

# AFC

## Annual Report

for the year ended 30 June 2012





# Annual Report

for the year ended 30 June 2012

## Directors and Advisers

### CHAIRMAN

Stewart Milne (non-executive)

### EXECUTIVE VICE-CHAIRMAN

George K Yule

### CHIEF EXECUTIVE

Duncan G Fraser

### DIRECTORS

Gordon A Buchan (non-executive)

Colin I Welsh (non-executive)

Ian Jack (non-executive)

### SECRETARY

E David Johnston

### REGISTERED OFFICE

Pittodrie Stadium

Aberdeen

AB24 5QH

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### BANKERS

Bank of Scotland  
Queens Cross Branch  
39 Albyn Place  
Aberdeen  
AB10 1YN

### INDEPENDENT AUDITOR

Deloitte LLP  
Chartered Accountants  
Union Plaza  
1 Union Wynd  
Aberdeen  
AB10 1SL

### SOLICITORS

Paull & Williamsons LLP  
Union Plaza  
1 Union Wynd  
Aberdeen  
AB10 1DQ

### NOMINATED STOCKBROKER

Brewin Dolphin  
Blenheim House  
Fountainhall Road  
Aberdeen  
AB15 4DT

## Shareholder Information

The Company has one class of share capital, Ordinary Shares; all Ordinary Shares have identical voting and other rights. At 31 October 2012 the Company had some 2941 (2011 - 2935) shareholders whose holdings can be categorised as follows:-

| Size of Shareholding | No. Of Shareholders | No. Of Shares 000's |
|----------------------|---------------------|---------------------|
| 20000 shares or over | 20                  | 4521                |
| 10000 – 19999 shares | 14                  | 181                 |
| 1000 – 9999 shares   | 206                 | 529                 |
| Under 1000 shares    | 2701                | 612                 |
|                      | <u>2941</u>         | <u>5843</u>         |

### SHARE MARKETING ARRANGEMENTS

The Company has entered into an arrangement with Brewin Dolphin, Stockbrokers, Blenheim House, Fountainhall Road, Aberdeen, AB15 4DT telephone 0845 213 1110, who are regulated by the Financial Services Authority, to act as nominated stockbrokers to the Company and to operate a matched bargain service designed to bring buyers and sellers of shares together.

Any shareholder wanting further information on their shares should contact David Johnston at Pittodrie Stadium on 01224 650400.



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# Chairman's Statement

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The period covered in this report has been the most tumultuous in the history of Scottish football with the latter part of the season dominated by the headlines arising from the Rangers FC situation, and SPL clubs faced with difficult but important decisions arising from this. From the outset, Aberdeen Football Club took on board our supporters' views and the Club maintained its position on sporting integrity throughout. For the sake of Scottish football let's hope that a line has been firmly drawn under this event and that we all move forward.

Despite an improvement in our on-the-field performances under the direction of Craig Brown and Archie Knox as they continued the rebuilding of the senior squad, we finished the season in an unsatisfactory 9th position, which was also the case in the preceding two seasons and this led to drop in attendance levels, particularly towards the end of the season. This was the key factor in a disappointing league campaign which puts pressure on all aspects of the business and is something which the Board is committed to addressing going forward.

After a relatively busy close season during which time the Club was linked with many out of contract players we ultimately brought in four new players and saw others leaving the Club as their contracts expired.

There was also a significant Board room restructuring with Ken Matheson, Hugh Little, Martin Gilbert and Chris Gavin stepping down and well known local businessman and Chairman of the successful Sports Village George Yule joining the Board as Vice Chairman, to strengthen the executive team and lead the business turnaround ahead of the Club's proposed relocation to a new stadium at Loirston. In addition to these changes Willie Miller also left the Club, after stepping down from his role as Director of Youth Development. I would like to put on record my personal thanks for the contributions made by all our former directors.

There has been a general recognition across our supporter base that the senior squad has a more robust and balanced look to it and the team has certainly started the current season satisfactorily with a series of very encouraging performances and results taking the Club as high as third in the SPL. Maintaining improvement in our first team performances on a more consistent basis over the current season will be a significant factor for us all in turning around the fortunes at AFC in the longer term.

Preparations for the move to our new stadium at Loirston were given a set-back when Aberdeen City Council rejected a request for an extension of time to conclude an agreement in relation to the Calder Park development including additional car parking provision and a second access road to the stadium which were conditions of planning consent for the main stadium project. We continue to investigate the Club's options for Loirston and alternative sites with a number of interested parties and remain confident that a satisfactory solution will be found in due course. Much of the work relating to Loirston and Calder Park remains absolutely relevant to our intentions to move which is why the Board continue to hold as an asset the development costs to date.

This report shows that the Club's net assets are less than half of its called up share capital. As a consequence of this the Directors are obliged to convene a general meeting of the company to consider whether any, and if so what, steps should be taken to deal with the situation; this is the first item of special business to be considered at the Annual General Meeting. The Directors have prepared proposals for dealing with the position and consideration of these proposals will form the remaining special business of the Annual General Meeting.

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Over the past few years the major shareholders have invested substantially in the Club with interest-free loans now standing at £5.75 million in aggregate. Part of this amount has been used to finance the development costs of the new stadium as described above and part to provide finance for the business. The major shareholders now wish to make this investment in the business permanent and to this end and subject to shareholder approval it is proposed to convert the loans over time into a new class of Preference Shares.

After the ordinary business of the Annual General Meeting has been concluded, the shareholders will be asked to vote on a special resolution which would create this new class of Preference Shares, and to give the Directors the authority to allot the new shares in satisfaction of the Company's obligation to repay the loans. The new shares would carry no voting or dividend rights and would not be redeemable, but on a return of capital would be entitled to payment in priority to the ordinary shares. No new cash will come into the Company as a result of this conversion, but over time its financial position will be considerably improved by removing liabilities from its balance sheet totalling £5.75m, and by the corresponding improvement in the ratio of its net assets to called up share capital.

Scottish football as a whole continues to experience major challenges across a number of fronts, including a possible restructuring of the professional game to deliver a more competitive and higher quality product offering more meaningful matches to attract increased levels of support from fans and broadcasters in future. AFC has a key role to play in defining the future structure, shape and format of the SPL and we remain fully committed to satisfying not only the needs of our Club, but also all of the stakeholders in Aberdeen Football Club and Scottish football.

In summary, we have carried out significant changes at the Club since the previous Annual General Meeting with the intention

of returning AFC to its rightful place in the top quartile of Scottish football and capable of presenting a serious challenge across all competitions, culminating in the Club's participation in European tournaments on a more regular basis.

We recognise that the financial challenges presented at Club and Scottish level will demand that we deliver even more talent from our Youth Development system, whilst balancing this with an appropriate cost base that is aligned with the realities of the football industry in Scotland.

There is still much to done in the months and years ahead to ensure the future success and sustainability of Aberdeen Football Club and we recognise and appreciate the continued support from AFC fans, sponsors, investors and staff as we press ahead with our turnaround strategy.

**Stewart Milne**  
Chairman



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# Business and Financial Review

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## Introduction

In my report last year, I underlined the importance that we put on the development of a more consistent performance on the park. The early season form of the first team with an unbeaten run of 12 games would indicate that progress is being made in this direction with a much more attractive style of play on show. Results were not always exactly as we would have liked, but the team has demonstrated a resilient side to their character that has been absent for some time.



## Financial Review

The overall turnover rose from £7.462m to £8.337m. SPL gates continued to decline, a pattern again seen across the country, but were offset by the appearance in the semi-final of the Scottish Cup and a strong performance on the commercial side of the business. The turnover from the Club shop was also included for the first time since 2004.

