



ANNUAL REPORT

for the year ended 30 June 2013

ABERDEEN FOOTBALL CLUB plc  
Company Number SC005364





# ANNUAL REPORT

## for the year ended 30 June 2013

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<b>BANKERS</b> Bank of Scotland Queens Cross Branch 39 Albyn Place Aberdeen AB10 1YN	<b>INDEPENDENT AUDITOR</b> Deloitte LLP Chartered Accountants Union Plaza 1 Union Wynd Aberdeen AB10 1SL	<b>SOLICITORS</b> Burness Paull LLP Union Plaza 1 Union Wynd Aberdeen AB10 1DQ
		<b>NOMINATED STOCKBROKER</b> Capita MBS The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

## Shareholder Information

The Company has two classes of share capital, Ordinary Shares which have identical voting and other rights and non-redeemable Preference Shares which carry no voting rights, but on a return of capital to shareholders have a right to the nominal value of the shares. At 30 September 2013 the Company had some 2961 (2012 - 2941) ordinary shareholders whose holdings can be categorised as follows:-

<b>Size of Shareholding</b>	<b>No. Of Shareholders</b>	<b>No. Of Shares 000's</b>
20000 shares or over	20	4520
10000 – 19999 shares	14	181
1000 – 9999 shares	211	528
Under 1000 shares	2716	614
	<u>2961</u>	<u>5843</u>

### SHARE MARKETING ARRANGEMENTS

The Company has entered into an arrangement with Capita MBS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU 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. The share buying and selling service is operated through a web portal at [www.capitambs.com](http://www.capitambs.com). To use the web portal you will need to register on the database using your shareholder number and some personal details.

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

## CHAIRMAN'S STATEMENT

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The 12 month period covered in this report has seen material change implemented at Aberdeen Football Club. On the football side the management duo of Craig Brown and Archie Knox bowed out towards the end of the season, to be succeeded by Derek McInnes and Tony Docherty. We were delighted that Craig accepted a position on the Board where he will add significant value.

Despite an improvement in our on-the-field 2012/13 SPL performances, particularly in the first half of the season, everyone connected with the Club realises that we missed a tremendous opportunity to deliver the much sought after football success. A major factor in that was an extensive injury list throughout most of the campaign. Some disappointing results in the latter part of the season led to a drop in home match attendance levels which put further pressure on all aspects of our business and financial forecasts and which undid much of the hard work behind the scenes in 2012/13.

In addition to the replacement of our football management team, the AFC playing squad was significantly changed during the close season with the departure of 13 professional players and the arrival of 7. We also secured key first team players Niall McGinn and Ryan Jack on contract extensions to mitigate the threat of losing them to other clubs at the expiry of their then contracts in June 2014.

Following all of these changes in our football area, there is a widely-held view across our supporter base, and also within Scottish football circles, that the AFC senior squad has a very robust and balanced look to it, and we look forward with a renewed sense of determination to achieve success in the new-look SPFL.

Achieving continuing improvement in our 1st team results on a more consistent basis will be **the** most significant factor in turning around the fortunes of AFC in the longer term.

There has also been a series of organisational changes aimed at delivering greater business and financial efficiencies, and we have extended the Club's community engagement activity programme and improved our existing facilities at Pittodrie Stadium by way of some much-needed refurbishment work on the pitch and also in various supporter areas and corporate hospitality lounges.

The Club was impacted by the decision made by Aberdeen City Council in August 2012 to vote against the development of a training facility and community sports complex at Calder Park, adjacent to the site of the proposed AFC stadium at Loirston. This unexpected decision led to the Club having to embark on an extensive search of other options within the local area and although the loss of Calder Park has affected our original concept of training facilities at the new stadium, the Club remains committed to developing the Loirston site as its preferred option. We continue to work closely with Aberdeen City Council in pursuit of a mutually acceptable outcome whilst also putting in place alternative plans to secure suitable off-site training facilities to meet the current and future needs of our professional and Youth Academy players.

The earlier work relating to the Loirston stadium design remains relevant to our intentions to relocate which is why the Board continues to hold as an asset the development costs associated with Loirston to date.



The **AFC Community Trust** – (the “Community Trust”) is in the process of being formed to lead and oversee the Club’s engagement with and delivery of support and opportunity to various local community groups as defined within our Corporate Social Responsibility (CSR) Policy. Although the Community Trust will be constituted as a separate entity to the Club, it will build upon the strong community profile established by the Club over many years and ensure that our CSR objectives and activities are discharged in a structured and effective manner for the ultimate benefit of those less fortunate, within the Club’s catchment area in the North East of Scotland. Further details of the Community Trust’s aims and objectives are identified in the CSR Policy Statement contained on page 5 of this report.

At the Annual General Meeting last year, shareholders approved the creation of a new class of Preference Shares designed to facilitate the conversion of the major shareholders’ loans into permanent long-term capital. During the year the first £2.25 million of loans were converted into Preference Shares as detailed in Note 17 to the Financial Statements.

During the year the Board re-negotiated the terms of the Club’s bank loans to remove any uncertainty caused by their being of a short-term nature. The negotiations were successfully concluded in December 2012 and all of the bank loans are now medium term facilities. Further details are given in Note 16 to the Financial Statements.

