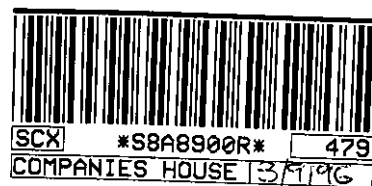




INVERNESS THISTLE AND
CALEDONIAN F.C. *plc*



SHARE OFFER PROSPECTUS



This document is important and requires your immediate attention. If you are in any doubt about the contents of this document you should consult a person authorised under the Financial Services Act 1986 who specialises in advising on the acquisition of shares and other securities.

A copy of this document has been delivered for registration to the Registrar of Companies in Scotland in accordance with Regulation 4(2) of The Public Offers of Securities Regulations 1995. This document has been prepared in accordance with those Regulations.

The Directors of Inverness Thistle and Caledonian F.C. plc whose names appear in the section entitled "Directors and advisers", accept responsibility for the information contained in this document. To the best of their knowledge, the information contained in this document is in accordance with the facts and the document makes no omission likely to affect the import of such information.

INVERNESS THISTLE AND CALEDONIAN F.C. plc

(Incorporated in Scotland under the Companies Acts, registered number SC 149117)

OFFER FOR SUBSCRIPTION

of up to 900,000 new ordinary shares of £1 each at £1
per share payable in full on subscription.

It is emphasised that the share capital of Inverness Thistle and Caledonian F.C. plc is not listed on the London Stock Exchange or any other Recognised Investment Exchange. No application has been made for listing on any Recognised Investment Exchange nor for the share capital to be dealt in on the Alternative Investment Market.

The whole text of this document should be read. Investment in unquoted companies is speculative and involves a significant degree of risk. Your attention is drawn to the section entitled "Risk Factors" set out on pages 18 and 19 of this document.

You should note that, in connection with the Offer for Subscription, Scott Oswald is acting for Inverness Thistle and Caledonian F.C. plc and will not be responsible to anyone other than Inverness Thistle and Caledonian F.C. plc for providing the protection afforded to the clients of Scott Oswald nor for providing advice in relation to the Offer for Subscription.

CONTENTS

	Page
Foreword from the Chairman	4
Definitions	5
Directors and advisers	7
Key information	8
Part I History and business	10
- Introduction and history	10
- Business	10
- Directors	11
- Management and employees	12
- Property	12
- Trading results	16
- Dividend policy	16
- Banking	16
- Working capital	16
- Share rights and shareholder benefits	17
- Risk factors	18
- Share subscription arrangements	19
- Reasons for and proceeds of the offer	20
- Prospects and future	20
- SFA and SFL restrictions	20
Part II Auditors' report	21
Part III First team pool	29
Part IV The organisation of professional football in Scotland	30
Part V Statutory and general information	33
Terms and conditions of application	51
Procedure for application	55
Application form	57

FOREWORD FROM THE CHAIRMAN

In 1885 and 1886 respectively Inverness Thistle Football Club and Caledonian Football Club were founded. In 1893 both teams became founder members of the Highland League and remained members until May 1994, competing against each other on many occasions over the years.

The Scottish Football League announced in 1993 that it was re-organising the Divisions of the League and creating vacancies for two clubs to join the League. Inverness Thistle Football Club and Caledonian Football Club approached the local enterprise company for assistance to apply for membership of the Scottish Football League. A joint application was submitted on behalf of both clubs on the basis that a new single club would be formed.

On 12th January 1994 the club was voted an associate member of the Scottish Football League. The new club was registered as Caledonian Thistle Football Club. One of the conditions of membership of the Scottish Football League was that the club was required to construct a New Stadium with a minimum spectating capacity of five thousand people. The Board of Directors and management of the Club set out to find a location for a magnificent New Stadium and then arranged for the design and construction to begin of the New Stadium at East Longman, Inverness.

The financing of the construction of the New Stadium has come from the sale of the assets of the former clubs, grants from various parties and Bank borrowings.

To increase the Company's capital base for future development and specifically to reduce the Company's borrowing immediately, the Board has decided that raising new funds, by a public issue of shares, is in the best interests of the Club. In addition, offering shares to the public gives an opportunity to Club supporters and the wider community to become part owners of the Club.

The future of Inverness Caledonian Thistle Football Club, as the Club is now known, is exciting. Whilst I do not underestimate the challenge ahead, both on and off the field of play, I look forward with confidence to the beginning of a new era for football in Inverness. I hope that many of you will take advantage of this opportunity to invest in the development of the Club.

DUGALD M. MCGILVRAY
Chairman

DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

"Caley"	the former Highland League Football Club known as Caledonian Football Club
"Caley Social Club"	the property at 28 Greig Street, Inverness and the Social Club run from such property
"Club" or "Company"	Inverness Thistle and Caledonian F.C. plc (formerly Inverness Thistle and Caledonian F.C. Limited)
"Centenary Club"	a lottery club which makes donations to the Company
"Cup competition"	a knock-out competition arranged as a series of rounds
"Directors" or "Board"	the directors of the Company
"FIFA"	Federation of International Football Associations
"Inverness Caledonian Thistle FC"	the trading name of the Company and the playing name of the football team as registered with the SFA and the SFL
"Kingsmills Park"	the former football ground at Kingsmills Road, Inverness at which Thistle played
"League" or "the SFL"	the Scottish Football League, an association of 40 clubs belonging to the SFA and divided into 4 divisions: the Premier Division, the First Division, the Second Division and the Third Division
"League game"	a football game played in the Bell's League Championship
"loan scheme"	the loan scheme being made available by Bank of Scotland to individual applicants for new ordinary shares, of which further details are given on pages 19 and 20 of this document
"material contracts"	the contracts set out at paragraph 6 of Part V of this document.
"maximum offer"	the offer for subscription of 900,000 new ordinary shares described in this document

"Members' Club"	Inverness Caledonian Thistle Members' Club Limited (formerly known as Spirallhigh Limited and then Caledonian Thistle Members' Club Limited)
"minimum offer"	the offer for subscription of 150,000 new ordinary shares
"new ordinary shares"	the ordinary shares to be issued by the Company pursuant to the offer
"New Stadium"	the Club's new stadium at East Longman, Inverness
"offer"	the offer for subscription described in this document
"offer price"	£1 per new ordinary share
"ordinary shares" or "shares"	the ordinary shares of £1 each in the capital of the Company
"Telford Street Park"	the football ground at Telford Street at which Caley played
"Tennents Scottish Cup"	a Cup competition organised by the SFA
"Third Division"	the bottom division of the SFL, comprising 10 clubs
"Thistle"	the former Highland League Football Club known as Inverness Thistle Football Club
"Thistle Social Club"	the property and social club run from Baron Taylor's Street, Inverness
"the Bell's League Championship"	the series of games organised by the League in which each club plays the other clubs in its division
"the Challenge Cup"	a cup competition for the First, Second and Third Divisions of the SFL
"the Coca Cola Cup"	a Cup competition organised by the SFL
"the London Stock Exchange"	the International Stock Exchange of the United Kingdom and the Republic of Ireland Limited
"the SFA"	the Scottish Football Association Limited
"UEFA"	Union des Associations Europennes de Football

DIRECTORS AND ADVISERS

Directors:

Dugald Mitchell McGilvray (Chairman)
Norman Hunter Miller (Vice Chairman)
Ian Gordon
James Archibald Jarvie
Alister Iain MacKenzie
Craig Robert Maclean
Roy George McLennan
John Price
Douglas Riach
Kenneth Alexander Thomson

All of 28 Greig Street, Inverness IV3 5PX

Company Secretary

Innes & Mackay
19 Union Street
Inverness IV1 1PT

Registered Office:

28 Greig Street
Inverness IV3 5PX

Financial Advisers to the Company:

Scott Oswald
10 Ardross Street
Inverness IV3 5NS

Auditors:

W D Johnston & Carmichael
13 Lombard Street
Inverness IV1 1QQ

Solicitors to the Company:

Burnett & Reid
15 Golden Square
Aberdeen AB10 1WF

Innes & Mackay
19 Union Street
Inverness IV1 1PT

Solicitors to the Offer:

Ledingham Chalmers
6 Fraser Street
Inverness IV1 1DW

Bankers and
Receiving Bankers:

Bank of Scotland
Inverness Branch
9 High Street
Inverness IV1 1JB

KEY INFORMATION

The following information is derived from, and should be read in conjunction with, the full text of this document.

BUSINESS

The Club is one of the newest football clubs in Scotland having been incorporated on 17 February 1994. The Club commenced trading on 1 June 1994.

The Club's first team player pool has been developed from the players of Caley and Thistle and new signings from other clubs. Gate receipts from the sale of season tickets and turnstile income accounted for approximately 32% of the Club's turnover in 1995/96. The balance of the Club's income is derived from the sale of radio and television rights, sponsorship, Centenary Club and social club donations, transfer fees and SFL dividend.

The New Stadium is in the process of construction. The anticipated cost of construction with new link road and other ancillary works is £4,843,674. It is estimated the New Stadium will be completed by the end of the calendar year. The Club will play their games at Telford Street Park until 28 October 1996 when the present lease of Telford Street Park expires. Thereafter, subject to obtaining a temporary variation of planning permission for access, the Club will play at the New Stadium.

TRADING RESULTS

The company's results for the period ended 31 May 1995 and the year ended 31 May 1996 as extracted from the Auditors' Report in Part II, are as follows:

	Periods ended 31 May	
	1996	1995
	£	£
Turnover	467,437	216,600
Profit/(Loss) on ordinary activities before taxation	207,608	(156,927)

OFFER DETAILS

The offer, if fully subscribed, will raise approximately £850,000 after expenses which will be used for the purposes detailed in the section "Reasons for and proceeds of the offer" on page 20 of this document.

The minimum number of shares which can be applied for is 250, representing an investment of £250. Payment for shares can be made in full on application by cheque, banker's draft or cash, or through the loan scheme.

The procedure for application and application form are set out on pages 55 to 58.

SHARE RIGHTS AND SHAREHOLDER BENEFITS

Each shareholder will receive a share certificate and will have the right to attend and vote at shareholders' meetings. In addition, other benefits will be available to all subscribers, the nature of which will depend upon the amount invested under the offer. Full details of the benefits available to investors are set out on pages 17 and 18 of this document. The Articles of Association of the Company shall provide on subscription that the holders of the new ordinary shares shall be entitled to elect one director to the Board.

EXPECTED TIMETABLE

Issue of prospectus	16 September 1996
Application lists open	12 noon on 16 September 1996
Latest date for submission of applications supported by loan applications	5pm on 1 November 1996
Application lists close	5pm on 9 November 1996
Despatch of share certificates	29 November 1996

The arrangements during the period prior to despatch of the share certificates relating to monies received from applicants are detailed in paragraph (3) of the Terms and Conditions of Application.

PART I - HISTORY AND BUSINESS

INTRODUCTION AND HISTORY

General

The Company's principal activity is the operation of a professional football club to be based at the New Stadium due to be completed during the season 1996/97. The Club operates a first team which plays in the Third Division, a reserve team and various youth teams.

The Company was incorporated on 17th February 1994 and commenced trading on 1 June 1994. The Club was founded when the town teams of Caley and Thistle were amalgamated and started playing as one team ("the merger"). Prior to the merger Caley played at Telford Street Park and Thistle played at Kingsmills Park. The first season of football played by the Club was 1994/95 when the Club competed in the Third Division.

Following the merger of Caley and Thistle the transfer of their respective assets and liabilities to the Company was effected by way of an agreement among Caley, Thistle, Inverness & Nairn Local Enterprise Company, the Company and the Members' Club dated 19th, 20th and 25th May 1995. Pursuant to this agreement the assets of Caley and Thistle were transferred to the Company in exchange for the issue of non voting shares. The main terms of this agreement are summarised at paragraph 6.2 of Part V of this document.

BUSINESS

The Club's turnover is derived principally from gate receipts and commercial activities. All the gate receipts arise from first team games, the majority of which are League games, where the home team retains all the gate receipts. In Cup competitions, the SFA and the SFL provide that a proportion of the receipts accrue to the away team and the SFA or SFL respectively.

Gate receipts comprise season and match ticket sales. Season tickets entitle holders to admission to all home games in the Bell's League Championship during a season. The League recommends minimum prices for admission to the stadium for League games; for the Third Division, the current minimum recommended admission charge is £6 (£3 for juveniles and old age pensioners). The Club currently charges admission prices ranging from £6 to £7 (£3 to £4 for juveniles and £3 to £4 for old age pensioners).

The New Stadium will accommodate 5000 spectators with approximately 1700 seats being under cover. The total seating capacity of the stand is approximately 2220.

