

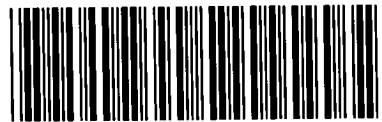
**INVERNESS THISTLE AND
CALEDONIAN F. C. LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2017

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INVERNESS THISTLE AND CALEDONIAN F. C. LIMITED

COMPANY INFORMATION

Directors	Alan R McPhee Allan L Mackenzie Graham Rae	(Appointed 26 January 2015) (Appointed 22 May 2017) (Appointed 22 May 2017)
Secretary	Ian A MacDonald, LLB	
Company number	SC149117	
Registered office	Tulloch Caledonian Stadium Stadium Road Inverness IV1 1FF	
Auditor	Johnston Carmichael LLP Clava House Cradlehall Business Park INVERNESS IV2 5GH	
Business address	Tulloch Caledonian Stadium Stadium Road Inverness IV1 1FF	

INVERNESS THISTLE AND CALEDONIAN F. C. LIMITED

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INVERNESS THISTLE AND CALEDONIAN F. C. LIMITED

BALANCE SHEET

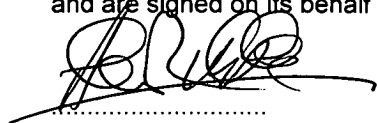
AS AT 31 MAY 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	3		380,693		418,396
Current assets					
Stocks		44,549		16,063	
Debtors	4	630,977		706,534	
Cash at bank and in hand		138,859		475,009	
		814,385		1,197,606	
Creditors: amounts falling due within one year	5	(961,575)		(932,591)	
Net current (liabilities)/assets			(147,190)		265,015
Total assets less current liabilities			233,503		683,411
Creditors: amounts falling due after more than one year	6		(66,585)		(94,209)
Net assets			166,918		589,202
Capital and reserves					
Called up share capital	7	3,904,870		3,904,870	
Share premium account		69,406		69,406	
Revaluation reserve		51,474		57,908	
Profit and loss reserves		(3,858,832)		(3,442,982)	
Total equity			166,918		589,202

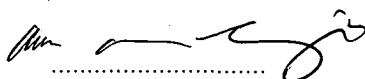
The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 20 November 2017 and are signed on its behalf by:



Alan R McPhee
Director



Allan L MacKenzie
Director



Graham Rae (Chairman)
Director

Company Registration No. SC149117

INVERNESS THISTLE AND CALEDONIAN F. C. LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2017

1 Accounting policies

Company information

Inverness Thistle and Caledonian F. C. Limited is a private company limited by shares incorporated in Scotland. The registered office is Tulloch Caledonian Stadium, Stadium Road, Inverness, IV1 1FF.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain tangible fixed assets. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 May 2017 are the first financial statements of Inverness Thistle and Caledonian F. C. Limited prepared in accordance with FRS 102. The date of transition to FRS 102 was 1 June 2015. The reported financial position and financial performance of the previous period are not affected by the transition to FRS 102.

1.2 Going concern

The company has reported a loss of £422,284 for the year ended 31 May 2017 and has reported net assets of £166,918. The club remains reliant on the continuing financial backing of its supporters and shareholders. Cash flow forecasts prepared by the directors for the 2017/18 season indicate there will be a requirement to provide significant working capital following the club's relegation to the Scottish Championship to ensure they meet its liabilities as they fall due over the next 12 months. On this basis, subsequent to the year end the club has secured loan funding from existing shareholders of £378,555 with a further £121,445 pledged. Whilst these forecasts are inherently uncertain and rely on various factors and assumptions, the directors are confident they are able to demonstrate the financial viability of the company and that they will have sufficient funds to enable it to meet its obligations as they fall due.

In conjunction with the above, the directors are preparing a strategic plan to demonstrate their strategy to adapt to the changing business environment, with a view to reducing losses and returning the club to a firm financial position. Subsequent to the year end, the company will conclude on the transfer of legal title of the three stands and pitch which have been gifted from third parties. These stands will be included in future financial statements at fair value, which will provide a further enhancement to the company's net asset position. Accordingly, the directors have considered a period of 12 months from the approval date of these financial statements and deem it appropriate to prepare the financial statements on a going concern basis.