We received fees from the transfer of Sone Aluko to Rangers, Richard Foster to Bristol City and Jack Grimmer to Fulham. We made every effort to keep these players, within the constraints of our playing budget, but they had all made up their minds that they saw their future away from Aberdeen.

Replacements were found for Sone and Richard, but it was difficult to see Jack move on when we had invested much time in a young player and had such high hopes for his future at the Club. However, we wish him well and will follow his career with interest.

Wages fell slightly from £5.093m to £5.018m but after adjusting for termination payments showed an increase of £255,000 due to the wage bill from the new in-house club shop coming into the figures for the first time since 2004 and additional players coming into the first team squad in January 2012 to cover for injuries and invest in the team for the new season.

With merchandising now an in-house operation the need to gross up the Club shop income is removed going forward. Our wages to turnover ratio is 60 per cent, in line with industry expectations and unchanged from last year.

Other Operating Charges rose from £3.369m to £3.734m, but we must make some adjustments to these figures in order to interpret them. This year costs of around £600,000 for the new in-house Club shop, being mainly the cost of merchandise for resale, were added to the figures for the first time since 2004. Last year we had some one-off costs of around £100,000 for the Rod Stewart concert. Overall costs were down around £135,000, and although we continue to spend more than we would like on maintenance as a result of the ageing stadium, consider this to be a good performance.

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## Going Forward

This year and last, we maintained our investment in the first team squad, as we looked to assist the manager in shaping the first team squad and produce the more creative and exciting football that we all desire, and some progress has been made already this season. In saying this, we also recognise that we will not be able to maintain this level of investment indefinitely and will look to obtain the benefits of our youth policy that will allow us to maintain the first team at a standard that this Club deserves at a sustainable cost. I will continue to work closely with the management team to ensure the squad is planned and develops as we would like.

We have seen a number of young players coming through to supplement the first team squad at both the end of last season and the beginning of this season. Ryan Fraser, Clark Robertson, Cammy Smith, Jamie Masson, Jordon Brown and Mitch Megginson have all featured in matches with Ryan being a regular starter so far this season. It seems almost unfair not to mention Ryan Jack, Nicky Low, Joe Shaughnessy, Andy Considine, Chris Clark and Russell Anderson as further products of our youth system. We will continue to add experienced players as and when we can to maintain a first team squad that can help us deliver success. In keeping with most of the SPL clubs we will look to supplement our income with transfer fees and training compensation payments where this is thought to be good business.

Since taking the Club shop back in-house we have been aware of the need to regain a retail foothold in the centre of Aberdeen. To this end we have opened a unit in the Academy Shopping Centre on a short term basis to take advantage of the Christmas market, with a view to obtaining a permanent position at a future date.

## Future Prospects

We were disappointed by the outcome of the recent council vote, which denied us the additional time we required to bring the stadium and training complex at Loirston nearer to reality. The new stadium project is still very much alive, albeit with a longer timescale than we had envisaged.

I firmly believe that we are progressing on the right lines and can look forward with some genuine optimism about our future prospects.

**Duncan Fraser**  
Chief Executive





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# Report of the Directors

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The Directors have pleasure in submitting their Annual Report and audited Financial Statements for the year ended 30 June 2012.

## 1. ACTIVITIES

The principal activity of the Group is that of a professional football club.

## 2. BUSINESS REVIEW

The loss for the year after taxation amounted to £1,365,000 (2011 - £2,116,000). The Directors do not propose payment of a dividend (2011 - £Nil) and recommend that the loss is transferred to reserves.

The Directors consider the key performance indicators of the Group to be turnover and the relationship of payroll costs to turnover. The fixed costs of the business which are mainly football related payroll costs and the upkeep of the football stadium must be maintained within the constraints of the turnover figure. Turnover is directly influenced by the performance of the Club in the Scottish Premier League (SPL) and in the Scottish Communities League Cup (SCL Cup) and Scottish Cup each season. The Club's final position in each of these competitions will impact on the future prospects for the Group.

Turnover has risen by £0.875 million after the Club finished in ninth place in the SPL and reached the semi-final of the Scottish Cup in the 2011/12 season, as opposed to a ninth place finish in the SPL and reaching the semi final of both the SCL Cup and the Scottish Cup in season 2010/11. A subsequent loss of gate revenues was almost exactly offset by strong performances in commercial activities and the increase in turnover can be attributed to sales from the Club shop which was taken back in-house from mid-June 2011.

A full review of activities and prospects is contained in the Chairman's Statement and Business and Financial Review at pages 1 to 4.

## 3. ENVIRONMENT

The Group recognises the importance of its environmental responsibilities. As the principal activity is the running of a professional football club, the impact on the environment is limited.

## 4. DIRECTORS AND THEIR INTERESTS

The Directors of the Company and their interests in the issued share capital of the Company were as follows:

|  | Ordinary shares of 10 pence each |                       |
|--|----------------------------------|-----------------------|
|  | As at 31 October 2012            | As at 31 October 2011 |
| Stewart Milne                          | 1,613,749                        | 1,613,749             |
| George K Yule (appointed 25 June 2012) | 780,316                          | -                     |
| Duncan G Fraser                        | 211                              | 211                   |
| Gordon A Buchan                        | 10,000                           | 10,000                |
| Colin I Welsh                          | 200,000                          | -                     |
| Ian Jack                               | 200,000                          | -                     |

Included in the above shareholding for Stewart Milne are shares owned by companies in which he has a controlling interest.

Since the last Annual General Meeting Martin J Gilbert, Hugh W M Little, Christopher J Gavin and Kenneth A Matheson resigned on 25 June 2012 and William F Miller resigned on 29 June 2012.

Brief biographical details of the Directors are as follows: -

**Stewart Milne** was appointed a director of the Company in June 1994. He became Executive Vice Chairman in 1997 and Executive Chairman in June 1998 and following the appointment of the Club's first Chief Executive in November 1999, stepped down to a non-executive role. He is also Chairman and Chief Executive of the Stewart Milne Group.

**George Yule** was appointed an executive director of the Company in June 2012 in the role of Executive Vice-Chairman. His principal responsibility is to lead the turnaround of all areas of the AFC business and to prepare the Club for its relocation to a new iconic football stadium and training complex. George is also current President of Aberdeen and Grampian Chamber of Commerce and non-executive Chairman of Aberdeen Sports Village. Away from his business interests he is Corporate Patron of Befriend-a-Child, a local charity for disadvantaged children in the Aberdeen and Aberdeenshire region.



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#### 4. DIRECTORS AND THEIR INTERESTS (continued)

Brief biographical details of the Directors (continued)

**Duncan Fraser** was appointed an executive director of the Company in May 2004 with responsibility for all non-football operations, having been Company Secretary since November 2002. In November 2010 he was promoted to the role of Managing Director and in August 2010 he was appointed Chief Executive. He is a Chartered Accountant and held senior positions in the oil and gas industry prior to his appointment.

**Gordon Buchan** was appointed a non-executive director of the Company in April 1992. He is a solicitor and a consultant with Paull & Williamsons LLP and advises the Board on all legal matters concerning the Company.

**Colin Welsh** was appointed a non-executive director of the Company in July 2011. He is the Chief Executive Officer of Simmons & Company International Limited an investment bank specialising in the oil industry.

**Ian Jack** was appointed a non-executive director of the Company in July 2011. He is Regional Vice-President for UK and Holland for M-I SWACO UK.

Stewart Milne and Gordon Buchan retire by rotation and, being eligible, offer themselves for re-election at the forthcoming Annual General Meeting. George Yule was appointed since the last Annual General Meeting and requires to have his appointment ratified.

An insurance policy for Directors' and Officers' Liability has been maintained during the course of the year.

