

The Hibernian Football Club Limited

Financial Statements for the year ended 31 July 2013

Club Information

Company Registration Number SC5323

Registered Office:

Easter Road Stadium

12 Albion Place, Edinburgh, EH7 5QG

Switchboard: 0131 661 2159

Fax: 0131 659 6488

www.hibernianfc.co.uk

Directors

Rod Petrie

Bruce Langham

Amanda Jones

Brian Houston

Colin McNeill

Jamie Marwick

Garry O'Hagan

Manager

Pat Fenlon

Auditor

KPMG LLP, Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EG

Bankers

Bank of Scotland, 13 Newkirkgate, Edinburgh, EH6 6AD

Solicitors

Maclay Murray & Spens LLP, Edinburgh, EH3 9EP

Main Sponsors

Crabbie's – Club Sponsor

Nike – Technical Sponsor

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Directors' Report

Financial Statements for the year ended 31 July 2013

The Directors present their report on the affairs of the company together with the audited financial statements for the year ended 31 July 2013.

Principal activity and business review

The Club is one of the leading professional football clubs in Scotland. It was established in 1875 and plays in the Scottish Premiership. It is a full member of the Scottish FA.

The Club's results for the last five years may be summarised in the following table of key indicators:

| Football Season | | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------|----|-----------------------|-----------------------|-----------------------|------------------|-----------------------|
| League Position | | 6 th | 4 th | 10 th | 11 th | 7 th |
| Scottish Cup | | 4 th round | Quarter Final | 4 th round | Final | Final |
| League Cup | | 2 nd round | 3 rd round | 3 rd round | Quarter Final | 2 nd Round |
| UEFA | | Intertoto | - | Europa | - | - |
| Year Ended 31 July | | 2009 | 2010 | 2011 | 2012 | 2013 |
| Turnover | £m | 7.7 | 7.1 | 7.0 | 6.9 | 8.0 |
| Staff costs | £m | 4.7 | 4.8 | 4.8 | 4.1 | 3.9 |
| Operating profit/(loss) | £m | (1.6) | (2.0) | (1.7) | (0.9) | 0.3 |
| Transfer fees (net) | £m | 2.4 | 2.3 | 1.0 | 0.1 | (0.1) |
| Profit/ (loss) before tax | £m | 0.7 | 0.1 | (0.9) | (1.0) | 0.1 |
| Wages/turnover ratio | % | 61% | 68% | 69% | 60% | 49% |
| Movement in Net Debt | £m | +0.7 | +0.5 | +1.8 | +0.5 | -0.9 |
| As at 31 July | | 2009 | 2010 | 2011 | 2012 | 2013 |
| Fixed Assets | £m | 21.7 | 24.1 | 24.3 | 23.8 | 23.5 |
| Net Assets | £m | 15.0 | 15.0 | 14.4 | 13.4 | 13.6 |
| Net Debt | £m | 3.6 | 4.1 | 5.9 | 6.4 | 5.5 |

The Club returned to profit in 2013 as revenues increased and costs remained under tight control.

The improved performance in the SPL and reaching the Scottish Cup final for a second successive year helped raise turnover to £8.0m, an increase of £1.1m from £6.9m in the previous year.

Operating costs continue to be tightly managed. Expenditure on staff costs fell by £0.2m from £4.1m in the previous year to £3.9m, resulting in a wages to turnover ratio of 49%, down from 60% in the previous year.

Net debt fell by £0.9m from £6.4m to £5.5m as a result of positive cash flow in the year and the repayment of bank loans.

The Club is in a strong financial position providing a solid platform for future sporting success.

Directors' Report

Financial Statements for the year ended 31 July 2013

Directors

The Board of Directors comprises:

| | | |
|---------------|-----------------------------|----------------------------|
| Rod Petrie | Executive Chairman | |
| Bruce Langham | Non-executive Director | |
| Amanda Jones | Non-executive Director | |
| Brian Houston | Non-executive Director | |
| Colin McNeill | Non-executive Director | Appointed 08 February 2013 |
| Jamie Marwick | Finance Director | |
| Garry O'Hagan | Director and Club Secretary | |

Scott Lindsay served as a director until his resignation from the Board on 12 September 2012.

Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Statement of Directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 of the profit or loss of the company 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Directors' Report

Financial Statements for the year ended 31 July 2013

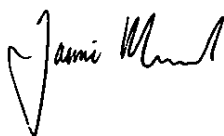
Employees

It is the policy of the company to consult and discuss with employees any matters likely to affect their interests. The company gives full and sympathetic consideration to the employment, training, career development and promotion of all staff in accordance with individual skills, abilities and the role requirements.

Auditor

Pursuant to Section 487 of the Companies Act 2006 the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By Order of the Board



Jamie Marwick
Finance Director
29 August 2013

12 Albion Place
Edinburgh
EH7 5QG

Independent Auditor's Report to the members of The Hibernian Football Club Limited

For the year ended 31 July 2013

We have audited the financial statements of The Hibernian Football Club Limited for the year ended 31 July 2013 set out on pages 6 to 19. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

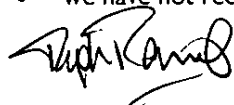
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.



Hugh Harvie (Senior Statutory Auditor)
for and on behalf of **KPMG LLP, Statutory Auditor**
Chartered Accountants
29 August 2013

Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

Profit and Loss Account

For the year ended 31 July 2013

| | Notes | 2013 £ | 2012 £ |
|--|-------|--------------------|--------------------|
| Turnover | 2 | 8,034,490 | 6,884,942 |
| Operating expenses | 3 | <u>(7,687,382)</u> | <u>(7,789,204)</u> |
| Operating profit/ (loss) | | 347,108 | (904,262) |
| (Loss)/ gain on disposal of intangible fixed assets | | <u>(77,463)</u> | <u>98,197</u> |
| Profit/ (loss) before interest and taxation | | 269,645 | (806,065) |
| Net interest payable and similar charges | 6 | <u>(137,234)</u> | <u>(151,046)</u> |
| Profit/ (loss) on ordinary activities before taxation | 7 | 132,411 | (957,111) |
| Taxation | 8 | <u>-</u> | <u>-</u> |
| Profit/ (loss) for the financial year | 16 | <u>132,411</u> | <u>(957,111)</u> |

The reported result in the financial statements related wholly to the continuing operations of the company.

The accompanying notes form an integral part of the financial statements.

Statement of Total Recognised Gains and Losses

| | 2013 £ | 2012 £ |
|--|----------------|------------------|
| Total gain/ (loss) recognised since last annual report | <u>132,411</u> | <u>(957,111)</u> |

Balance Sheet

At 31 July 2013

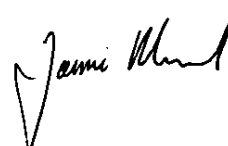
| | Notes | 2013 £ | 2012 £ |
|--|-------|--------------------|--------------------|
| Fixed assets | | | |
| Tangible assets | 9 | 23,298,904 | 23,664,859 |
| Intangible assets | 10 | <u>226,719</u> | <u>122,825</u> |
| | | <u>23,525,623</u> | <u>23,787,684</u> |
| Current assets | | | |
| Stocks | 11 | - | 239,807 |
| Debtors | 12 | 747,655 | 462,955 |
| Cash at bank and in hand | | <u>1,430,984</u> | <u>999,151</u> |
| | | <u>2,178,639</u> | <u>1,701,913</u> |
| Creditors: Amounts falling due within one year | 13 | <u>(5,805,026)</u> | <u>(5,350,982)</u> |
| Net current liabilities | | <u>(3,626,387)</u> | <u>(3,649,069)</u> |
| Total assets less current liabilities | | <u>19,899,236</u> | <u>20,138,615</u> |
| Creditors: Amounts falling due after more than one year | 14 | <u>(6,331,646)</u> | <u>(6,703,436)</u> |
| Net assets | | <u>13,567,590</u> | <u>13,435,179</u> |
| Capital and reserves | | | |
| Called-up equity share capital | 15 | 1,200,000 | 1,200,000 |
| Reserves | 16 | <u>12,367,590</u> | <u>12,235,179</u> |
| Shareholders' funds | 17 | <u>13,567,590</u> | <u>13,435,179</u> |

Approved by the Board on 29 August 2013



Rod Petrie

Executive Chairman



Jamie Marwick

Finance Director

The accompanying notes form an integral part of the financial statements.

