4,488,903</u>
At 31st May 1999	<u>£4,473,090</u>	<u>£ 72,890</u>	<u>£ 8,436</u>	<u>£4,554,416</u>

The net book value of leasehold buildings includes £599,250 (1999 - £583,701) in respect of assets held under finance leases. The amount of depreciation charged during the year in respect of such assets amounted to £32,999 (1999 - £24,781).

# **DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**

**For the year ended 31st May 2000**

**10. STOCK** **2000** **1999**

Goods for resale	<b><u>£ 5,757</u></b>	<b><u>£ 500</u></b>
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**11. DEBTORS**

Trade Debtors	£ 75,993	£ 43,376
Prepayments and Other Debtors	<u>207,270</u>	<u>812,399</u>
	<b><u>£ 283,263</u></b>	<b><u>£ 855,775</u></b>

**12. BANK OVERDRAFT**

The bank overdraft and term loan are secured by a Bond and Floating Charge ranking in priority to any other fixed security, over all the assets of the Company.

**13. CREDITORS: amounts falling due within one year:**

Trade Creditors	£ 311,471	£ 240,602
Taxation and Social Security	142,193	74,192
Other Creditors	232,407	181,141
Finance Lease Obligations	97,988	88,725
Accruals and Deferred Income	<u>174,763</u>	<u>115,807</u>
	<b><u>£ 958,822</u></b>	<b><u>£ 700,467</u></b>

**14. CREDITORS: amounts falling due after more than one year:**

Amounts Due to Parent Company	£ -	£ 120,000
Bank Term Loan (see below)	500,000	500,000
Directors' Loans	40,000	181,000
Other Loans (See Note 21)	2,609,015	2,920,875
Net Obligations under Finance Leases	<u>407,069</u>	<u>460,827</u>
	<b><u>£3,556,084</u></b>	<b><u>£4,182,702</u></b>

Net Obligations under finance leases and hire purchase contracts

Repayable within one year	£ 127,519	£ 116,352
Repayable within one and five years	503,346	465,408
Repayable after five years	<u>26,880</u>	<u>138,912</u>
	<b><u>£ 657,745</u></b>	<b><u>£ 720,672</u></b>

Finance charges and interest allocated to future accounting periods	<u>(152,688)</u>	<u>(171,120)</u>
	505,057	549,552

Included in liabilities falling due within one year	<u>( 97,988)</u>	<u>(88,725)</u>
	<b><u>£ 407,069</u></b>	<b><u>£ 460,827</u></b>

# **DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**

**For the year ended 31st May 2000**

The Directors' loans are interest free and repayment will not be made until the financial position of the Company permits.

The bank term loan is repayable in full in the year 2004. Interest charged on the loan is at Base Rate plus 1½% per annum.

<b>15. DEFERRED INCOME</b>	<b><u>2000</u></b>	<b><u>1999</u></b>
Capital Grants:		
Balance as at 1st June	£1,636,718	£ 192,537
Received in Year	<u>52,306</u>	<u>1,512,712</u>
	£1,689,024	£1,705,249
Released to Profit and Loss Account	( 68,531)	( 68,531)
Balance as at 31st May	<u>£1,620,493</u>	<u>£1,636,718</u>

## **16. CALLED UP SHARE CAPITAL**

Authorised

Ordinary Shares of £1 each	<u>£ 100,000</u>	<u>£ 100,000</u>
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Called up, Issued and Fully Paid

Ordinary Shares of £1 each	<u>£ 85,582</u>	<u>£ 45,587</u>
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During the year, 39,995 Ordinary shares of £1 each were issued at a price of between £15 and £20 per share giving a total consideration, in cash, of £603,235. The purpose of the issue was to raise additional working capital.

## **17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	Called Up Share Capital	Share Premium Account	Profit and Loss Account	Total
Balance at 1st June 1999	£ 45,587	£ 781,653	£(4,364,393)	£(3,537,153)
Transfer from Profit and Loss Account	-	-	(1,506,533)	(1,506,533)
Shares Issued in Year	39,995	563,240	-	603,235
Balance at 31st May 2000	<u>£ 85,582</u>	<u>£1,344,893</u>	<u>£(5,870,926)</u>	<u>£(4,440,451)</u>

# **DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**

**For the year ended 31st May 2000**

### **18. PENSIONS**

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 costs charge represents contributions payable by the company to the fund and amounted to £6,138 (1999 - £5,216).

### **19. CONTROL**

In the opinion of the directors, following the disposal of shares by Woodrows of Dunfermline Limited, the company is no longer controlled by any individual or parent company.

### **20. OTHER FINANCIAL COMMITMENTS**

At 31st May 2000 the company had annual commitments under non-cancellable operating leases as follows:

	2000	1999
	Land &	Land &
	Buildings	Buildings
	£	£
Expiring in over 5 years	<u>100,000</u>	<u>100,000</u>

Rent is paid to Stadia Management Limited (formerly Dunfermline Sports Grounds Limited) (see note 21 below).

**DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**

**For the year ended 31st May 2000**

**21. RELATED PARTY TRANSACTIONS**

The directors of the company are also directors of Dunfermline Athletic Development Fund Limited. In addition, Gavin G Masterton is a director of Stadia Management Limited. Included in other loans (see note 14) are the following amounts due to those companies:

<u>Company</u>	<u>£</u>
Dunfermline Athletic Development Fund Limited	405,832
Stadia Management Limited	2,177,180

Included in the amounts due to Stadia Management Limited is a loan of £2,000,000 to be repaid in equal annual instalments over 20 years which commenced in August 1999. Interest will accrue over the period to be repaid in two instalments of £100,000 in the years 2019 and 2020.

During the year loans from directors and the former parent company amounting to £261,000 were written off by those parties. This results in an exceptional credit included in other operating income (see note 4).