#### 5. FIXED ASSETS

The Directors have carried out a review of the carrying value of all freehold land and stands, executive boxes and permanent fixtures at the year end with reference to a depreciated replacement cost valuation performed by Messrs F G Burnett as at 30 June 2010. Having given consideration to the current market conditions the Directors have reinstated the valuation of Pittodrie Stadium and the surrounding land in the Financial Statements back to its previous carrying value of £17.0 million.

#### 6. GOING CONCERN

The Group's business activities are set out in note 2 above, the Chairman's Statement on pages 1 and 2 and the Business and Financial Review on pages 3 and 4.

The bank loans fell due for renewal on 28 February 2012 and were extended until 30 November 2012. Negotiations with the bank regarding the refinancing of the facilities are ongoing, focusing on putting into place long-term facilities with part of the facilities on fixed rates. At the date of signing the negotiations are well advanced and the Directors are confident that the negotiations will be satisfactorily concluded.

The Directors have undertaken a process to ensure that an appropriate funding structure is put in place to meet both the short-term funding requirements of the Group's football operations as well as the long-term funding requirements of the Group. The Board will primarily concentrate on achieving an operating break-even position in the short to medium term, whilst seeking to move forward with the new stadium development as and when it is prudent and viable.

The Directors have prepared future financial projections which cover the period up to and beyond the review date for the banking facilities, which make assumptions regarding the availability of future funding, including support from the major shareholders as required, and which demonstrate that the Group has sufficient resources to meet its obligations and liabilities as they fall due. The Directors have considered the assumptions and estimates used in the preparation of the future financial projections, including those in relation to activity levels which are influenced by the performance of the football team and, having considered the forecast results, expect that the Group will continue as a going concern in the foreseeable future.

#### 7. PAYMENT OF CREDITORS

It is the Group's policy to pay creditors in line with terms and conditions agreed with individual suppliers. Where no terms are agreed, creditors are paid within twenty-eight days of the month end in which the invoice is received. The ratio expressed in days between amounts invoiced to the Group by its suppliers in the year and the amounts owed to its trade creditors at the end of the year was 35 days (2011 - 35 days).

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# Report of the Directors - (continued)

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## 8. FINANCIAL INSTRUMENTS

The Group's principal financial instruments are bank balances and amounts due from customers and other football clubs in respect of transfer fees. The amounts presented in the balance sheet are net of any provisions for doubtful debts where required. The Group's principal financial liabilities are bank facilities and loans from shareholders, all of which are on variable interest rates. The terms of these financial liabilities are disclosed in Notes 13 and 16.

## 9. DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company Law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Company and the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the company will continue in business (see Note 6 above).

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination on financial statements may differ from legislation in other jurisdictions.

## 10. AUDIT INFORMATION

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

## 11. AUDITOR

A resolution to reappoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting.

**On Behalf of the Board**  
**Duncan G Fraser**  
**Chief Executive**  
**21st November 2012**

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# Independent Auditor's Report

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## to the Members of Aberdeen Football Club plc

We have audited the financial statements of Aberdeen Football Club plc for the year ended 30 June 2012 which comprise the Consolidated and Company Profit and Loss Account, the Consolidated and Company Statement of Total Recognised Gains and Losses, the Consolidated and Company Note of Historical Cost Profits and Losses, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement and notes thereto, and the related notes 1 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditor

As explained more fully in the note on Directors' Responsibilities in the Report of the Directors, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 June 2012 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Emphasis of matter – new stadium project

Note 10 to the financial statements discloses that the balance sheet includes £2.657 million of capitalised costs in respect of the new stadium project. As noted therein and as discussed further in the Chairman's Statement and Business and Financial Review, notwithstanding certain developments and uncertainties regarding the exact timing and location of the new stadium, the Directors remain committed to this project and accordingly have concluded that it remains appropriate to capitalise these costs. Given the significance of this conclusion to the overall financial statements, and without modifying our opinion, we draw this matter to your attention.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**James Boyle CA (Senior Statutory Auditor)**  
**for and on behalf of Deloitte LLP**  
**Chartered Accountants and Statutory Auditor**  
**Aberdeen, Scotland**  
**21st November 2012**



# Consolidated and Company Profit and Loss Accounts

for the year ended 30 June 2012

|   | Notes | Group          |              | Company        |              |
|---|-------|----------------|--------------|----------------|--------------|
|   |       | 2012<br>£000   | 2011<br>£000 | 2012<br>£000   | 2011<br>£000 |
| <b>Turnover</b>                                       | 2     | <b>8337</b>    | 7462         | <b>8337</b>    | 7462         |
| <b>Operating Charges</b>                              |       |                |              |                |              |
| Recurring   | 3     | <b>(9400)</b>  | (8796)       | <b>(9454)</b>  | (8460)       |
| Exceptional   | 3     | <b>(81)</b>    | (505)        | <b>(81)</b>    | (505)        |
| Total Operating Charges                               |       | <b>(9481)</b>  | (9301)       | <b>(9535)</b>  | (8965)       |
| <b>Operating Loss</b>                                 | 5     | <b>(1144)</b>  | (1839)       | <b>(1198)</b>  | (1503)       |
| Gain on disposal of intangible fixed assets           |       | <b>379</b>     | 444          | <b>379</b>     | 444          |
| <b>Loss Before Interest and Taxation</b>              |       | <b>(765)</b>   | (1395)       | <b>(819)</b>   | (1059)       |
| Interest payable and similar charges (net)            | 4     | <b>(600)</b>   | (721)        | <b>(10)</b>    | (14)         |
| <b>Loss on Ordinary Activities Before Taxation</b>    |       | <b>(1365)</b>  | (2116)       | <b>(829)</b>   | (1073)       |
| Tax on Loss on ordinary activities                    | 6     | -              | -            | -              | -            |
| <b>Loss for the Financial Year</b>                    | 18    | <b>(1365)</b>  | (2116)       | <b>(829)</b>   | (1073)       |
| <b>Loss per share – basic and diluted</b>             | 7     | <b>(23.4p)</b> | (36.2p)      | <b>(14.2p)</b> | (18.4p)      |
| <b>Statement of Total Recognised Gains and Losses</b> |       |                |              |                |              |
| Loss for the financial year                           |       | <b>(1365)</b>  | (2116)       | <b>(829)</b>   | (1073)       |
| Surplus on revaluation of fixed assets                | 18    | <b>583</b>     | 583          | -              | -            |
| <b>Total recognised losses in the year</b>            |       | <b>(782)</b>   | (1533)       | <b>(829)</b>   | (1073)       |

## Note of Historical Cost Profits and Losses

|  | Notes |               |        |              |        |
|--|-------|---------------|--------|--------------|--------|
| Loss on ordinary activities before taxation  |       | <b>(1365)</b> | (2116) | <b>(829)</b> | (1073) |
| Difference between historical cost depreciation charge and the actual depreciation charge for the year | 18    | <b>405</b>    | 402    | -            | -      |
| <b>Historical cost loss on ordinary activities before taxation</b>                                     |       | <b>(960)</b>  | (1714) | <b>(829)</b> | (1073) |
| <b>Historical cost loss for the year after taxation</b>  |       | <b>(960)</b>  | (1714) | <b>(829)</b> | (1073) |

The notes on pages 13 to 22 form part of the Financial Statements.