The average recorded attendances at home League games of the Club, and the number of such games, during the last two seasons were:

	<i>Seasons ended May</i>	
	<i>1996</i>	<i>1995</i>
Average home League game attendances	1,579	1,275
Number of home League games	18	18

During the season there is also a programme of reserve team fixtures which are an important part of the Club's development programme. Admission to these games is currently free of charge.

The Club derives a significant part of its income from commercial activities and donations; in 1995/96, commercial activities and donations accounted for around 42% of the Club's turnover with a further 22% from SFL dividend and 4% from transfer fees. Income is derived from sponsorship, Centenary Club and Social Club donations, the sale of radio and television rights and advertising space. The opening of the New Stadium will enable the Club to offer conference and catering facilities all the year round. The Club's main sponsor is Scottish Citylink with whom the Club have an agreement until 1998.

DIRECTORS

Dugald M. McGilvray, 51, was appointed Chairman in May 1995 having been a director since February 1994. He was a member of the Club Committee of Caley and a life member of Thistle. He is Managing Director of Weldex (International) Offshore Limited, a Company he formed in 1979.

Norman H. Miller, 52, was appointed Vice-Chairman in 1994 having been appointed a Director in February 1994. He has been Chairman of Caley since 1982. He is Sales Manager with Bridisco Limited, a Company involved in the wholesale electrical supply industry.

Ian Gordon, 44, was appointed a director in February 1994. He is self employed and works in the construction industry.

James A. Jarvie, 43, was appointed a director in February 1996. He is a partner in the firm of insurance consultants Anderson and Jarvie.

Alister I. Mackenzie, 55, was appointed a director in February 1994 and is also Vice Chairman of Caledonian Football Club. He is the proprietor of A. Mackenzie Plasterers and Tilers.

Craig R. Maclean, 37, was appointed a director in February 1994. He is a Personal Banker with Clydesdale Bank PLC.

Roy G. McLennan, 47, was appointed a director in December 1994. He is Managing Director of Highland Office Equipment Limited.

John Price, 69, was appointed a director in February 1994. He is retired.

Douglas Riach, 44, was appointed a director in December 1994. He is a self employed machine supplier.

Kenneth A. Thomson, 43, was appointed a director in January 1995. He is involved in asset finance and leasing and is Managing Director of Ness Leasing Limited and Moray Firth Trading Limited.

MANAGEMENT AND EMPLOYEES

Football management

Steven William Paterson, 38, was appointed manager in June 1995 having commenced his managerial career with Forres Mechanics before moving to Elgin City in 1988 and then moving to Huntly in 1990. His playing career took him to England and then Japan. In England he played for Manchester United and Sheffield United. He was an Under 21 Scottish International.

Alexander Caldwell, 42, was appointed assistant manager to Steven Paterson at the Club in July 1995. His playing career included spells at Dundee and captaining St. Johnstone. He spent some time as player and manager of Lossiemouth and Nairn County.

Donald Macdonald, 29, was appointed community development officer on 1 August 1996. The Club also benefits from the assistance of others for youth coaching and training.

Other management

Bruce Kilgour Graham, 35, joined the Club on 1 June 1996 as General Manager responsible for administration and commercial activities.

James Falconer, 58, was appointed Club Secretary on 1 December 1994. He is responsible for dealings with the SFA and SFL.

Playing staff

The Club has 21 semi-professional players.

Players' contracts with the Club are governed by the rules of the SFA and the SFL and are typically for periods of up to three years.

PROPERTY

The Company sold Telford Street Park to Ladbrokes Retail Parks Limited for a price of £1,000,000, which has been paid. Details of the contract of sale are summarised at paragraph 6.3 of Part V of this Document.

Kingsmills Park was sold to Hugh MacRae and Co. (Builders) Limited for a price of £486,560 paid in instalments, all of which instalments have been paid. Details of the contract of sale are summarised at paragraph 6.5 of Part V of this Document.

The title to the Caley Social Club and Thistle Social Club remains vested in Caley and Thistle respectively. Both Caley and Thistle have undertaken to convey their respective social clubs to the Company pursuant to the agreement referred to in paragraph 6.2 of Part V of this document. Scottish and Newcastle Brewers have a first charge over the Caley Social Club.

The Company has leased for 99 years the 12.887 acre site at East Longman, Inverness from the former Inverness District Council on which there is being constructed the New Stadium and ancillary facilities. Details of the Lease are summarised at paragraph 6.6 of Part V of this

Document. Due to a slight discrepancy between the positioning of the New Stadium and the site plan attached to the lease the Company requires to amend the boundaries of the site plan. The Directors are confident that Highland Council will agree to amend the lease in this respect. The Company has access to the leased subjects by virtue of a deed of servitude granted by the former Inverness District Council. To complete the access from Inverness harbour to the New Stadium the Company requires to obtain the formal consent of The Secretary of State for Scotland to construct the access route under the Kessock Bridge and from British Gas to construct the access roadway over the main gas pipe line. The Directors are confident that these consents will be obtained without any difficulty.

A professional team consisting of Baxter, Clark and Paul Architects, McLeod & Aitken, Chartered Quantity Surveyors and the Dinardo Partnership Consulting Engineers who were subsequently replaced by A. F Cruden Associates Limited Consulting Engineers were engaged to oversee the design and construction of the New Stadium. The professional team are responsible for obtaining all planning and building consents.

The anticipated cost of construction of the New Stadium with link road and other ancillary works is £4,843,674. The estimated funds to meet such costs are as follows:

	£
Funded as follows:	
Sale of Caley and Thistle grounds	1,225,300
Highland Council grant- Inverness Common Good Fund	900,000
Roads and Transport Dept.	87,500
European Regional Development Fund grant	373,410
Inverness & Nairn Local Enterprise Company grants	511,298
The Football Trust grant	618,600
The Football Trust loan	200,000
Bank borrowings	927,566
	<u>4,843,674</u>

A contract was let to Morrison Construction Limited for ground stabilisation and pitch construction work in relation to the New Stadium, in the sum of £427,996. Details of this contract are summarised at paragraph 6.8 of Part V of this document.

A contract was let to McGregor Construction (Highlands) Limited for construction of the New Stadium in the sum of £2,532,150. Details of this contract are summarised at paragraph 6.9 of Part V of this document. A Bank guarantee was provided by the Company to McGregor Construction (Highlands) Limited in the maximum sum of £500,000.

A contract was let to Morrison Construction Limited for road and related works in the sum of £1,387,121. Details of this contract are summarised at paragraph 6.14 of Part V of this document. Morrison Construction Limited has requested a bank guarantee for £500,000 which the Club are attempting to arrange with the Club's Bankers. Discussions regarding this guarantee are ongoing.

Details of the Highland Council (including European Regional Development Fund Objective 1 Funding), Inverness & Nairn Local Enterprise Company and the Football Trust grants are summarised at paragraphs 6.13, 6.12 and 6.11 respectively of Part V of this document.

A further grant from the Football Trust has been applied for in the sum of £118,600 towards floodlighting, security cameras and public address system. This is in addition to the Football Trust grant of £500,000 in respect of the New Stadium construction which has already been agreed.

Details of the Football Trust loan are summarised at paragraph 6.11 of Part V of this document.

Bank borrowings are described at paragraph paragraph 6.10 of Part V of this document.

The Directors have obtained an independent valuation of the New Stadium. Graham and Sibbald, Surveyors have valued the New Stadium as at 16 September 1996 at £3,400,000 on a depreciated replacement cost basis. A copy of the valuation statement is set out below.

The Directors
Inverness and Caledonian Thistle F. C. plc
28 Greig Street
Inverness

16 September 1996

Dear Sirs

**VALUATION CERTIFICATE
NEW STADIUM, LONGMAN EAST, INVERNESS**

In accordance with your instructions we inspected the stadium referred to above and after careful consideration of all the relevant factors we confirm the Capital Value of the subjects on a Depreciated Replacement Cost Basis has been undertaken in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors (Revised June 1996).

In arriving at the valuation the following assumptions have been made:-

1. The date of valuation is 16 September 1996.
2. The subjects comprise the new stadium presently being erected together with the leasehold interest of 5.2 hectares or thereby.
3. The terms of the ground lease expiring 31st March 2094 have been fully reflected.
4. The subjects are completed satisfactorily in terms of the plans and specifications exhibited to us and the access roads are completed to adoption standard.
5. The site is not nor has it in the past been contaminated.
6. The Depreciated Replacement Cost has been assessed gross of Grant Assistance.
7. The Directors are satisfied that there is adequate potential profitability in the business compared to the value of the asset.

The valuation is required in connection with a proposed offer for sale of shares in Inverness and Caledonian Thistle F. C. plc and we consent to the inclusion of this valuation in the offer for subscription.

The Capital Value of the subjects on a Depreciated Replacement Cost Basis would be fairly stated at THREE MILLION FOUR HUNDRED THOUSAND POUNDS (£3,400,000).

Yours faithfully

Graham and Sibbald
Chartered Surveyors

TRADING RESULTS

The results of the Company for the period ended 31 May 1995 and the year ended 31 May 1996 are summarised below. The summary has been extracted from, and should be read in conjunction with, the Auditors' Report set out in Part II.

	<i>Periods ended 31 May</i>	
	<i>1996</i>	<i>1995</i>
	<i>£</i>	<i>£</i>
Turnover	467,437	216,600
Profit/(Loss) on ordinary activities before taxation	207,608	(156,927)

Financial Performance

The Club's financial results for the year ended 31 May 1996 were are considered to be satisfactory as the trading loss was reduced from £151, 066 in 1995 to £3,149 in 1996. This improvement was achieved by considerable increases in all areas of the Clubs activities.

Current financial year

The Club's financial performance in the current financial year to date has been encouraging with sales of season tickets, advertising and hospitality packages exceeding 1995/96 levels.

DIVIDEND POLICY

The Directors do not expect, for the foreseeable future, to be recommending payment of dividends as any profits of the Company will be re-invested in the development of the Club and the playing pool.

BANKING

The Company has agreed with Bank of Scotland and drawn down bridging facilities to finance the construction of the New Stadium to be repaid from Club revenues and also the funds raised from this offer. The bridging facility has been partly guaranteed by a group of local businessmen. The main terms of the bridging facility are summarised at paragraph 6.10 of Part V of this document.

WORKING CAPITAL

The Directors consider that, taking into account the partly guaranteed bank facilities available to the Company and the proceeds of the minimum offer, the Company has sufficient working capital for its present requirements.

The Company's bankers have confirmed that the existing bank overdraft facility of £160,000 is available on normal banking terms.

SHARE RIGHTS AND SHAREHOLDER BENEFITS

Share rights

Each shareholder will receive a share certificate and will have the right to attend and vote at shareholders' meetings. Details of the further rights attaching to the new ordinary shares are set out in paragraph 4.1 of Part V.

Shareholder benefits

Investors subscribing £250 or more ("*Bronze Investors*") and for as long as they remain the registered holder of 250 or more shares.

1. Can attend and vote at shareholder's meetings
2. 10% discount at club shop (except on discounted merchandise)
3. Priority on big game ticket allocation
4. Personalised share certificate
5. Club shareholder tie or scarf

Investors subscribing £1,000 or more ("*Silver Investors*") and for as long as they remain the registered holder of 1,000 or more shares.

1. Can attend and vote at shareholder's meetings
2. 10% discount at club shop (except on discounted merchandise)
3. Priority on big game ticket allocation
4. Personalised share certificate
5. Club shareholder tie or scarf
6. Access to shareholders car park
7. 10% discount on a season ticket for five years, in addition to any other discount offer to a maximum of 20% in total

Investors subscribing £3,000 or more ("*Gold Investors*") and for as long as they remain the registered holder of 3,000 or more shares.

1. Can attend and vote at shareholder's meetings
2. 10% discount at club shop (except on discounted merchandise)
3. Priority on big game ticket allocation
4. Personalised share certificate
5. Club shareholder tie or scarf
6. Access to shareholders car park
7. 15% discount on a season ticket, in addition to any other offer to a maximum of 25% discount for 5 years
8. Membership of Centenary Club at no cost (additional numbers to existing members) for 2 years
9. Recognition in stadium as a Gold Investor

Investors subscribing £10,000 or more ("*Platinum Investors*") and for as long as they remain the registered holder of 10,000 or more shares.

1. Can attend and vote at shareholder's meetings
2. 10% discount at club shop (except on discounted merchandise)
3. Priority on big game ticket allocation
4. Personalised share certificate
5. Club shareholder tie or scarf
6. Reserved space in car park
7. Complimentary season ticket and executive lounge access for 5 years
8. Membership of Centenary Club at no cost (additional numbers to existing members) for 2 years
9. Club shareholder blazer
10. Recognition in stadium as a Platinum Investor.

Investors subscribing £20,000 or more ("*Diamond Investor*") and for as long as they remain the registered holder of 20,000 or more shares.

