

ANNUAL REPORT

for the year ended 30 June 2017



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BANKERS HSBC Bank PLC 95-99 Union Street Aberdeen AB11 6BD	SOLICITORS Burness Paull LLP Union Plaza 1 Union Wynd Aberdeen AB10 1DQ	INDEPENDENT AUDITOR Deloitte LLP Union Plaza 1 Union Wynd Aberdeen AB10 1SL
		NOMINATED STOCKBROKER Capita MBS The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

SHARE MARKETING ARRANGEMENTS

The Company has entered into an arrangement with Link 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. To use the web portal you will need to register on the database using your shareholder number and some personal details.

The Company employ Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as Registrars and any transfer of shares should be carried out through them.

Further details are available from our website by selecting the options "Club" and then "Shares".

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

CHAIRMAN'S STATEMENT



While the Club would have loved to have finished a fine season with some silverware, 2016/17 was our most successful campaign in many years with runners-up places to Celtic secured in the SPFL Premiership, the Betfred Cup and the William Hill Scottish Cup in what was once again a very long campaign that commenced as early as June 2016.

Goalkeeper Joe Lewis arrived in the summer of last year, initially on a two-year contract, and it is fantastic that he has subsequently extended his stay here, as have other key players, such as Graeme Shinnie, Adam Rooney, Shay Logan and Mark Reynolds. Also joining the first team squad at the same time as Joe was Anthony O'Connor.

More recently, at the end of last season, the squad underwent its biggest overhaul since the current management team took charge with regulars Ryan Jack, Jonny Hayes, Niall McGinn, Ash Taylor and Peter Pawlett along with Jayden Stockley and Miles Storey all moving on to pastures new, with Ryan Christie returning on a season long loan along with new arrivals Greg Tansey, Kari Arnason for a second spell at Pittodrie, Gary Mackay-Steven, Stevie May, Nicky Maynard, Greg Stewart (loan) and Dominic Ball (loan).

Also extremely encouraging was the continuing progress of Scott Wright, Scott McKenna, Daniel Harvie, Frank Ross and Danny Rogers, who are all products of our youth academy.

During the summer there was a spell of uncertainty when it looked as though Derek McInnes and Tony Docherty were going to be leaving the Club. Thankfully that never materialised and we continue to enjoy the benefits of having one of the best management teams in the country at the helm of the football operation.

Long-serving physio John Sharp said goodbye after 23 years of fantastic service to the Club and we wish him every happiness and success for the future.

The Youth Academy continues to thrive with TEXO Drone Survey & Inspection (UKCS) Ltd replacing STATOIL as the Club's official young player Talent Partner at the start of the current season. I would like to thank STATOIL for their support over the past three seasons, during which time the Youth Academy progressed significantly. The agreement with TEXO enables the Youth Academy to continue with a number of initiatives including the extremely successful Heroes of Tomorrow and we look forward to a long and mutually beneficial relationship.

The Aberdeen FC Community Trust (AFCCT) again went from strength to strength, culminating in its winning the Best Community and Social Responsibility Programme Award for its Dementia Friendly Programme at the European Club Association awards in Geneva, an absolutely fantastic achievement, particularly when you consider that clubs of the stature of Inter Milan, Manchester City and Everton had entered.

The fact AFCCT has been such a success without any meaningful facilities to call its own makes what it has managed to accomplish all the more remarkable. At the time of writing, a revised date for Aberdeen City Council to vote on our application for training and community facilities and a stadium at Kingsford has still to be confirmed, but we remain as determined as ever to realise the vision of long awaited, custom built facilities that are fit for purpose in the 21st century, for our Club.

CHAIRMAN'S STATEMENT (continued)



At Board level, in June we welcomed US based entrepreneur Dave Cormack as a major shareholder, bringing with him, in addition to welcome investment, a wealth of business knowledge particularly in digital marketing. A life long fan of AFC, Dave was CEO at the Club in the early part of the Millennium.

On behalf of the Club, I would like to thank Colin Welsh, who resigned from the Board in September, for his invaluable contribution and advice during his six years as a Director, which was greatly appreciated by my fellow Board members and myself.

Over the next period, the major focus off the field will be on delivering the much needed facilities mentioned above that will result in AFC truly competing on a level playing field with our competitors, while on the field, as the manager has stated, we want to improve on the previous campaign, which means qualifying again for Europe and ideally winning a trophy.

Before I finish, I must again acknowledge the fantastic support we continue to receive from our Club Sponsor Saltire Energy, who have extended their partnership for an additional year, which demonstrates, I believe, that this has been an extremely successful initiative for both parties.

I must also acknowledge the incredible support from our fans, with a record number of season tickets being sold for the 2017/18 season. This season we have also launched a new initiative - the Stand Free membership, which has proved to be very successful with almost 3,500 members already. This new membership allied to our record support from season ticket holders is helping to swell the numbers attending Pittodrie and to create the all-important matchday atmosphere that we all enjoy.

Stewart Milne
Chairman
17 November 2017



Introduction

The 2016/17 season was the most successful in the Club's recent history. Finishing in second place in the league for a third successive season, reaching the third qualifying round of the Europa League for a third successive season, and reaching both cup finals was a great effort from Derek McInnes and his team of players and back-room staff.

Second place in the Premiership again allowed the Club to enter into the UEFA Europa League in season 2017/18 and the players and staff acquitted themselves well over the second and third qualifying rounds, but failing to get past Apollon Limassol to reach the play-off round was a major disappointment. The financial impact of the Europa League campaign in July and August 2017 will be reflected in the Annual Report for the year ended 30 June 2018.

The reshaping of the First Team squad has been significant, with Jonny Hayes, Niall McGinn, Ash Taylor, Ryan Jack, Peter Pawlett, Miles Storey, Jayden Stockley, Cammy Smith, Lawrence Shankland, Callum Morris, Neil Alexander and Aaron Lennox all moving on. In their place we have added Greg Tansey, Nicky Maynard, Gary Mackay-Steven, Kari Anderson and Stevie May, with loan agreements being put in place for Ryan Christie, Greg Stewart and Dominic Ball. In addition we expect to see more of our own home-grown talents Scott McKenna, Scott Wright, Frank Ross, Danny Rogers and Daniel Harvie. Contract extensions have been put in place for Andy Considine, Joe Lewis, Shay Logan, Mark Reynolds, Scott Wright and Scott McKenna to maintain the stability of the First Team squad.