# Balance Sheets

as at 30 June 2012

|  | Notes | Group        |         | Company     |        |
|--|-------|--------------|---------|-------------|--------|
|  |       | 2012         | 2011    | 2012        | 2011   |
|  |       | £000         | £000    | £000        | £000   |
| <b>Fixed Assets</b>                          |       |              |         |             |        |
| Intangible fixed assets                      | 8     | 40           | 45      | 40          | 45     |
| Tangible fixed assets                        | 10    | 20033        | 18701   | 3033        | 1701   |
| Investments                                  | 9     | -            | -       | -           | -      |
|  |       | <b>20073</b> | 18746   | <b>3073</b> | 1746   |
| <b>Current Assets</b>                        |       |              |         |             |        |
| Stock  | 11    | 240          | 302     | 240         | 302    |
| Debtors                                      | 12    | 1513         | 2089    | 1513        | 3156   |
| Cash at bank and in hand                     |       | 511          | 990     | 511         | 990    |
|  |       | <b>2264</b>  | 3381    | <b>2264</b> | 4448   |
| <b>Creditors</b>                             |       |              |         |             |        |
| Amounts falling due within one year          | 13    | (12578)      | (13155) | (1887)      | (2281) |
| <b>Net Current (Liabilities)/Assets</b>      |       | (10314)      | (9774)  | 377         | 2167   |
| <b>Total Assets less Current Liabilities</b> |       | <b>9759</b>  | 8972    | <b>3450</b> | 3913   |
| <b>Creditors</b>                             |       |              |         |             |        |
| Amounts falling due after more than one year | 14    | (5819)       | (4540)  | (69)        | (40)   |
| <b>Deferred Income</b>                       | 15    | (3926)       | (3636)  | (2936)      | (2599) |
| <b>Net Assets</b>                            |       | <b>14</b>    | 796     | <b>445</b>  | 1274   |
| <b>Capital and Reserves</b>                  |       |              |         |             |        |
| Called up share capital                      | 17    | 584          | 584     | 584         | 584    |
| Revaluation reserve                          | 18    | 13846        | 13668   | -           | -      |
| Profit and loss account (deficit)/surplus    | 18    | (14416)      | (13456) | (139)       | 690    |
| <b>Shareholders' Funds</b>                   | 19    | <b>14</b>    | 796     | <b>445</b>  | 1274   |

The notes on pages 13 to 22 form part of the Financial Statements.

The financial statements of Aberdeen Football Club plc, company registration number SC005364 were approved by the Board of Directors and authorised for issue on 21st November 2012.

Signed on behalf of the Board of Directors  
**Duncan G Fraser**  
 Chief Executive

# Consolidated Cash Flow Statement

for the year ended 30 June 2012

| <b>Net Cash Flow</b>                                | Notes | <b>2012</b><br>£000 | 2011<br>£000 |
|---|-------|---------------------|--------------|
| Net cash inflow/(outflow) from operating activities | i     | <b>67</b>           | (329)        |
| Returns on investments and servicing of finance     | ii    | <b>(593)</b>        | (186)        |
| Taxation  |       | -                   | -            |
| Capital expenditure and financial investment        | ii    | <b>(1127)</b>       | (766)        |
| Net cash outflow before financing                   |       | <b>(1653)</b>       | (1281)       |
| Financing   | ii    | <b>1174</b>         | 1227         |
| Decrease in cash                                    |       | <b>(479)</b>        | (54)         |

## Reconciliation of Net Cash Flow to Movement in Net Debt (See Note iii)

|  |                |         |
|--|----------------|---------|
| Decrease in cash in the year                   | <b>(479)</b>   | (54)    |
| Cash inflow from increase in debt              | <b>(1174)</b>  | (1227)  |
| Change in net debt resulting from cash flows   | <b>(1653)</b>  | (1281)  |
| New finance leases                             | <b>(79)</b>    | (42)    |
| Roll-up of interest expense (ended March 2011) | -              | (528)   |
| Net debt at 1 July                             | <b>(14717)</b> | (12866) |
| Net debt at 30 June                            | <b>(16449)</b> | (14717) |

The notes on pages 13 to 22 form part of the Financial Statements.



# Notes to the Consolidated Cash Flow Statement

for the year ended 30 June 2012

|     |   |                                  |                                |  |                                  |
|-----|---|----------------------------------|--------------------------------|--|----------------------------------|
| i   | <b>Reconciliation of Operating Loss to Net Cash Outflow from Operating Activities</b> | <b>2012<br/>£000</b>             | <b>2011<br/>£000</b>           |  |                                  |
|     | Operating loss  | (1144)                           | (1839)                         |  |                                  |
|     | Amortisation of intangibles   | 76                               | 98                             |  |                                  |
|     | Disposal of intangible fixed assets   | -                                | 94                             |  |                                  |
|     | Depreciation  | 700                              | 694                            |  |                                  |
|     | Disposal of tangible fixed assets   | (15)                             | -                              |  |                                  |
|     | Amortisation of grants  | (47)                             | (47)                           |  |                                  |
|     | Decrease/(increase) in stocks   | 62                               | (302)                          |  |                                  |
|     | Decrease/(increase) in debtors  | 656                              | (272)                          |  |                                  |
|     | (Decrease)/increase in creditors  | (558)                            | 796                            |  |                                  |
|     | Increase in other deferred income   | 337                              | 449                            |  |                                  |
|     | Net cash inflow/(outflow) from operating activities                                   | <u>67</u>                        | <u>(329)</u>                   |  |                                  |
| ii  | <b>Gross Cash Flows</b>   |                                  |                                |  |                                  |
|     | <b>Returns on investments and servicing of finance</b>                                |                                  |                                |  |                                  |
|     | Interest received   | 6                                | 7                              |  |                                  |
|     | Interest paid and similar charges   | (590)                            | (179)                          |  |                                  |
|     | Hire purchase interest  | (9)                              | (14)                           |  |                                  |
|     |   | <u>(593)</u>                     | <u>(186)</u>                   |  |                                  |
|     | <b>Capital expenditure and financial investment</b>                                   |                                  |                                |  |                                  |
|     | Payments to acquire intangible fixed assets   | (71)                             | (85)                           |  |                                  |
|     | Receipts from sales of intangible fixed assets  | 299                              | 222                            |  |                                  |
|     | Payments to acquire tangible fixed assets   | (1393)                           | (903)                          |  |                                  |
|     | Receipts from sales of tangible fixed assets  | 38                               | -                              |  |                                  |
|     |   | <u>(1127)</u>                    | <u>(766)</u>                   |  |                                  |
|     | <b>Financing</b>  |                                  |                                |  |                                  |
|     | Loan repayments   | -                                | (1200)                         |  |                                  |
|     | New shareholder loans   | 1250                             | 2500                           |  |                                  |
|     | Capital element of finance lease rental payments                                      | (76)                             | (73)                           |  |                                  |
|     |   | <u>1174</u>                      | <u>1227</u>                    |  |                                  |
| iii | <b>Analysis of Changes in Net Debt</b>  |                                  |                                |  |                                  |
|     |   | <b>30 June<br/>2011<br/>£000</b> | <b>Cash<br/>Flows<br/>£000</b> | <b>Other<br/>Non-Cash<br/>Changes<br/>£000</b> | <b>30 June<br/>2012<br/>£000</b> |
|     | <b>Cash at bank and in hand</b>   | 990                              | (479)                          | -  | 511                              |
|     | <b>Debt due within one year:</b>  |                                  |                                |  |                                  |
|     | Bank loans  | (10820)                          | -                              | -  | (10820)                          |
|     | Shareholder loans   | (300)                            | -                              | -  | (300)                            |
|     | <b>Debt due after more than one year:</b>   |                                  |                                |  |                                  |
|     | Shareholder loans   | (4500)                           | (1250)                         | -  | (5750)                           |
|     | <b>Finance leases</b>   | (87)                             | 76                             | (79)   | (90)                             |
|     |   | <u>(14717)</u>                   | <u>(1653)</u>                  | <u>(79)</u>                                    | <u>(16449)</u>                   |

The non-cash change relates to new finance leases entered into during the year.

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# Notes Forming Part of the Financial Statements

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for the year ended 30 June 2012

## 1. Accounting Policies

The principal accounting policies, which have been applied consistently in the current and prior year, are summarised below.

