

ROSS COUNTY FOOTBALL CLUB LIMITED

FINANCIAL STATEMENTS

31st MAY 1996

Registered number: 33275

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MACDOWALL & CO

CHARTERED ACCOUNTANTS

IV15 9JY

ROSS COUNTY FOOTBALL CLUB LIMITED

FINANCIAL STATEMENTS

for the year ended 31st May 1996

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COMPANY INFORMATION

31st May 1996

Incorporated 11th August 1958

Number 33275

DIRECTORS

H MacLennan
D MacBean
K Cameron
D M Roan (Resigned May 1996)
R J MacGregor
D K Harper (Resigned July 1996)
I Dingwall
G M R MacRae
A MacKintosh
D R MacLean

SECRETARY

Mrs C Caird

REGISTERED OFFICE

Victoria Park
Jubilee Park Road
Dingwall
Ross-Shire

BANKERS

Royal Bank of Scotland plc
High Street
Dingwall
Ross-Shire

SOLICITORS

T S H Burns and Son
Park Street
Dingwall
Ross-Shire

AUDITORS

Macdowall & Co
Chartered Accountants
Tulloch Street
Dingwall
IV15 9JY

DIRECTORS' REPORT

31st May 1996

The directors present their report and the audited financial statements for the year ended 31st May 1996.

Principal activity

The principal activity of the company is the running of Ross County Football Club.

Business review

The company's balance sheet as detailed on page 6 shows a satisfactory position, shareholders' funds amounting to £1,096,324.

Loss, dividends and appropriations

The results for the year are shown in the profit and loss account on page 5.

The directors do not propose payment of an ordinary dividend, the loss for the year is to be absorbed by reserves.

Fixed assets

Changes in fixed assets during the year are set out in note 8 to the accounts.

In the opinion of the directors there is no significant difference between the present market value of the company's properties and the amounts at which they are stated in the accounts. Details are set out in note 8.

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows

	31st May 1996	1st June 1995
	Ordinary shares	Ordinary shares
H MacLennan	5,500	5,500
D MacBean	500	500
K Cameron	501	501
D M Roan	14,393	14,393
R J MacGregor	10,900	10,900
G M R MacRae	16,000	10,500
I Dingwall	7,500	7,500
A MacKintosh	600	600
D K Harper	500	500
D R MacLean	2,000	2,000

In accordance with the Articles of Association, Messrs D MacBean, R J MacGregor and I Dingwall retire by rotation and offer themselves for re - election.

continued

DIRECTORS' REPORT
(continued)

31st May 1996

Auditors

Maddowall & Co have agreed to offer themselves for re-appointment
as auditors of the company.

On behalf of the board



Mrs C Caird
Secretary

Victoria Park
Jubilee Park Road
Dingwall
Ross-Shire
19th November 1996

ROSS COUNTY FOOTBALL CLUB LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

We are required under company law to prepare financial statements for each financial year which 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 those financial statements we are required to:

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

We are also responsible for:

- keeping proper accounting records;
- safeguarding the company's assets;
- taking reasonable steps for the prevention and detection of fraud.

On behalf of the board

R J MacGregor
Director
19th November 1996

ROSS COUNTY FOOTBALL CLUB LIMITED

AUDITORS' REPORT

Auditors' report to the members of

Ross County Football Club Limited

We have audited the financial statements on pages 5 to 16 which have been prepared under the accounting policies set out on page 8.

Respective responsibilities of directors and auditors
As described on page 3, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error or other irregularity. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st May 1996 and of its loss and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



19th November 1996

Macdowall & Co
Registered Auditors
Chartered Accountants

PROFIT AND LOSS ACCOUNT

for the year ended 31st May 1996

	Note	1996 £	1995 £
Turnover	2	214,497	258,387
Other operating income		<u>7,008</u>	<u>8,742</u>
		221,505	267,129
Direct Costs		(84,497)	(50,891)
Staff costs	4	(186,050)	(135,608)
Depreciation	3	(3,764)	(2,673)
Other operating charges		<u>(62,225)</u>	<u>(58,687)</u>
Operating (loss)/profit	3	(115,031)	19,270
Donations Received	5	40,062	33,264
Interest payable	6	<u>(23,723)</u>	<u>(19,763)</u>
(Loss)/profit on ordinary activities before taxation		(98,692)	32,771
Taxation	7	<u>-</u>	<u>-</u>
(Loss)/profit on ordinary activities after taxation		(98,692)	32,771
retained for the year	18	<u><u>-</u></u>	<u><u>-</u></u>

Movements in reserves are shown in the notes to the financial statements.