Cash Flow Statement

For the year ended 31 July 2013

| | Notes | 2013 £ | 2012 £ |
|--|-------|--------------------|--------------------|
| Reconciliation of operating profit to net cash flow from operating activities | | | |
| Operating profit/ (loss) | | 347,108 | (904,262) |
| Depreciation charges | | 401,175 | 448,690 |
| Loss on disposal of tangible assets | | 42 | - |
| Amortisation of intangible assets | | 118,178 | 94,164 |
| Decrease/ (increase) in stocks | | 239,807 | (35,376) |
| (Increase)/ decrease in debtors | | (284,700) | 577,068 |
| Increase/ (decrease) in creditors | | 478,997 | (347,889) |
| Net cash inflow/ (outflow) from operating activities | | <u>1,300,607</u> | <u>(167,605)</u> |
| Cash flow statement | | | |
| Net cash inflow/ (outflow) from operating activities | | 1,300,607 | (167,605) |
| Returns on investment and servicing of finance | 21 | (139,234) | (152,095) |
| Payments to acquire fixed assets | | (71,048) | (96,035) |
| Payments to acquire intangible fixed assets | | (126,910) | (111,918) |
| Receipts from sale of tangible fixed assets | | 21,900 | - |
| (Payments on)/ receipts from disposal of intangible fixed assets | | <u>(171,135)</u> | <u>81,937</u> |
| Cash inflow/ (outflow) before financing | | 814,180 | (445,716) |
| Financing | 21 | <u>(382,347)</u> | <u>(603,633)</u> |
| Increase/ (decrease) in cash | | <u>431,833</u> | <u>(1,049,349)</u> |
| Reconciliation of net cash flow to movement in net debt | | | |
| Increase/ (decrease) in cash | | 431,833 | (1,049,349) |
| Cash outflow from the decrease in debt and lease financing | | <u>382,347</u> | <u>603,633</u> |
| Movement in net debt in the year | 22 | 814,180 | (445,716) |
| Net debt at the start of the year | | <u>(6,359,256)</u> | <u>(5,913,540)</u> |
| Net debt at the end of the year | 22 | <u>(5,545,076)</u> | <u>(6,359,256)</u> |

Notes to the Financial Statements

For the year ended 31 July 2013

I Principal accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, is set out below.

a) *Basis of accounting*

The financial statements are prepared under the historical cost convention modified by the revaluation of certain fixed assets and in accordance with applicable accounting standards.

b) *Going concern*

The directors have prepared cashflow forecasts for the company for at least the twelve months from the date of signing these accounts. The cashflow forecasts show that the company can operate within its available funds, which includes support from the parent company when required, for the foreseeable future.

c) *Tangible fixed assets and depreciation*

Tangible fixed assets are stated at cost or valuation, less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost of each asset on a straight line basis over its expected useful life, at the following rates per annum:

| | |
|-----------------------|--------|
| Plant and equipment | 10-33% |
| Fixtures and fittings | 10-20% |
| Motor vehicles | 20-33% |

The buildings, which form part of Easter Road Stadium and the Hibernian Training Centre, are not depreciated within the financial statements. The Directors are of the opinion that, having assessed the expected useful life and residual value of the assets, any annual charge for depreciation would be immaterial. The Company has adopted Financial Reporting Standard 15 and accordingly it carries out annual impairment reviews of each property. No depreciation is provided on freehold land or assets in the course of construction.

d) *Intangible fixed assets and transfer fees*

Transfer fees receivable are included in the profit and loss account in the year in which the transfer contract is signed. The costs associated with the acquisition of players are capitalised and treated as intangible fixed assets. These amounts are amortised over the period of the contract on the basis of nil residual values. Receipts which are contingent on the performance of the team or a player are not recognised until the relevant event has occurred.

e) *Stocks*

Stocks are stated at the lower of cost and net realisable value.

f) *Signing-on fees*

Signing-on fees payable to players are included within staff costs in the year in which they fall due.