At the end of the year the Board instructed a new valuation of Pittodrie Stadium and the surrounding car parks as they recognised that conditions had changed considerably since the last full valuation was undertaken. The report valued Pittodrie Stadium and the surrounding car parks at £18.1 million on a Depreciated Replacement Cost basis, and having regard to the report and to current market conditions, the Board has adopted this valuation. Further details are given in Note 10 to the Financial Statements.

Although much work has been done to date, there is plenty still to be done in the months and years ahead to ensure the future success and sustainability of Aberdeen Football Club. On behalf of the AFC Board I can assure supporters, sponsors and everyone with an interest in the well-being of Aberdeen Football Club that we are 100% committed to delivering long-overdue success to our Club.

**Stewart Milne**  
Chairman



### Introduction

Scottish football continues to go through a period of change following the financial difficulties experienced by a number of clubs. At the end of the 2012/13 season clubs voted to combine the Scottish Premier League and Scottish Football Leagues into one single league structure, the Scottish Professional Football League. This revised structure allows for play-offs in the Scottish Premiership, an all through distribution model and the introduction of a pyramid system. This new structure should enable Scottish football to move ahead and prosper.

Towards the end of the 2012/13 season Craig Brown announced his intention to retire from football management and was invited to join the Board of Directors, and we are delighted that he chose to accept. Following a robust selection process Derek McInnes was appointed as manager with Tony Docherty appointed as his assistant. The natural cycle of player contracts led to a situation where a number of players were out of contract at the end of the season and the decision was made to let Isaac Osbourne, Gavin Rae, Rob Milsom, Rory Fallon, Gary Naysmith, Dan Twardzik, Stephen Hughes and Jordon Brown leave, with a new contract being offered to Josh Magennis.

The new management team set about recruiting replacements and we are delighted to welcome Willo Flood, Barry Robson, Gregg Wylde, Nicky Weaver, Lawrence Shankland and Calvin Zola. Michael Hector also joined on loan from Reading FC. Equally important was the extension of the contracts of Niall McGinn and Ryan Jack who will be integral to the success of the team.

### Financial Review

The overall turnover fell from £8.337m to £7.85m. SPL gates again declined and were the main reason for the drop in income. This was partly offset by a strong performance on the commercial side of the business.

We received fees of £755,000 (2012 - £379,000) for the transfer of players, including the transfers of Fraser Fyvie and Ryan Fraser to Wigan and Bournemouth respectively. Every effort was made to keep these young players at the club but, in the end, it was clear that they saw their futures away from Scottish football. As well as the transfer fees, sell-on clauses were put into the agreements, meaning that the overall packages were well in excess of the levels of training compensation prescribed by UEFA.

Wages increased from £5.018m to £5.256m following a number of changes in the structure of the workforce, and combined with our drop in turnover our wages to turnover ratio is higher than we would like at 67 per cent (2012 - 60 per cent). This should fall back in the coming year.

Other Operating Charges rose from £3.734m to £4.143m. Immediately following the last match of the 2013/13 season we invested heavily in our new pitch with the complete removal of the top 10cm of the surface and a new fibre-sand top surface put in place along with the latest remote controlled pitch irrigation system. Elsewhere electricity and gas charges rose significantly with the harsh winter and the cost of the upkeep of an ageing stadium continues to be a burden.





### **Going Forward**

We again maintained our investment in the first team squad, as we look to assist the new management team in producing the creative and exciting football that we all wish to see, and progress in this direction is clearly visible. I will continue to work closely with the management team to ensure that squad changes are properly planned and hopefully that the squad develops as we would all like.

The number of young players coming through our Youth Development programme to graduate to the first team squad continues to impress. Ryan Jack, Peter Pawlett, Clark Robertson and Joe Shaughnessy are now regular starters, and with the likes of Craig Murray, Cammy Smith, Nicky Low, Jamie Masson and Declan McManus all featuring in first team matches, the future looks bright. In keeping with most of the SPFL clubs we will look to supplement our income with transfer fees where this is thought to represent good business.

### **Future Prospects**

Considerable work was carried out renegotiating the bank facilities and moving them from short to medium term with regular repayments, as we seek to reduce our debt levels and therefore strengthen the Balance Sheet. This will enable the Club to seek the investment required to deliver the new stadium project and training facilities when conditions enable this to happen.

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

## CORPORATE SOCIAL RESPONSIBILITY STATEMENT



Aberdeen Football Club (AFC) is committed to working with others to provide **SUPPORT** and **OPPORTUNITY** and to inspire local communities. In addition to being a participative and identifiable role model, AFC will work to improve health and wellbeing, education and equality and to enhance social inclusion and cohesion.

Through a broad range of community initiatives AFC will strive to impact positively on its target groups irrespective of ability, age, gender, race, religion or sexual orientation.

AFC is committed to 'doing the right thing' with emphasis on increasing participative opportunities to those with an identified need.

