

( Company Number - 158371 )

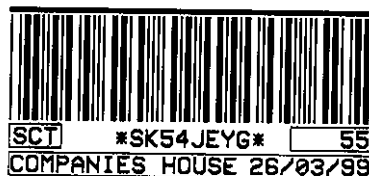
**NAIRN COUNTY FOOTBALL CLUB LIMITED**

**DIRECTORS REPORT**

**AND**

**FINANCIAL STATEMENTS**

**For the Year ended 31 May 1998**



*IAM*

**NAIRN COUNTY FOOTBALL CLUB LIMITED**

**COMPANY INFORMATION**

**DIRECTORS**

Stanley G Brown  
Donald C S Mackintosh  
Ronald D Gordon  
William L Young  
Steven Bain  
Alexander J Mackintosh  
Ronald Henderson  
Alexander I Finlayson  
John McNeill  
Michael J Mitchell  
Derek Cochrane ( Chairman )  
Michael J MacPherson  
Mansel M Craib

**HONORARY PRESIDENT**

Ronald I MacKenzie

**COMPANY SECRETARY**

William L Young

**COMPANY NUMBER**

158371

**REGISTERED OFFICE**

28 High Street  
Nairn  
IV12 4AU

**COMPANY BANKERS**

Clydesdale Bank plc  
Nairn

**COMPANY AUDITORS**

MacKenzie Kerr  
Chartered Accountants  
& Registered Auditors  
19 Culduthel Road  
Inverness

**NAIRN COUNTY FOOTBALL CLUB LIMITED**

**DIRECTORS' REPORT**

*The directors present their report and the financial statements  
of the company for the year ended 31 May 1998.*

**STATEMENT OF 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.

**GOING CONCERN**

The directors consider that the company has adequate resources to continue its operational existence for the foreseeable future. In coming to this conclusion, the directors have paid particular attention to the period of one year from the date of approval of the financial statements.

**PRINCIPAL ACTIVITY**

The principal activity of the company is the running and promotion of a Football Club.

**DIRECTORS**

The directors who held office during the year ended 31 May 1998 and their beneficial interests in the company's issued share capital were:

	<b>Ordinary Shares <u>1998 &amp; 1997</u></b>
Stanley G Brown	128
Donald C S Mackintosh	-
Ronald D Gordon	150
William L Young	50
Steven Bain	65
Alexander J Mackintosh	-
Ronald Henderson	56
Alexander I Finlayson	1
John McNeill	1
Michael J Mitchell	11
Derek Cochrane	51
Michael J MacPherson	1
Mansel M Craib	11

In accordance with the articles of association Steven Bain, Alexander J Mackintosh, Ronald Henderson and Alexander I Finlayson retire in rotation, and being eligible, offer themselves for re-election.

**POLITICAL AND CHARITABLE CONTRIBUTIONS /**

**NAIRN COUNTY FOOTBALL CLUB LIMITED**

**DIRECTORS' REPORT ( Continued )**

**POLITICAL AND CHARITABLE CONTRIBUTIONS**

The company made no political or charitable contributions during the year ( 1997 - £nil ).

**CONTROLLING PARTIES**

The company is not controlled by any one shareholder, however the Trustees of the Nairn County Golden Share Trust can exercise their right to veto any motion which is not in the best interests of Nairn County Football Club Limited.

**AUDITORS**

A resolution proposing the re-appointment of MacKenzie Kerr CA as auditors will be put to the Annual General Meeting.

**EXEMPTIONS**

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board of directors

A handwritten signature in black ink, appearing to read 'William L Young', with a date '3/2/99' written below it.

William L Young  
Director

**NAIRN COUNTY FOOTBALL CLUB LIMITED**

**AUDITORS REPORT**

**To the Members of Nairn County Football Club Limited**

We have audited the financial statements on pages five to eleven which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page seven.

**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 amount 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 31 May 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**MacKenzie Kerr  
Chartered Accountants  
and Registered Auditors**

19/2/99

19 Culduthel Road  
Inverness

**NAIRN COUNTY FOOTBALL CLUB LIMITED**

**PROFIT AND LOSS ACCOUNT**

**For the Year ended 31 May 1998**

	<b>Note</b>	<b>1998 £</b>	<b>1997 £</b>
<b><u>TURNOVER</u></b>	1 (b) + 2	75,644	97,557
Net Operating Expenses	3	(83,654)	(100,228)
<b><u>TRADING LOSS</u></b>	4	<u>(8,010)</u>	<u>(2,671)</u>
Other Income	5	10,710	5,750
Interest Receivable		220	47
Interest Payable	6	(2,284)	(2,643)
<b><u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u></b>		<u>636</u>	<u>483</u>
Taxation	7	-	-
<b><u>PROFIT FOR THE YEAR</u></b>	14	<u>636</u>	<u>483</u>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during both of the financial years highlighted.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses in 1998 and 1997 other than the result for each year.