None of the company's activities were acquired or discontinued during the above two financial years.

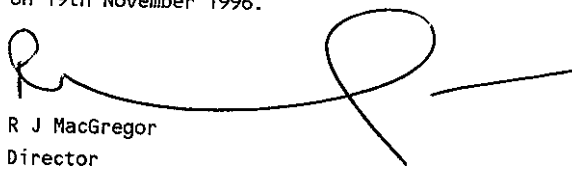
There are no recognised gains and losses in 1996 or 1995 other than the (loss)/profit for the year.

BALANCE SHEET

at 31st May 1996

	Note	1996 £	1995 £
Fixed assets			
Tangible assets	8	1,574,364	1,244,204
Current assets			
Stocks	10	12,103	6,463
Debtors	11	37,300	116,530
Cash at bank and in hand		572	38,813
		49,975	161,806
Creditors: amounts falling due within one year	12	(316,708)	(524,848)
Net current liabilities		(266,733)	(363,042)
Total assets less current liabilities		1,307,631	881,162
Creditors: amounts falling due after more than one year	13	(211,307)	(247,855)
		1,096,324	633,307
Capital and reserves			
Called up share capital	15	231,559	159,859
Revaluation reserve	16	122,449	122,449
Other reserves	17	780,593	290,584
Profit and loss account	18	(38,277)	60,415
Total shareholders' funds	14	1,096,324	633,307

The financial statements on pages 5 to 16 were approved by the board of directors on 19th November 1996.



R J MacGregor
Director

ROSS COUNTY FOOTBALL CLUB LIMITED

CASH FLOW STATEMENT

for the year ended 31st May 1996

	1996		1995	
	£	£	£	£
Net cash (outflow)/inflow from operating activities		(280,195)		269,834
Returns on investments and servicing of finance				
Interest paid	(23,257)		(19,763)	
Hire purchase interest	(466)		-	
Other non-trading income	40,062		33,264	
Net cash inflow from returns on investments and servicing of finance		16,339		13,501
Investing activities				
Payments to acquire:				
Tangible fixed assets	(333,923)		(753,287)	
Net cash outflow from investing activities		(333,923)		(753,287)
Net cash outflow before financing		(597,779)		(469,952)
Financing				
New finance contracts	1,939		4,520	
Issue of share capital	71,700		124,958	
Capital Grants Received	490,009		198,035	
Bank loan repayments	(2,631)		(864)	
Other loan (repayments)/advances	(25,758)		152,580	
(Decrease)/increase in other long term creditors	(4,000)		2,000	
Net cash inflow from financing		531,259		481,229
(Decrease) in cash and cash equivalents		(66,520)		11,277

See Note 19 for the notes to this statement.

NOTES ON FINANCIAL STATEMENTS

31st May 1996

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Freehold land	nil
Freehold buildings	nil
Fixtures and fittings	10% on Written Down Value

Land is not depreciated. The buildings are maintained to ensure their value does not diminish over time. The maintenance costs are charged to the profit and loss account in the year incurred. In the Directors opinion depreciation would be immaterial and has not been charged.

Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

2 Turnover

Turnover represents the amount derived from the provision of goods and services which fall within the company's ordinary activities, entirely within the United Kingdom, stated net of value added tax.