In February 2013, AFC appointed a new Head of Community tasked with expanding the scale and variety of the community activities connected with AFC. As a consequence work is ongoing to establish a standalone charitable organisation which will be independent from, but continue to work in close partnership with, AFC.

Once formed, the charity (Aberdeen FC Community Trust - the "Community Trust") will deliver existing initiatives and will significantly increase other 'non-football' activities.

It is intended that the Community Trust will also have overarching responsibility for those activities which currently sit within AFC's Youth Academy.

The Community Trust will maintain a close and mutually supportive relationship with AFC, but will operate under the direction of its own Board of Trustees, with separate governance and financial control. Its charitable status will allow the Community Trust to access alternative and/or additional sources of funding, and will enable community initiatives to benefit from other charity related financial 'efficiencies'. All funds raised by the Community Trust will be retained and used for developing and maintaining Community Trust activities.

Community initiatives will be developed and targeted in consultation with relevant stakeholders, and all activities will be as inclusive as possible, with many being specifically designed to access 'hard to reach' groups.





The Community Trust's Vision is:

***“To provide Support and Opportunity to change lives for the better”***

The Community Trust will have six charitable purposes – i.e.

- 1.Participation in sport
- 2.Provision of recreational facilities
- 3.Health
- 4.Citizenship or community development
- 5.Equality & diversity
- 6.Education

Those purposes will be progressed under the following identifiable pillars:

- **Positive Activity** – Initiatives which increase the number and variety of people actively involved in any sport or other constructive recreational activity.
- **Health & Wellbeing** – Activities which promote improved mental and physical health & fitness.
- **Equality & Inclusion** – Initiatives designed to address inequalities across communities, and to access and provide opportunities to those persons or groups who may be ‘excluded’ for whatever reason.
- **Good Citizenship** – Initiatives designed to provide interesting and varied diversionary activities, and those which increase positive behaviours and social responsibility.
- **Learning** – Initiatives which promote the value of lifelong learning and personal development via academic, vocational and experiential opportunities.

By separating its community activity from AFC, and by making use of AFC’s branding, profile & other important assets, the Community Trust will be well placed to complement and/or lead on new or existing community initiatives.

While doing its ‘good work’ the Community Trust will continually seek to raise the profile of the North East of Scotland and make use of its key relationships with Aberdeen City & Shire and AFC, while never losing sight of its primary purpose which is to improve the lives of those living and working in the North East of Scotland, and elsewhere.

**George K Yule**  
Vice Chairman

# 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 2013.

## 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 £1,439,000 (2012 - £1,365,000). The Directors do not propose payment of a dividend (2012 - £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 Professional Football League (formerly the SPL), and in the Scottish Football League Cup (League Cup) and the Scottish Football Association Cup (Scottish Cup) each season. The Club's final position in each of these competitions will impact on the future prospects for the Group.

Turnover fell by £0.487 million after the Club finished in eighth place in the SPL and reached the fourth round of the League Cup and the fifth round of the Scottish Cup as opposed to reaching the third round of the League Cup and the semi-final of the Scottish Cup in the 2011/12 season. Although strong performances were achieved in commercial activities, it was not possible to offset the subsequent loss of gate revenues, particularly in the SPL where attendances at home games after the New Year were very low.

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 30 September 2013	As at 31 October 2012
Stewart Milne	1,613,749	1,613,749
George K Yule	780,316	780,316
Duncan G Fraser	211	211
Gordon A Buchan	10,000	10,000
Colin I Welsh	200,000	200,000
Ian Jack	200,000	200,000
J Craig Brown (appointed 13/03/2013)	-	-

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

Brief biographical details of the Directors are as follows: -

**Stewart Milne** was appointed a director of the Company in June 1994. He became 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 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 football stadium and training complex. George is the 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 2007 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. Duncan holds a number of key roles within the wider game, including a non-executive directorship of the Scottish Professional Football League and the SFA Professional Gaming Board. He is also an elected member of the Competitions Working Group of the European Club Association.

**Gordon Buchan** was appointed a non-executive director of the Company in April 1992. He is a solicitor and a consultant with Burness Paull 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.

**Craig Brown** was appointed a non-executive director of the Company in March 2013. He has a wealth of experience in football, being the longest serving Scotland manager over a period of 8 years encompassing 70 international matches and back-to-back qualifications for the 1996 European Championships and the 1998 World Cup. In club football Craig has managed Clyde, Preston North End and Motherwell and managed the Club during the 2011/12 and 2012/13 seasons.

Colin Welsh and Ian Jack retire by rotation and, being eligible, offer themselves for re-election at the forthcoming Annual General Meeting. Craig Brown was appointed since the last Annual General meeting and requires his appointment to be confirmed.

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 2013. Having also given consideration to the current market conditions the Directors have adopted the £18.1 million valuation of Pittodrie Stadium and the surrounding land into the Financial Statements.

#### 6. GOING CONCERN

The Group's business activities are set out in notes 1 and 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 and loans from shareholders were re-negotiated during the financial year and are now mostly on medium term agreements, details of which are disclosed in Note 16.

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 new training facilities and a new stadium development as and when it is prudent and viable.

The Directors have prepared future financial projections 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 (2012 - 35 days).



