

# Inverness Thistle and Caledonian F. C. Limited

Financial Statements  
for the Year Ended 31 May 2022

# Inverness Thistle and Caledonian F. C. Limited

(Registration number: SC149117)

## Balance Sheet as at 31 May 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	<u>4</u>	2,183,198	2,343,885
<b>Current assets</b>			
Stocks	<u>5</u>	24,997	63,003
Debtors	<u>6</u>	172,573	138,995
Cash at bank and in hand		56,460	83,008
		254,030	285,006
<b>Creditors: Amounts falling due within one year</b>	<u>7</u>	(1,969,027)	(1,326,670)
<b>Net current liabilities</b>		(1,714,997)	(1,041,664)
<b>Total assets less current liabilities</b>		468,201	1,302,221
<b>Creditors: Amounts falling due after more than one year</b>	<u>7</u>	(5,704)	(5,973)
<b>Net assets</b>		462,497	1,296,248
<b>Capital and reserves</b>			
Called up share capital	<u>8</u>	4,902,370	4,900,370
Share premium reserve		69,406	69,406
Revaluation reserve		2,095,942	2,095,942
Other reserves		100,000	100,000
Retained earnings		(6,705,221)	(5,869,470)
<b>Shareholders' funds</b>		462,497	1,296,248

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 28 February 2023 and signed on its behalf by:

.....  
Mr J R Morrison  
Director

# **Inverness Thistle and Caledonian F. C. Limited**

## **Notes to the Financial Statements for the Year Ended 31 May 2022**

### **1 General information**

The company is a private company limited by share capital, incorporated in Scotland.

The address of its registered office is:

Caledonian Stadium  
Stadium Road  
Inverness  
IV1 1FF

These financial statements were authorised for issue by the Board on 28 February 2023.

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Statement of compliance**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A smaller entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006 (as applicable to companies subject to the small companies' regime).

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

#### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

# **Inverness Thistle and Caledonian F. C. Limited**

## **Notes to the Financial Statements for the Year Ended 31 May 2022**

### **Going concern**

Giving the Directors confidence is the fact that the club has contracted with our partners Intelligent Land Investments Group on the Loch Ness Hydro Pump project and is also awaiting a planning decision on the ICT Battery Farm application. Both projects have significant value for the club and are both out with the exciting classification of the Caledonian Stadium within the Inverness Tax Site section of the new Green Freeport. The latter having huge potential for the development of our site.

The company has reported a loss before tax of £835,751 for the year ended 31 May 2022, and has a reported net asset position of £462,497 with net current liabilities of £1,714,997 at the balance sheet date. The directors have taken the required actions to ensure the long-term financial stability of the company and continue to monitor its financial position. They are encouraged by the performance and resilience shown. The company remains reliant on player trading, new funding streams and the continued financial support backing of its directors, shareholders and supporters. Forecasts prepared by the directors for the season to May 2024, which recognise the ongoing challenges faced by the company in respect of rising costs and rely on certain factors and assumptions, indicate that the company can meet its liabilities as they fall due over the next 12 months. These projections are reliant on new income streams to support annual revenue shortfalls and footballing operating losses. Whilst the forecasts are inherently uncertain, the directors are confident that additional income sources, combined with operational costs savings will secure the financial viability of the company and ensure it meets its debts as they fall due.

Notwithstanding the material uncertainty regarding additional income sources, the directors are satisfied that the company will be able to realise its assets and discharge its liabilities in the normal course of business. Accordingly, the directors have considered a period of 12 months from the approval date of these financial statements and deem it appropriate to prepare the financial statements on a going concern basis.

### **Audit report**

The Independent Auditor's Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report on 28 February 2023 was Paul Capewell, who signed for and on behalf of A9 Accountancy Limited.

Included within the audit report is a material uncertainty relating to going concern:

"We draw attention to Note 2 in the financial statements which indicates that the company incurred a net loss before tax of £835,751 for the year ended 31 May 2022 and, as of that date, the company had net assets of £462,497 with net current liabilities of £1,714,997. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2 indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

We understand that the Directors have taken action to pursue other income streams (additional details are provided at note 2). In the meantime, we understand that the Board of Directors will continue to provide financial support to the club in order that it can meet its financial commitments as they fall due.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate."

### **Revenue recognition**

Turnover represents income receivable, net of VAT, from football and related commercial activities. Gate and other match day revenues are recognised over the period of the football season as games are played. Merit awards are accounted for only when known at the end of the season. The fixed element of broadcasting revenues is recognised over the duration of the football season whilst facility fees for live coverage or highlights are taken when earned. Sponsorship and similar commercial income is recognised over the duration of the respective contracts.

# **Inverness Thistle and Caledonian F. C. Limited**

## **Notes to the Financial Statements for the Year Ended 31 May 2022**

### **Transfer and signing on fees**

Fees payable to other Football Clubs on the transfer of players' registrations are capitalised and amortised over the period of the respective players'/managers' initial contracts. Fees receivable from other Football Clubs on the transfer of players'/managers' registration are reflected in the statement of comprehensive income, net of any unamortised fees payable on registration, in the accounting period in which the transfer takes place. Signing on fees are charged to the statement of comprehensive income in the accounting period in which they are payable.

### **Government grants**

Government grants relating to turnover, including those receivable from the SFA Covid-19 relief fund and under the Coronavirus Job Retention Scheme, are released to the profit and loss account in full.