Notes to the Financial Statements

For the year ended 31 July 2013

1 Principal accounting policies (continued)

g) Leases and hire purchase transactions

Assets acquired under finance leases and hire purchase agreements are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the lease term.

h) Taxation

The charge or credit for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised without discounting, in respect of all timing differences which have arisen but not reversed by the balance sheet date, except as otherwise required by Financial Reporting Standard 19.

i) Pensions

The company operates a defined contribution pension scheme for certain members of staff. The assets of the scheme are held separately from those of the company in an independently administered fund. The charge for pension cost represents contributions payable by the company for the year.

2 Turnover

Turnover represents all income derived from the operation of a professional football club and excludes value added tax.

3 Operating expenses

| | 2013 £ | 2012 £ |
|---------------------------------------|-----------------|-----------------|
| Staff costs | 3,857,763 | 4,121,981 |
| Other operating charges | 3,310,266 | 3,124,369 |
| | <hr/> 7,168,029 | <hr/> 7,246,350 |
| Depreciation of tangible fixed assets | 401,175 | 448,690 |
| Amortisation of intangible assets | 118,178 | 94,164 |
| | <hr/> 7,687,382 | <hr/> 7,789,204 |

Notes to the Financial Statements

For the year ended 31 July 2013

4 Employee information

a) The average number of people, including Directors, employed by the company during the year is analysed below:

| | 2013 Number | 2012 Number |
|-------------------------------|----------------|----------------|
| Players and management | 60 | 64 |
| Commercial and administration | 21 | 26 |
| | <u>81</u> | <u>90</u> |

b) Staff costs for the above:

| | 2013 £ | 2012 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 3,474,070 | 3,673,396 |
| Social security costs | 372,193 | 432,293 |
| Pension costs | 11,500 | 16,292 |
| | <u>3,857,763</u> | <u>4,121,981</u> |

5 Directors' emoluments

The total amount of Directors' emoluments for the year was £154,535 (2012 - £291,908).

The level of executive pay is determined by a Remuneration Committee which comprises the non-executive directors of the company.

The highest paid director received a basic salary of £58,524; pension contributions of £5,000; and benefits in kind of £7,361. The highest paid director in the previous year received a basic salary of £67,251; pension contributions of £nil; and benefits in kind of £12,336.

The non-executive directors, Bruce Langham, Amanda Jones, Brian Houston and Colin McNeill did not receive any emoluments in respect of their services to the company.

Notes to the Financial Statements

For the year ended 31 July 2013

6 Net interest payable and similar charges

| | 2013 £ | 2012 £ |
|----------------------|------------------|------------------|
| Interest payable: | | |
| Stadium mortgages | (131,831) | (148,138) |
| Finance leases | (4,088) | (4,063) |
| Parent company loan | <u>(5,033)</u> | <u>(5,029)</u> |
| | (140,952) | (157,230) |
| Interest receivable: | | |
| Bank deposits | <u>3,718</u> | <u>6,184</u> |
| | <u>(137,234)</u> | <u>(151,046)</u> |

7 Profit/ loss on ordinary activities before taxation

The Profit/ loss on ordinary activities before taxation is stated after charging:

| | | 2013 £ | 2012 £ |
|------------------------|---------------------|--------------|--------------|
| Auditor's remuneration | - audit services | 10,500 | 10,500 |
| | - taxation services | 4,350 | 4,650 |
| | - other services | <u>1,000</u> | <u>1,000</u> |

Notes to the Financial Statements

For the year ended 31 July 2013

8 Taxation

There is no corporation tax payable on the profit for the year (2012 – nil)

Factors affecting the tax charge for the current year:

UK taxation for the year is lower (2012 - lower) than the standard rate of corporation tax in the United Kingdom, 23% (2012 – 24%). The differences are explained below:

| | 2013 £ | 2012 £ |
|---|-----------|-----------|
| <i>Current Tax Reconciliation</i> | | |
| Profit/ (loss) on Ordinary Activities before taxation | 132,411 | (957,111) |
| Current Tax at 23.7% (2012 – 25.3%) | 31,337 | (242,149) |
| <i>Effects of:</i> | | |
| Expenses not deductible for tax purposes | 503 | 1,059 |
| Timing differences | (2,408) | (4,878) |
| Utilisation of tax losses brought forward | (29,432) | - |
| Tax losses carried forward | - | 245,968 |
| Total current tax charge (see above) | - | - |

Factors that may affect future tax charges:

The company has an unrecorded deferred tax asset of approximately £466,000 (2012 - £570,000) which has been calculated based on the tax rate of 20% substantively enacted at the balance sheet date. The deferred tax asset has not been recognised due to uncertainty over the timing of its recovery.