1. Can attend and vote at shareholder's meetings
2. 10% discount at club shop (except on discounted merchandise)
3. Priority on big game ticket allocation
4. Personalised share certificate
5. Club shareholder tie or scarf
6. Membership of Centenary Club at no cost (additional numbers to existing members) 2 years
7. Club shareholder blazer
8. Use of Directors parking area for 10 years
9. Boardroom hospitality for 10 years
10. Seating in Directors Area for 10 years
11. Free travel on team coach to away games for 10 years
12. Recognition in stadium as a Diamond Investor

General Benefits to all subscribers

Invitation to yearly meeting with team management and players

Preferential rates on use of stadium for meetings, seminars and exhibitions

Regular Newsletter

RISK FACTORS

Your attention is drawn to the following risk factors when considering whether to invest in the Company.

- The financial performance of the Company is significantly influenced by the playing success of the Club's first team.
- The gate receipts of the Company will be adversely affected if there is a delay in the opening of the New Stadium.

- The Club has no insurance cover over the value of its players in the event of injury because of the high level of premiums for such cover.
- An investment in the Company may not be suitable for all recipients of this document. Potential investors are accordingly advised to consult a person authorised under the Financial Services Act 1986 who specialises in advising on the acquisition of shares and other securities before making any investment decisions.
- The shares are not listed on the London Stock Exchange or any other Recognised Investment Exchange nor are they dealt in on the Alternative Investment Market. These shares are likely to be less realisable and carry a higher risk than investment in shares listed on a Recognised Investment Exchange.
- Investment in unquoted companies is speculative and involves a significant degree of risk. The value of shares may go down as well as up so subscribers may realise less than the original amount invested.

SHARE SUBSCRIPTION ARRANGEMENTS

Offer for subscription

The effect of the offer, if fully subscribed, will be to increase the number of issued Ordinary Voting Shares to 900,108 by the issue of 900,000 new Ordinary Shares. The existing 108 Ordinary Shares in issue will have enhanced voting rights so long as these shares are held by the Members' Club so that each of these shares shall have 10,000 votes. This means the Members' Club will retain over 50% of the voting rights in the Company.

The minimum number of shares which can be applied for is 250, representing an investment of £250.

Payment methods

Three payment methods are available to subscribers:

- by cheque or banker's draft,
- by cash, or
- under the loan scheme.

It is the Directors' intention that shares in the Company should be available to the broad range of the Club's supporters. Subscribers aged 18 years and over may apply to use the loan scheme.

Your attention is drawn to pages 55 and 56 which provide further details on making payment by cheque, banker's draft or cash. Outline terms of the facility to pay for shares by loan are detailed below.

Payment under the loan scheme

The Club has organised the loan scheme with Bank of Scotland ("the Bank") for credit facilities to be made available to individual applicants aged 18 years and over. Loans under the loan scheme, which must be equal to the aggregate subscription price of the shares applied for, will be available (subject to status).

Further details of the loan scheme and a loan application form are set out in the brochure which accompanies this document. If a share applicant wishes to apply for a loan, he or she

should read carefully the conditions of loan contained in the brochure and the loan application form, and then complete the loan application form.

The completed loan application form must be attached to the completed share application form and returned together to one of the addresses shown at the end of the share application form, on or before 5pm on 1 November 1996.

The Bank will separately notify loan applicants of the outcome of their loan applications. Written consumer credit quotations are available on request from the Bank.

REASONS FOR AND PROCEEDS OF THE OFFER

The Directors consider that raising new funds by a public issue of shares and thus increasing the capital base of the Company is in the best interests of the Club at this time.

The offer, if fully subscribed, will raise £900,000 and, after expenses, net proceeds of approximately £850,000. The funds raised will be used to reduce the bank bridging facilities arranged to pay for the construction of the New Stadium and to increase the Company's capital base for future development.

The offer is also expected to increase significantly the number of shareholders in the Club, and will give those supporters who become shareholders a greater say in the future running of the Club.

PROSPECTS AND FUTURE

The Club intends to provide a focus for the playing and supporting of football in Inverness and the Highlands. The Club will concentrate on the following priorities:

- the smooth transition to playing at the New Stadium and thus raising the profile of the Club.
- improving the playing pool by signing new players, developing its youth team and aiming for promotion to the Second Division.
- creating a stronger relationship with the Club's supporters by increasing the Club's involvement in the local community.
- increasing income from commercial activities.

SFA and SFL RESTRICTIONS

The rules of the SFL prohibit anyone from owning shares in more than one member club of the leagues represented by the International Football League Board (including the SFL), without the consent of the Management Committee of the SFL. Accordingly, without the consent of the SFL Management Committee, holders of shares in other such clubs may not apply for shares in the Company, and successful applicants for shares in the Company may not acquire shares in any other such club. Furthermore, anyone who is involved in the management or administration of another such club may not apply for shares in the Company.

The SFA has similar rules which restrict ownership and membership of, and involvement in the management or administration of, more than one club in membership of the SFA, UEFA or FIFA.

PART II - AUDITORS' REPORT

The following is the text of a report from W D Johnston & Carmichael, Chartered Accountants and Registered Auditors:

The Directors
Inverness Thistle and Caledonian F.C. plc
28 Greig Street
Inverness IV3 5BR

Scott Oswald
10 Ardross Street
Inverness IV3 5NS

Dear Sirs

We have examined the audited financial statements of Inverness Thistle and Caledonian F.C. plc ("the Company") from incorporation on 17th February 1994 to the year ended 31 May 1996.

We have acted as auditors of the Company throughout the period covered by this report. No financial statements have been prepared and audited for the Company in respect of any period subsequent to 31 May 1996.

The financial information set out below is based on the audited financial statements of the Company after making such adjustments as we consider necessary, including reflecting in the financial information presented for the period ended 31 May 1995 and the year ended 31 May 1996, a change made in the financial statements for the year ended 31 May 1996 in relation to the Company's accounting policy for transfer fees.

Our work has been carried out in accordance with the Auditing Guideline "Prospectuses and the Reporting Accountant".

In our opinion, the historical financial information set out hereafter gives a true and fair view of the results of the Company for the period ended 31 May 1995 and the year ended 31 May 1996 and of the state of affairs of the Company at the end of the period and year respectively.

We consent to the inclusion of this report, for which we accept responsibility, in the offer for subscription by Inverness Thistle and Caledonian F.C. plc dated 16 September 1996.

Yours faithfully

W D Johnston & Carmichael
Chartered Accountants
and Registered Auditors

16 September 1996

**PROFIT AND LOSS ACCOUNTS
FOR THE PERIOD ENDED 31 MAY 1995
AND THE YEAR ENDED 31 MAY 1996**

	<i>Notes</i>	1996 £	1995 £
INCOME	1(b)+2	467,437	216,600
Net operating expenses		<u>(470,586)</u>	<u>(367,666)</u>
TRADING LOSS	3	(3,149)	(151,066)
Other Income	4	251,087	-
Interest Receivable		-	6
Interest Payable	5	(11,226)	(5,867)
Exceptional Item	6	<u>(29,104)</u>	<u>-</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		207,608	(156,927)
Taxation	7	-	-
PROFIT/(LOSS) FOR THE YEAR/PERIOD		<u><u>207,608</u></u>	<u><u>(156,927)</u></u>

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses in 1996 or 1995 other than the result of each year.

**BALANCE SHEETS
AT 31 MAY**

		1996	1995
	<i>Notes</i>		
FIXED ASSETS			
Intangible Assets	8	70,500	-
Tangible Assets	9	<u>2,062,832</u>	<u>91,238</u>
		<u>2,133,332</u>	<u>91,238</u>
CURRENT ASSETS			
Stock		5,962	2,379
Debtors	10	877,986	28,923
Cash at Bank and in Hand		<u>225,631</u>	<u>-</u>
		1,109,579	31,302
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	11	(1,269,583)	(226,156)
NET CURRENT LIABILITIES		<u>(160,004)</u>	<u>(194,854)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,973,328	(103,616)
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	12	(150,000)	-
ACCRUALS AND DEFERRED INCOME	13	(530,568)	(53,300)
NET ASSETS/(LIABILITIES)		<u><u>1,292,760</u></u>	<u><u>(156,916)</u></u>
CAPITAL AND RESERVES			
Called Up Share Capital	14	900,111	11
Share Premium	15	341,968	-
Profit and Loss Account	15	50,681	(156,927)
EQUITY SHAREHOLDERS FUNDS	16	<u><u>1,292,760</u></u>	<u><u>(156,916)</u></u>

The directors have taken advantage of the special exemptions conferred by Part I of Schedule 8 to the Companies Act 1985 and have done so on the grounds that, in their opinion, the company is entitled to those special exemptions as a small company.

NOTES TO THE FINANCIAL INFORMATION

1. ACCOUNTING POLICIES

(a) **Basis of Preparation of Accounts**

The financial statements are prepared under the historical cost convention. They have been prepared in accordance with applicable accounting standards.

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

(b) **Income**

Income comprises the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts. Income also comprises all other revenue sources pertaining to that of a football club.

(c) **Depreciation**

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Plant and Equipment 10% - 25% Straight Line Basis

The property of the company will not be depreciated until the completion of the Club's football stadium.

(d) **Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

(e) **Taxation**

The charge for taxation is based on the results for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. No provision for deferred taxation is made if there is reasonable evidence that such deferred taxation will not be payable in the foreseeable future.

(f) **Government Grants**

Government grants received of a capital nature are treated as deferred credits and credited to the profit and loss account over the estimated useful life of the relevant fixed assets. Revenue grants are credited to the profit and loss account in the year in which the expenditure is incurred.

(g) **Transfer Fees**

Transfer fees are capitalised in the company's balance sheet and are written off to the profit and loss account over the period of the players contracts.

2. INCOME

Income is attributable to one continuing activity within the United Kingdom.

3. TRADING LOSS

Trading loss is stated after charging:	1996	1995
	£	£
Directors Remuneration	-	-
Depreciation of Owned Tangible Fixed Assets	1,628	16,459
Amortisation of Intangible Fixed Assets	37,000	-
Auditors Remuneration	<u>6,000</u>	<u>2,000</u>

4. OTHER INCOME

Gain on Sale of Property	<u>251,087</u>	<u>-</u>
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5. INTEREST PAYABLE

Bank Overdraft	<u>11,226</u>	<u>5,867</u>
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6. EXCEPTIONAL ITEM

Costs Attributable to Establishment of New Stadium	<u>29,104</u>	<u>-</u>
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7. TAXATION

No provision for corporation tax is considered necessary due to the availability of trading losses. No provision has been made for taxation on capital gains arising within the company or on transfers of properties to the company from the Clubs, on the basis that the rollover and holdover reliefs will be available. These reliefs have yet to be agreed with the Inland Revenue.

8. INTANGIBLE ASSETS

Players Purchased in Year	107,500
Released to Profit and Loss Account	(37,000)
Cost as at 31 May 1996	<u>70,500</u>

9. TANGIBLE ASSETS

	<i>Heritable Property</i>	<i>Long Leasehold Property</i>	<i>Plant and Equipment</i>	<i>Total</i>
<i>Cost</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
At 1 June 1995	-	72,560	35,137	107,697
Transfer of Founder Clubs Assets	1,391,560	-	-	1,391,560
Additions	-	1,783,031	21,987	1,805,018
Disposals	(1,206,560)	-	(32,784)	(1,239,344)
At 31 May 1996	<u>185,000</u>	<u>1,855,591</u>	<u>24,340</u>	<u>2,064,931</u>
Accumulated Depreciation				
At 1 June 1995	-	-	16,459	16,459
Charge for Period	-	-	1,628	1,628
Disposals	-	-	(15,988)	(15,988)
At 31 May 1996	<u>-</u>	<u>-</u>	<u>2,099</u>	<u>2,099</u>
Net Book Value At 31 May 1996	<u>185,000</u>	<u>1,855,591</u>	<u>22,241</u>	<u>2,062,832</u>
At 31 May 1995	<u>-</u>	<u>72,560</u>	<u>18,678</u>	<u>91,238</u>

10. DEBTORS

Due Within One Year	1996	1995
	<i>£</i>	<i>£</i>
Trade Debtors	82,121	8,531
Other Debtors	795,865	20,392
	<u>877,986</u>	<u>28,923</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1996	1995
	<i>£</i>	<i>£</i>
Bank Overdraft	-	170,827
Loan (Note 12)	40,000	-
Trade Creditors	2,902	13,696
Other Creditors	1,207,931	41,633
Other Short Term Loan	18,750	-
	<u>1,269,583</u>	<u>226,156</u>

The bank overdraft facility is secured by standard security over the company's heritable property along with third party security. The short term loan is secured over part of the company's heritable property and is interest free.

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1996 £	1995 £
Wholly Repayable Within Five Years		
Loan	<u>150,000</u>	<u>-</u>

The above loan is from the Football Trust and is repayable in quarterly instalments of £10,000 and is interest free.