## 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**  
**28<sup>th</sup> October 2013**

# 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 2013 which comprise the Consolidated and Company Profit and Loss Accounts, 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 23. 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 Groups' 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 2013 and of the Group's and Parent Company'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.

### Emphasis of matter – new stadium project

Note 10 to the Financial Statements discloses that the balance sheet included capitalised costs amounting to £2,878,000 as at 30 June 2013 in connection with the new stadium project. A number of important milestones, including the site acquisition and completion of the fund-raising process remain outstanding and are required to be reached before the project will progress to the construction stage. Notwithstanding the residual risks and uncertainties associated with achieving these milestones, the Directors remain confident that these will be satisfactorily achieved. Accordingly, the Directors have concluded that it remains appropriate to carry these costs in the balance sheet. Given the significance of this conclusion to the overall Financial Statements, and without modifying our opinion, we draw this matter to your attention.

### 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.

### 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  
28<sup>th</sup> October 2013

# CONSOLIDATED AND COMPANY PROFIT AND LOSS ACCOUNTS

for the year ended 30 June 2013

	Notes	Group		Company	
		2013 £000	2012 £000	2013 £000	2012 £000
<b>Turnover</b>	2	<b>7850</b>	8337	<b>7850</b>	8337
<b>Operating Charges</b>					
Recurring	3	(9514)	(9400)	(10085)	(9454)
Exceptional	3	-	(81)	-	(81)
<b>Total Operating Charges</b>		<b>(9514)</b>	(9481)	<b>(10085)</b>	(9535)
<b>Operating Loss</b>	4	<b>(1664)</b>	(1144)	<b>(2235)</b>	(1198)
Gain on disposal of intangible fixed assets		755	379	755	379
<b>Loss Before Interest and Taxation</b>		<b>(909)</b>	(765)	<b>(1480)</b>	(819)
Interest payable and similar charges (net)	5	(530)	(600)	(6)	(10)
<b>Loss on Ordinary Activities Before Taxation</b>		<b>(1439)</b>	(1365)	<b>(1486)</b>	(829)
Tax on Loss on ordinary activities	6	-	-	-	-
<b>Loss for the Financial Year</b>	18	<b>(1439)</b>	(1365)	<b>(1486)</b>	(829)
<b>Loss per ordinary share – basic and diluted</b>	7	<b>(24.6p)</b>	(23.4p)	<b>(25.4p)</b>	(14.2p)
<b>Statement of Total Recognised Gains and Losses</b>					
<b>Loss for the financial year</b>		<b>(1439)</b>	(1365)	<b>(1486)</b>	(829)
<b>Surplus on revaluation of fixed assets</b>	18	<b>1100</b>	583	-	-
<b>Total recognised losses in the year</b>		<b>(339)</b>	(782)	<b>(1486)</b>	(829)
<b>Note of Historical Cost Profits and Losses</b>					
Loss on ordinary activities before taxation		<b>(1439)</b>	(1365)	<b>(1486)</b>	(829)
Difference between historical cost depreciation charge and the actual depreciation charge for the year	18	-	405	-	-
<b>Historical cost loss on ordinary activities before taxation</b>		<b>(1439)</b>	(960)	<b>(1486)</b>	(829)
<b>Historical cost loss for the year after taxation</b>		<b>(1439)</b>	(960)	<b>(1486)</b>	(829)

The notes on pages 15 to 24 form part of the Financial Statements.



## BALANCE SHEETS

**as at 30 June 2013**

	Notes	Group		Company	
		2013	2012	2013	2012
		£000	£000	£000	£000
<b>Fixed Assets</b>					
Intangible fixed assets	8	106	40	106	40
Investments	9	-	-	-	-
Tangible fixed assets	10	21296	20033	3196	3033
		21402	20073	3302	3073
<b>Current Assets</b>					
Stock	11	108	240	108	240
Debtors	12	1938	1513	3983	1513
Cash at bank and in hand		543	511	543	511
		2589	2264	4634	2264
<b>Creditors</b>					
Amounts falling due within one year	13	(3535)	(12578)	(2377)	(1887)
<b>Net Current (Liabilities)/Assets</b>		(946)	(10314)	2257	377
<b>Total Assets less Current Liabilities</b>		20456	9759	5559	3450
<b>Creditors</b>					
Amounts falling due after more than one year	14	(14139)	(5819)	(900)	(69)
<b>Deferred Income</b>	15	(4392)	(3926)	(3450)	(2936)
<b>Net Assets</b>		1925	14	1209	445
<b>Capital and Reserves</b>					
Called up share capital	17	2834	584	2834	584
Revaluation reserve	18	14946	13846	-	-
Profit and loss account deficit	18	(15855)	(14416)	(1625)	(139)
<b>Shareholders' Funds</b>	19	1925	14	1209	445

The notes on pages 15 to 24 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 28<sup>th</sup> October 2013.