Reductions in the UK corporation tax rate from 24% to 23% (effective from 1 April 2013) were substantively enacted on 3 July 2012. Further reductions to 21% (effective from April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013.

Notes to the Financial Statements

For the year ended 31 July 2013

9 Tangible fixed assets

| | Land & Buildings | Plant & Equipment | Fixtures & Fittings | Motor Vehicles | Total |
|--------------------------|---------------------|----------------------|------------------------|-------------------|-------------------|
| | £ | £ | £ | £ | £ |
| Cost or valuation | | | | | |
| At 31 July 2012 | 21,611,262 | 4,882,924 | 2,157,962 | 157,595 | 28,809,743 |
| Additions | - | 8,100 | 9,077 | 39,985 | 57,162 |
| Disposal | - | (4,770) | - | (41,985) | (46,755) |
| At 31 July 2013 | <u>21,611,262</u> | <u>4,886,254</u> | <u>2,167,039</u> | <u>155,595</u> | <u>28,820,150</u> |
| Depreciation | | | | | |
| At 31 July 2012 | - | 3,334,607 | 1,755,461 | 54,816 | 5,144,884 |
| Charge for year | - | 289,491 | 83,012 | 28,672 | 401,175 |
| Disposal | - | (4,770) | - | (20,043) | (24,813) |
| At 31 July 2013 | <u>-</u> | <u>3,619,328</u> | <u>1,838,473</u> | <u>63,445</u> | <u>5,521,246</u> |
| Net Book Value | | | | | |
| At 31 July 2013 | <u>21,611,262</u> | <u>1,266,926</u> | <u>328,566</u> | <u>92,150</u> | <u>23,298,904</u> |
| At 31 July 2012 | <u>21,611,262</u> | <u>1,548,317</u> | <u>402,501</u> | <u>102,779</u> | <u>23,664,859</u> |

Jones Lang LaSalle, International Property Consultants, valued Easter Road Stadium at £18,500,000 and The Hibernian Training Centre at £5,450,000 on the basis of depreciated replacement cost as at 31 July 2011. Those valuations were included in the accounts at that date.

Plant & Equipment and Fixtures & Fittings have been depreciated during the year in accordance with the companies accounting policies.

Included in the Net Book Value of tangible fixed assets is £84,580 (2012 - £84,646) in respect of assets acquired under Finance Leases. Depreciation for the year on those assets was £27,223 (2012 - £22,954).

Notes to the Financial Statements

For the year ended 31 July 2013

10 Intangible fixed assets

| | Players | Other | Total |
|-----------------------|----------------|---------------|----------------|
| | £ | £ | £ |
| Cost | | | |
| At 31 July 2012 | 194,054 | 25,000 | 219,054 |
| Additions | 248,800 | - | 248,800 |
| Disposals | (157,433) | - | (157,433) |
| At 31 July 2013 | <u>285,421</u> | <u>25,000</u> | <u>310,421</u> |
| Amortisation | | | |
| At 31 July 2012 | 81,646 | 14,583 | 96,229 |
| Charge for year | 113,178 | 5,000 | 118,178 |
| Disposals | (130,705) | - | (130,705) |
| At 31 July 2013 | <u>64,119</u> | <u>19,583</u> | <u>83,702</u> |
| Net Book Value | | | |
| At 31 July 2013 | <u>221,302</u> | <u>5,417</u> | <u>226,719</u> |
| At 31 July 2012 | <u>112,408</u> | <u>10,417</u> | <u>122,825</u> |

11 Stocks

| | 2013 | 2012 |
|------------------|----------|----------------|
| | £ | £ |
| Goods for resale | <u>-</u> | <u>239,807</u> |