Business Review

The Directors consider the key performance indicators of the Group to be turnover, the ratio of payroll costs to turnover and operating profit. 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 (SPFL), the Scottish Professional 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. Further positive impact on turnover can be achieved in the event of a sustained run in European club competitions.

Turnover increased by £1.867 million from £13.414 million to £15.281 million as the Club again reached the third qualifying round of the UEFA Europa League, reached the final of the League Cup and the final of the Scottish Cup and once more finished second in the SPFL, as opposed to the third qualifying round of the UEFA Europa League, the third round of the League Cup, the fourth round of the Scottish Cup and second in the SPFL in season 2015/16. The turnover figure of £15.281 million is a further new record for the Club, with the main factors being a substantial increase in gate receipts from reaching the finals of both the League Cup and the Scottish Cup, an increase in broadcasting income due to a higher pool being available for distribution from the SPFL and substantially better income from both League and Scottish cups. UEFA solidarity and prize money increased significantly, where we benefited from a positive fluctuation in the Euro exchange rate, income from player participation in Euro 2016 and an increase in the solidarity distributions from UEFA to clubs in the SPFL. Domestically, the average crowd at SPFL matches fell from 12,360 to 11,867 and was reflected in slightly reduced SPFL gate receipts. The turnover figures can be examined in further detail in Note 5 to the Financial Statements.

Wages increased from £6.817 million to £7.761 million as a direct result of our continuing investment in the overall quality of the playing squad and the level of success in all competitions. The wages to turnover ratio has been maintained at 51% which is excellent when compared with other clubs. Cost of sales rose from £2.663 million to £3.049 million, due to the commercial effects of reaching both cup finals. Other Operating Expenses rose from £3.243 million to £3.684 million, due mainly to the significant additional costs caused by the well-publicised failure of the transformer within our on-site substation, and further significant short-term investment in improving the playing surface at Pittodrie and at the various training pitches across Aberdeen at Countesswells and Balgownie and the Barracks in the Bridge of Don.

The financial performance discussed above delivered a trading surplus for the fourth successive year, with an operating profit of £533,000 (2016 - £448,000). This continues to be an important statistic which will help us to deliver a balanced budget over the medium-term and puts the Club in a strong position when subjected to monitoring under UEFA Financial Fair Play regulations.

The re-structuring of the First Team squad referred to above, has been funded in part by the sale of Jonny Hayes to Celtic, with a net gain of £667,000 (2016 - £Nil) from player trading.

Over the last two years, the property market in the North-East of Scotland has seen a decline in value across all types of property, mainly due to the sustained drop in the price of oil. The oil companies and the associated service industry have sought to reduce production costs and cut back on exploration and development costs on a large scale which has impacted on employment and property prices in the North-East of Scotland.

As described in Notes 4 and 14 to the Financial Statements, a valuation of Pittodrie Stadium and the surrounding car-parks and land was carried out by F G Burnett Limited as at 30 June 2017. The market value reported of £15.25 million, which equates to the estimated net residual value of the property, has been adopted into the Financial Statements, resulting in an impairment charge of £2.75 million being recognised in the Profit and Loss Account.

Principal Risks and Uncertainties

The Directors believe that the principal risks and market uncertainties include a) a downturn in First Team football performance in the SPFL particularly if the team were to finish in the bottom six (out of 12); b) the general economic climate affecting spending capacity of commercial partners and supporters; c) the ability of central football authorities to develop and maintain key revenue streams for broadcast and league sponsorship; and d) achievement of key milestones required to progress the new stadium and training facilities projects. The difficult period being experienced by Aberdeen's oil sector as a consequence of the lower oil price requires careful monitoring, with special efforts being made to gain business from other (non-oil-related) sectors. However, the impact of these difficulties and uncertainties is lessened by the ongoing careful management of operating finances and an open-minded and flexible approach by our commercial team.

Going Concern

The Directors have undertaken a process to ensure that an appropriate funding structure is in place to meet both the short-term funding requirements of the Group's football operations and are working to develop a structure to position the Group for the longer term. The Board continue to concentrate primarily 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.

The Directors have considered and approved future financial projections which demonstrate that the Group will have sufficient resources to continue to meet its obligations and liabilities for the foreseeable future. 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 the availability of future funding, including support from certain shareholders if required. Having considered the projections including reasonably possible sensitivities, the Directors have a reasonable expectation that the Group will continue as a going concern in the foreseeable future.

Financial Risk Management

The Group's activities expose it to a number of financial risks including credit risk and liquidity risk. The Group's principal financial assets are cash at bank and trade debtors. The Group's credit risk is primarily attributable to its trade debtors and the amounts presented in the balance sheet are net of allowances for doubtful receivables where thought necessary. The Group's credit risk can in certain circumstances be concentrated on football clubs in respect of the sale of player registrations, but there are no such agreements in place at present. The credit risk on liquid funds is considered limited because the counterparties are banks with recognised credit-ratings assigned by international credit-rating agencies. In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Group uses cash generated from operations, including player sales when these occur. The Group does not make use of derivative financial instruments for speculative purposes.

Future Prospects

One of the main focuses of the Club's strategy over a long period of time, has been the development of training facilities, community facilities and a new stadium to replace the ageing Pittodrie Stadium and our training sites at Countesswells, Balgownie and the Barracks in the Bridge of Don.

Following the Board's decision in March 2016 to withdraw its planning application for Loirston in the South of Aberdeen, and make a new planning application for Kingsford in the West of Aberdeen, much time and energy has been expended to try to bring this to fruition. The planning application was discussed before a pre-determination meeting of the full Aberdeen City Council (ACC) in September and was intended to be followed by a vote by ACC in October. Following consultation with ACC the planning application was deferred to allow both parties to achieve greater clarity and understanding of certain aspects of the application, and at the date of writing a new date for a vote by the full Council has still to be announced.

We will continue to focus on our stated aim of breaking-even over the medium term, and ensure that costs are maintained at as low a level as is possible in an ageing Pittodrie Stadium. As ever, one of the biggest challenges is to maintain the quality of the playing squad and underpin the level of performances seen over the last four seasons. In doing this we will still seek to keep the ratio of wages to turnover at or below industry norms, and where seen as good business, look for opportunities to supplement our income with transfer fees.