***The notes on pages seven to eleven form part of the financial statements***

**NAIRN COUNTY FOOTBALL CLUB LIMITED**


**BALANCE SHEET**

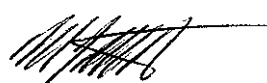
**As at 31 May 1998**

	<b>Note</b>	<b>1998 £</b>	<b>1997 £</b>
<b><u>FIXED ASSETS</u></b>			
Tangible Assets	8	<u>94,095</u>	<u>98,610</u>
<b><u>CURRENT ASSETS</u></b>			
Stock		2,259	2,182
Debtors	9	20,079	10,918
Cash at Bank and in hand		<u>5,279</u>	<u>5,075</u>
		<u>27,617</u>	<u>18,175</u>
<b><u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u></b>	10	<u>(30,569)</u>	<u>(26,621)</u>
<b><u>NET CURRENT LIABILITIES</u></b>		<u>(2,952)</u>	<u>(8,446)</u>
<b><u>TOTAL ASSETS LESS CURRENT LIABILITIES</u></b>		91,143	90,164
<b><u>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</u></b>	11	<u>(23,250)</u>	<u>(22,500)</u>
<b><u>ACCRUALS AND DEFERRED INCOME</u></b>	12	<u>(22,189)</u>	<u>(22,596)</u>
<b><u>NET ASSETS</u></b>		<u>45,704</u>	<u>45,068</u>
<b><u>CAPITAL AND RESERVES</u></b>			
Called - Up Share Capital	13	43,140	43,140
Profit and Loss Account	14	2,564	1,928
<b><u>EQUITY SHAREHOLDERS' FUNDS</u></b>	15	<u>45,704</u>	<u>45,068</u>

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the board on 2 February 1999.

 Director  
D Cochrane

 Director  
M J Mitchell

***The notes on pages seven to eleven form part of the financial statements***

**NAIRN COUNTY FOOTBALL CLUB LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the Year ended 31 May 1998**

**1. ACCOUNTING POLICIES**

**a) Basis of Preparation of Accounts**

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

**b) Turnover**

Turnover comprises the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts. Turnover also comprises all other revenue sources pertaining to that of a football club.

**c) Depreciation**

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Heritable Property	2% Straight Line Basis
Fixtures, Fittings and Equipment	10% Straight Line Basis

**d) Stocks**

Stocks are valued at the lower of cost and net realisable value after due allowance for obsolete and slow - moving stocks.

**e) Taxation**

The charge for taxation is based on the results for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. No provision for deferred taxation is made if there is reasonable evidence that such deferred taxation will not be payable in the foreseeable future.

**f) Advance Discount**

Advance discounts are treated as deferred credits and credited to the profit and loss account over the period the company is "tied" for specific purchases of certain ales in Nairn County FC Social Club.

**g) Grants**

Grants received of a capital nature are treated as deferred credits and credited to the profit and loss account over the estimated useful life of the relevant fixed assets. Revenue grants are credited to the profit and loss account in the year in which the expenditure is incurred.

**2. TURNOVER /**



NOTES TO THE FINANCIAL STATEMENTS ( Continued )

*For the Year ended 31 May 1998*

2. **TURNOVER**

Turnover is attributable to one continuing activity within the United Kingdom.

3. **NET OPERATING EXPENSES**

	1998	1997
	£	£
Highland Lottery Expenditure	14,192	50,789
Wages and Expenses	25,144	13,287
Other Footballing Expenses	32,874	25,535
Administration Expenses	11,444	10,617
	<u>83,654</u>	<u>100,228</u>

4. **TRADING LOSS**

Trading loss is stated after charging:

	1998	1997
	£	£
Directors Remuneration	7,780	4,240
Depreciation of Owned Tangible Fixed Assets	4,515	4,515
Auditors Remuneration	840	800
	<u>13,135</u>	<u>9,555</u>
And after crediting:		
SFA Youth Development Release	<u>3,000</u>	<u>2,000</u>

5. **OTHER INCOME**

Community Donations	-	1,000
Social Club Donations	8,826	4,750
Rent Received	1,884	-
	<u>10,710</u>	<u>5,750</u>