NOTES ON FINANCIAL STATEMENTS

31st May 1996

3 Operating (loss)/profit

	1996 £	1995 £
Operating (loss)/profit is stated after crediting		
Rent receivable	200	200
and after charging		
Staff costs (note 4)	186,050	135,608
Auditors' remuneration	1,250	2,000
Depreciation of tangible fixed assets (note 8)		
owned assets	3,764	2,673

4 Directors and employees

	1996 £	1995 £
Staff costs including directors' emoluments		
Wages and salaries	170,932	124,692
Social security costs	15,118	10,916
	186,050	135,608
	Number	Number
Average number employed including executive directors		
Playing staff	27	23
Office and management	4	4
	31	27

Directors

The Directors received no fees or emoluments during the year. (1995 - None).

5 Donations Received

	1996 £	1995 £
Ross County Development Association	12,500	10,650
Ross County Football Club Social Club	10,574	7,702
Roscash	13,560	7,656
Others	3,428	7,256
	40,062	33,264

NOTES ON FINANCIAL STATEMENTS

31st May 1996

6 Interest payable

	1996	1995
	£	£
Bank interest	21,169	17,304
Scottish Brewers loan interest	2,088	2,459
Hire purchase interest	466	-
	<u>23,723</u>	<u>19,763</u>

7 Taxation

The company has no liability for taxation.

8 Tangible fixed assets

	Fixtures and Fittings £	Land and Buildings £	Total £
Cost or valuation			
1st June 1995	37,051	1,215,150	1,252,201
Additions	8,586	325,337	333,923
31st May 1996	<u>45,637</u>	<u>1,540,487</u>	<u>1,586,124</u>
Depreciation			
1st June 1995	7,996	-	7,996
Charge for year	3,764	-	3,764
31st May 1996	<u>11,760</u>	<u>-</u>	<u>11,760</u>
Net book amount			
31st May 1996	<u>33,877</u>	<u>1,540,487</u>	<u>1,574,364</u>
1st June 1995	<u>29,054</u>	<u>1,215,150</u>	<u>1,244,204</u>

NOTES ON FINANCIAL STATEMENTS

31st May 1996

9 Land and buildings

	1996 £	1995 £
Freehold	<u>1,540,487</u>	<u>1,215,150</u>
Freehold land and buildings at valuation		
Freehold l and b revalued amount	1,430,487	1,105,150
Freehold l and b leased to 3rd parties	<u>110,000</u>	<u>110,000</u>
Historical cost information		
Freehold l and b historical cost - cost	<u>1,418,038</u>	<u>1,092,701</u>
Future capital commitments		
Other contracts	-	387,635
Authorised, but contracts not placed	<u>-</u>	<u>35,589</u>

The company's properties were revalued during the year ended 31st May 1994.

10 Stocks

	1996 £	1995 £
Club Memorabilia	<u>12,103</u>	<u>6,463</u>

11 Debtors

	1996 £	1995 £
Amounts falling due within one year		
Trade debtors	37,300	52,151
Other debtors	-	63,079
Calls Unpaid	-	1,300
	<u>37,300</u>	<u>116,530</u>

NOTES ON FINANCIAL STATEMENTS

31st May 1996

12 Creditors: amounts falling due
within one year

	1996	1995
	£	£
Bank loans	5,667	5,667
Other loans	30,137	25,757
Bank overdraft	93,628	65,349
Trade creditors	79,484	396,401
Other taxation and social security	35,672	15,889
Accruals and deferred income	68,757	14,141
Obligations under finance leases and hire purchase contracts - note 13	3,363	1,644
	<u>316,708</u>	<u>524,848</u>

In consideration for loan and overdraft facilities, the company has granted to the Royal Bank of Scotland plc an all monies bond and floating charge following standard securities granted over the land and buildings at Victoria Park and Tulloch Street, Dingwall. The standard securities rank, in part, with standard securities granted to Scottish Brewers Ltd and Ross and Cromarty Enterprise Ltd.