The local economy has been challenging over the last two years which was reflected in a slight drop in attendances last season. So far this season, crowds have increased and we view this as encouraging signs that the local economy has stabilised and that the performances of the First Team across all competitions entered are leading to new or lapsed supporters returning to Pittodrie. We are optimistic for the future and are dedicated to achieving further success for the Club.

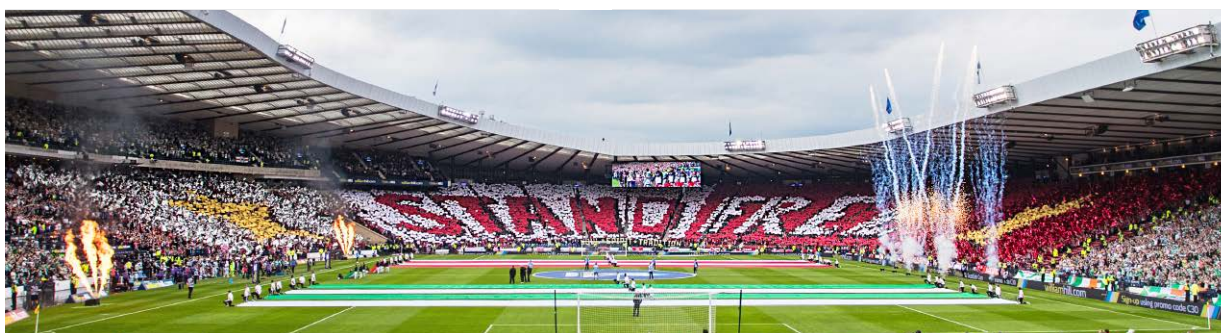
On Behalf of the Board

Duncan G Fraser

Chief Executive

17 November 2017

REPORT OF THE DIRECTORS



The Directors have pleasure in submitting their Annual Report and audited Financial Statements for the year ended 30 June 2017.

1. DIRECTORS INFORMATION

Brief biographical details of the Directors who served during the year and to the date of this report are as follows: -

Stewart Milne was appointed a director of the Company in June 1994. Stewart 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. Stewart is also Executive Chairman 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 career background in successfully managing and growing businesses in the Oil Sector internationally, and his network of key business contacts, have positioned him for the lead role in developing the Club's future ambitions - with areas of specific responsibility being the Kingsford training and community facilities, the new AFC Stadium, and the governance of the Club's ongoing activities as a member of the AFC Executive Team. George is also a Trustee for Aberdeen FC Community Trust, who along with the AFCCT Board, have taken the vision for the charity from concept to reality over the past 3 years.

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 was appointed Chief Executive. He is a Chartered Accountant and held senior positions in the oil and gas industry prior to his appointment. Duncan has held a number of key roles within the wider game. He remains an elected member of the SFA Professional Gaming Board and an elected member of the Competitions Working Group of the European Club Association. He is also a member of the UEFA Match Delegate Board and the FIFA Match Commissioners Board as well as a Trustee of the Scottish Football Benevolent Trust.

Gordon Buchan was appointed a non-executive director of the Company in April 1992. He is a solicitor and advises the Board on all legal matters concerning the Company.

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

Craig Brown was appointed a non-executive director of the Company in March 2013. Craig 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.

Duncan Skinner was appointed a non-executive director of the Company in January 2015. He is a Chartered Management Accountant with 34 years of experience in the Oil and Gas industry. Duncan took early retirement from his role as Chief Financial Officer at Wood Group PSN in April 2013 to concentrate his activities on social enterprise and charity work. He is Chairman of Glencraft Aberdeen Limited, a social enterprise employing blind and disabled people in the mattress and bed manufacturing sector, and also the Chairman of the Aberdeen FC Community Trust and is involved in a number of other similar organisations.

David Cormack was appointed a non-executive director of the Company in June 2017. He has 35 years of experience in the applications software industry. David lives in the United States, is an advisor to Battery Ventures, a Trustee of the Cormack Charitable Foundation, and an Ambassador for Children International.

Gordon Buchan and Duncan Fraser retire by rotation and, being eligible, offer themselves for re-election at the forthcoming Annual General Meeting. David Cormack was appointed since the last Annual General Meeting and requires his appointment to be ratified. Colin Welsh resigned as a Director on 19 September 2017.

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

REPORT OF THE DIRECTORS (continued)

2. 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 considered limited.

3. DIRECTORS' RESPONSIBILITIES STATEMENT

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), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 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, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping 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.

4. 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.

5. AUDITOR

Deloitte LLP have indicated their willingness to be reappointed for another term and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

On Behalf of the Board

Duncan G Fraser

Chief Executive

17 November 2017

INDEPENDENT AUDITOR'S REPORT

to the Members of Aberdeen Football Club plc

Report on the audit of the Financial Statements

Opinion

In our opinion the Financial Statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2017 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the Financial Statements of Aberdeen Football Club plc (the 'parent company') and its subsidiary collectively (the 'group') which comprise:

- the consolidated profit and loss account and statement of comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated statement of cash flows and related notes; and
- the related notes 1 to 31.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the Financial Statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – new stadium and training facilities

We draw attention to Note 14 to the Financial Statements, which discloses that the balance sheet at 30 June 2017 includes capitalised costs amounting to £1,425,000 in connection with the proposed development of a new stadium and training facilities. A number of important milestones, including obtaining planning consents and the securing of the necessary funding, need to be achieved before the project can progress to a construction stage. Notwithstanding the risks and uncertainties involved, the Directors are confident of progressing the development. Accordingly, the Directors have concluded that it is appropriate to carry these costs in the balance sheet. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the Financial Statements is not appropriate; or
- the directors have not disclosed in the Financial Statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the Financial Statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the Financial Statements and our auditor's report thereon. Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the Financial Statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

INDEPENDENT AUDITOR'S REPORT

to the Members of Aberdeen Football Club plc (continued)

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement contained 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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 auditor's 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.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Report of the Directors.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters

Graeme Sheils CA (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Aberdeen, Scotland

17 November 2017

CONSOLIDATED PROFIT AND LOSS ACCOUNT AND CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2017

	Notes	Group	
		2017	2016
		£000	£000
Turnover	5	15281	13414
Operating expenses	6	(14748)	(12966)
Operating profit	8	533	448
Gain on disposal of intangible assets		667	-
Exceptional item - impairment of Loirston stadium project costs	9	-	(2097)
Exceptional item - impairment of Pittodrie Stadium	10	(2750)	-
Loss before interest and taxation		(1550)	(1649)
Interest payable and similar expenses	11	-	(7)
Loss before taxation		(1550)	(1656)
Tax on loss	12	341	105
Loss for the financial year		(1209)	(1551)

As is permitted by Section 408 of the Companies Act 2006, no separate Profit and Loss Account or Statement of Comprehensive Income is presented in respect of the parent company. The profit for the year for the parent company was £952,000 (30 June 2016 – loss of £1,883,000).