13. ACCRUALS AND DEFERRED INCOME

	Government Grants £
At 1 June 1995	53,300
Received during the year	477,268
At 31 May 1996	<u>530,568</u>

The grants received are in relation to the costs of the new football stadium and will not be released to the profit and loss account until completion.

14. CALLED UP SHARE CAPITAL

	1996 £	1995 £
Authorised		
1,000 Voting Ordinary Shares of £1 Each	1,000	1,000
2,000,000 Non-Voting "A" Ordinary Shares of £1 Each	2,000,000	-
1,000,000 Non-Voting "B" Ordinary Shares of £1 Each	1,000,000	-
3 Non-Voting "C" Ordinary Shares of £1 Each	3	-
	<u>3,001,003</u>	<u>1,000</u>
Issued and Fully Paid		
108 Voting Ordinary Shares of £1 Each	108	11
600,000 Non-Voting "A" Ordinary Shares of £1 Each	600,000	-
300,000 Non-Voting "B" Ordinary Shares of £1 Each	300,000	-
3 Non-Voting "C" Ordinary Shares of £1 Each	3	-
	<u>900,111</u>	<u>11</u>

15. RESERVES

	<i>Profit and Loss Account £</i>	<i>Share Premium £</i>
At 1 June 1995	(156,927)	-
Retained Profit for the Year	207,608	-
Transfer of Assets from Inverness Thistle and Caledonian Football Clubs	-	341,968
At 31 May 1996	<u>50,681</u>	<u>341,968</u>

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	<i>1996 £</i>	<i>1995 £</i>
Profit/(Loss) for the Financial Year/Period	207,608	(156,927)
Issued Ordinary Share Capital	900,100	11
Share Premium	341,968	-
	<u>1,449,676</u>	<u>(156,916)</u>
Opening Equity Shareholders Funds	(156,916)	-
Closing Equity Shareholders Funds	<u>1,292,760</u>	<u>(156,916)</u>

17. CAPITAL COMMITMENTS

At the company's year end the Club was in the process of constructing a new football stadium in Inverness. Contracted capital commitments at the end of the financial year for which no provision has been made amounted to £1,660,000 (1995 - £ nil).

18. CONTINGENT LIABILITIES

There is a contingent liability to repay all or part of the grants received from Highlands and Islands Enterprise, the Highland Council and the Football Trust in the event of the company being in default of the terms of the agreement with the respective authorities.

There is a potential liability towards litigation in which the Company is involved. The directors are confident the liability will not crystallise.

PART III - FIRST TEAM POOL

The current first team playing staff are:

Marcos De Barros	23 years old. Signed from Huntly in 1996
Graeme Bennett	31 years old. Signed from Clach
Robert Benson	28 years old. Signed from Clach
James Calder	35 years old. Former Thistle player
Paul Cherry	31 years old. Former St. Johnstone player
Charles Christie	30 years old. Former Celtic, Thistle and Caley player
Richard Hastings	19 years old. Under 20 Canadian International. Signed in 1994 from Nairn County
Alan Hercher	31 years old. Former Caley player
Mark McAllister	25 years old. Former Caley player
Ian MacArthur	28 years old. Signed in 1995 from Elgin City
David McGinlay	27 years old. Signed in 1995 from Huntly
Scott McLean	20 years old. Former St. Johnstone player
Don MacMillan	26 years old. Former Ross County player
Michael Noble	30 years old. Former Caley player
David Ross	26 years old. Signed in 1995 from Brora Rangers
Neal Sinclair	19 years old. Signed in 1994 via Club's youth policy
Ian Stewart	26 years old. Signed in 1995 from Lossiemouth
Michael Teasdale	27 years old. Signed in 1995 from Dundee
Brian Thomson	30 years old. Signed in 1995 from Huntly
Ross Tokely	17 years old. Signed in 1996 from Huntly
Barry Wilson	24 years old. Former Raith Rovers player

PART IV - THE ORGANISATION OF PROFESSIONAL FOOTBALL IN SCOTLAND

Professional football in Scotland is regulated by the SFA, whose members are responsible for enacting rules, regulations and bye-laws. Full membership of the SFA is conditional upon a club being able to meet certain conditions stipulated in the SFA's articles of association.

The League is an association of 40 of the member clubs of the SFA. The general meeting, or any special general meeting, of members of the League has power to amend its rules and a Management Committee is responsible for its administration, finance and discipline.

The rules and regulations of the SFA and the League cover a wide range of matters affecting football, including the transfer of players, the holding of competitions and finance.

EMPLOYMENT AND TRANSFER OF PLAYERS

Players, other than trialists, are eligible to play in League matches if they are registered with the League as playing for the particular club. Contracts may be for any period but must not be less than one month. Players may receive signing on fees which will be paid according to an agreement between club and players.

At the end of his contract, a player is free to seek registration with another club. However, subject to the Bosman case, his former club is entitled to a compensation fee provided that it offers to extend his old contract on no less favourable monetary terms. The compensation fee is agreed between the two clubs or, in default, by either the International Football League Board Compensation Commission or UEFA or FIFA, where two separate football Leagues in membership of either The International Football League Board or UEFA or FIFA, respectively, are involved. In the case of two Scottish clubs, the matter is referred to a Scottish Compensation Tribunal. The registration of a player may also be transferred during the term of his contract with his agreement and the agreement of the two clubs involved. Such a transfer would normally also involve payment of a transfer fee to his old club.

In the recent Bosman case the European Court of Justice ruled that any regulations restricting the transfer of out of contract players between member states would be prohibited. This means that clubs cannot levy any transfer fees on out of contract players if a player moves to another member state. In addition the Court decided that clubs are no longer restricted in the number of nationals from other member states which they can field.

Although the ruling does not prohibit transfer fees for domestic transfers within the UK or to countries outwith the European Community, it is questionable how long the present domestic transfer system will survive for out of contract players.

Any transfer of a player's registration must be approved by the League and the SFA. No player registered or transferred after 31 March in each year, shall be eligible to play in the current season's competitions unless with the permission of the Management Committee of the SFA.

THE FOOTBALL COMPETITIONS

The principal Scottish competitions in which the Club's first team participates each year are:

The Bell's League Championship

The 10 clubs in the Third Division of the League play each other four times, twice at home and twice away. For the 1996/97 Season the Club will play 18 home games and 18 away games in the Bell's League Championship.

The Coca Cola Cup

The Coca Cola Cup is a knockout competition in which all Premier, First, Second and Third Division clubs participate.

The Tennents Scottish Cup

The Tennents Scottish Cup is a knockout competition open to eligible clubs which belong to the SFA.

The Challenge Cup

The Challenge Cup is a knockout competition open to eligible clubs which belong to the First, Second and Third Divisions of the SFL.

GATE RECEIPTS

The home club retains all of its home gate receipts from the Bell's League Championship matches.

Receipts from the Coca Cola Cup and the Challenge Cup matches are divided between the home club, the visiting club and the SFL in accordance with the rules of the SFL.

Receipts from the Tennents Scottish Cup matches are divided between the home club, the visiting club and the SFA in accordance with the rules of the SFA.

ADVERTISING AND SPONSORSHIP

The League Championship is currently sponsored by Bell's.

The League Cup is currently called The Coca Cola Cup because it is sponsored by Coca Cola. Under the sponsorship agreement, the Club will receive a payment of an amount which is dependent upon the success of the Club in the Coca Cola Cup.

The Scottish Cup is currently sponsored by Tennents. Under the sponsorship agreement, the Club will receive a payment of an amount which is dependent upon the success of the Club in the Tennents Scottish Cup.

TELEVISION AND RADIO

Transmission or recording by television, radio, or by other means, of fixtures provided by the SFL or SFA shall entitle the Club to a payment.

POOLS PROMOTERS ASSOCIATION

Under an agreement with the Pools Promoters Association, the League receives an annual payment for the use of the copyrighted fixtures list. The League uses part of this payment to meet the cost of referees and assistant referees and its administrative costs. The surplus is distributed to member clubs.

THE FOOTBALL TRUST

The Football Trust makes various grants available to clubs towards the cost of works necessary to comply with the Fire Safety and Safety of Places of Sport Act 1987. The amount of any grant available to clubs is dependent upon the nature of the work to be undertaken.

RESTRICTIONS ON SHARE OWNERSHIP

The rules of the SFA and the SFL prohibit anyone from owning shares in more than one of their member clubs without their prior written consent. Accordingly, without such consent, holders of shares in other such clubs may not apply for shares in the Company, and successful applicants for shares in the Company may not acquire shares in any other such club. Furthermore, anyone who is involved in the management or administration of another such club may not apply for shares in the Company.

PART V - STATUTORY AND GENERAL INFORMATION

1 THE COMPANY

- 1.1 The Company, whose principal place of business and registered office is at 28 Greig Street, Inverness IV3 5PX was incorporated in Scotland under the Companies Acts 1985-1989 on 17th February 1994 with registered number SC 149117 as a private limited company with the name Inverness Thistle and Caledonian F.C. Limited.
- 1.2 The Company was re-registered as a public limited company and its name was changed to its present name of Inverness Thistle and Caledonian F.C. plc on 9 September 1996.

2 SHARE CAPITAL AND CORPORATE STATUS

- 2.1 Save as disclosed in this paragraph 2, since the date of incorporation of the Company there have been no changes in the authorised or issued share capital of the Company.
- 2.2. On 9 September 1994 five Ordinary Shares in the capital of the Company were allotted to Caley, and three shares were allotted to both Thistle and Inverness & Nairn Local Enterprise Company.
- 2.3 By Special Resolution on 17 July 1995 the authorised share capital of the Company was increased from £1,000 to £3,001,003 by the creation of the following shares:

2,000,000 "A" Non Voting Ordinary Shares of £1 each
1,000,000 "B" Non Voting Ordinary Shares of £1 each
3 "C" Non Voting Ordinary Shares of £1 each.

- 2.4 On 17 July 1995 the following shares were allotted:

100 Ordinary Shares to the Members' Club
600,000 "A" Non Voting Ordinary Shares to Caley
300,000 "B" Non Voting Ordinary Shares to Thistle

- 2.5 By a special resolution passed on 9 September 1996:

- 2.3.1 the authorised share capital of the Company was increased from 3,001,003 to 3,900,111 by the creation of 899,108 ordinary shares;
- 2.5.2 the Directors were authorised, pursuant to Section 80 of the Companies Act 1985 ("the Act"), to exercise all the powers of the Company to allot relevant securities pursuant to this offer (within the meaning of Section 80 of the Act) up to the amount of the Company's authorised share capital of 3,900,111 such authority to expire on 29 November 1996;
- 2.5.3 the Directors were empowered, pursuant to Section 95 of the Act, to allot equity securities (within the meaning of Section 94 of the Act) pursuant to the authority referred to in paragraph 2.5.2 above, as if Section 89(1) of the Act did not apply to such allotment;
- 2.5.4 the change of name of the Company to Inverness Thistle and Caledonian F.C. plc was approved.

- 2.5.5 the memorandum of the Company was altered and new articles of association of the Company were adopted;
- 2.5.6 the re-registration of the Company as a public company was approved.
- 2.6 Save as disclosed in this paragraph 2, since the date of incorporation of the Company:
 - 2.6.1 there has been no alteration in the share capital of the Company;
 - 2.6.2 no share or loan capital of the Company has been issued or agreed to be issued for cash or otherwise;
 - 2.6.3 no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any such share or loan capital;
 - 2.6.4 no capital of the Company is under option or agreed conditionally or unconditionally to be put under option.
- 2.7 The Company has no founders, management or deferred shares.
- 2.8 A Director of the Company is required to hold at least 250 shares in the Company following this offer.
- 2.9 The Company is a public limited company and as such the liability of the members of the Company is limited.
- 2.10 All of the issued 108 ordinary shares in the capital of the Company are fully paid up or credited as fully paid up.

3 MEMORANDUM AND ARTICLES OF ASSOCIATION

- 3.1 The principal objects of the Company, as set out in Clause IV of its memorandum of association, are the promotion and development of Association Football in all its branches for the benefit of the Town of Inverness and its environs, without distinction of political, religious or other opinions.

The objects of the Company are set out in full in Clause IV of the memorandum of association of the Company which is available for inspection at the address specified in paragraph 8 below.

- 3.2 The articles of association of the Company contain provisions to the following effect:

Share capital

- 3.2.1 The unissued shares are at the disposal of the Directors;
- 3.2.2 The Company may by ordinary resolution increase its authorised share capital and consolidate, cancel or subdivide its share capital.