Grants relating to an asset that specifies performance conditions is recognised in income when the performance conditions are met. Where such grants do not specify performance conditions, it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

### **Tax**

The tax expense for the period comprises tax currently payable and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

### **Tangible assets**

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

### **Depreciation**

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Plant and machinery	8% - 50% straight line / reducing balance basis
Tenants improvements	5% - 20% straight line
Leasehold property	4% straight line

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

# **Inverness Thistle and Caledonian F. C. Limited**

## **Notes to the Financial Statements for the Year Ended 31 May 2022**

### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

### **Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

# **Inverness Thistle and Caledonian F. C. Limited**

## **Notes to the Financial Statements for the Year Ended 31 May 2022**

### **Basic financial liabilities**

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the profit and loss account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

# **Inverness Thistle and Caledonian F. C. Limited**

## **Notes to the Financial Statements for the Year Ended 31 May 2022**

### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

### **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### **3 Staff numbers**

The average number of persons employed by the company (including directors) during the year, was 92 (2021 - 70).



# Inverness Thistle and Caledonian F. C. Limited

## Notes to the Financial Statements for the Year Ended 31 May 2022

### 4 Tangible assets

	Land and buildings £	Plant and machinery etc £	Total £
<b>Cost or valuation</b>			
At 1 June 2021	3,198,174	376,982	3,575,156
Additions	10,712	8,136	18,848
Disposals	-	(54,845)	(54,845)
At 31 May 2022	3,208,886	330,273	3,539,159
<b>Depreciation</b>			
At 1 June 2021	916,286	314,985	1,231,271
Charge for the year	158,148	19,697	177,845
Eliminated on disposal	-	(53,155)	(53,155)
At 31 May 2022	1,074,434	281,527	1,355,961
<b>Carrying amount</b>			
At 31 May 2022	2,134,452	48,746	2,183,198
At 31 May 2021	2,281,888	61,997	2,343,885

Included within the net book value of land and buildings above is £2,134,452 (2021 - £2,281,888) in respect of leasehold land and buildings.

Included within land and buildings are the pitch and stands which were previously transferred to the ownership of the company at £nil cost and included within land and buildings at fair value. These assets were valued at £2,300,000 at October 2018 on a depreciated replacement cost basis by Allied Surveyors Scotland, an independent firm of chartered surveyors. The directors are also satisfied that a value of £2,300,000 is an appropriate reflection of the carrying value of these assets at 31 May 2022 and this amount has been recorded within the revaluation reserve accordingly.

Land and buildings also includes floodlights. The floodlights were valued at June 2015 on a depreciated replacement cost basis by the directors at £80,000.

# Inverness Thistle and Caledonian F. C. Limited

## Notes to the Financial Statements for the Year Ended 31 May 2022

### 5 Stocks

	2022 £	2021 £
Other inventories	24,997	63,003

### 6 Debtors

	2022 £	2021 £
<b>Current</b>		
Trade debtors	38,098	20,295
Prepayments	8,419	1,848
Other debtors	126,056	116,852
	<u>172,573</u>	<u>138,995</u>

### 7 Creditors

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

	2022 £	2021 £
<b>Due within one year</b>		
Trade creditors	348,423	96,295
Taxation and social security	206,885	88,359
Accruals and deferred income	258,302	25,607
Other creditors	1,155,417	1,116,409
	<u>1,969,027</u>	<u>1,326,670</u>

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

	2022 £	2021 £
<b>Due after one year</b>		
Loans and borrowings	9 <u>5,704</u>	<u>5,973</u>

# Inverness Thistle and Caledonian F. C. Limited

## Notes to the Financial Statements for the Year Ended 31 May 2022

### 8 Share capital

#### Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary shares of £1 each	4,002,367	4,002,367	4,000,367	4,000,367
"A" Ordinary shares of £1 each	600,000	600,000	600,000	600,000
"B" Ordinary shares of £1 each	300,000	300,000	300,000	300,000
"C" Ordinary shares of £1 each	3	3	3	3
	<u>4,902,370</u>	<u>4,902,370</u>	<u>4,900,370</u>	<u>4,900,370</u>

The "A", "B" and "C" ordinary shares rank pari passu in all respects with the ordinary shares, except that the holders of the "A", "B" and "C" shares have the right to receive notice of, attend and speak at shareholders meetings but do not have the right to vote at such meetings, save in relation to the appointment of representative directors. With regard to voting rights the ordinary shares held by the Inverness Caledonian Thistle Supporters Society Limited the "Supporters Trust", have enhanced rights for as long as they are held by the Supporters Trust.

### 9 Loans and borrowings

	2022	2021
	£	£
<b>Non-current loans and borrowings</b>		
Finance lease liabilities	<u>5,704</u>	<u>5,973</u>

### 10 Obligations under leases and hire purchase contracts

#### Operating leases

The amount of non-cancellable operating lease payments recognised as an expense during the year was £1,080,000 (2021 - £2,190,000).

# Inverness Thistle and Caledonian F. C. Limited

## Notes to the Financial Statements for the Year Ended 31 May 2022

### 11 Related party transactions

#### Loans from related parties

	Key management £	Total £
<b>2022</b>		
At start of period	729,251	729,251
Advanced	40,000	40,000
	<hr/>	<hr/>
At end of period	<u>769,251</u>	<u>769,251</u>
	Key management £	Total £
<b>2021</b>		
At start of period	729,251	729,251
	<hr/>	<hr/>
At end of period	<u>729,251</u>	<u>729,251</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.