There are no gains or losses for the current and preceding financial years other than those dealt with through the Profit and Loss Account shown above. Consequently, no separate Consolidated Statement of Comprehensive Income is presented.

The notes on pages 15 to 25 form part of the Financial Statements.

CONSOLIDATED AND COMPANY BALANCE SHEETS

as at 30 June 2017

	Notes	Group		Company	
		2017 £000	2016 £000	2017 £000	2016 £000
Fixed Assets					
Intangible assets	13	632	272	632	272
Tangible assets	14	17313	19382	2063	1382
Investments	15	-	-	-	-
		17945	19654	2695	1654
Current Assets					
Stock	16	453	629	453	629
Debtors	17	3164	1827	19104	17967
Cash at bank and in hand		3532	1680	3524	1672
		7149	4136	23081	20268
Creditors					
Amounts falling due within one year	18	(3439)	(2489)	(3439)	(2489)
Net Current Assets		3710	1647	19642	17779
Total Assets less Current Liabilities		21655	21301	22337	19433
Creditors					
Amounts falling due after more than one year	19	(840)	(1480)	(840)	(1480)
Deferred Taxation	20	-	(341)	-	-
Deferred Income	21	(6195)	(5046)	(5443)	(4246)
Net Assets		14620	14434	16054	13707
Capital and Reserves					
Called-up share capital	22	3714	3528	3714	3528
Share Premium Account	23	8328	7119	8328	7119
Profit and loss account	23	2578	3787	4012	3060
Shareholders' Funds		14620	14434	16054	13707

The profit for the year for the parent company was £952,000 (30 June 2016 – Loss of £1,883,000).

The notes on pages 15 to 25 form part of the Financial Statements.

The Financial Statements of Aberdeen Football Club plc, registered number SC005364 were approved by the Board of Directors and authorised for issue on 17 November 2017.

Signed on behalf of the Board of Directors
Duncan G Fraser
 Chief Executive
 17 November 2017

CONSOLIDATED AND COMPANY STATEMENTS OF CHANGES IN EQUITY

for the year ended 30 June 2017

Group	Notes	Called-up Share Capital £000	Share Premium Account £000	Profit and Loss Account £000	Total £000
At 1 July 2015		3528	7119	5338	15985
Loss for the financial year and total comprehensive loss		-	-	(1551)	(1551)
At 30 June 2016		3528	7119	3787	14434
Issue of Ordinary shares - EMIS	22	9	58	-	67
Issue of Ordinary shares for cash	22	144	934	-	1078
Conversion of loans to Ordinary shares	22	33	217	-	250
Loss for the financial year and total comprehensive loss		-	-	(1209)	(1209)
At 30 June 2017		3714	8328	2578	14620
Company					
At 1 July 2015		3528	7119	4943	15590
Loss for the financial year and total comprehensive loss		-	-	(1883)	(1883)
At 30 June 2016		3528	7119	3060	13707
Issue of Ordinary shares - EMIS	22	9	58	-	67
Issue of Ordinary shares for cash	22	144	934	-	1078
Conversion of loans to Ordinary shares	22	33	217	-	250
Profit for the financial year and total comprehensive income		-	-	952	952
At 30 June 2017		3714	8328	4012	16054

The notes on pages 15 to 25 form part of the Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2017

Net Cash Flow	Notes	2017 £000	2016 £000
Net cash inflow from operating activities	i	1733	394
Net cash outflow from investing activities	ii	(676)	(345)
Net cash inflow before financing		<u>1057</u>	<u>49</u>
Net cash inflow from financing activities	iii	795	243
Net increase in cash flow for the year		<u><u>1852</u></u>	<u><u>292</u></u>
Reconciliation of Net Cash Flow to Movement in Net Funds (See Note iv)		2017 £000	2016 £000
Net increase in cash flow for the year		1852	292
Cash outflow/(inflow) from decrease/(increase) in debt		350	(243)
Change in net funds resulting from cash flows		<u>2202</u>	<u>49</u>
Non-cash movements:			
Capitalisation of shareholder loans		250	-
Change in net funds after non cash movements		<u>2452</u>	<u>49</u>
Net funds at 1 July		200	151
Net funds at 30 June		<u><u>2652</u></u>	<u><u>200</u></u>

The notes on pages 15 to 25 form part of the Financial Statements.

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2017

i	Cash Flows from Operating Activities			2017	2016
				£000	£000
	Loss for the financial year			(1209)	(1551)
	Amortisation of intangible assets			170	151
	Depreciation of tangible assets			132	139
	Amortisation of grants			(48)	(47)
	Gain on disposal of intangible assets			(667)	-
	Impairment of Loirston stadium project costs			-	2097
	Impairment of Pittodrie Stadium			2750	-
	Corporation tax (credit)/charge			-	(15)
	Decrease/(increase) in stocks			176	(210)
	(Increase)/decrease in debtors			(1337)	513
	Increase in creditors			910	226
	Increase/(decrease) in other deferred income			1197	(819)
	Decrease in deferred taxation			(341)	(90)
	Net cash inflow from operating activities			1733	394
ii	Cash Flows from Investing Activities				
	Payments to acquire players' registrations			(530)	(81)
	Receipts from sales of players' registrations (net)			667	-
	Payments to acquire tangible assets			(813)	(264)
	Net cash outflow from investing activities			(676)	(345)
iii	Cash Flows from Financing Activities				
	Related Party loans			400	500
	Related Party loan repayments			(750)	(250)
	Capital element of finance lease rental payments			-	(7)
	Net cash (outflow)/inflow from changes in debt			(350)	243
	Issue of new Ordinary share capital			1145	-
	Net cash inflow from financing activities			795	243
iv	Analysis of Changes in Net Funds				
		30 June	Cash	Non-Cash	30 June
		2016	Flows	Changes	2017
		£000	£000	£000	£000
	Cash in hand and at bank	1680	1852	-	3532
	Debt due in less than one year:				
	Related Party loans	-	-	(40)	(40)
	Debt due after more than one year:				
	Related Party loans	(1280)	350	290	(640)
	Other loans	(200)	-	-	(200)
	Net funds	200	2202	250	2652

The non-cash changes relate to the reclassification of £40,000 of Related Party loans as due within less than one year and the capitalisation of Related Party loans of £250,000 as detailed in Notes 19 and 22.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

1. Company Information

The Company (number SC005364) is a Public Limited Company limited by shares incorporated and registered in Scotland, United Kingdom, with its registered office and principal place of business at Pittodrie Stadium, Pittodrie Street, Aberdeen AB24 5QH. The principal activity of the Company is the operation of a professional football club playing its first team matches in the Scottish Premiership under the control of the Scottish Professional Football League and under the auspices of the Scottish Football Association. The Company trades only in Scotland, UK - see also Notes 30 and 31.