12 Debtors

| | 2013 | 2012 |
|--------------------------------|----------------|----------------|
| | £ | £ |
| Trade debtors | 262,143 | 362,887 |
| Prepayments and accrued income | <u>485,512</u> | <u>100,068</u> |
| | <u>747,655</u> | <u>462,955</u> |

Notes to the Financial Statements

For the year ended 31 July 2013

13 Creditors: Amounts falling due within one year

| | | 2013 £ | 2012 £ |
|-------------------------------|-----|------------------|------------------|
| Parent company loan | (a) | 250,000 | 250,000 |
| Stadium mortgage | (b) | 240,000 | 240,000 |
| Stadium mortgage | (c) | 131,190 | 131,190 |
| Trade creditors | | 452,392 | 561,227 |
| Accruals and deferred income | | 2,978,016 | 2,679,961 |
| Amounts due to parent company | | 1,500,000 | 1,250,000 |
| Taxation and social security | | 230,204 | 204,823 |
| Finance lease creditor | | 23,224 | 33,781 |
| | | <u>5,805,026</u> | <u>5,350,982</u> |

14 Creditors: Amounts falling due after more than one year

| | | 2013 £ | 2012 £ |
|------------------------|-----|------------------|------------------|
| Stadium mortgage | (b) | 2,560,000 | 2,800,000 |
| Stadium mortgage | (c) | 1,239,178 | 1,371,419 |
| Stadium mortgage | (d) | 2,500,000 | 2,500,000 |
| Finance lease creditor | | 32,468 | 32,017 |
| | | <u>6,331,646</u> | <u>6,703,436</u> |

- (a) The parent company loan is secured, bears a variable interest rate, and is repayable on demand.
- (b) The stadium mortgage is secured. The loan bears a variable interest rate. The loan is repayable in instalments of £20,000 per month with a final instalment of £1,600,000 in August 2018.
- (c) The stadium mortgage is secured. The loan bears a variable interest rate. The loan is repayable in quarterly instalments ending in October 2023.
- (d) The stadium mortgage is secured. The loan bears a variable interest rate. The loan is repayable in one instalment in July 2020.

Notes to the Financial Statements

For the year ended 31 July 2013

15 Called-up share capital

| | 2013 £ | 2012 £ |
|--|------------------|------------------|
| Authorised: | | |
| 60,000,000 (2012: 60,000,000) Ordinary Shares of 2p each | <u>1,200,000</u> | <u>1,200,000</u> |
| Allotted, called-up and fully paid: | | |
| 60,000,000 (2012: 60,000,000) Ordinary Shares of 2p each | <u>1,200,000</u> | <u>1,200,000</u> |

16 Reserves

| | Share Premium Account £ | Revaluation Reserve £ | Profit and Loss Account £ | Total £ |
|-------------------------------|-------------------------------|-----------------------------|---------------------------------|-------------------|
| At 1 August 2012 | 2,800,000 | 5,907,763 | 3,527,416 | 12,235,179 |
| Profit for the financial year | - | - | 132,411 | 132,411 |
| At 31 July 2013 | <u>2,800,000</u> | <u>5,907,763</u> | <u>3,659,827</u> | <u>12,367,590</u> |

17 Reconciliation of movement in shareholders' funds

| | 2013 £ | 2012 £ |
|---|-------------------|-------------------|
| Profit/ (loss) for the financial year | <u>132,411</u> | <u>(957,111)</u> |
| Net addition to/ (reduction in) shareholders' funds | 132,411 | (957,111) |
| Opening shareholders' funds | <u>13,435,179</u> | <u>14,392,290</u> |
| Closing shareholders' funds | <u>13,567,590</u> | <u>13,435,179</u> |

18 Financial commitments and contingent liabilities

a) Lease commitments

| | Land and buildings 2013 £ | Other 2013 £ | Land and buildings 2012 £ | Other 2012 £ |
|---------------------------------------|------------------------------------|--------------------|------------------------------------|--------------------|
| Operating leases which expire: | | | | |
| Within one year | - | 1,840 | - | 2,131 |
| In the second to fifth year inclusive | - | 6,180 | - | 6,180 |
| Over five years | <u>24,000</u> | <u>-</u> | <u>24,000</u> | <u>-</u> |
| | <u>24,000</u> | <u>8,020</u> | <u>24,000</u> | <u>8,311</u> |