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

# CONSOLIDATED CASH FLOW STATEMENT

for the year ended 30 June 2013

Net Cash Flow	Notes	2013 £000	2012 £000
Net cash (outflow)/inflow from operating activities	i	(882)	67
Returns on investments and servicing of finance	ii	(503)	(593)
Taxation		-	-
Capital expenditure and financial investment	ii	339	(1127)
Net cash outflow before financing		(1046)	(1653)
Financing	ii	1078	1174
Increase/(decrease) in cash		32	(479)

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

Increase/(decrease) in cash in the year	32	(479)
Cash inflow from increase in debt	(1078)	(1174)
Change in net debt resulting from cash flows	(1046)	(1653)
New finance leases	-	(79)
Non cash movement – capitalisation of shareholder loans	2250	-
Non cash movement – Bank Loan issue costs	185	-
Net debt at 1 July	(16449)	(14717)
Net debt at 30 June	(15060)	(16449)

The notes on pages 15 to 24 form part of the Financial Statements.

# NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

## for the year ended 30 June 2013

i	<b>Reconciliation of Operating Loss to Net Cash Outflow from Operating Activities</b>	<b>2013</b>	<b>2012</b>	
		<b>£000</b>	<b>£000</b>	
	Operating loss	(1664)	(1144)	
	Amortisation of intangibles	57	76	
	Depreciation	105	700	
	Disposal of tangible fixed assets	25	(15)	
	Amortisation of grants	(48)	(47)	
	Decrease in stocks	132	62	
	(Increase)/decrease in debtors	(425)	656	
	Increase/(decrease) in creditors	422	(558)	
	Increase in other deferred income	514	337	
	Net cash (outflow)/inflow from operating activities	<u>(882)</u>	<u>67</u>	
ii	<b>Gross Cash Flows</b>			
	<b>Returns on investments and servicing of finance</b>			
	Interest received	4	6	
	Interest paid and similar charges	(504)	(590)	
	Hire purchase interest	(3)	(9)	
		<u>(503)</u>	<u>(593)</u>	
	<b>Capital expenditure and financial investment</b>			
	Payments to acquire intangible fixed assets	(123)	(71)	
	Receipts from sales of intangible fixed assets	755	299	
	Payments to acquire tangible fixed assets	(330)	(1393)	
	Receipts from sales of tangible fixed assets	37	38	
		<u>339</u>	<u>(1127)</u>	
	<b>Financing</b>			
	Loan repayments	(560)	-	
	New shareholder loans	1150	1250	
	New Other Loans	560	-	
	Capital element of finance lease rental payments	(72)	(76)	
		<u>1078</u>	<u>1174</u>	
iii	<b>Analysis of Changes in Net Debt</b>			
		<b>Cash</b>	<b>Non-Cash</b>	
	<b>30 June 2012</b>	<b>Flows</b>	<b>Changes</b>	<b>30 June 2013</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
	<b>Cash at bank and in hand</b>	511	-	543
	<b>Debt due within one year:</b>			
	Bank loans	(10820)	9364	(896)
	Related party loans	-	-	(250)
	Other loans	(300)	-	(300)
	<b>Debt due after more than one year:</b>			
	Bank loans	-	(9179)	(9179)
	Related party loans	(3500)	-	(4400)
	Other loans	(2250)	2250	(560)
	<b>Finance leases</b>	(90)	-	(18)
		<u>(16449)</u>	<u>2435</u>	<u>(15060)</u>

The non-cash changes relate to the re-financing of the bank loans and the conversion of £2,250,000 of Other loans into Preference Share capital, both in December 2012.



# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## for the year ended 30 June 2013

### 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 and shareholder loans having been re-negotiated during the year, onto a medium term basis. Details of these loans are disclosed in Notes 13 and 16 and in note 6 of 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
Freehold land and stands, executive boxes and permanent fixtures	0-5%
Plant, Furniture and Fittings	10 - 33

Pittodrie Stadium was not depreciated in the Financial Statements during the year to 30 June 2013 as the Directors are of the opinion that, having assessed the expected useful life and residual value of the stadium and surrounding car park, any charge for depreciation would be immaterial. The Company has adopted Financial Reporting Standard 15 and accordingly it carries out annual impairment reviews of the stadium. Further details are contained in Note 10.

#### (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 2013

### (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

	Group		Company	
	2013	2012	2013	2012
	£000	£000	£000	£000
Gate receipts	2196	2412	2196	2412
Sponsorship & advertising	938	988	938	988
Broadcasting rights	1321	1663	1321	1663
Commercial	3188	3077	3188	3077
Other operating revenue	207	197	207	197
	<b>7850</b>	<b>8337</b>	<b>7850</b>	<b>8337</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## for the year ended 30 June 2013

### 3. Analysis of Operating Charges

	Group		Company	
	2013	2012	2013	2012
	£000	£000	£000	£000
<b>Total Operating Charges</b>				
Staff costs - including exceptional costs of £Nil (2012 - £81,000) in respect of contract termination	(5256)	(5018)	(5256)	(5018)
Depreciation and other amounts written off tangible and intangible fixed assets, net of grant release including amounts for the amortisation of players' registrations of £58,000 (2012 - £76,000)	(115)	(729)	(162)	(193)
Other operating charges	(4143)	(3734)	(4667)	(4324)
	<b>(9514)</b>	<b>(9481)</b>	<b>(10085)</b>	<b>(9535)</b>
Staff costs consist of:				
Wages and salaries	4691	4445	4691	4445
Social security costs	535	532	535	532
Other pension costs	30	41	30	41
	<b>5256</b>	<b>5018</b>	<b>5256</b>	<b>5018</b>

Directors' remuneration (included above) consists of:

Emoluments	290	259	290	259
Pension contributions	12	35	12	35
	<b>302</b>	<b>294</b>	<b>302</b>	<b>294</b>

The Directors waived fees totalling £28,000 due in respect of the year ended 30 June 2013 (2012 - £35,000).  
The highest paid director received £153,000 (2012 - £157,000) including pension contributions of £12,000 (2012 - £14,000).