2. Basis of Preparation

(a) Financial Statements

The Financial Statements have been prepared in UK Sterling currency under the historical cost convention and in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 and with the Companies Act 2006.

The consolidated Financial Statements incorporate the Financial Statements of the Company and its wholly owned subsidiary Talltray Limited, made up to 30 June. As is permitted by Section 408 of the Companies Act 2006, no separate Profit and Loss Account or Statement of Comprehensive Income is presented in respect of the Parent Company.

(b) Going Concern

The Directors have considered and approved future financial projections which demonstrate that the Group will have sufficient resources to continue 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 the availability of future funding, including support from certain shareholders if required. Having considered the projections including reasonably possible sensitivities, the Directors have developed a reasonable expectation that the Group will continue as a going concern for the foreseeable future. Accordingly, the Financial Statements continue to be prepared on a going concern basis.

3. Principal Accounting Policies

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

(a) Intangible Assets

Intangible assets are measured at cost less accumulated amortisation and any impairment losses. Amortisation is determined on a straight line basis over the estimated useful life of the intangible asset.

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 expensed to the profit and loss account in the accounting period in which they are payable. Compensation payments made to other clubs for young players or football management staff joining the Company are amortised over the period of the relevant contract.

Payments or receipts, which are contingent on the performance of the team or players, are recognised in the profit and loss account when the events crystallising such payments or receipts occur. Compensation fees receivable for young players or management staff leaving the Company are not recognised in the profit and loss account until the events crystallising such payments or receipts have taken place.

(b) Tangible Assets

Tangible assets are stated at cost less depreciation, calculated to write off their cost in equal annual amounts over their estimated useful lives down to their estimated residual value. On transition to FRS 102, the estimated market value of Pittodrie Stadium at 1 July 2014 was adopted as the deemed cost and the policy of revaluation of the stadium ceased. Pittodrie Stadium is not depreciated as the net book value is deemed to equate to the residual value which is regularly assessed for impairment and any adjustments required taken to reserves. No depreciation is provided on the New Stadium Project costs as these are treated as construction in progress. Depreciation on the New Stadium Project costs will not commence until the new stadium is available for use. The applied depreciation rates are as follows:

	% per annum
Plant, Furniture and Fittings	10 - 33%

(c) Investments

Investments are stated at cost.

for the year ended 30 June 2017

3. Principal Accounting Policies (continued)

(d) Stocks

Stock of goods for resale is stated on a first in, first out basis, and at the lower of cost or net realisable value.

(e) Debtors and Creditors

Debtors are measured at fair value, represented by the transactional price of debts including VAT where appropriate, less any provision for doubtful debts which may be required. Creditors are measured at fair value represented by the transactional cost where known, or where accruals for unbilled goods and services are necessary, at their estimated amount.

(f) 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.

(g) 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.

(h) 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.

(i) Turnover

Turnover represents income receivable, net of VAT, from football and related commercial activities.

Gate and other match day revenues are recognised over the period of the football season as games are played. 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 fees due for live coverage or highlights are taken when earned. Merit awards are accounted for only when the amount receivable is known. Income from commissions is recognised when known with reasonable accuracy.

(j) Donations from Lotteries

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

(k) Pension Costs

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

(l) Share-based Payments

The Company operates an Enterprise Management Incentive Scheme (EMIS) for key executive directors and employees of the Company to award options over the Company's ordinary shares. The Directors believe that the EMIS will provide an effective incentive for management and align the interests of management with those of the Company's shareholders.

(m) Impairment of Assets

Assets other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the profit and loss account. An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount is the higher of its fair value less costs to sell and its value in use.

for the year ended 30 June 2017

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in Note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the Financial Statements.

Revenue recognition

Revenue is recognised only when the Group's obligations are considered to have been fulfilled, the amount can be measured reasonably, and it is probable that the economic benefits associated with a transaction will be received. Revenue is recognised when the Group fulfils its contractual obligations to customers by supplying goods or services. Where services are performed gradually over time, revenue is recognised as activity progresses by reference to the value of work performed.

Key sources of estimation uncertainty

Carrying value of Pittodrie Stadium

Pittodrie Stadium is carried at net residual value. The determination of the residual value net of selling costs includes an estimation of the market value of a potential property development on the Pittodrie Stadium site. The Group appointed an external valuer to perform this assessment and a valuation report on Pittodrie Stadium was prepared by F G Burnett Limited as at 30 June 2017. The reported market value of £15.25 million was adopted into these Financial Statements and resulted in an impairment charge of £2.75 million being recognised in the consolidated profit and loss account for the year ended 30 June 2017 - see Note 10.

Carrying value of new stadium and training facilities project costs

Included in tangible assets are capitalised costs amounting to £900,000 (2016 - £900,000) in respect of the proposed new stadium, which represents stadium design and other costs incurred in prior years on the Loirston Loch site and which the Directors consider to be transferable to the preferred site identified at Kingsford.

During the year costs of £487,000 (2016 - £28,000) have been capitalised in connection with the development of proposed training facilities at Kingsford.

The total amount capitalised for the new stadium and training facilities at 30 June is £1,425,000 (2016 - £928,000).