NOTES ON FINANCIAL STATEMENTS

31st May 1996

13 Creditors: amounts falling due
after more than one year

	1996 £	1995 £
Bank loans	66,774	69,405
Other loans	141,437	171,574
Other creditors	-	4,000
Obligations under finance leases	3,096	2,876
	<u>211,307</u>	<u>247,855</u>
Maturity of debt		
In one year or less, or on demand		
- see note 12	35,804	31,424
Between one and two years	39,971	35,804
Between two and five years	101,912	119,912
In five years or more	66,328	85,263
	<u>244,015</u>	<u>272,403</u>
Bank loans are repayable as follows:		
Not wholly repayable within five years:		
repayable by instalments		
- within five years	28,333	28,333
- in more than five years	44,108	46,739
	<u>72,441</u>	<u>75,072</u>
Other loans are repayable as follows:		
Wholly repayable within five years	-	2,453
Not wholly repayable within five years:		
repayable by instalments		
- within five years	152,407	156,353
- in more than five years	19,167	38,525
	<u>171,574</u>	<u>197,331</u>
Obligations under finance leases and hire purchase contracts		
These are repayable over varying periods by monthly instalments as follows:		
In the next year - see note 12	3,363	1,644
In the second to fifth years	3,096	2,876
	<u>6,459</u>	<u>4,520</u>

NOTES ON FINANCIAL STATEMENTS

31st May 1996

14 Reconciliation of movements in shareholders' funds

	1996 £	1995 £
(Loss)/profit for the financial year	(98,692)	32,771
New share capital subscribed	71,700	124,958
Other movements in reserves	490,009	198,035
Net addition to shareholders' funds	463,017	355,764
Opening shareholders' funds	633,307	277,543
Closing shareholders' funds	1,096,324	633,307

15 Called up share capital

	1996		1995	
	Number of shares	£	Number of shares	£
Authorised				
Unclassified shares	361,177	361,177	432,877	432,877
Ordinary shares of £1 each	228,823	228,823	157,123	157,123
6% non cum preference shares	10,000	10,000	10,000	10,000
		600,000		600,000
Allotted called up and fully paid				
Ordinary shares of £1 each	228,823	228,823	157,123	157,123
6% non cum preference shares	2,736	2,736	2,736	2,736
		231,559		159,859
Calls Unpaid				1,300
				158,559

71,700 shares of £1 each were allotted during the year to increase the capital base of the company.

16 Revaluation reserve

	1996 £
1st June 1995	
and	
31st May 1996	122,449

This represents the difference between the historical cost of the company's land and buildings and the current balance sheet value.

NOTES ON FINANCIAL STATEMENTS

31st May 1996

17 Capital Reserve

1996

£

At 1st June 1995

290,584

Capital Grants Received

The Football Trust

490,009

780,593

18 Profit and loss account

1996

£

1st June 1995

Retained loss for the year

60,415

(98,692)

31st May 1996

(38,277)

NOTES ON FINANCIAL STATEMENTS

31st May 1996

19 Notes to the cash flow statement

Reconciliation of operating (loss)/profit to
net cash (outflow)/inflow from operating activities

	1996 £	1995 £
Operating (loss)/profit	(115,031)	19,270
Depreciation charges	3,764	2,673
(Increase) in stocks	(5,640)	(5,963)
Decrease/(increase) in debtors	79,230	(97,515)
(Decrease)/increase in creditors	(242,518)	351,369
Net cash (outflow)/inflow from operating activities	<u>(280,195)</u>	<u>269,834</u>
Analysis of changes in cash and cash equivalents as shown in the balance sheet		
Balance at 1st June 1995	(26,536)	(37,813)
Net cash (outflow)/inflow	<u>(66,520)</u>	<u>11,277</u>
Balance at 31st May 1996	<u>(93,056)</u>	<u>(26,536)</u>
Analysis of the balances of cash and cash equivalents as shown in the balance sheet		

	1996 £	1995 £	Change in year £
Cash at bank and in hand	572	38,813	(38,241)
Bank overdrafts	<u>(93,628)</u>	<u>(65,349)</u>	<u>(28,279)</u>
	<u>(93,056)</u>	<u>(26,536)</u>	<u>(66,520)</u>

Analysis of changes in financing during the year

	Finance Leasing £	Share Capital £
Balance at 1st June 1995	4,520	159,859
Cash inflow from financing	<u>1,939</u>	<u>71,700</u>
Balance at 31st May 1996	<u>6,459</u>	<u>231,559</u>