	2013 Number	2012 Number	2013 Number	2012 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	41	43	41	43
Football management	11	9	11	9
Scouting / Youth development	19	20	19	20
Commercial / Administration	35	32	35	32
Maintenance	8	8	8	8
	<b>114</b>	<b>112</b>	<b>114</b>	<b>112</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## for the year ended 30 June 2013

### 4. Operating Loss

	Group		Company	
	2013	2012	2013	2012
	£000	£000	£000	£000
This is stated after charging/(crediting):-				
Auditor's remuneration - Audit services	18	15	18	14
- Tax compliance services	8	9	7	8
- Other audit related assurance services	7	12	7	12
Amortisation of grants (Note 15)	(48)	(47)	-	-
Depreciation of owned assets (Note 10)	95	649	95	66
Depreciation on assets held under hire purchase contracts and finance leases (Note 10)	10	51	10	51
Amortisation of intangibles (Note 8)	57	76	57	76
Operating lease rentals - Land and buildings	-	-	524	590
- Hire of plant and equipment	121	125	121	125
Donations from lotteries	(84)	(89)	(84)	(89)

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

Bank interest payable and similar charges	(524)	(590)	-	-
Other loan interest payable	(7)	(7)	(7)	(7)
Hire purchase interest	(3)	(9)	(3)	(9)
Total interest payable	(534)	(606)	(10)	(16)
Bank interest receivable	4	6	4	6
	(530)	(600)	(6)	(10)

### 6. Tax on Loss on Ordinary Activities

Taxation charge	-	-	-	-
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The Group has estimated taxation losses available for carry forward amounting to £25,800,000 (2012 – £24,300,000) - see Note 20. The standard rate of tax for the year, based on the UK standard rate of corporation tax, is 23.75% (2012 – 25.5%). 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	(1439)	(1365)	(1486)	(829)
Tax on loss on ordinary activities at standard rate	(342)	(348)	(353)	(211)
<b>Factors affecting charge for the period:</b>				
Expenses not deductible for tax purposes	7	153	7	4
Capital allowances in excess of depreciation	(4)	(19)	(4)	(19)
Income not taxable for tax purposes	(11)	(12)	-	-
Movement in short term timing differences	-	12	-	12
Creation of tax losses	350	214	350	214
Total actual amount of current tax	-	-	-	-

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## for the year ended 30 June 2013

7. Loss per Ordinary Share	Group		Company	
	2013	2012	2013	2012
Loss for the financial year (£000's)	(1439)	(1365)	(1486)	(829)
Weighted average number of ordinary shares ('000)	5843	5843	5843	5843
Loss per share (pence)	(24.6p)	(23.4p)	(25.4p)	(14.2p)

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 loss per share equals basic loss per share.

8. Intangible Fixed Assets	Group & Company
	Players' Registrations and Compensation Payments
	£000
<b>Cost</b>	
At 1 July 2012	104
Additions	123
Disposals	(77)
At 30 June 2013	150
<b>Amortisation</b>	
At 1 July 2012	64
Charge for year	57
Disposals	(77)
At 30 June 2013	44
<b>Net Book Value</b>	
At 30 June 2013	106
At 30 June 2012	40

9. Investments	Group		Company	
	2013	2012	2013	2012
	£000	£000	£000	£000
Investment in subsidiary undertaking	-	-	-	-

The Company holds one Ordinary Share of £1 in The Scottish Professional Football League Limited for which a consideration of £1 was paid. This represents a 2.38% 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 2013

### 10. Tangible Fixed Assets

	Company	Company	Total Company	Group	Group Stands, Executive Boxes and Permanent Fixtures	Total Group
	Plant, Furniture and Fittings £000	New Stadium Project £000	£000	Land £000	£000	£000
<b>Cost or valuation</b>						
At 1 July 2012	2832	2657	5489	4000	13000	22489
Additions	109	221	330	-	-	330
Disposals	(79)	-	(79)	-	-	(79)
Revaluation	-	-	-	-	1100	1100
At 30 June 2013	2862	2878	5740	4000	14100	23840
<b>Depreciation</b>						
At 1 July 2012	2456	-	2456	-	-	2456
Charge for year	105	-	105	-	-	105
On disposals	(17)	-	(17)	-	-	(17)
At 30 June 2013	2544	-	2544	-	-	2544
<b>Net Book Value</b>						
At 30 June 2013	318	2878	3196	4000	14100	21296
At 30 June 2012	376	2657	3033	4000	13000	20033
<b>Comparable amounts determined according to the historical cost convention</b>						
<b>Group</b>						
Cost	2862	2878	5740	208	6976	12924
Accumulated depreciation	(2544)	-	(2544)	-	(4031)	(6575)
Net book value at 30 June 2013	318	2878	3196	208	2945	6349
Net book value at 30 June 2012	376	2657	3033	208	2945	6186

Financial Reporting Standard 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 2013. Having also given consideration to the current market conditions the Directors have increased the valuation of Pittodrie Stadium and the surrounding land in the Financial Statements to £18.1 million. The total depreciation charged in respect of Pittodrie Stadium was £Nil (2012 £583,000).