Transfer of shares

- 3.2.3 There are no restrictions on the transfer of fully paid shares. The Directors may refuse to register the transfer of any share which is not fully paid up;

Voting Rights

- 3.2.4 subject to any special rights or restrictions as to voting upon which any shares may be issued, or may for the time being be held, upon a show of hands every member present in person at a general meeting shall have one vote and upon a poll every member present in person or by proxy shall have one vote for every share by him. For the avoidance of doubt so long as the Members' Club are the holders of ordinary shares in the Company the Members' Club's shares shall have 10,000 votes for every share held by the Members' Club;

Dividends

- 3.2.5 the Company in general meeting may from time to time declare dividends, but no such dividend shall (except as the Companies Acts expressly authorise) be payable otherwise than out of the profits of the Company. No higher dividend is to be paid than is recommended by the Directors, and the declaration of the Directors as to the amount of the profits from time to time available for dividends is to be conclusive. The Directors may from time to time declare and pay to the members such interim dividends as appear to the Directors to be justified by the position of the Company;

Return of Capital on Winding up

- 3.2.6 if the Company shall be wound up, the liquidator may, with the sanction of an extraordinary resolution, divide among the members in specie any part of the assets of the Company and any such division may be otherwise than in accordance with the existing rights of the members, but so that if any division is resolved on otherwise than in accordance with such rights the members shall have the same right of dissent and consequential rights as if such resolution were a special resolution passed pursuant to Section 110 of the Insolvency Act 1986. A special resolution sanctioning a transfer or sale to another company duly passed pursuant to the said Section may in like manner authorise the distribution of any shares or other consideration receivable by the liquidator amongst the members otherwise than in accordance with their existing rights, and any such determination shall be binding upon all the members, subject to the right of dissent and consequential rights conferred by the said Section;

Variation of rights

- 3.2.7 subject to Section 127 of the Act, all or any of the special rights and privileges attached to any different class of shares may, either with the consent in writing of the holders of three fourths of the issued shares of the class, or with the sanction of an extraordinary resolution passed at a separate general meeting of such holders, be modified, varied or abrogated;

Borrowing powers

- 3.2.8 the Directors may from time to time exercise all the powers of the Company to borrow or raise money and to mortgage or charge all or any part of its undertaking, property, assets and uncalled capital;

Directors

- 3.2.9 The holders of the "A" non-voting ordinary shares shall be entitled to appoint five Directors until 30 June 1998. The holders of "B" non-voting ordinary shares shall be entitled to appoint three Directors until 30 June 1998. The holders of "C" non-voting ordinary shares shall be entitled to appoint three Directors until 30 June 2002;
- 3.2.10 The holders of ordinary shares shall be entitled to elect one Director to the Board without the Members' Club being entitled to vote in that election.

These and other provisions are set out in full in the articles of association of the Company which are available for inspection at the address specified in paragraph 8 below.

4 SHARE RIGHTS AND SHAREHOLDER BENEFITS

- 4.1 The rights and restrictions relating to the ordinary shares are included in the articles of association of the Company (subject always to the provisions of the Companies Acts) and as such are reflected in the summary of the provisions of the articles of association at paragraph 3.2, in particular regarding voting (paragraph 3.2.4), dividends (paragraph 3.2.5), return of capital on winding up (paragraph 3.2.6), variation of rights (paragraph 3.2.7) and transferability (paragraphs 3.2.2).
- 4.2 The shareholder benefits described in Part I of this document shall be subject to the following terms:-
- 4.2.1 The Directors reserve the right to alter any of the shareholder benefits and to replace any shareholder benefit with one which, in the Directors' reasonable opinion, is of an equivalent value.
- 4.2.2 Any shareholder benefit which is not used during a football season shall not be capable of being carried forward to future seasons and shall lapse but without prejudice to the availability of the shareholder benefits for future football seasons in accordance with the terms of the shareholder benefits.
- 4.2.3 The Directors reserve the right, without requiring the consent of any third party, to introduce from time to time further shareholder benefits or promotional schemes to Company shareholders or non-shareholders. The introduction, modification and/or withdrawal of any shareholder benefit or promotional schemes shall not constitute a variation, modification or abrogation of any rights attaching to the ordinary shares.
- 4.2.4 An investor may only exercise the shareholder benefits appropriate to the investor's level of shareholding having first requested such exercise either in person upon production of the investor's personal shareholder identification or in writing, as is appropriate to the shareholder benefit in question.
- 4.2.5 By subscribing for and holding ordinary shares, an investor is taken to have agreed to be bound by all rules and regulations which the Company publishes from time to time concerning the administration and implementation of the shareholder benefits.

- 4.2.6 While the Company will endeavour to allocate and provide shareholder benefits in accordance with the investor's requirements, such allocation shall be subject to availability and the decision of the Company to offer substitute or alternative shareholder benefits will be final and binding.
- 4.2.7 The Company will make available for inspection to investors during normal business hours and on normal week days (Saturdays, Sundays and Public Holidays excepted), copies of all rules and regulations from time to time in force in relation to the administration and implementation of the shareholder benefits. Copies of these rules and regulations from time to time in force in relation to the shareholder benefits will be sent to investors upon written request.
- 4.2.8 The investor's personal shareholder identification card may not be loaned to or used by any other person. The Company reserves the right to ask for identification from the investor to satisfy itself that these terms are being observed. Breach of these terms will constitute misuse of the investor's personal shareholder identification card and the Directors reserve the right to withdraw or suspend the investor's personal shareholder identification card and shareholder benefits in the event of such breach.
- 4.2.9 None of the shareholder benefits is transferable, whether by way of gift, transfer, assignation or otherwise. In the event that an investor sells his ordinary shares, the purchaser of those shares should write to the secretary of the Company evidencing his title to the ordinary shares by providing copies of his share certificate and the stock transfer form by which the transfer of the ordinary shares into his name was effected. It will then be a matter for the entire discretion of the Directors as to whether to extend the shareholder benefits to the new shareholder.
- 4.2.10 In the event of any shares being held jointly or by a trust, or a partnership, or a company, then the holders of such shares shall nominate one individual to receive the shareholder benefits and no other individual may be nominated without the consent of the Board.
- 4.3 Under current UK taxation legislation, no tax will be withheld from dividend payments by the Company but the Company will generally have to account to the UK Inland Revenue for advance corporation tax ("ACT") in respect of any dividend it pays at the rate equal to one-quarter of the cash dividend.

Individual shareholders resident in the UK (for tax purposes) will generally be entitled to a tax credit in respect of any dividend paid by the Company which they can offset against their total income tax liability (or in appropriate cases reclaim in cash from the Inland Revenue). The value of the tax credit attached to dividends is equal to 20 per cent of the dividend plus the tax credit (equivalent to one-quarter of the cash dividend). Lower and basic rate taxpayers will have no further liability to tax on their dividends. Higher rate taxpayers will be liable to tax on the sum of the dividend plus the tax credit at the higher rate of 40 per cent against which liability they can offset the 20 per cent tax credit.

A UK resident corporate shareholder will not generally be liable to corporation tax on any dividend received and will generally be able to treat any dividend received (together with the associated tax credit) as franked investment income and accordingly such a shareholder can, generally, offset the tax credit against its own liability to account for ACT on its own distributions.

Persons who are not resident in the UK should consult their own tax advisers on the possible application of such provisions and what relief or credit may be claimed in the jurisdiction in which they are resident.

Any person who is in doubt as to his taxation position or requires more detailed information than the general outline above should consult his professional advisers.

5 DIRECTORS' INTERESTS

- 5.1 Save as disclosed in this document, none of the Directors is interested in any transactions which are or were unusual in their nature or conditions or significant to the business of the Company, being transactions which were entered into during the two years before the date of this document and which remain in any respect outstanding or unperformed.
- 5.2 Three of the Directors have signed bank guarantees. All of the Directors are currently members of, and directors of, the Members' Club.
- 5.3 None of the Directors has a service contract with the Company.
- 5.4 None of the Directors receive any remuneration or benefits in kind from the Company.

6 MATERIAL CONTRACTS

- 6.1 Save as disclosed in this paragraph 6, there are no contracts, being contracts entered into other than in the ordinary course of business, which have been entered into since the date of incorporation of the Company which are or may be material. All the Material Contracts as disclosed in this paragraph 6 are available for inspection at the address specified at paragraph 8 below.
- 6.2 An agreement was entered into among Caley, Thistle, Inverness & Nairn Local Enterprise Company, the Company and the Members' Club dated 19th, 20th and 25th May 1995, the main terms of which are:-
 - 6.2.1 Caley and Thistle shall subscribe their respective assets (subject to deduction of such sums as are necessary to meet outstanding liabilities) in return for the allotment of Non Voting Shares issued at par value.
 - 6.2.2 Caley shall be entitled to appoint five Directors, Thistle shall be entitled to appoint three Directors and Inverness & Nairn Local Enterprise Company shall be entitled to appoint three Directors to the Board of the Company until the third Annual General Meeting of the Members Club.
 - 6.2.3 The name of the principal football team cannot be altered without the consent of Caley and Thistle until the third Annual General Meeting of the Members Club.
 - 6.2.4 The playing colours of the principal team shall be blue with 25% red and black.
 - 6.2.5 The Company shall indemnify Caley and Thistle and their respective Committee Members against any claims or liabilities arising against them before or after their respective investments in the Company.

6.3 The Company sold Telford Street Park to Ladbroke Retail Parks Limited by a contract concluded on 10th August 1995, the main terms of which were:-

6.3.1 A deposit of £100,000 was payable with the balance paid on the date of entry.

6.4 The Company leases the football stadium known generally as Telford Street Park in terms of a lease contract concluded on 30th May 1996 between Ladbroke Retail Parks Limited and the Company ("the Telford Lease"), the main terms of which are:-

6.4.1 The period of the Telford Lease is from 31st May 1996 to 28th October 1996.

6.4.2 The rental payable by the Company for the period of the lease is £20,000 exclusive of Value Added Tax payable in the event that the landlords elect to waive their exemption from Value Added Tax.

6.4.3 The Company are responsible for maintenance of the stadium in the same condition as at the date of entry, fair wear and tear excepted.

6.4.4 The Company will not use the subjects as defined in the Telford Lease for any purpose other than as a football stadium with ancillary offices.

6.4.5 The Company shall comply in all respects with the provisions of all statutes and any requirements of any competent authority.

6.4.6 The Company shall not carry out any alterations to the subjects without the prior written consent of the landlords or carry out on the subjects any construction, civil engineering or other operation which would affect the status of the subjects as exempt for the purposes of Value Added Tax or carry out or omit to do any act, matter or thing which in the landlords' opinion would be prejudicial to the intended future development of the subjects.

6.4.7 The Company shall reimburse the landlords all insurance premiums paid by the landlords. The Company shall be responsible for insurance of any items of their own property in the subjects at any time and shall effect any insurances which they are obliged to effect by virtue of being a member of the SFL and/or by virtue of their use of the subjects as a facility to which members of the general public have access. The Company shall procure that the landlords' interest is noted on all policies of insurance effected by the Company relating to the subjects or the lease and the Company insurances against third party liability shall be in joint names with the landlords and shall provide cover in the sum of at least £1,000,000.

6.4.8 In the event that the Company fail to provide vacant possession at the end of the period of the lease then in addition and entirely without prejudice to any other rights of the landlords, the Company shall pay to the landlords as liquidate and ascertained damages in compensation, damages at the rate of £3,000 per day.

6.5 The Company sold Kingsmills Park to Hugh MacRae & Co. (Builders) Limited by a contract concluded on 25th August 1995, the main terms of which were:-

6.5.1 The price was £486,560 inclusive of any Value Added Tax by way of £100,000 at

the date of entry, £42,951 on the first day of each of the months of April, May, June, July and August 1996 and the balance of £171,805 on 1st September 1996.