### (a) Basis of Preparation

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold land and stands, executive boxes and permanent fixtures, and in accordance with applicable United Kingdom accounting standards.

### (b) Going Concern

The Financial Statements have been prepared on a going concern basis, with the bank loans falling due for renewal on 28 February 2012 having since been extended until 30 November 2012. Negotiations with the bank regarding the refinancing of the facilities are ongoing, focusing on putting into place long-term facilities with part of the facilities on fixed rates. At the date of signing the negotiations are well advanced and the Directors are confident that the negotiations will be satisfactorily concluded. These matters are discussed in more detail in note 6 in the Report of the Directors.

### (c) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiary made up to 30 June in each year.

### (d) Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost or revalued amount less depreciation. Freehold land and stands, executive boxes and permanent fixtures are valued on a Depreciated Replacement Cost basis with the surplus or deficit on book value transferred to the revaluation reserve. A full, detailed valuation is completed every 5 years, with interim valuations completed on the third anniversary of the full valuation. Further interim valuations may be completed on the first, second and fourth anniversaries if there is potentially a material change in value. Tangible fixed assets other than land are depreciated to write off their cost or valuation in equal annual amounts over their estimated useful lives. Land is not depreciated. The applied depreciation rates are as follows: -

|  | % per annum |
|--|-------------|
| Stands, Executive Boxes and Permanent Fixtures | 2.5 - 20    |
| Plant, Furniture and Fittings                  | 10 - 33     |

### (e) Intangible Fixed Assets

Fees payable on the transfer of players' registrations are capitalised and amortised over the period of the respective players' contracts. Fees receivable from other football clubs on the transfer of players' registrations are dealt with through the profit and loss account in the accounting period in which the transfer takes place.

Signing-on fees are charged to the profit and loss account in the accounting period in which they are payable.

Payments or receipts, which are contingent on the performance of the team or players, are not recognised until the events crystallising such payments or receipts have taken place.

Compensation payments made to other clubs for young players or football management staff joining the Company are amortised over the period of any relevant contract. Compensation fees receivable for young players or management staff leaving the Company are not recognised until the events crystallising such payments or receipts have taken place.

### (f) Grants

Grants received from the Football Trust for stands, safety improvements and plant are credited to deferred income and amortised through the profit and loss account over the estimated useful lives of the related assets.

### (g) Stock of Goods for Resale

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

# Notes Forming Part of the Financial Statements

for the year ended 30 June 2012

## (h) Donations from Lotteries

Donations from lotteries are accounted for in the accounting period in which they are received.

## (i) Taxation

Corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset.

## (j) Leasing and Hire Purchase

Assets held under hire purchase contracts and the related obligations are recorded in the balance sheet at the fair value of the assets at the inception of the agreements. The excess of payments over the recorded obligations is treated as finance charges in the profit and loss account.

Rentals paid under operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

## (k) Pension Costs

Contributions to the Group's defined contribution pension scheme are charged to the profit and loss account in the period in which they become payable.

## (l) Revenue Recognition

Turnover represents income receivable, net of VAT, from football and related commercial activities. The Group has one class of business which is the principal activity of operating a professional football club in Scotland.

Gate and other match day revenues are recognised over the period of the football season as games are played. Sponsorship and similar commercial income is recognised over the duration of the respective contracts. 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. Merit awards are accounted for only when known at the end of the season. Income from commissions is recognised when known with reasonable accuracy.

## (m) Other Deferred Income

Other deferred income represents income from season ticket renewals, advance ticket sales and from sponsorship agreements and other contractual arrangements, which are credited to the profit and loss account over the period of the agreement.

## 2. Analysis of Turnover

|                           | <b>Group</b> |      | <b>Company</b> |      |
|---------------------------|--------------|------|----------------|------|
|                           | <b>2012</b>  | 2011 | <b>2012</b>    | 2011 |
|                           | <b>£000</b>  | £000 | <b>£000</b>    | £000 |
| Gate receipts             | <b>2412</b>  | 2765 | <b>2412</b>    | 2765 |
| Sponsorship & advertising | <b>988</b>   | 686  | <b>988</b>     | 686  |
| Broadcasting rights       | <b>1663</b>  | 1433 | <b>1663</b>    | 1433 |
| Commercial                | <b>3077</b>  | 2349 | <b>3077</b>    | 2349 |
| Other operating revenue   | <b>197</b>   | 229  | <b>197</b>     | 229  |
|                           | <b>8337</b>  | 7462 | <b>8337</b>    | 7462 |



# Notes Forming Part of the Financial Statements

for the year ended 30 June 2012

## 3. Analysis of Operating Charges

|  | Group         |               | Company       |               |
|--|---------------|---------------|---------------|---------------|
|  | 2012          | 2011          | 2012          | 2011          |
|  | £000          | £000          | £000          | £000          |
| <b>Total Operating Charges</b>   |               |               |               |               |
| Staff costs - including exceptional costs of £81,000 (2011 - £411,000) in respect of contract termination  | (5018)        | (5093)        | (5018)        | (5093)        |
| Depreciation and other amounts written off tangible and intangible fixed assets, net of grant release - including exceptional costs of £Nil (2011 - £94,000) in respect of contract termination and including amounts for the amortisation of players' registrations of £76,000 (2011 - £98,000) | (729)         | (839)         | (193)         | (303)         |
| Other operating charges  | (3734)        | (3369)        | (4324)        | (3569)        |
|  | <b>(9481)</b> | <b>(9301)</b> | <b>(9535)</b> | <b>(8965)</b> |

Staff costs consist of:

|                       |             |             |             |             |
|-----------------------|-------------|-------------|-------------|-------------|
| Wages and salaries    | 4445        | 4591        | 4445        | 4591        |
| Social security costs | 532         | 468         | 532         | 468         |
| Other pension costs   | 41          | 34          | 41          | 34          |
|                       | <b>5018</b> | <b>5093</b> | <b>5018</b> | <b>5093</b> |

Directors' remuneration (included above) consists of:

|                       |            |            |            |            |
|-----------------------|------------|------------|------------|------------|
| Emoluments            | 259        | 239        | 259        | 239        |
| Pension contributions | 35         | 27         | 35         | 27         |
|                       | <b>294</b> | <b>266</b> | <b>294</b> | <b>266</b> |

The Directors waived fees totalling £35,000 due in respect of the year ended 30 June 2012 (2011 - £30,000).

The highest paid director received £157,000 (2011 - £149,000) including pension contributions of £14,000 (2011 - £13,000). During the year £68,000 was paid as compensation for loss of office.

|  | 2012<br>Number | 2011<br>Number | 2012<br>Number | 2011<br>Number |
|--|----------------|----------------|----------------|----------------|
| Number of directors who are members of a defined contribution pension scheme | 1              | 1              | 1              | 1              |

The average number of full and part time employees during the year based on full time equivalents was as follows:

|                              |            |            |            |            |
|------------------------------|------------|------------|------------|------------|
| Players                      | 43         | 46         | 43         | 46         |
| Football management          | 9          | 10         | 9          | 10         |
| Scouting / Youth development | 20         | 23         | 20         | 23         |
| Commercial / Administration  | 32         | 24         | 32         | 24         |
| Maintenance                  | 8          | 8          | 8          | 8          |
|                              | <b>112</b> | <b>111</b> | <b>112</b> | <b>111</b> |

# Notes Forming Part of the Financial Statements

for the year ended 30 June 2012

## 4. Interest Payable and Similar Charges (net)

|   | Group |       | Company |      |
|---|-------|-------|---------|------|
|   | 2012  | 2011  | 2012    | 2011 |
|   | £000  | £000  | £000    | £000 |
| Bank interest payable and similar charges | (590) | (707) | -       | -    |
| Other loan interest payable               | (7)   | (7)   | (7)     | (7)  |
| Hire purchase interest                    | (9)   | (14)  | (9)     | (14) |
| Total interest payable                    | (606) | (728) | (16)    | (21) |
| Bank interest receivable                  | 6     | 7     | 6       | 7    |
|   | (600) | (721) | (10)    | (14) |