The Directors are fully committed to the new stadium and training facilities projects having secured a site at Kingsford in the West of Aberdeen, and expect further progress to be made over the course of the next 12 months. A number of important milestones require to be achieved before the projects will progress to a construction stage. These include, amongst other things, obtaining planning permission and completion of the necessary fund-raising. The Directors are confident that these will be satisfactorily achieved and, hence, that it is appropriate to recognise these costs as an asset in the balance sheet. The Chairman's Statement and Strategic Report discuss the developments in this regard.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

5. Turnover

	Group	
	2017	2016
	£000	£000
Gate receipts	4880	4023
Sponsorship and advertising	1695	1801
Broadcasting rights	2921	2322
Commercial	4659	4678
UEFA Solidarity and prize money	1080	552
Other operating revenue	46	38
	15281	13414

6. Operating Expenses

	Group	
	2017	2016
	£000	£000
Staff costs (see below)	(7761)	(6817)
Depreciation and other amounts written off tangible assets, net of grant release	(84)	(92)
Amortisation of intangible assets	(170)	(151)
Cost of sales	(3049)	(2663)
Other operating expenses	(3684)	(3243)
	(14748)	(12966)

Staff costs consist of:

Wages and salaries	6926	6121
Social security costs	795	659
Other pension costs	40	37
	7761	6817

The Directors are considered to be the key management personnel and their remuneration is disclosed below: -

Directors' remuneration (included above) consists of:

Emoluments	411	520
Pension contributions	14	13
	425	533

The non-executive Directors waived fees due in respect of the year totalling £42,000 (30 June 2016 - £42,000). The highest paid director received £221,000 (2016 - £300,000). The prior year comparative included £88,000 of accumulated performance bonuses, the net proceeds of which were used to purchase 62,341 Ordinary shares in the Company through the share options granted in that year – see Note 7.

Number of Directors who: -

	2017	2016
	Number	Number
Are members of a defined contribution pension scheme	1	1
Are members of a money purchase pension scheme	1	1

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

Players	39	39
Football management	19	19
Scouting / Youth development	9	9
Commercial / Administration	43	41
Maintenance	11	11
	121	119

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

7. Share-based Payments	Group			
	2017 Number of shares	2017 Exercise price £	2016 Number of shares	2016 Exercise price £
Outstanding at beginning of year	89194	-	-	-
Options granted during year	-	-	89194	0.75
Options exercised during year	(89194)	0.75	-	-
Outstanding at end of year	-	-	89194	-

The Company operates an Enterprise Management Incentive Scheme (EMIS) for key executive directors and employees of the Company to award options over the Company's ordinary shares. The Directors believe that the EMIS provides an effective incentive for management and aligns the interests of management with those of the Company's shareholders.

During the year options previously granted over 89,194 ordinary shares in the Club were exercised at a price of £0.75 per ordinary share - see also Note 3(l).

8. Operating Profit	Group	
	2017 £000	2016 £000
This is stated after charging/(crediting): -		
Auditors' remuneration - Audit services	16	20
- Tax compliance services	10	10
- Other audit related services	5	5
- Other non-audit related services	-	13
Amortisation of grants	(48)	(47)
Depreciation of owned assets	132	139
Amortisation of players' registrations	170	151
Operating lease rentals	131	133
Donations from lotteries (net of expenses)	(74)	(80)

9. Exceptional item - impairment of Loirston Stadium Project costs	Group	
	2017 £000	2016 £000
Impairment of Loirston stadium project costs	-	(2097)

The impairment of the Loirston stadium project costs in the prior year followed a decision to withdraw the planning application for a new stadium at Loirston Loch in the South of Aberdeen and to file a new planning application for Kingsford in the West of Aberdeen. The Club withdrew its application for Loirston Loch when it became apparent that the loss of area around the periphery of the proposed new stadium rendered the site inoperable having regard to match-day transport and supporter parking requirements. The impairment represented the costs incurred which are not considered transferrable to the preferred site at Kingsford.

10. Exceptional item - impairment of Pittodrie Stadium	Group	
	2017 £000	2016 £000
Impairment of Pittodrie Stadium	(2750)	-

The impairment of the carrying value of Pittodrie Stadium was assessed by the Directors as at 30 June 2017, based on a valuation report prepared by F G Burnett Limited. The value of Pittodrie Stadium has been affected by the downturn in the local economy over the last two years, accompanied by a consequent drop in property values throughout the North-East of Scotland. The carrying value of Pittodrie Stadium has been assessed against the estimated realisable value of Pittodrie Stadium and surrounding car parks and ancillary land and an impairment charge of £2.75 million has been recognised in these accounts. Further information is given in Note 14.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

11. Interest Payable and Similar Expenses

Bank interest and similar expenses payable
Total interest payable

Group	
2017	2016
£000	£000
-	(7)
-	(7)

12. Tax on Loss for year

UK corporation provided in year
Release of prior year UK corporation tax provision
Deferred tax - see Note 20
Taxation credit

Group	
2017	2016
£000	£000
-	-
-	15
341	90
341	105

The Group has estimated taxation losses available for carry forward amounting to £24,105,000 (30 June 2016 – £25,391,000) - see Note 20. The blended rate of tax for the year, based on the UK standard rate of corporation tax, is 19.75% (30 June 2016 – 20.00%). 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 before taxation	(1550)	(1656)
Tax on loss at standard rate	(306)	(331)
Factors affecting charge for the period:		
Impairment	169	-
Expenses not deductible for tax purposes	2	429
Non-taxable income	(9)	(10)
Utilisation of tax losses	(230)	(88)
Gains etc.	-	(52)
Tax rate changes	33	(38)
Release of prior year current tax provision	-	(15)
Total amount of tax credit to Profit and Loss Account	(341)	(105)

13. Intangible Assets

Group and Company

	Players' Registrations and Compensation Payments	Brand Rights	Total
	£000	£000	£000
Cost			
At 1 July 2016	485	8	493
Additions	530	-	530
Disposals	(71)	-	(71)
At 30 June 2017	944	8	952
Amortisation			
At 1 July 2016	221	-	221
Provided in the period	170	-	170
Disposals	(71)	-	(71)
At 30 June 2017	320	-	320
Net Book Value			
At 30 June 2017	624	8	632
At 30 June 2016	264	8	272

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

14. Tangible Assets

	Company	Company	Company	Total Company	Group	Total Group
	Plant, Furniture and Fittings £000	New Stadium £000	New Training Facilities £000	£000	Pittodrie Stadium £000	£000
Cost						
At 1 July 2016	2961	900	28	3889	18000	21889
Additions	316	-	497	813	-	813
Impairment of valuation of Pittodrie Stadium	-	-	-	-	(2750)	(2750)
At 30 June 2017	3277	900	525	4702	15250	19952
Depreciation						
At 1 July 2016	2507	-	-	2507	-	2507
Provided in the period	132	-	-	132	-	132
At 30 June 2017	2639	-	-	2639	-	2639
Net Book Value						
At 30 June 2017	638	900	525	2063	15250	17313
At 30 June 2016	454	900	28	1382	18000	19382

Pittodrie Stadium is carried at net residual value. A valuation of Pittodrie Stadium and the surrounding car-parks and land was prepared as at 30 June 2017 by F G Burnett Limited and identified the estimated market value of the site which equates to the estimated net residual value, at £15.25 million. Consequently, the value of £15.25 million has been adopted into these Financial Statements and resulted in an impairment charge of £2.75 million being recognised as at 30 June 2017 - see Note 10. As the net book value at 30 June 2017 represents the estimated residual value of Pittodrie Stadium, there is no depreciation charge.