- 6.5.2 In security of the payments due to the Seller the Purchaser granted a Standard Security over part of the property sold to the Seller to be released in stages as and when payments were made.
- 6.6 The Company leases the ground on which the New Stadium is being constructed in terms of a lease agreement between the Inverness District Council ("the Landlords") and the Company ("the Tenants") dated 2nd and 14th November 1995 and recorded 5 March 1996 ("the Lease" or "the Lease Agreement"), the main terms of which are:-
 - 6.6.1 The Landlords let to the Tenants ALL and WHOLE the subjects extending to Twelve acres and Eight hundred and eighty seven decimal or one thousandth parts of an acre or thereby Imperial Measure lying on the east side of the A9 trunk road between London to Wick. The subjects are delineated black and coloured pink on the plan annexed and signed as relative to the Lease Agreement.
 - 6.6.2 The duration of the Lease shall be for the period approximately of ninety nine years from the date of entry (1st October 1995) to 31st March 2094.
 - 6.6.3 The Tenants are to make payment of rent at the rate of £12,500 per annum exclusive of Value Added Tax reviewable every five years, the amount of the reviewed rent to be the current market rental as defined in the Lease Agreement.
 - 6.6.4 The Tenants shall have free ingress and egress to and from the subjects from the access road described in the Deed of Servitude referred to at paragraph 6.7 below.
 - 6.6.5 The Tenants shall be bound at their own expense to erect within three years from the date of entry and thereafter to uphold and maintain in good order and repair, during the currency of the Lease and any extension thereof on the subjects buildings to be used solely in connection with their business as specified in the Lease which buildings shall be erected in accordance with plans and specifications and with materials and on building lines all to be approved by the Landlords in writing before erection is commenced; and no buildings or other erections whatsoever shall ever be erected on the subjects unless the plans shall have first been submitted to and approved by the Landlords, such approval not to be unreasonably withheld or delayed; and specifically declaring that all plans to be submitted to the Landlords for approval shall conform as far as reasonably practicable with the provisions of the Code of Development Standards for the Longman Industrial Estate.
 - 6.6.6 The Tenants shall be bound to use the subjects and the buildings erected thereon only for the purpose of carrying on their business as a football club and stadium, associated car parking and related purposes and for no other purpose whatsoever without obtaining the previous approval in writing of the Landlords, nor shall the subjects be used inter alia as a site for the sale of alcohol. The Tenants or anyone acting under their authority shall not carry out any retail sales to members of the general public on the subjects and consent for such use shall be required from the Landlords, such approval not to be unreasonably withheld or delayed. The Tenants shall be permitted:

- (a) the retail sale of football programmes, souvenirs, strips, scarfs, badges, jewellery, snacks on match days, and any other football related activities; and
 - (b) use of the car park and football pitch during off-season for commercial events, including power to sub-let vacant parts of the stadium for non-football use, subject, however, to no commercial structure being erected outwith the stadium without the prior written consent of the Landlords.
- 6.6.7 The Tenants shall be bound to erect suitable and substantial walls or fences and gates as directed by the Landlords.
- 6.6.8 The Tenants shall not be entitled to assign or sub-let without the prior consent of the Landlords (which consent shall not be unreasonably withheld). The Tenants are not prevented from granting a Standard Security or Securities over the Lease.
- 6.6.9 The Tenants shall be bound throughout the Lease to insure against specified risks.
- 6.6.10 The Tenants shall be bound at their own expense to provide an efficient drainage system for the subjects and the premises and facilities erected and constructed thereon provided that the Landlords or the Local Authority shall always have full power and liberty to alter the original drainage and sewerage system for the subjects and the Tenants shall not cause or permit deleterious or injurious matters or substances to enter the drains and sewers belonging to the Landlords or the Local Authority.
- 6.6.11 The obtaining of all appropriate planning and other permissions and consents is the responsibility of the Tenants and any conditions attached to a grant of planning or any other permissions shall automatically become a condition of the Lease, except in so far as not inconsistent with the Lease.
- 6.6.12 The Tenants shall not without previously obtaining the written consent of the Landlords (such approval not to be unreasonably withheld or delayed) carry out or execute or permit to be carried out or executed anything which comes within the definition of "development" in the Town & Country Planning (Scotland) Acts 1947/1972.
- 6.6.13 If the Tenants shall fail, neglect, refuse or delay to execute works required in terms of the Lease Agreement then the Landlords shall be entitled to have such works carried out and the Tenants shall refund to the Landlords all expenses properly and reasonably incurred by the Landlords.
- 6.6.14 In the event the Tenants shall not implement and observe the whole obligations and others incumbent on them in terms of the Lease then the Landlords may terminate the Lease subject to the detailed provisions set out in the Lease Agreement.
- 6.7 By Deed of Servitude granted by the Inverness District Council to the Company recorded 5 March 1996 a heritable and irredeemable servitude authorising vehicular and pedestrian access over and across parts of the access road to and from the New Stadium has been granted subject to the following conditions:-

- 6.7.1 The access shall be used only for the passage of private cars and commercial vehicles, together with pedestrians.
- 6.7.2 At no time shall the access be used for the parking of vehicles or otherwise obstructed.
- 6.7.3 The Company and their successors shall provide and maintain at their own expense
- (a) a combined pedestrian/cycle path 3 metres wide along the seaboard frontage of the access to be completed in tarmacadam;
 - (b) the access shall be at least 6 metres wide and widened as appropriate on bends to allow safe two way passing;
 - (c) gates shall be provided where required;
 - (d) the access road must be designed in such a way that a 7.3 metre wide road carriageway, 2 metre verge and 3 metre wide pedestrian/cycle path can be constructed along the sea frontage at a future date.
- 6.7.4 The use of the access shall not be used in such a way as to be considered a nuisance to the proprietors of neighbouring subjects.
- 6.7.5 There are reserved rights of way and wayleaves and there are reserved rights of access to adjoining properties.
- 6.8 A contract was entered into by the Company with Morrison Construction Limited under the "Standard Form Building Contract Private Edition with Quantities (1980 Edition) as modified by the Scottish Supplement issued by the Scottish Building Contract Committee (1992 Revision)" for the provision of a temporary access, elements of earthworks and fencing in relation to the away support and parking areas to the south of the New Stadium, elements of drainage installation, gas mains protection works, ground stabilisation works, pitch construction and irrigation system.
- 6.9 A construction contract was entered into by the Company with McGregor Construction (Highlands) Limited under the "Standard Form Building Contract Private Edition with Quantities (1980 Edition) as modified by the Scottish Supplement issued by the Scottish Building Contract Committee (1992 Revision)" for the construction of the stadium including main stand with all ancillary accommodation connected with such a building, perimeter terracing and toilet block, turnstiles, all main services including electricity and water supply, floodlighting, close circuit television and public address system.
- 6.10 A bank bridging facility was accepted by the Company on 26 June 1996 the main terms of which are:-
- 6.10.1 The overdraft limit of £1,350,000 incorporates the Guarantee up to a maximum of £500,000 in favour of McGregor Construction (Highlands) Limited.
 - 6.10.2 An arrangement fee of £10,000 was payable on acceptance of the offer.
 - 6.10.3 The overdraft is repayable on demand and interest will accrue on outstanding amounts at 3.5% per annum over the Bank's base rate.

- 6.10.4 The facility may be used only for the construction of a football stadium and relative infrastructure at Longman, Inverness.
- 6.10.5 Throughout the period the facility is available the Company must provide the Bank with specified financial information including annual audited financial statements, within four months of the year end and budget and cash flow projections within four weeks prior to commencement of the period to which they relate.
- 6.10.6 Attached to the facility letter is a schedule of additional terms and conditions which include:
- (a) the Bank to receive and be satisfied with reports on title on the Bank's heritable security subjects provided by solicitors acceptable to the Bank;
 - (b) written confirmation to be received from the Company's auditors that the financial performance for the year to May 1996 is broadly in line with the budgeted figures previously presented to the Bank;
 - (c) the Bank to receive and be satisfied with documentation confirming the income relating to the stadium construction as detailed in the cash flow projections previously presented to the Bank;
 - (d) written confirmation that all sums received from the share issue after expenses will be placed in reduction of Bank borrowing unless otherwise agreed by the Bank;
 - (e) written confirmation that any additional costs will be funded from outside (non borrowed) sources;
- 6.10.7 Securities required by the Bank are a Bond and Floating Charge over the assets of the Company, Standard Security over the leased land, first and only Standard Security over Thistle Social Club, second Standard Security over Caley Social Club and Bank guarantees acceptable to the Bank totalling £400,000.
- 6.11 The Company accepted a grant and an offer of loan from the Football Trust the main terms of which are:
- 6.11.1 A maximum grant of £500,000 towards the construction costs of the New Stadium
 - 6.11.2 The loan is interest free in the sum of £200,000 over a period of five years in respect of the New Stadium.
 - 6.11.3 The loan will be repayable by standing order in twenty quarterly instalments of £10,000 on 1st March, 1st June, 1st September and 1st December.
 - 6.11.4 By agreement with the SFL, where a Club has not fulfilled its obligations under a loan agreement, the full amount outstanding will be deducted from the central payments due to the Club from the SFL and will be paid direct to the Football Trust.

6.12 An agreement was entered into between Inverness & Nairn Local Enterprise Company ("INE") and the Company on 5th and 13th March 1996, the main terms of which are:

6.12.1 INE has agreed to contribute towards the costs of the infra structural works to create the access road within the Project (defined as the construction of a new stadium on reclaimed land at East Longman, Inverness including infrastructural works to create an access road from the existing A9 roundabout, along the coast, under the Kessock bridge to link with Longman Drive) including road and path construction (excluding black top) associated rock armouring, pipeline protection, ground stabilisation, landscaping and professional fees ("the Works").

6.12.2 The Company confirms that it has taken a 99 year lease of the stadium site from Inverness District Council and has been granted or is about to be granted full servitude access rights over the route of the access road from Inverness District Council and the Secretary of State for Scotland and is entitled to construct and thereafter operate the Project, that it has obtained or will obtain all the necessary statutory and other consents required to enable it to undertake the Project and that it has total funding for the construction of the Project of not less than £5,332,500 (including the contribution of INE).

6.12.3 INE agrees to contribute up to 18.9% of the cost of the Works up to a maximum of £480,000 during the period 1st April 1997 to 31st March 1998 or earlier at the discretion of INE. Payment of the INE contribution will be subject to:

- (a) INE being satisfied that the terms of the agreement have been implemented by the Company;
- (b) the Project being completed to a standard reasonably acceptable to INE in accordance with the terms of the plans, specifications and drawings approved by INE and any variations thereto which have been approved by INE ("the Approved Documents");
- (c) the Company delivering to INE a Certificate from the Company's architect or engineer appointed to supervise the Project certifying that the Project has been completed in accordance with the terms of the Approved Documents and also certifying that the Works which INE has agreed to contribute towards have a value of not less than INE's contribution; and
- (d) The Company providing INE with evidence satisfactory to INE that (i) Inverness District Council is to contribute £900,000 to the costs of the Project on terms which are acceptable to INE (ii) European Regional Development funding of £463,000 towards the costs of the Project have been approved (iii) equity and bank borrowing of not less than £1,000,000 has been raised by the Company and (iv) the Company has changed its name to "Inverness F.C." or such other name as is acceptable to INE.

6.12.4 The Company shall

- (a) appoint appropriate consulting engineers or architects to supervise the Project;

- (b) exhibit all drawings, specifications and tender documents for the Project for INE approval;
 - (c) procure competitive tenders for the Project and submit a report on the tenders to INE;
 - (d) obtain INE approval to any significant amendments to the Project;
 - (e) exhibit to INE all certificates and valuations in respect of the Works; and
 - (f) submit to INE authenticated reports for VAT in respect of the Works.
- 6.12.5 INE may at its sole discretion pay part of its contribution prior to completion of all of the Project and any such payment shall be without prejudice to the Company's obligation to implement all the terms and conditions of the agreement;
- 6.12.6 The Company shall complete the Project in terms of the approved documents by 30th September 1997. After completion of the Project the Company shall be bound to maintain, repair and where necessary renew the Project for a period of five years. If the Project or any part thereof is sold within that period full repayment will be made of INE's contribution.
- 6.13 The Company entered into an agreement among the Company, the Trustees of the Harbour of Inverness and the Highland Council ("the Council") on 22 and 23 August 1996 the main terms of which are:-
- 6.13.1 The Council shall facilitate the provision of suitable land in their ownership close to the stadium site for use by the Club as overspill parking for 625 cars and the Club shall carry out accommodation works as the Council shall reasonably require. Any other terms and conditions including payment of rent required by the Council in respect of the provision of such suitable land shall, failing agreement, be determined by the District Valuer.
- 6.13.2 The Club warrant that:
- (a) they have obtained all necessary consents and approvals to enable them to construct the Stadium Development (defined as the construction of a football stadium with associated car parking);
 - (b) they possess all necessary right, title and interest in and over land to enable such construction and to enable provision of all services required for operation of the Stadium Development for all the purposes for which it has been designed;
 - (c) they have available all funds additional to those to be provided by the Council and Inverness & Nairn Local Enterprise Company ("INE") to pay the full cost of the Stadium Development; and
 - (d) the total estimated cost of the Stadium Development is not less than £3,281,272 representing the total of sums due under the contracts let for the construction of the Stadium Development.

6.13.3 The Club will diligently pursue completion of the contracts let for the Stadium Development with a view to practical completion of the Stadium Development not later than 15th November 1996.

6.13.4 In the event that the cost of the Stadium Development exceeds £3,281,272 such excess shall be borne by the club.

6.13.5 Provided that the cost of the Stadium Development is not less than £3,281,272:

- (a) the Council will contribute 27.4% of the cost up to a maximum sum of £900,000.
- (b) the amount to be contributed by the Council prior to 1st April 1997 shall not exceed £500,000; and
- (c) the Council shall not be bound to pay their contributions until they have been supplied with a copy of the relevant Certificate in respect of which payments fall to be made.

6.13.6 If the cost of the Stadium Development shall be less than £3,281,272 the Council reserve the right to reduce the amount of their contribution proportionately.