The net book value of plant, furniture and fittings in respect of assets held under finance leases and hire purchase contracts was £15,000 (2012 - £213,000).

Included in the above fixed assets movements table are capitalised costs amounting to £2,878,000 (2012 - £2,657,000) in respect of the new stadium project. As is discussed further in the Chairman's Statement, the Directors remain fully committed to the project, with further progress having been made during the year to 30 June 2013. A number of important milestones require to be reached before the project will progress to the construction stage. These include, amongst other things, the site acquisition and completion of the fund-raising process. Notwithstanding the residual risks associated with achieving these milestones, the Directors remain confident that these will be satisfactorily achieved and, hence, continue to be of the view that it is appropriate to carry these costs in the balance sheet.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## for the year ended 30 June 2013

11. Stock	Group		Company	
	2013 £000	2012 £000	2013 £000	2012 £000
Goods for resale	108	240	108	240

## 12. Debtors

Trade debtors	1583	1201	1583	1201
Amounts due from subsidiary companies	-	-	2045	-
Other debtors and prepayments	355	312	355	312
	1938	1513	3983	1513

The amounts due from subsidiary companies carry no interest and have no fixed repayment terms. The Company does not intend to seek repayment of the intercompany debts within one year.

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

Bank loans (see Note 16)	896	10820	-	-
Loans from related parties (see Notes 16 and 22)	250	-	250	-
Other loans (see Note 16)	300	300	300	300
Amounts due to subsidiary companies	-	-	-	151
Obligations under finance leases and hire purchase contracts	18	21	18	21
Trade creditors	662	637	662	637
Other taxes and social security costs	482	300	482	300
Other creditors and accruals	927	500	665	478
	3535	12578	2377	1887

The £300,000 of Other loans (including £200,000 from Stewart Milne Group Limited – see Note 22) bears interest at 1.5% above the Bank of Scotland base rate.

The Loans from related parties were repaid after the year-end (see Notes 16 and 22).

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

Bank loans (see Note 16)	9179	-	-	-
Loans from related parties (see Notes 16 and 22)	4200	3500	700	-
Other loans (see Note 16)	760	2250	200	-
Obligations under finance leases and hire purchase contracts	-	69	-	69
	14139	5819	900	69

### Obligations under finance leases and hire purchase contracts

Future minimum payments under hire purchase contracts are as follows:

Within one year	18	21	18	21
Between one and two years	-	21	-	21
Between two and five years	-	48	-	48
	18	90	18	90

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

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## for the year ended 30 June 2013

### 15. Deferred Income

	Group		Company	
	2013	2012	2013	2012
	£000	£000	£000	£000
<b>Deferred grant income</b> - from Football Trust				
At beginning of year	990	1037	-	-
Released to profit and loss account	(48)	(47)	-	-
At end of year	942	990	-	-
<b>Other deferred income</b>				
From season tickets, advance ticket sales, executive boxes and sponsorships received in advance	3450	2936	3450	2936
Total deferred income	4392	3926	3450	2936

Included in Other deferred income are amounts of £720,000 (2012 - £900,000) which will be released to the profit and loss account in more than one year.

### 16. Loans

Bank loans (see Note 13)	896	10820	-	-
Bank loans (see Note 14)	9179	-	-	-
Loans from related parties (see Notes 13 and 22)	250	-	250	-
Loans from related parties (see Notes 14 and 22)	4200	3500	700	-
Other loans (see Note 13)	300	300	300	300
Other loans (see Note 14)	760	2250	200	-
	15585	16870	1450	300

The loans are repayable as follows:

Within one year	1487	11120	550	300
Between one and two years	4400	-	900	-
Between two and five years	9883	5750	-	-
	15770	16870	1450	300
Less: Bank loan issue costs	(185)	-	-	-
	15585	16870	1450	300

The Bank loans of £10.26 million carry interest at a range of variable rates up to a current maximum rate of 4.01%. The bank loans are repayable as £560,000 on 31 December 2013, £5,000,000 in quarterly instalments of initially £62,500 commencing 30 September 2013 with a final repayment date of 31 December 2015 and £4,700,000 repayable on 31 December 2017.

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 Company and secured also by a floating charge from the Company.

The Loans from related parties (see Notes 13 and 14) of £4.45 million (2012 - £5.75 million) are interest free and are repayable as £250,000 by 31 July 2013; £700,000 by 31 December 2014 and £3,500,000 is intended to be converted into Preference Shares over the next 3 years.