Included in tangible assets are capitalised costs amounting to £900,000 in respect of the proposed new stadium, which represents stadium design and other costs incurred in prior years on the Loirston Loch site which the Directors consider to be transferable to the preferred site at Kingsford. Also included in tangible assets are amounts of £525,000 (2016 - £28,000) in respect of proposed training facilities at Kingsford.

The Directors are fully committed to the development of new stadium and training facilities (see Note 24). The site at Kingsford remains subject to planning permission and further progress is expected to be made over the course of the next 12 months. A number of important milestones require to be achieved before the project progresses to a construction stage. These include, amongst other things, obtaining all necessary planning permissions and the completion of the necessary fund-raising. The Directors are confident that these milestones will be achieved and, hence, it is appropriate to recognise these costs as assets in the balance sheet. No depreciation is provided on costs incurred to date as these are treated as construction in progress. Depreciation will commence when the asset is available for use.

15. Investments

	Group		Company	
	2017	2016	2017	2016
	£000	£000	£000	£000
Investment in subsidiary undertaking	-	-	-	-

The Company holds one Ordinary Share of £1 in Taltray Limited (a company registered in Scotland - SC299691) a wholly owned subsidiary of the Company. Taltray Limited owns the Pittodrie Stadium football ground which it leases to the Company. The Group Financial Statements reflect the consolidated results of the Company and its subsidiary.

The Company also 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.

16. Stock

	Group		Company	
	2017	2016	2017	2016
	£000	£000	£000	£000
Goods for resale	453	629	453	629

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

17. Debtors	Group		Company	
	2017 £000	2016 £000	2017 £000	2016 £000
Trade debtors	1675	1448	1675	1448
Amounts due from subsidiary	-	-	15940	16140
Other debtors and prepayments	1489	379	1489	379
	3164	1827	19104	17967

The amount due from the subsidiary does not bear interest and has no fixed repayment terms. The Company does not intend to seek repayment of the intercompany debt within one year.

18. Creditors: Amounts falling due within one year	Group		Company	
	2017 £000	2016 £000	2017 £000	2016 £000
Related Party loans	40	-	40	-
Trade creditors	1468	912	1468	912
Other taxes and social security costs	702	802	702	802
Other creditors and accruals	1229	775	1229	775
	3439	2489	3439	2489

19. Creditors: Amounts falling due after more than one year	Group		Company	
	2017 £000	2016 £000	2017 £000	2016 £000
Related Party loans	640	1280	640	1280
Other loans	200	200	200	200
	840	1480	840	1480

The Related Party loans of £640,000 (30 June 2016 - £1,280,000) are unsecured, interest free and are repayable in more than one year.

During the year Related Party loans of £250,000 were converted into 333,333 Ordinary shares at an issue price of £0.75 per share (see Note 22).

The remaining Other loans of £200,000 (30 June 2016 - £200,000) are unsecured, interest free and are repayable in more than one year.

The loans are repayable as follows:	Group		Company	
	2017 £000	2016 £000	2017 £000	2016 £000
In less than one year	40	-	40	-
Between one and two years	840	1480	840	1480
	880	1480	880	1480

20. Deferred Taxation	Group		Company	
	2017 £000	2016 £000	2017 £000	2016 £000
At 1 July	341	431	-	-
Release of deferred tax on revaluation of Pittodrie Stadium	(341)	(90)	-	-
At 30 June	-	341	-	-

Deferred tax is provided in full in respect of the revaluation of Pittodrie Stadium. Deferred tax at 30 June 2017 has been calculated at 17% (30 June 2016 - 18%), the rate of Corporation tax substantively enacted on 15 September 2016.

At 30 June 2017 the Group has an unrecognised deferred tax asset of £4,135,000 (30 June 2016 - £4,584,000) which primarily represents the availability of tax losses for carry forward. The ability of the Group to utilise the deferred tax asset depends primarily on future trading performance. The deferred tax asset has not been recognised given the uncertainty as to the availability of available future profits to utilise the accumulated tax losses.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

21. Deferred Income	Group		Company	
	2017 £000	2016 £000	2017 £000	2016 £000
Deferred grant income - from Football Trust				
At 1 July	800	847	-	-
Released to profit and loss account	(48)	(47)	-	-
At 30 June	752	800	-	-
Other deferred income				
From season tickets, advance ticket sales, executive boxes and sponsorships received in advance	5443	4246	5443	4246
Total deferred income	6195	5046	5443	4246

Included in Other deferred income is £1,155,000 (30 June 2016 - £933,000) which will be released to the profit and loss account in more than one year.

22. Called-up Share Capital	Group and Company	Group and Company
	2017 £000	2016 £000
Allotted and fully paid		
13,102,264 (2016 – 8,938,984) Ordinary Shares of 10 pence each	1310	894
1,540,478 (2016 – 3,843,478) A Ordinary Shares of 10 pence each	154	384
2,250,000 Preference Shares of £1 each	2250	2250
	3714	3528

Called-up Share Capital represents the nominal value of shares that have been issued.

The A Ordinary Shares issued rank pari passu with the Ordinary Shares save that (a) they have no voting rights, and (b) they are convertible to Ordinary Shares by giving notice in writing to the Company. A holder of Ordinary Shares, whose shareholding aggregated with those of his connected persons carries 29.9% or fewer in aggregate of the total votes conferred by all of the issued shares in the Company, is only entitled to convert the number of A Ordinary Shares as would result in that shareholder and his connected persons holding Ordinary Shares which would carry 29.9% or fewer in aggregate of the total votes conferred by all of the issued shares in the Company.