6.13.7 The Club warrant that:

- (a) they have obtained all necessary consents and approvals to enable them to construct the East Road (defined as the road and associated works the subject of the Planning Permission and Construction Consent detailed in the agreement);
- (b) they possess all necessary right, title and interest in and over land to enable such construction, including rights in respect of the crossing of the British Gas transmission pipeline, crossing of the Ministry of Defence oil pipeline and the land below and in the vicinity of the Kessock Bridge owned by the Secretary of State for Scotland;
- (c) they have available all funds additional to those to be provided by the Council, INE and the European Regional Development Fund ("ERDF") to pay the full cost of the East Road; and
- (d) the total estimated cost of the East Road is not less than £1,493,640 representing the total of sums due under the contract referred to in the Schedule;

6.13.8 The Club will proceed to let the contract described in the agreement and will diligently pursue its completion with view to practical completion of the East Road not later than 24th January 1997.

6.13.9 In the event that the cost of the East Road exceeds £1,493,640 such excess shall be borne by the Club;

6.13.10 Provided that the cost of the East Road is no less than £1,493,640:-

- (a) the Council will contribute 6.7% of that cost, up to a maximum of £100,000;

- (b) subject to receipt by the Council of the ERDF grant, the Council will contribute ERDF grant equivalent to 25% of the cost;
 - (c) the amount contributed by the Council from their own funds (not ERDF grant) will be paid to the Club on production of evidence satisfactory to the Council that the construction of the road and associated works have been paid for in full and on the Council being satisfied that the East Road can be added to the Council's statutory list of roads.
- 6.13.11 If the cost of the East Road shall be less than £1,493,640 the Council reserve the right to reduce the amount of their contribution proportionately.
- 6.13.12 To whatever extent the East Road shall be constructed on land not owned by the Council the Club will procure favour of the Council if and when so required by the Council and at no cost to the Council such rights of ownership or such lesser rights as the Council might reasonably require.
- 6.13.13 The Harbour Trust warrant that:-
- (a) they have obtained all necessary consents and approvals to enable them to construct the West Road (defined as the road and associated works the subject of the Planning Permission and Construction Consent detailed in the agreement);
 - (b) they possess all necessary right, title and interest in and over land to enable such construction;
 - (c) that they have available all funds additional to those to be provided by INE, ERDF and the Club to pay the full cost of the West Road;
 - (d) the total estimated cost of the West Road is not less than £860,000 representing the total of the sums due under the contract for the construction of the West Road set out in the Schedule.
- 6.13.14 The Harbour Trust will proceed to let the contract described in the agreement and will diligently pursue its completion with a view to practical completion of the West Road not later than 30 September 1997.
- 6.13.15 In the event that the cost of the West Road exceeds £860,000 such excess shall be borne by the Harbour Trust.
- 6.13.16 Provided that the cost of the West Road is not less than £860,000:
- (a) subject to receipt by the Council of ERDF grant, the Council will contribute ERDF grant equivalent to 25% of that cost;
 - (b) the Club will contribute £12,500;
 - (c) the amount to be contributed by the Club will be paid to the Harbour Trust on production of evidence satisfactory to the Club that the construction of the road and associated works has been paid for in full; and

6.13.17 In as much as the West Road is to be constructed on land not owned by the Council, the Harbour Trust will convey to the Council, or otherwise procure in favour of the Council when and to the extent required by the Council and at no cost to the Council such rights of ownership or such lesser rights as the Council might reasonably require.

6.13.18 Requirements to be satisfied in respect of ERDF grant for the East Road and the West Road include inter alia

- (a) detailed ground survey;
- (b) in as much as the ERDF grant cannot be claimed by the Council until payment of all eligible costs has been made the Club, INE and the Harbour Trust will ensure that original receipted invoices and payment certificates are provided to the Council with supporting information;
- (c) the Council will claim ERDF grant on out turn eligible costs at a rate of 25% and will make payment of the grant to the Club, to INE and to the Harbour Trust in proportion to their individual expenditure on each contract. The Council will endeavour to make payments within seven working days of receipt of the grant from the Scottish Office. The Council will not be responsible for any delay in payment of grant by the Scottish Office; and
- (d) in the event of the Council being required to repay ERDF grant at any time, each party who contribute to the cost of grant aided works will be liable to pay to the Council such portion of the grant repayment as is proportionate to their respective contributions to the grant aided works.

6.13.19 In as much as the Council wish to ensure significant use of the Stadium Development by bodies representing the interests of the wider community (and particularly the interests of the inhabitants of the former Burgh of Inverness) the Club and the Council have agreed inter alia

- (a) the Council shall have the option of reserving use of the Stadium Development on up to six days of the Council's choosing in each year free of charge;
- (b) prior to the commencement of each summer and winter playing season the Club will agree with the Council dates, times, venues and other details of soccer coaching sessions;
- (c) the Club shall offer coaching by qualified soccer coaches at monthly training sessions;
- (d) the Club shall offer not less than six new salaried training places each year to full time two year apprentice players to be nominated by the Council;
- (e) unless otherwise agreed by the Council the Club will admit for half the normal admission price various persons including old age pensioners;
- (f) the club will meet at the Council's request with representatives of the Council from time to time to consider opportunities for joint promotion, marketing and use of the Stadium; and

- (g) The Club and the Council shall negotiate a variation of the existing lease of the Stadium with a view to re-defining the permitted uses in terms thereof to further the community use of the Stadium Development and its use for all purposes normally associated with the operation of a Football Club.

6.14 A contract was entered into by the Company with Morrison Construction Limited under the "Standard Form of Building Contract private Edition with Quantities (1980 Edition) as modified by the Scottish Supplement issued by the Scottish Building Contract Committee (1992 Revision)" for the construction of the perimeter road to Highland Council specification linking to the new harbour road, the remainder of the car parking , street lighting and main foul sewer.

7 MISCELLANEOUS

7.1 Save as discussed in paragraph 7.2 below, the Directors are not aware of any legal or arbitration proceedings, active, pending or threatened against, or being brought by, the Company which are having or may have a significant effect on the financial position of the Company.

7.2 The Directors disclose that Caley are currently defending a court action brought by 12 former members who wish to have their membership of Caley reinstated. The Company is responsible for the costs of this action in terms of the agreement referred to in paragraph 6.2 of part V of this prospectus.

7.3 The Directors disclose that the company are paying by instalments an outstanding debt due by Caley to the Customs and Excise in respect of pools betting duty. The amount outstanding at 16 September 1996 was approximately £14,000. The Company are liable for this amount in terms of the agreement referred to in paragraph 6.2 of part V of this prospectus.

7.4 The Directors consider that, taking into account the partly guaranteed Bank facilities available to the Company and the proceeds of the minimum offer, the Company has sufficient working capital for its present requirements.

7.5 The amount of the proceeds of the minimum offer which, in the opinion of the Directors, must be applied in relation to the matters specified in paragraph 21 of Part IV of Schedule 1 to The Public Offers of Securities Regulations 1995 is £150,000, as follows.

7.5.1 Purchase price of property - nil

7.5.2 Offer expenses (estimated) - £50,000

7.5.3 Repayment of monies borrowed in respect of 7.5.1 and 7.5.2 above - nil

7.5.4 Working capital - £100,000

In addition working capital will be provided from the bank facilities available to the Company.

7.6 The expenses of the offer payable by the Company are estimated to amount to £50,000. The net proceeds of the offer, if fully subscribed, are estimated to amount to £850,000, which will be used for the purposes set out on page 20.

- 7.7 There have been no amounts paid within the two years before the date of this document, or payable, as commission for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any shares in or debentures of the Company.
- 7.8 There have been no amounts or benefits paid or given within the two years before the date of this document or intended to be paid or given to any promoter.

8 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at 28 Greig Street, Inverness during normal business hours (Saturday, Sunday and public holidays excepted) until 5pm on 9 November 1996:

- 8.1 the memorandum and articles of association of the Company;
- 8.2 the audited accounts of the Company for the period ended 31 May 1995 and the financial year ending 31 May 1996;
- 8.3 The Auditors' Report;
- 8.4 Valuation of the New Stadium by Graham and Sibbald dated 16 September 1996.
- 8.5 The Material Contracts (other than the contracts referred to at paragraphs 6.8, 6.9 and 6.14 of Part V of this document, which contracts will be available for inspection at the offices of McLeod & Aitken, Chartered Quantity Surveyors, 5 Drummond Street, Inverness IV1 1QF during normal office hours, until 8 November 1996)

9 DOCUMENT SUBMITTED TO THE REGISTRAR OF COMPANIES

A copy of this document has been delivered to the Registrar of Companies in Scotland for registration in accordance with The Public Offers of Securities Regulations 1995.

Dated 16 September 1996

TERMS AND CONDITIONS OF APPLICATION

- (1) The contract created by the acceptance of applications in the manner set out in this document will be conditional on applications being received for the minimum offer of 150,000 new ordinary shares.
- (2) If any application is invalid or is not accepted, or if any contract created by acceptance does not become unconditional, or if any application is accepted for fewer ordinary shares than the number applied for, the application money or the balance of the amount paid on application as the case may be will be returned without interest and at the risk of the applicant. Irrespective of whether an application is successful or not all interest shall accrue to the benefit of the Company.
- (3) The right is reserved to present all cheques and bankers' drafts for payment and lodge all cash on receipt by Bank of Scotland ("the Bank"), to retain surplus application money pending clearance of the successful applicants' cheques or bankers' drafts and to reject any application in whole or in part. Where an application is not accepted in whole or in part surplus application money shall be despatched to applicants on or before 29 November 1996. The Bank shall control all application monies received until the offer closes.
- (4) By completing and delivering the application form, you (as the applicant(s)):
 - (a) offer to subscribe for the number of new ordinary shares specified in your application form (or any smaller number for which the application is accepted) at the application price and subject to this document (including in particular these terms and conditions) and the memorandum and articles of association of the Company;
 - (b) authorise the Company to send a share certificate for the number of ordinary shares for which your application is accepted, and a crossed cheque for any money returnable, by post to your address (or that of the first-named applicant) as set out in your application form and to procure that your name (together with the name(s) of any other joint applicant(s)) is/are placed on the register of members of the Company in respect of such ordinary shares;
 - (c) agree that your application may not be revoked and that these terms and conditions constitute a collateral contract between you and the Company which will become binding upon receipt of the application form by the Company or Bank of Scotland duly completed;
 - (d) warrant that any cheque or banker's draft accompanying the application will be honoured on first presentation;
 - (e) agree that any money returnable to you may be retained by Bank of Scotland in a separate account pending clearance of your remittance;
 - (f) agree to pay subscription monies falling due in terms of your application upon application;

- (g) agree that all applications, acceptance of applications and contracts resulting from the acceptance of applications under this offer for subscription will be governed by and construed in accordance with Scottish law and agree to submit to the jurisdiction of the Scottish courts;
 - (h) warrant that, if you sign the application form on behalf of somebody else or on behalf of a corporation, you have due authority to do so;
 - (i) confirm that in making such application you are not relying on any information or representation in relation to the Company other than that information contained in this document and you accordingly agree that no person responsible solely or jointly for this document or any part of such document will have any liability for any such other information or representation;
 - (j) agree to provide on demand such information as the Company may request in connection with your application;
 - (k) warrant that you are not, and are not applying as nominee or agent for, a person who is or may be liable to stamp duty reserve tax under sections 67, 70, 93 or 96 of the Finance Act 1986;
 - (l) warrant that you are over 16 years of age or if making the application on behalf of a person who is under 16 years of age warrant that you are that person's guardian; and
 - (m) warrant that, whether absolutely or as a trustee either alone or with one or more associates, and whether directly or indirectly, (i) you do not hold or deal in the securities or shares of another club in membership of The Scottish Football Association Limited or any club in membership of an association in membership of UEFA or FIFA, or of another club in membership of the Scottish Football League or of a league represented on The International Football Board ("a Club") and (ii) you are not a member of another Club and (iii) you are not involved in any capacity whatsoever in the management or administration of another Club and (iv) you do not have any power whatsoever to influence the management or administration of another Club, in terms of Article 13 of the Articles of Association of The Scottish Football Association Limited and Rule 88 (Dual Interests in Clubs) of the Scottish Football League Rules, to which your attention is drawn.
- (5) Applications may not be made by a person who is under 16 years of age although a guardian of a person who is under 16 years of age may make an application on that person's behalf. In the event that an application on behalf of a person who is under 16 years of age is accepted, the ordinary shares shall be registered and the share certificate shall be issued in the name of the guardian as guardian of that person.
- (6) In the event that applications are received for more than the number of ordinary shares available for subscription under the offer, it is intended that all applications will be scaled down.
- (7) All documents, cheques and bankers' drafts sent by post will be at risk of the person(s) entitled to such documents, cheques and bankers' drafts.