## 5. Operating Loss

This is stated after charging/(crediting):-

|  |      |       |      |       |
|--|------|-------|------|-------|
| Auditors' remuneration - Audit services  | 15   | 14    | 14   | 13    |
| - Tax services   | 9    | 5     | 8    | 5     |
| - Other services   | 12   | 5     | 12   | 5     |
| Amortisation of grants (Note 15)   | (47) | (47)  | -    | -     |
| Depreciation of owned assets (Note 10)   | 649  | 641   | 66   | 58    |
| Depreciation on assets held under hire purchase contracts and finance leases (Note 10) | 51   | 53    | 51   | 53    |
| Amortisation of intangibles (Note 8)   | 76   | 98    | 76   | 98    |
| Operating lease rentals - Land and buildings   | -    | -     | 590  | 200   |
| - Hire of plant and equipment  | 125  | 113   | 125  | 113   |
| Donations from lotteries   | (89) | (104) | (89) | (104) |

## 6. Tax on Loss on Ordinary Activities

|                 |   |   |   |   |
|-----------------|---|---|---|---|
| Taxation charge | - | - | - | - |
|-----------------|---|---|---|---|

The Group has estimated taxation losses available for carry forward amounting to £24,300,000 (2011 - 23,400,000) - see Note 21. The standard rate of tax for the year, based on the UK standard rate of corporation tax, is 25.5% (2011 - 27.5%). The actual tax charge for the current and the previous year differs from the standard rate for the reasons set out in the following reconciliation.

|   |        |        |       |        |
|---|--------|--------|-------|--------|
| Loss on ordinary activities before tax              | (1365) | (2116) | (829) | (1073) |
| Tax on loss on ordinary activities at standard rate | (348)  | (582)  | (211) | (295)  |
| <b>Factors affecting charge for the period:</b>     |        |        |       |        |
| Expenses not deductible for tax purposes            | 153    | 161    | 4     | 1      |
| Capital allowances in excess of depreciation        | (19)   | (26)   | (19)  | (26)   |
| Income not taxable for tax purposes                 | (12)   | (41)   | -     | (28)   |
| Movement in short term timing differences           | 12     | (5)    | 12    | (5)    |
| Creation of tax losses                              | 214    | 493    | 214   | 353    |
| Total actual amount of current tax                  | -      | -      | -     | -      |

# Notes Forming Part of the Financial Statements

for the year ended 30 June 2012

| 7. Loss per Ordinary Share                        | Group   |         | Company |         |
|---|---------|---------|---------|---------|
|   | 2012    | 2011    | 2012    | 2011    |
| Loss for the financial year (£000's)              | (1365)  | (2116)  | (829)   | (1073)  |
| Weighted average number of ordinary shares ('000) | 5843    | 5843    | 5843    | 5843    |
| Loss per share (pence)                            | (23.4p) | (36.2p) | (14.2p) | (18.4p) |

Basic loss per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares during the year. There are no diluting share issues and diluted earnings per share equals basic earnings per share.

| 8. Intangible Fixed Assets | Group & Company  |
|----------------------------|--|
|                            | Players' Registrations and Compensation Payments<br>£000 |
| <b>Cost</b>                |  |
| At 1 July 2011             | 72   |
| Additions                  | 71   |
| Disposals                  | (39)   |
| At 30 June 2012            | 104  |
| <b>Amortisation</b>        |  |
| At 1 July 2011             | 27   |
| Charge for year            | 76   |
| Disposals                  | (39)   |
| At 30 June 2012            | 64   |
| <b>Net Book Value</b>      |  |
| At 30 June 2012            | 40   |
| At 30 June 2011            | 45   |

| 9. Investments                       | Group        |              | Company      |              |
|--------------------------------------|--------------|--------------|--------------|--------------|
|                                      | 2012<br>£000 | 2011<br>£000 | 2012<br>£000 | 2011<br>£000 |
| Investment in subsidiary undertaking | -            | -            | -            | -            |

The Company holds one Ordinary Share of £1 in The Scottish Premier League Limited for which a consideration of £1 was paid. This represents an 8.333% interest in the company.

The Company also holds one Ordinary Share of £1 in Talltray Limited a wholly owned subsidiary of the Company. The Group Financial Statements reflect the results of the Company and its subsidiary.

# Notes Forming Part of the Financial Statements

for the year ended 30 June 2012

## 10. Tangible Fixed Assets

|  | Company                               | Group        | Group  | Total Group |
|--|---------------------------------------|--------------|--|-------------|
|  | Plant, Furniture and Fittings<br>£000 | Land<br>£000 | Stands, Executive Boxes and Permanent Fixtures<br>£000 | £000        |
| <b>Cost or valuation</b>   |                                       |              |  |             |
| At 1 July 2011   | 4088                                  | 4000         | 13000  | 21088       |
| Additions  | 1472                                  | -            | -  | 1472        |
| Disposals  | (71)                                  | -            | -  | (71)        |
| Revaluation  | -                                     | -            | -  | -           |
| At 30 June 2012  | 5489                                  | 4000         | 13000  | 22489       |
| <b>Depreciation</b>  |                                       |              |  |             |
| At 1 July 2011   | 2387                                  | -            | -  | 2387        |
| Charge for year  | 117                                   | -            | 583  | 700         |
| On disposals   | (48)                                  | -            | -  | (48)        |
| Revaluation  | -                                     | -            | (583)  | (583)       |
| At 30 June 2012  | 2456                                  | -            | -  | 2456        |
| <b>Net Book Value</b>  |                                       |              |  |             |
| At 30 June 2012  | 3033                                  | 4000         | 13000  | 20033       |
| At 30 June 2011  | 1701                                  | 4000         | 13000  | 18701       |
| <b>Comparable amounts determined according to the historical cost convention</b> |                                       |              |  |             |
| <b>Group</b>   |                                       |              |  |             |
| Cost   | 5489                                  | 208          | 6976   | 12673       |
| Accumulated depreciation   | (2456)                                | -            | (4031)   | (6487)      |
| Net book value at 30 June 2012   | 3033                                  | 208          | 2945   | 6186        |
| Net book value at 30 June 2011   | 1701                                  | 208          | 3123   | 5032        |

FRS 15 has been adopted and all freehold land and stands, executive boxes and permanent fixtures are carried at valuation. At the year end, the Directors have carried out a review of the carrying value of all freehold land and stands, executive boxes and permanent fixtures with reference to a depreciated replacement cost valuation performed by Messrs F G Burnett as at 30 June 2010. Having given consideration to the current market conditions the Directors have reinstated the valuation of Pittodrie Stadium and the surrounding land in the Financial Statements back to its previous carrying value of £17.0 million.

The net book value of plant, furniture and fittings in respect of assets held under finance leases and hire purchase contracts was £213,000 (2011 - £214,000).

Included in Plant, Furniture and Fittings is an amount of £2,657,000 (2011 - £1,297,000) relating to the new stadium project. The new stadium project has been deferred for a short period whilst certain options are given consideration and the Directors believe that it is still appropriate to carry the project costs in the balance sheet. This is discussed further in the Chairman's Statement and Business & Financial Review.