6. **INTEREST PAYABLE**

Bank Overdraft and Other Loans Repayable Within 5 Years	<u>2,284</u>	<u>2,643</u>
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7. **TAXATION**

*Based on the Profit for the Year*

Corporation Tax @ 21% and 23%	<u>-</u>	<u>-</u>
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8. **TANGIBLE ASSETS /**

NOTES TO THE FINANCIAL STATEMENTS ( Continued )

For the Year ended 31 May 1998

8. TANGIBLE ASSETS

	Heritable Property £	Fixtures, Fittings and Equipment £	Total £
<u>Cost</u>			
At 31 May 1997 and 1998	<u>75,755</u>	<u>30,000</u>	<u>105,755</u>
<u>Accumulated Depreciation</u>			
As at 31 May 1997	2,395	4,750	7,145
Charge for Year	1,515	3,000	4,515
At 31 May 1998	<u>3,910</u>	<u>7,750</u>	<u>11,660</u>
<u>Net Book Value</u>			
At 31 May 1998	<u>71,845</u>	<u>22,250</u>	<u>94,095</u>
At 31 May 1997	<u>73,360</u>	<u>25,250</u>	<u>98,610</u>

9. DEBTORS

	1998 £	1997 £
<u>Due Within One Year</u>		
Trade Debtors	8,264	3,759
Other Debtors	11,815	7,159
	<u>20,079</u>	<u>10,918</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1998 £	1997 £
Bank Overdraft	21,449	18,186
Trade Creditors	13	299
Other creditors	9,107	8,136
	<u>30,569</u>	<u>26,621</u>

The bank overdraft facility is secured by standard security over the company's heritable property with a bond and floating charge over the assets of the company.

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR /

NOTES TO THE FINANCIAL STATEMENTS ( Continued )

*For the Year ended 31 May 1998*

11. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	1998 £	1997 £
<i>Wholly Repayable Within Five Years</i>		
Loans	<u>6,500</u>	<u>6,500</u>

The loans are from the general public in the Nairn area and interest is charged at 5% annually. There are no fixed terms of repayment, however it is the opinion of the directors' no loans will be repaid in the next 12 months.

	1998 £	1997 £
<i>Not Wholly Repayable Within Five Years</i>		
Loan	<u>16,750</u>	<u>16,000</u>

The loan is from the Highland Council (formerly Nairn District Council) which carries interest at 5% deferred until 2001. Repayments commence in 2007 with the loan being repaid by 2011.

	1998 £	1997 £
<i>Amounts Repayable:</i>		
Within 5 Years	6,500	6,500
After 5 Years	16,750	16,000
	<u>23,250</u>	<u>22,500</u>

12. **ACCRUALS AND DEFERRED INCOME**

	<b><u>SFA Youth Development</u></b>	<b><u>Advance Discount</u></b>	<b><u>Total</u></b>
At 31 May 1997	6,000	16,596	22,596
Received During the Year	4,000	-	4,000
Released to Nairn County Social Club in Year	-	(1,407)	(1,407)
Released to Profit and Loss Account in Year	(3,000)	-	(3,000)
At 31 May 1998	<u>7,000</u>	<u>15,189</u>	<u>22,189</u>

The advance discount is from Scottish Brewers and is secured over part of the company's heritable property. The discount is repayable on demand if the company is in breach of the Tied Agreement with the brewers.

13. **CALLED UP SHARE CAPITAL /**

NOTES TO THE FINANCIAL STATEMENTS ( Continued )

For the Year ended 31 May 1998

13. CALLED UP SHARE CAPITAL

	1998 £	1997 £
<u>Authorised</u>		
19,999 Ordinary Shares of £10 Each	199,990	199,990
1 Ordinary "Golden" Share of £10 Each	10	10
	<u>200,000</u>	<u>200,000</u>
<u>Issued and Fully Paid</u>		
4,313 Ordinary Shares of £10 Each	43,130	43,130
1 Ordinary "Golden" Share of £10 Each	10	10
	<u>43,140</u>	<u>43,140</u>

14. RESERVES

	Profit and Loss Account £
At 31 May 1997	1,928
Retained Profit for the Year	636
At 31 May 1998	<u>2,564</u>

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1998 £	1997 £
Profit for the Financial Year	636	483
Opening Equity Shareholders' Funds	45,068	44,585
Closing Equity Shareholders' Funds	<u>45,704</u>	<u>45,068</u>