The Other loans of £760,000 are interest free and repayable as £200,000 on 31 December 2014 and £560,000 on 31 December 2017.

Talltray has granted further standard securities over the stadium, to have priority after the bank's standard security and floating charge in accordance with a ranking agreement between the relevant parties, in respect of the related party loans of £3,500,00 and other Loans of £560,000.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## for the year ended 30 June 2013

### 17. Share Capital

	Group and Company 2013 £000	Group and Company 2012 £000
<b>Allotted and fully paid</b>		
5,843,333 Ordinary Shares of 10 pence each	584	584
2,250,000 Non-redeemable Preference Shares of £1 each	2250	-
	<u>2834</u>	<u>584</u>

On 31 December 2012 Other loans totalling £2,250,000 were converted into 2,250,000 Non-redeemable Preference Shares of £1 each fully paid, under a debt for equity exchange agreement. The Preference Shares have no rights to dividends and no voting rights, but on a return of capital would be entitled to payment of their nominal value in priority to the Ordinary Shares.

### 18. Reserves

	Revaluation Reserve £000	Profit and Loss Account £000
<b>Group</b>		
Balance at 1 July 2012	13846	(14416)
Surplus on revaluation of fixed assets	1100	-
Loss for the financial year	-	(1439)
Balance at 30 June 2013	<u>14946</u>	<u>(15855)</u>
<b>Company</b>		
Balance at 1 July 2012	-	(139)
Loss for the financial year	-	(1486)
Balance at 30 June 2013	<u>-</u>	<u>(1625)</u>

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

	Group 2013 £000	Group 2012 £000
Loss for the financial year	(1439)	(1365)
Loans capitalised as Preference Shares (see Note 17)	2250	-
Surplus on revaluation of fixed assets	1100	583
Net increase/(decrease) in shareholders' funds	<u>1911</u>	<u>(782)</u>
Opening shareholders' funds	14	796
Closing shareholders' funds	<u>1925</u>	<u>14</u>

### 20. Deferred Taxation

At 30 June 2013 the Group has an unrecognised deferred tax asset of £5,470,000 (2012 - £5,874,000) 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 £491,000 (2012 - £512,000) relating to a potential de-grouping charge and £1,161,500 (2012 - £948,000) 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 23%, down to 20% by 1 April 2015.

We estimate that the future rate changes to 20% would reduce our unrecognised deferred tax asset at 30 June 2013 by £230,000 (2012 - £107,000), 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 2013

### 21. 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 £5,000 (2012 - £6,000). In addition, contributions of £20,000 (2012 - £35,000) were made to personal pension schemes on behalf of employees.

There was £1,000 due for payment at 30 June 2013 (2012 - £1,000).

### 22. Related Party Transactions

During the year fees for professional services totalling £55,000 (2012 - £72,000) were rendered by Burness Paull LLP. Gordon A Buchan, a non-executive director of the Company, is a consultant with this firm. In addition, at 30 June 2013 £15,000 (2012 - £16,000) was due to Burness Paull 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 (2012 - £3.7 million) is due to Stewart Milne Group Limited (Stewart Milne, the non-executive chairman of the Group, is chairman of this company) and at the year-end loans of £950,000 (2012 - £Nil) were due to the Company's Directors. £250,000 of these loans was repaid in July 2013.

### 23. Group Commitments Under Operating Leases

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

	<b>Other 2013 £000</b>	<b>Other 2012 £000</b>
Operating leases expiring:-		
Within one year	<b>113</b>	105
Between one and two years	<b>8</b>	-
Between two and five years	<b>6</b>	14
	<b>127</b>	119



## NOTICE OF ANNUAL GENERAL MEETING

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NOTICE IS HEREBY GIVEN that the ONE HUNDRED and TENTH Annual General Meeting of ABERDEEN FOOTBALL CLUB plc will be held at The Aberdeen Asset Management Suite, Pittodrie Stadium, Pittodrie Street, Aberdeen on 25<sup>th</sup> November 2013 at 7.00pm to transact the following: -

As ordinary business:

1. To receive and consider the Financial Statements for the year ended 30 June 2013 together with the Reports of the Directors and Auditors thereon.
2. To re-elect Colin I Welsh as a Director.
3. To re-elect Ian Jack as a Director.
4. To confirm the appointment of J Craig Brown as a Director.
5. To re-appoint Deloitte LLP, Chartered Accountants, as Auditors and to authorise the Directors to fix their remuneration.

**BY ORDER OF THE BOARD**

**Roy Johnston**  
*Company Secretary*

Registered Office:

Pittodrie Stadium, Pittodrie Street, Aberdeen AB24 5QH

Dated 28<sup>th</sup> October 2013

Note:

It is requested that notice of questions on the Reports or Accounts should be in the Company Secretary's hands by 5pm on Monday 18<sup>th</sup> November 2013.

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.

## NOTES

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## NOTES

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**TEAM**  
RECRUITMENT

**TEAM**  
RECRUITMENT

**adidas**

Pittodrie Stadium  
Pittodrie Street,  
Aberdeen AB24 5QH

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