## 11. Stock

|                  | Group        | Company      |
|------------------|--------------|--------------|
|                  | 2012<br>£000 | 2011<br>£000 |
| Goods for resale | 240          | 302          |

# Notes Forming Part of the Financial Statements

for the year ended 30 June 2012

## 12. Debtors

|                                       | Group       |             | Company     |             |
|---------------------------------------|-------------|-------------|-------------|-------------|
|                                       | 2012        | 2011        | 2012        | 2011        |
|                                       | £000        | £000        | £000        | £000        |
| Trade debtors                         | 1201        | 1653        | 1201        | 1653        |
| Amounts due from subsidiary companies | -           | -           | -           | 1067        |
| Other debtors and prepayments         | 312         | 436         | 312         | 436         |
|                                       | <b>1513</b> | <b>2089</b> | <b>1513</b> | <b>3156</b> |

## 13. Creditors: Amounts falling due within one year

|  |              |              |             |             |
|--|--------------|--------------|-------------|-------------|
| Bank loans (see Note 16)                                     | 10820        | 10820        | -           | -           |
| Other loans (see Note 16)                                    | 300          | 300          | 300         | 300         |
| Amounts due to subsidiary companies                          | -            | -            | 151         | -           |
| Obligations under finance leases and hire purchase contracts | 21           | 47           | 21          | 47          |
| Trade creditors  | 637          | 885          | 637         | 885         |
| Other taxes and social security costs                        | 300          | 345          | 300         | 345         |
| Other creditors and accruals                                 | 500          | 758          | 478         | 704         |
|  | <b>12578</b> | <b>13155</b> | <b>1887</b> | <b>2281</b> |

The £300,000 of Other loans (including £200,000 from Stewart Milne Group Limited – see Note 23) bears interest at 1.5% above the Bank of Scotland base rate.

The amounts due to subsidiary companies carry no interest and have no fixed repayment terms.

## 14. Creditors: Amounts falling due after more than one year

|  |             |             |           |           |
|--|-------------|-------------|-----------|-----------|
| Loans from related parties (see Notes 16 and 23)             | 3500        | 4500        | -         | -         |
| Other loans (see Notes 16 and 23)                            | 2250        | -           | -         | -         |
| Obligations under finance leases and hire purchase contracts | 69          | 40          | 69        | 40        |
|  | <b>5819</b> | <b>4540</b> | <b>69</b> | <b>40</b> |

### Obligations under finance leases and hire purchase contracts

Future minimum payments under hire purchase contracts are as follows:

|                            |           |           |           |           |
|----------------------------|-----------|-----------|-----------|-----------|
| Within one year            | 21        | 47        | 21        | 47        |
| Between one and two years  | 21        | 14        | 21        | 14        |
| Between two and five years | 48        | 26        | 48        | 26        |
|                            | <b>90</b> | <b>87</b> | <b>90</b> | <b>87</b> |

Finance leases and hire purchase contracts are secured over the related assets.

## 15. Deferred Income

### Deferred grant income - from Football Trust

|                                     |            |             |          |          |
|-------------------------------------|------------|-------------|----------|----------|
| At beginning of year                | 1037       | 1084        | -        | -        |
| Released to profit and loss account | (47)       | (47)        | -        | -        |
| At end of year                      | <b>990</b> | <b>1037</b> | <b>-</b> | <b>-</b> |

### Other deferred income

|   |             |             |             |             |
|---|-------------|-------------|-------------|-------------|
| From season tickets, advance ticket sales, executive boxes and sponsorships received in advance | 2936        | 2599        | 2936        | 2599        |
| Total deferred income   | <b>3926</b> | <b>3636</b> | <b>2936</b> | <b>2599</b> |

Included in Other deferred income are amounts of £900,000 (2011 - £Nil) which will be released to the profit and loss account in more than one year.



# Notes Forming Part of the Financial Statements

for the year ended 30 June 2012

## 16. Loans

|  | Group        |              | Company    |            |
|--|--------------|--------------|------------|------------|
|  | 2012         | 2011         | 2012       | 2011       |
|  | £000         | £000         | £000       | £000       |
| Bank loans (see Note 13)                         | 10820        | 10820        | -          | -          |
| Loans from related parties (see Notes 14 and 23) | 3500         | 4500         | -          | -          |
| Other loans (see Notes 14 and 23)                | 2250         | -            | -          | -          |
| Other loans (see Note 13)                        | 300          | 300          | 300        | 300        |
|  | <b>16870</b> | <b>15620</b> | <b>300</b> | <b>300</b> |

The loans are repayable as follows:

|                           |              |              |            |            |
|---------------------------|--------------|--------------|------------|------------|
| Within one year           | 11120        | 11120        | 300        | 300        |
| Between one and two years | 5750         | 4500         | -          | -          |
|                           | <b>16870</b> | <b>15620</b> | <b>300</b> | <b>300</b> |

The bank loans are secured by a floating charge and a standard security over the stadium from the wholly owned subsidiary Talltray Limited (Talltray) to the bank, cross guaranteed by the Group. Talltray has granted further standard securities over the stadium, to have priority after the bank's standard security and floating charge, to the related parties for their loans (see Note 14).

The bank loans of £10.82 million carrying interest at variable rates (currently 4.44%) and which fell due for repayment on 28 February 2012 have since been extended until 30 November 2012. Negotiations regarding the refinancing of the facilities are ongoing, focusing on putting into place long-term facilities with part of the facilities on fixed rates. At the date of signing the negotiations are well advanced and the Directors are confident that they will be satisfactorily concluded.

The loan stock (see Note 14) of £5.75 million (2011 - £4.5 million) is now interest free and carries no fixed date for repayment.

## 17. Share Capital

|   | Group and Company<br>2012<br>£000 | Group and Company<br>2011<br>£000 |
|---|-----------------------------------|-----------------------------------|
| <b>Authorised</b>                           |                                   |                                   |
| 10,000,000 Ordinary Shares of 10 pence each | <b>1000</b>                       | 1000                              |
| <b>Allotted and fully paid</b>              |                                   |                                   |
| 5,843,333 Ordinary Shares of 10 pence each  | <b>584</b>                        | 584                               |

# Notes Forming Part of the Financial Statements

for the year ended 30 June 2012

## 18. Reserves

|   | Revaluation<br>Reserve<br>£000 | Profit and<br>Loss Account<br>£000 |
|---|--------------------------------|------------------------------------|
| <b>Group</b>  |                                |                                    |
| Balance at 1 July 2011  | 13668                          | (13456)                            |
| Surplus on revaluation of fixed assets                                      | 583                            | -                                  |
| Transfer of amount equivalent to additional depreciation on revalued assets | (405)                          | 405                                |
| Loss for the financial year   | -                              | (1365)                             |
| Balance at 30 June 2012   | 13846                          | (14416)                            |
| <b>Company</b>  |                                |                                    |
| Balance at 1 July 2011  | -                              | 690                                |
| Loss for the financial year   | -                              | (829)                              |
| Balance at 30 June 2012   | -                              | (139)                              |

## 19. Reconciliation of Movement in Consolidated Shareholders' Funds

|  | Group<br>2012<br>£000 | Group<br>2011<br>£000 |
|--|-----------------------|-----------------------|
| Loss for the financial year            | (1365)                | (2116)                |
| Surplus on revaluation of fixed assets | 583                   | 583                   |
| Net decrease in shareholders' funds    | (782)                 | (1533)                |
| Opening shareholders' funds            | 796                   | 2329                  |
| Closing shareholders' funds            | 14                    | 796                   |

## 20. Capital Commitments

The Group and Company had capital commitments at 30 June 2012 of £Nil (2011 - £1.8 million) relating to the new stadium project.

## 21. Deferred Taxation

At 30 June 2012 the Group has an unrecognised deferred tax asset of £5,874,000 (2011 - £5,597,000) due to the availability of trading losses for carry forward.

The ability of the Group to utilise the deferred tax asset depends on future trading performance. No deferred tax asset has been recognised given the uncertainty as to the availability of available future profits to utilise the accumulated tax losses.

