

(Company Number - 158371)

NAIRN COUNTY FOOTBALL CLUB LIMITED

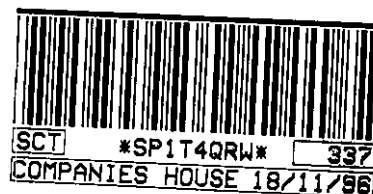
DIRECTORS REPORT

AND

FINANCIAL STATEMENTS

For the Year ended 31 May 1996

1



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
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

Angus MacKenzie & Company
Chartered Accountants
& Registered Auditors
19 Culduthel Road
Inverness

NAIRN COUNTY FOOTBALL CLUB LIMITED

CHAIRMAN'S REPORT

I am pleased to be able to present the first annual report of Nairn County Football Club Limited.

The accompanying accounts show that we have successfully achieved the first stage of the plan to ensure that Nairn continues to be able to support a team in the Highland League.

The financial position has been stabilised and we are now making slow but steady progress in developing the fund—generating capacity which will allow us to provide the finance to develop a competitive team.

It was never envisaged that the survival campaign would be a quick fix and that is still very much the case.

There have been disappointments. The Highland Lottery has suffered very badly from the competition of the National Lottery and this has not generated the funds anticipated. There has been an enormous amount of hard work put into the promotion of the lottery and it will be revamped and relaunched in October.

Apart from the lottery new sources of funding have been developed and in particular the "Lucky Sevens" has produced promising results since its launch.

It is important that these projects are successful and they represent the best sources of long term sustainable finance.

The Social Club which is owned by the Club is leased to a separate members club which has as its objective the provision of funds to support the Football Club. Again whilst the financial situation has been stabilised it will take some time to turn the Club into the funds generating machine it should be.

It was always recognised that these sources of long term finance would take time to bring up to speed and in the meantime I am very grateful for the generous support of the shareholders and public who have helped bridge the financial gap. There have been some outstanding personal contributions.

Whilst this is principally a financial statement I believe the contribution the team has made should not be overlooked. The last few years have been exceptionally difficult for them and it is sad that their continuing enthusiasm has not been rewarded on the park. They have shown fortitude and determination and they are very much worthy of our continuing support.

S G Brown
Chairman

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 1996.

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.

INCORPORATION

The company was incorporated in Scotland on 1 June 1995 and commenced trading on 1 November 1995.

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 1996 and their beneficial interests in the company's issued share capital were:

		Ordinary Shares 1996
Stanley G Brown	(appointed 14 August 1995)	128
Donald C S Mackintosh	(appointed 14 August 1995)	–
Ronald D Gordon	(appointed 14 August 1995)	150
William L Young	(appointed 14 August 1995)	50
Steven Bain	(appointed 14 August 1995)	65
Alexander J Mackintosh	(appointed 17 August 1995)	–
Ronald Henderson	(appointed 14 August 1995)	56
Alexander I Finlayson	(appointed 3 October 1995)	1
John McNeill	(appointed 4 October 1995)	1
Michael J Mitchell	(appointed 3 October 1995)	11
Derek Cochrane	(appointed 3 October 1995)	51
Michael J MacPherson	(appointed 3 October 1995)	1
Mansel M Craib	(appointed 3 October 1995)	11

In accordance with the articles of association and as a result of this being the first year of trading all of the above are required to retire. They all 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.

AUDITORS

The Auditors, Angus MacKenzie & Company, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

EXEMPTIONS

In preparing the above report the directors have taken advantage of the special exemptions conferred by Part II of Schedule 8 to the Companies Act 1985.

Approved by the Board on
and signed on its behalf by



William L Young
Secretary

NAIRN COUNTY FOOTBALL CLUB LIMITED

AUDITORS REPORT

To the Shareholders of Nairn County Football Club Limited

We have audited the financial statements set out on pages five to eleven which have been prepared following 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 1996 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.