- (8) No person receiving a copy of this document or an application form, in any territory other than the United Kingdom, may treat the same as constituting an invitation or offer to him, nor should he in any event use such application form unless, in the relevant territory, such an invitation or offer could lawfully be made to him and such application form could be lawfully be used without contravention of any registration or other legal requirement. It is the responsibility of any person outside the United Kingdom wishing to make an application under this offer to satisfy himself as to full observance of the laws of the relevant territory in connection with this offer, including obtaining any requisite governmental or other consents or observing any other formalities needing to be observed in such territory and to pay any issue, transfer or other taxes required to be paid in such territories. All payments must be made in pounds sterling.
- (9) The ordinary shares will not be registered under the US Securities Act 1993. The ordinary shares may not be offered, sold, renounced, transferred or delivered directly to indirectly in the United States or to US persons. Persons undertaking to subscribe for new ordinary shares shall be deemed to represent and warrant that they are not US persons and that they are not undertaking to subscribe for such ordinary shares for the account of any US persons and will not offer, sell, renounce, transfer or deliver, directly or indirectly, such ordinary shares in the United States or to US persons. As used herein, "the United States" means the United States of America (including the States and the District of Columbia) its territories or possessions, or other areas subject to its jurisdiction and "US person" means any person who is a citizen or resident of the United States, a corporation, a partnership or other entity created or organised in or under the laws of the United States and an estate or trust which is subject to the United States Federal Income Taxation, regardless of source of its income.

The Company reserves the right to allow applications for new ordinary shares by overseas persons notwithstanding any statement contained in this document if the Company is advised to its satisfaction that any such person can properly make such application without observance by the Company of any requirement which it (in its absolute discretion) regards as unduly burdensome. Equally, the Company reserves the right to treat an application as invalid if it believes the application may violate applicable legal or regulatory requirements.

- (10) The subscription price for the new ordinary shares shall be £1 payable in full on application.
- (11) You should use the attached application form for your application for new ordinary shares.
- (12) The minimum number of new ordinary shares for which you may apply is 250.
- (13) If the value of the application exceeds £10,000 (or is one of a series of linked applications, the aggregate value of which exceeds that amount), the verification of identity requirements of the Money Laundering Regulations 1993 will apply:

Under the provisions of the Money Laundering Regulations 1993:

- (a) an applicant may be required to produce satisfactory evidence of his identity or any person on whose behalf he is applying under the offer. A failure to provide

the necessary evidence of identity may result in the rejection of your application at any time or in delays in the despatch of a share certificate or monies returnable. In order to avoid this, you should ideally make payment by means of a cheque drawn by the person named in the application. If this is not practicable, and you use a cheque, building society cheque or banker's draft drawn by a third party, you should:

- (i) write the name and address of the person named in the application form on the back of the cheque, building society or banker's draft and record the date of birth of that person in the application form;
 - (ii) if a building society cheque or banker's draft is used, ask the building society or bank to endorse on the cheque the name and account number of the person whose building society or bank account is being used; and
 - (iii) if you are making the application as agent for one or more persons, indicate in the application form whether you are a UK or EC regulated person or institution (e.g. a bank or broker), and specify your status.
- (b) whenever (i) two persons form or resolve to form a business relationship, or (ii) in respect of any one-off transaction, the provisions of Regulation 7 of the Money Laundering Regulations 1993 so provide, the applicant must produce satisfactory evidence of the applicant's identity. Where payment is made by cheque bearing the applicant's name, that will in most cases be capable of constituting the required evidence of identity; and
- (c) where verification is required pursuant to the Money Laundering Regulations 1993 and verification is not provided in accordance with these terms and conditions, monies to be returned will be sent by cheque in favour of the drawer to the office of the bank or building society shown on the remittance.
- (14) (a) If you are applying for a loan under the loan scheme, then your application shall be deemed to be conditional on the loan applied for being made available to you by the Bank.
- (b) By making a loan application, you will be deemed to have authorised the Club and the Bank to exchange all information concerning the processing and outcome of your loan application and your loan application will also constitute an irrevocable authority to the Bank on your behalf to remit the loan in respect of your application directly to the Club if your loan application is successful.
- (c) The Bank is regulated by IMRO and on the basis that the Bank, in making available loans to invest in shares in the Company, effects investment business in the form of arranging deals, the Bank shall be deemed to have notified intending subscribers that it regards them for such investment business as execution only customers of the Bank in respect of their application for shares in the Company. Accordingly by completing the loan application form, subscribers shall be deemed to confirm to the Bank that they have received no advice on the transaction from the Bank, that they merely want a transaction to be carried out on their behalf by the Bank and that the subscriber requests the Bank not to provide a contract note giving details of the transaction.

PROCEDURE FOR APPLICATION - PAYMENT IN FULL UPON APPLICATION

You are advised not to complete and lodge the application form following until you have read the Offer for Subscription relating to the Company dated 16 September 1996.

The application list for the ordinary shares now being offered for subscription will open at 12 noon on 16 September 1996 and will close at 5pm on 9 November 1996. If you are applying for a loan under the loan scheme, the completed application form must be returned by 5pm on 1 November 1996.

- (1) Insert in Box 1 (in figures) the number of ordinary shares for which you are applying. Applications must be for a minimum of 250 ordinary shares, at a price of £1 per share.

Subject to applications being for a minimum of 250 ordinary shares, applications may be for any number of shares, provided that they are for multiples of 50.

- (2) Insert in Box 2 (in figures) the amount of your cheque, banker's draft or cash or, where payment is being made under the loan scheme, insert in Box 3 (in figures) the amount of the loan applied for. The amount inserted in Box 2 or Box 3 should be the full subscription price.
- (3) Sign and date the application form in Box 4. The application form may be signed by someone else on your behalf (and/or on behalf of any joint applicants) if duly authorised to do so but the power(s) of attorney (or a copy certified by a solicitor) must be enclosed for inspection unless the form is signed by a guardian of a person who is under 16 years of age in which case the signatory must state the capacity in which he signs. A corporation should sign by a duly authorised official whose representative capacity must be stated. Applications may not be made by a person who is under 16 years of age although a guardian of a person who is under 16 years of age may make an application on that person's behalf in which case the full name and address of that person should be inserted in BLOCK CAPITALS in Box 9. Normally, either of the parents or the sole parent of a person who is under 16 years of age can make an application as that person's guardian.
- (4) Insert your full name and address in BLOCK CAPITALS in Box 5.
- (5) Payment may be made in cash or by cheque or banker's draft or under the loan scheme.

Cash, cheque or banker's draft

You must enclose cash or pin at Box 6 a single cheque or banker's draft. Your cheque or banker's draft must be made payable to **Bank of Scotland account Inverness Caledonian Thistle FC** for the amount payable inserted in Box 2 and should be crossed 'a/c payee'. Payment in cash may only be made by the applicant attending in person with the application form.

No receipt will be issued for payment, which must be solely in respect of this application.

Your cheque or banker's draft must be drawn in sterling on an account at a branch (which must be in the United Kingdom, the Channel Islands or the Isle of Man) of a bank which is either a member of the London or Scottish clearing houses or which has arranged for its cheques and bankers' drafts to be presented for payment through the clearing facilities provided for the members of those clearing houses, and it must bear the appropriate sorting code number in the top right hand corner.

Applications may be accompanied by a cheque drawn by someone other than the applicant(s), but any money to be returned will be sent by crossed cheque in favour of the person(s) named in Box(es) 5 (and 7).

A separate cheque or banker's draft must accompany each application.

Loan

You must enclose a completed loan scheme application form with your completed share application form. A separate loan application must accompany each share application.

Note

An application form may be rejected if the conditions specified in this paragraph (5) are not fulfilled.

- (6) You may apply jointly with other persons. If a joint application is made you must arrange for the application form to be completed by or on behalf of each joint applicant (up to a maximum of 3 other persons). Their full names and addresses should be inserted in BLOCK CAPITALS in Box 7.
- (7) Box 8 must be signed by or on behalf of each joint applicant (other than the first applicant who should complete Box 5 and sign in Box 4).

If anyone is signing on behalf of any joint applicant(s), the original power(s) of attorney (or a copy certified by a solicitor) must be enclosed for inspection unless the form is signed on behalf of a joint applicant by a guardian of a person who is under 16 years of age, in which case the signatory must state the capacity in which he signs.

- (8) Where payment is made by cheque or banker's draft, or under the loan scheme you must send the completed application form by post, or deliver it by hand, to (or where payment is to be made in cash you must attend in person with the completed form at) (a) Bank of Scotland, Inverness Caledonian Thistle FC Share Issue, Inverness Branch, 9 High Street, Inverness IV1 1JB, or (b) Bank of Scotland, Inverness Caledonian Thistle FC Share Issue, Longman Branch, 35D Harbour Road, Inverness, or (c) Inverness Caledonian Thistle FC Share Issue, 28 Greig Street, Inverness IV3 5PX so as to be received not later than 5pm on 9 November 1996 or 5pm on 1 November 1996 where payment is made under the loan scheme.

BASIS OF ACCEPTANCE

The basis on which the applications have been accepted will be announced as soon as possible after the application list closes.

It is expected that share certificates will be despatched by first class post on 29 November 1996.

APPLICATION FORM

PAYMENT IN FULL UPON APPLICATION

INVERNESS THISTLE AND CALEDONIAN F.C. plc

Before completing this form please read the sections headed "Terms and Conditions of Application" and "Procedure for Application - Payment in full upon Application" set out on pages 51 to 56 of the Offer for Subscription dated 16 September 1996 and the terms and conditions contained below. Applications must be for a minimum of 250 ordinary shares.

This Application Form can be used only where payment is being made in full upon application or by loan under the loan scheme.

Offer for subscription of up to 900,000 ordinary shares of £1 each of Inverness Thistle and Caledonian F.C. plc at £1 per share, payable in full upon application.

I/we offer to subscribe for

(Box 1)

ordinary shares of £1 each of Inverness Thistle and Caledonian F.C. plc (or any smaller number of shares for which this application is accepted) at £1 per share payable in full with this application on the terms and subject to the conditions set out herein and in the Offer for Subscription dated 16 September 1996 and subject to the Memorandum and Articles of Association of Inverness Thistle and Caledonian F.C. plc.

and I/we enclose cash or attach a cheque or banker's draft for the amount payable on application, namely

£

(Box 2)

or

I/we enclose a completed loan scheme application for the amount shown on Box 3. My subscription is conditional on the loan applied for being made available to me by Bank of Scotland. I authorise and direct that if the loan is made available to me, the funds obtained shall be drawn down from my loan account and paid to Inverness Thistle and Caledonian F.C. plc in satisfaction of all sums due in respect of my share application.

(Box 3)

Date	Signature
------	-----------

(Box 4)

PLEASE USE BLOCK CAPITALS

Mr, Mrs, Miss, Ms or title	Surname
Forename(s) in full	
Address in full	
Postcode	

(Box 5)

Pin here your cheque/banker's draft for the amount in Box 2 made payable to **Bank of Scotland account Inverness Caledonian Thistle FC** and crossed "a/c payee".

(Box 6)

Complete the following box only where there is more than one applicant. The first named applicant should complete Box 5 and sign in Box 4. Insert in Box 7 the names and addresses of the second and subsequent applicants, each of whose signatures is required in Box 8.

PLEASE USE BLOCK CAPITALS

Mr, Mrs, Miss, Ms or title	Mr, Mrs, Miss, Ms or title	Mr, Mrs, Miss, Ms or title
Forename(s)	Forename(s)	Forename(s)
Surname	Surname	Surname
Address	Address	Address
Postcode	Postcode	Postcode

(Box 7)

Signature	Signature	Signature
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(Box 8)

Complete the following box only where the application is on behalf of a person who is under 16 years of age and is made by that person's guardian. Insert in Box 9 the name and address of the person who is under 16 years of age.

PLEASE USE BLOCK CAPITALS

Mr, Miss or title	Surname
Forename(s) in full	
Address in full	
Postcode	

(Box 9)

The completed application form must be sent by post or delivered by hand to:

- (1) Bank of Scotland, Inverness Caledonian Thistle F. C. Share Issue, 9 High Street, Inverness IV1 1JB or
 - (2) Bank of Scotland, Inverness Caledonian Thistle F. C. Share Issue, 35D Harbour Road, Inverness or
 - (3) Inverness Caledonian Thistle F. C. Share Issue, 28 Greig Street Inverness IV3 JPX
- so as to be received no later than 5pm on 9 November 1996 unless:
- (a) payment is made in cash, in which case you must attend in person with the completed application form at any of the above addresses, or
 - (b) payment is made under the loan scheme, in which case the completed application form, together with the completed loan application form, must be sent or delivered to any of the above addresses so as to be received no later than 5pm on 1 November 1996.