The Group also has unrecognised deferred tax liabilities of £512,000 (2011 - £554,000) relating to a potential de-grouping charge and £948,000 (2011 - £993,000) relating to the revaluation of the stadium.

The government has indicated that it intends to enact reductions of 1% each year in the main rate of corporation tax currently standing at 24%, down to 22% by 1 April 2014.

We estimate that the future rate changes to 22% would reduce our unrecognised deferred tax asset at 30 June 2012 by £107,000 (2011 - £146,000), however the actual impact will be dependent on our deferred tax position at that time.

# Notes Forming Part of the Financial Statements

for the year ended 30 June 2012

## 22. Pension Fund

The Group operates a defined contribution Group Personal Pension Scheme for eligible employees. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charged for the year was £6,000 (2011 - £7,000). In addition, contributions of £35,000 (2011 - £27,000) were made to personal pension schemes on behalf of employees.

There was £1,000 due for payment at 30 June 2012 (2011 - £1,000).

## 23. Related Party Transactions

During the year fees for professional services totalling £72,000 (2011 - £12,000) were rendered by Paull & Williamsons LLP. Gordon A Buchan, a non-executive director of the Company, is a consultant with this firm. In addition, at 30 June 2012 £16,000 (2011 - £22,000) was due to Paull & Williamsons LLP in respect of unbilled fees and this amount is included within other creditors and accruals in Note 13.

A loan of £3.7 million (2011 - £2.45 million) is due to Stewart Milne Group Limited (Stewart Milne, the non-executive chairman of the Group, is chairman of this company). A loan of £2.25 million (2011 - £2.25 million) due to Aberdeen Asset Management PLC has been reclassified to Other loans as Aberdeen Asset Management PLC ceased to be a related party during the year. During the year the Club also agreed to a £1.25 million, 7 year sponsorship agreement with Aberdeen Asset Management PLC.

## 24. Group and Company Commitments Under Operating Leases

Payments falling due in the next year on operating leases are:-

|                             | <b>Other<br/>2012<br/>£000</b> | Other<br>2011<br>£000 |
|-----------------------------|--------------------------------|-----------------------|
| Operating leases expiring:- |                                |                       |
| Within one year             | <b>105</b>                     | 112                   |
| Between one and two years   | -                              | -                     |
| Between two and five years  | <b>14</b>                      | 5                     |
|                             | <b>119</b>                     | 117                   |

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# Notice of Annual General Meeting

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NOTICE IS HEREBY GIVEN that the ONE HUNDRED and NINTH Annual General Meeting of ABERDEEN FOOTBALL CLUB plc will be held at The Richard Donald Suite, Pittodrie Stadium, Pittodrie Street, Aberdeen on 19th December 2012 at 7.00pm to transact the following: -

As ordinary business:

1. To receive and consider the Financial Statements for the year ended 30 June 2012 together with the Reports of the Directors and Auditors thereon.
2. To re-elect Stewart Milne as a Director.
3. To re-elect Gordon A Buchan as a Director.
4. To confirm the appointment of George K Yule as a Director.
5. To re-appoint Deloitte LLP, Chartered Accountants, as Auditors and to authorise the Directors to fix their remuneration.

As special business:

6. In view of the Financial Statements showing that the net assets of the Company are half or less than the amount of the Company's called-up share capital, to consider whether any, and if so what, steps should be taken to deal with the situation.

As a consequence of the business to be discussed pursuant to resolution 6, to consider and if thought appropriate approve the following resolution as a special resolution:

7. To consider and, if thought fit, to pass the following resolution as a special resolution:
  - a. THAT an aggregate of 5,750,000 Preference Shares of £1.00 each (to be created pursuant to part e. of this special resolution below) may be allotted fully paid at such time or times as the Directors consider appropriate, as follows:
    - i. A total of 2,250,000 in favour of Aberdeen Asset Management PLC in full and final satisfaction of the liability of the Company and / or the Company's wholly owned subsidiary, Talltray Limited, to pay the aggregate liquidated sum of £2,250,000 to Aberdeen Asset Management PLC (or such lesser number as the Directors consider appropriate in exchange for a proportionate reduction in the total liability owed by the Company and Talltray Limited to Aberdeen Asset Management PLC); and
    - ii. A total of 3,500,000 in favour of Stewart Milne Group Limited in full and final satisfaction of the liability of the Company and / or the Company's wholly owned subsidiary, Talltray Limited, to pay the aggregate liquidated sum of £3,500,000 to Stewart Milne Group Limited (or such lesser number as the Directors consider appropriate in exchange for a proportionate reduction in the total liability owed by the Company and Talltray Limited to Stewart Milne Group Limited).
  - b. THAT in accordance with section 551 of the Companies Act 2006 (2006 Act), the Directors be generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company (Rights) up to an aggregate nominal amount of £5,750,000 provided that this authority shall, unless renewed, varied or revoked by the Company, expire on 18 December 2017 save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the Directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

This authority is in substitution for all previous authorities conferred on the Directors in accordance with section 80 of the Companies Act 1985 or section 551 of the 2006 Act but without prejudice to any allotment of shares or grant of Rights already made or offered or agreed to be made pursuant to such authorities.

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# Notice of Annual General Meeting

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7. To consider and, if thought fit, to pass the following resolution as a special resolution: (continued)
- c. THAT in accordance with section 570 of the 2006 Act, the Directors be generally empowered to allot equity securities (as defined in section 560 of the 2006 Act) pursuant to the authority conferred by part b. of this resolution, as if section 561(1) of the 2006 Act did not apply to any such allotment, provided that this power shall:
- i. be limited to the allotment of equity securities up to an aggregate nominal amount of £5,750,000; and
  - ii. expire on 18 December 2017 (unless renewed, varied or revoked by the Company prior to or on that date), save that the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.
- d. THAT the articles of association of the Company be altered by:
- i. Deleting the present article 5 and replacing it with the following new article 5:  
  
"At the date of adoption of these Articles the authorised share capital of the Company is £6,750,000 divided into 10,000,000 ordinary shares of £0.10 each (the "Ordinary Shares") and 5,750,000 Preference Shares of £1.00 each (the "Preference Shares")."
  - ii. Inserting the following as a new article 6A:  
  
"Notwithstanding any other provision of these Articles the Preference Shares have no rights to dividends and no voting rights and are not redeemable but on a return of capital are entitled to payment of their nominal value in priority to the Ordinary Shares."
  - iii. Deleting all references to former shareholders of the Company, which are now redundant, and making any necessary consequential amendments to the Articles as a result of such deletions and the creation of the Preference Shares pursuant to paragraph 7.e below.
- e. THAT the authorised share capital of the Company be and is hereby increased from £1,000,000 to £6,750,000 by the creation of 5,750,000 Preference Shares of £1.00 each having the rights and restrictions set out at paragraph 7.d.ii above and as more fully set out in the Company's Articles of Association as amended pursuant to this special resolution.

## BY ORDER OF THE BOARD

**E David Johnston**  
**Secretary**

Registered Office: Pittodrie Stadium, Pittodrie Street, Aberdeen AB24 5QH

Dated 21st November 2012

Note: It is requested that notice of questions on the Reports or Accounts should be in the Secretary's hands by 5pm on Monday 10th December 2012.

A member entitled to attend and vote is entitled to appoint a proxy to attend and, on a poll, to vote instead of him and that proxy need not also be a member. A form of proxy is enclosed, and completed proxies must be returned to Pittodrie Stadium at least 48 hours before the time appointed for the meeting.

Will Shareholders please intimate any change of address to the Company Secretary.



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Pittodrie Stadium  
Pittodrie Street,  
Aberdeen AB24 5QH

**[www.afc.co.uk](http://www.afc.co.uk)**