Notes to the Financial Statements

For the year ended 31 July 2013

18 Financial commitments and contingent liabilities - continued

b) *Contingent liabilities*

The company has provided a bond and floating charge in relation to all sums payable to the Bank of Scotland. The company has provided fixed and floating charges in relation to loans payable to HFC Holdings Limited. The operation of these securities is subject to a ranking agreement between the Bank of Scotland and HFC Holdings Limited.

c) *VAT*

The company is registered for VAT purposes in a group of undertakings which share a common registration number. As a result, it has jointly guaranteed the VAT liability of the group, and failure by other members of the group would give rise to additional liabilities for the company.

d) *Player related matters*

All signing-on fees and other amounts payable to playing staff earned by the year end have been provided in the financial statements.

19 Parent company

The company is a subsidiary of HFC Holdings Limited, a company registered in Scotland, which holds approximately 98% of the shares in the company. The beneficial owners of the shares in HFC Holdings Limited are Sir Tom Farmer CVO CBE KCSG DL (90%) and Rod Petrie (10%).

During the year the company rented land and buildings from the parent company at a charge of £24,000 (2012 - £24,000). An intercompany balance of £1,500,000 (2012 - £1,250,000) and a loan balance of £250,000 (2012 - £250,000) were outstanding to the parent company at the year end.

20 Related Party Transactions

The company is a member of, and has directors in common with, the Hibernian Community Foundation Limited which is a registered charity with the objectives of promoting learning, health improvement and opportunity within the local community.

Donations of £2,500 were made to the Foundation in the year (2012 - £617). Costs of £4,112 were charged to the Foundation in the year, including costs paid on the Foundation's behalf (2012 - £615).

Notes to the Financial Statements

For the year ended 31 July 2013

21 Analysis of cash flows

| | 2013 £ | 2012 £ |
|--|------------------|------------------|
| Returns on investment and servicing of finance | | |
| Interest received | 3,718 | 6,184 |
| Interest paid | (142,952) | (158,279) |
| | <u>(139,234)</u> | <u>(152,095)</u> |
| Financing | | |
| Loan repayments – Bank | (372,241) | (606,848) |
| Finance lease payments | (50,091) | (26,315) |
| New finance leases | 39,985 | 29,530 |
| | <u>(382,347)</u> | <u>(603,633)</u> |

22 Analysis of net debt

| | At start of the year £ | Cash Flow £ | At end of the year £ | Repayable within | | | |
|---------------------|------------------------------|----------------|----------------------------|------------------------|------------------|--------------------|-------------------------|
| | | | | 1 year or less £ | 1 - 2 years £ | 2 – 5 years £ | 5 years or more £ |
| Cash at bank | 999,151 | 431,833 | 1,430,984 | 1,430,984 | - | - | - |
| | <u>999,151</u> | <u>431,833</u> | <u>1,430,984</u> | <u>1,430,984</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Parent company loan | (250,000) | - | (250,000) | (250,000) | - | - | - |
| Stadium mortgage | (3,040,000) | 240,000 | (2,800,000) | (240,000) | (240,000) | (720,000) | (1,600,000) |
| Stadium mortgage | (2,500,000) | - | (2,500,000) | - | - | - | (2,500,000) |
| Stadium mortgage | (1,502,609) | 132,241 | (1,370,368) | (131,190) | (131,190) | (393,570) | (714,418) |
| Finance leases | (65,798) | 10,106 | (55,692) | (23,224) | (20,744) | (11,724) | - |
| | <u>(7,358,407)</u> | <u>382,347</u> | <u>(6,976,060)</u> | <u>(644,414)</u> | <u>(391,934)</u> | <u>(1,125,294)</u> | <u>(4,814,418)</u> |
| | <u>(6,359,256)</u> | <u>814,180</u> | <u>(5,545,076)</u> | <u>786,570</u> | <u>(391,934)</u> | <u>(1,125,294)</u> | <u>(4,814,418)</u> |