Angus MacKenzie & Company
Chartered Accountants
and Registered Auditors

19 Culduthel Road
Inverness

16/10/96

NAIRN COUNTY FOOTBALL CLUB LIMITED

PROFIT AND LOSS ACCOUNT

For the Year ended 31 May 1996

	<u>Note</u>	<u>1996</u> £
<u>TURNOVER</u>	1(b)+2	61,659
Net Operating Expenses	3	(61,264)
<u>TRADING PROFIT</u>	4	395
Other Income	5	4,631
Interest Receivable		419
Interest Payable	6	(4,000)
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		1,445
Taxation	7	-
<u>PROFIT FOR THE YEAR</u>		1,445

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses in 1996 other than the result for the 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 1996

	<u>Note</u>	<u>1996</u> £
<u>FIXED ASSETS</u>		
Tangible Assets	8	103,125
<u>CURRENT ASSETS</u>		
Stock		2,106
Debtors	9	17,327
Cash at Bank and in Hand		5,117
		24,550
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>	10	(40,604)
<u>NET CURRENT LIABILITIES</u>		(16,054)
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		87,071
<u>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</u>	11	(23,750)
<u>ACCRUALS AND DEFERRED INCOME</u>	12	(18,736)
<u>NET ASSETS</u>		44,585
<u>CAPITAL AND RESERVES</u>		
Called - Up Share Capital	13	43,140
Profit and Loss Account	14	1,445
<u>EQUITY SHAREHOLDERS' FUNDS</u>	15	44,585

The directors have taken advantage of the special exemptions conferred by Part I of Schedule 8 to 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.

The financial statements were approved by the board on

..... *S. G. Brown* Director
S G Brown

..... *M J Mitchell* 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 1996

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 making 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) Advanced 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.

2. TURNOVER /

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the Year ended 31 May 1996

2.. TURNOVER

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

3. NET OPERATING EXPENSES

1996

£

Highland Lottery Expenditure	36,582
Wages and Expenses	6,623
Other Footballing Expenses	10,460
Administration Expenses	7,599
	<hr/>
	61,264
	<hr/>

4. TRADING PROFIT

Trading profit is stated after charging :

1996

£

Directors Remuneration	1,116
Depreciation of Owned Tangible Fixed Assets	2,630
Auditors Remuneration	800
	<hr/>

5. OTHER INCOME

Community Donations	4,631
	<hr/>

6. INTEREST PAYABLE

Bank Overdraft and Other Loans Repayable Within 5 Years	4,000
	<hr/>

7. TAXATION

Based on the Profit for the Year

Corporation Tax @ 25%	-
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8. TANGIBLE ASSETS/

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the Year ended 31 May 1996

8. TANGIBLE ASSETS

	Heritable Property £	Fixtures, Fittings and Equipment £	Total £
<u>Cost</u>			
Additions	75,755	30,000	105,755
At 31 May 1996	75,755	30,000	105,755
<u>Accumulated Depreciation</u>			
Charge for Period	880	1,750	2,630
At 31 May 1996	880	1,750	2,630
<u>Net Book Value</u>			
At 31 May 1996	74,875	28,250	103,125

9. DEBTORS

	1996 £
<u>Due Within One Year</u>	
Trade Debtors	5,321
Other Debtors	12,006
	17,327

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1996 £
Bank Overdraft	26,290
Trade Creditors	487
Other Creditors	13,827
	40,604

The bank overdraft facility is secured by standard security over the company's heritable property along 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 1996

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

	<u>1996</u> £
<u>Wholly Repayable Within Five Years</u>	
Loans	8,750

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.

	<u>1996</u> £
<u>Not Wholly Repayable Within Five Years</u>	
Loan	15,000

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.

<u>Amounts Repayable:</u>	<u>1996</u> £
Within 5 Years	8,750
After 5 Years	15,000
	<u>23,750</u>

12. ACCRUALS AND DEFERRED INCOME

	<u>Advance Discount</u> £
Received During the Year	18,736
Released to Nairn County Social Club in Year	-
At 31 May 1996	<u>18,736</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 1996

13. CALLED UP SHARE CAPITAL

	<u>1996</u> £
<i>Authorised</i>	
19,999 Ordinary Shares of £10 Each	199,990
1 Ordinary "Golden" Share of £10 Each	10
	<hr/> 200,000 <hr/>
<i>Issued and Fully Paid</i>	
4313 Ordinary Shares of £10 Each	43,130
1 Ordinary "Golden" Share of £10 Each	10
	<hr/> 43,140 <hr/>

14. RESERVES

	Profit and Loss <u>Account</u> £
Retained Profit for the Year	1,445
At 31 May 1996	<hr/> 1,445 <hr/>

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1996</u> £
Profit for the Financial Year	1,445
Issued Ordinary Share Capital	43,140
	<hr/> 44,585 <hr/>
Opening Equity Shareholders' Funds	–
Closing Equity Shareholders' Funds	<hr/> 44,585 <hr/>

16. COMPARATIVE FIGURES

This is the first period of trading therefore no comparative figures are available.

NAIRN COUNTY FOOTBALL CLUB LIMITED

The information contained on page 13 is prepared for management purposes only and does not form part of these financial statements.