The Preference Shares have no rights to dividend and no voting rights, but on a return of capital are entitled to payment of their nominal value in priority to the Ordinary Shares.

On 31 March 2017 89,194 Ordinary shares of ten pence each were issued at £0.75 per share in respect of the exercise of options granted through the Company's Enterprise Management Incentive Scheme - see also Notes 3(l) and 7.

On 13 June 2017 1,437,753 Ordinary shares of ten pence each were issued for cash at £0.75 per share.

On 16 June 2017 Related Party loans (see Note 19) of £250,000 were converted into 333,333 Ordinary shares of ten pence each at £0.75 per share.

On 17 June 2017, following the issue of Ordinary shares as detailed above, Stewart Milne Group Limited exercised their right to convert 2,303,000 A Ordinary shares of ten pence each into full Ordinary shares of ten pence each which carry full voting rights.

for the year ended 30 June 2017

23. Reserves

Share Premium Account

The Share Premium Account includes any premiums received on the issue of share capital over and above the notional value. Transaction costs associated with the direct issue of shares are deducted from the Share Premium Account.

Profit and Loss Account

The Profit and Loss Account includes all current and prior year retained profits and losses. Included within the Profit and Loss Account is £12,163,000 (2016 - £14,913,000) of non-distributable reserves represented by unrealised property revaluations under previous UK GAAP.

24. Group Contingent Liabilities

The Group has exited all obligations to Bank of Scotland, other than in regard to a contingent liability which may arise on the disposal of Pittodrie stadium if any part of the proceeds is not reinvested in a new stadium. This remaining commitment to the Bank of Scotland was secured until 31 October 2017 by a floating charge and a standard security over the stadium from the wholly owned subsidiary Talltray Limited to the Bank of Scotland, cross guaranteed by the Company and secured also by a floating charge from the Company. Following 31 October 2017, the contingent liability will continue to exist, but is not subject to any security.

During the prior year the Group entered into conditional missives to purchase a site at Kingsford to the West of the AWPR currently under construction. The missives are subject to the Group obtaining planning and other relevant consents on terms acceptable to the Group. In the event of obtaining the relevant Consents on acceptable terms, the Group intends to purchase the site, then proceed with the development in two phases; Phase 1 being the delivery of Professional Training Facilities and facilities for Community and Youth Development use, with Phase 2 being the delivery of a new Stadium.

25. Related Party Transactions

At 30 June 2017 loans of £680,000 (30 June 2016 - £1,280,000) are due to the Company's Directors. The terms of the loans are disclosed in Note 19.

26. Pension Fund

The Group operates an approved 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 expensed for the period was £4,000 (year to 30 June 2016 - £6,000).

There was £1,000 due for payment at 30 June 2017 (30 June 2016 - £1,000).

The Group also operates an approved defined contribution Group auto-enrolment scheme for eligible employees with The Peoples Pension. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost expensed for the period was £22,000 (year to 30 June 2016 - £18,000).

There was £3,000 due for payment at 30 June 2017 (30 June 2016 - £3,000).

In addition, contributions of £14,000 (year to 30 June 2016 - £13,000) were made to personal pension schemes on behalf of employees.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

27. Financial Instruments	Group		Company	
	2017	2016	2017	2016
	£000	£000	£000	£000
Financial assets – measured at undiscounted amount receivable				
Trade debtors – see Note 16	1675	1448	1675	1448
Amounts due from subsidiary – see Note 16	-	-	15940	16140
Other debtors – see Note 16	1489	213	1489	213
Cash at bank and in hand	3532	1680	3524	1671
	6696	3341	22628	19472
Financial liabilities – measured at undiscounted amount payable				
Trade creditors – see Note 17	1468	912	1468	912
Other creditors and accruals – see Note 17	1145	775	1145	775
Related Party loans – see Notes 18 and 19	680	1280	680	1280
Other loans – see Note 18	200	200	200	200
	3493	3167	3493	3167

The Group's income, expense, gains and losses in respect of financial instruments are summarised below: -

Interest income and expense	Group	
	2017	2016
	£000	£000
Total interest income for financial assets at amortised cost	-	-
Total interest expense for financial liabilities at amortised cost	-	(7)

28. Group Financial Commitments	2017	2016
	£000	£000
Total future minimum lease payments under non-cancellable operating leases are as follows: -		
Within one year	116	116
Between one and five years	29	37
	145	153

29. Subsequent Events

Subsequent to the balance sheet date on 28 July 2017 1,033,776 Ordinary shares of ten pence each were issued for cash at £0.75 per share. On the same day 434,400 A Ordinary shares of ten pence each were converted into Ordinary shares of ten pence each which carry full voting rights.

30. Controlling Party

At the balance sheet date, the Company does not have a controlling party as there is no single or group of shareholders with a controlling interest in the shareholding of the Company.

31. Subsidiaries and Related Undertakings

The Group comprises the parent company Aberdeen Football Club plc and its sole wholly-owned subsidiary Talltray Limited. Talltray Limited is a Private Limited Company limited by shares and registered in Scotland, number SC299691 with its registered office and principal place of business at Pittodrie Stadium, Pittodrie Street, Aberdeen AB24 5QH. Ownership of the stadium lies with the subsidiary company to which the Company pays a rent for the use of the football stadium.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the ONE HUNDRED and FOURTEENTH Annual General Meeting of ABERDEEN FOOTBALL CLUB plc will be held at The Aberdeen Asset Management Suite, Pittodrie Stadium, Pittodrie Street, Aberdeen on 18 December 2017 at 7.00pm to transact the following: -

As ordinary business:

1. To receive and consider the Financial Statements for the year ended 30 June 2017 together with the Reports of the Directors and Auditors thereon.
2. To re-elect Gordon A Buchan as a Director.
3. To re-elect Duncan G Fraser as a Director.
4. To confirm the appointment of David A Cormack as a Director.
5. To re-appoint Deloitte LLP as Auditor and to authorise the Directors to fix their remuneration.

BY ORDER OF THE BOARD

Roy M Johnston
Company Secretary

Registered Office:

Pittodrie Stadium, Pittodrie Street, Aberdeen AB24 5QH

Dated 17 November 2017

Note:

It is requested that notice of questions on the Annual Report should be in the Company Secretary's hands by 5pm on Monday 11 December 2017.

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.



Pittodrie Stadium
Pittodrie Street
Aberdeen AB24 5QH

www.afc.co.uk