1.3 Turnover

Turnover represents income receivable, net of VAT, from football and related commercial activities. Gate and other match day revenues are recognised over the period of the football season as games are played. Merit awards are accounted for only when known at the end of the season. The fixed element of broadcasting revenues is recognised over the duration of the football season whilst facility fees for live coverage or highlights are taken when earned. Sponsorship and similar commercial income is recognised over the duration of the respective contracts.

INVERNESS THISTLE AND CALEDONIAN F. C. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

1 Accounting policies

(Continued)

1.4 Transfer and signing on fees

Fees payable to other Football Clubs on the transfer of players' registrations are capitalised and amortised over the period of the respective players'/managers' initial contracts. Fees receivable from other Football Clubs on the transfer of players'/managers' registration are reflected in the profit and loss account, net of any unamortised fees payable on registration, in the accounting period in which the transfer takes place. Signing on fees are charged to the profit and loss account in the accounting period in which they are payable.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Tenants improvements	5% - 20% straight line
Plant and equipment	8% - 50% Straight line/Reducing balance basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises the invoiced price of goods and materials on a first in first out basis.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

INVERNESS THISTLE AND CALEDONIAN F. C. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

1 Accounting policies

(Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

1.11 Taxation

Current tax

On the basis of losses incurred, there is no current tax charge to be provided for in the year.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences. Deferred tax is calculated at the rates that are expected to arise in the period when the liability is settled. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

The company makes contributions into the personal pension funds of certain employees. Contributions payable are charged to the profit and loss account in the year they are payable.

INVERNESS THISTLE AND CALEDONIAN F. C. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

1 Accounting policies

(Continued)

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Employees

The average monthly number of persons (including directors who are not remunerated) employed by the company during the year was 110 (2016 - 125).

3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost or valuation			
At 1 June 2016	780,584	307,186	1,087,770
Additions	-	16,019	16,019
At 31 May 2017	780,584	323,205	1,103,789
Depreciation and impairment			
At 1 June 2016	426,773	242,601	669,374
Depreciation charged in the year	38,582	15,140	53,722
At 31 May 2017	465,355	257,741	723,096
Carrying amount			
At 31 May 2017	315,229	65,464	380,693
At 31 May 2016	353,811	64,585	418,396

Land and buildings include floodlights. The floodlights were valued at June 2015 on a depreciated replacement cost basis by the directors at £80,000.

INVERNESS THISTLE AND CALEDONIAN F. C. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

3 Tangible fixed assets

(Continued)

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2017 £	2016 £
Cost	152,520	152,520
Accumulated depreciation	(152,520)	(152,114)
Carrying value	-	406

4 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	55,185	79,264
Other debtors	575,792	627,270
	630,977	706,534

5 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	562,914	447,589
Other taxation and social security	140,570	187,043
Other creditors	258,091	297,959
	961,575	932,591

Net obligations under hire purchase contracts amount to £35,876 (2016 - £30,373) and are included in other creditors. These are secured over the assets to which the agreements relate.

6 Creditors: amounts falling due after more than one year

	2017 £	2016 £
Other creditors	66,585	94,209

Net obligations under hire purchase contracts amount to £66,585 (2016 - £94,209). These are secured over the assets to which the agreements relate.

INVERNESS THISTLE AND CALEDONIAN F. C. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

7 Called up share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
3,004,867 Ordinary shares of £1 each	3,004,867	3,004,867
600,000 "A" Ordinary shares of £1 each	600,000	600,000
300,000 "B" Ordinary shares of £1 each	300,000	300,000
3 "C" Ordinary shares of £1 each	3	3
	<u>3,904,870</u>	<u>3,904,870</u>

The "A", "B" and "C" ordinary shares rank pari passu in all respects with the ordinary shares, except that the holders of the "A", "B" and "C" shares have the right to receive notice of, attend and speak at shareholders meetings but do not have the right to vote at such meetings, save in relation to the appointment of representative directors. With regard to voting rights the ordinary shares held by the Inverness Caledonian Thistle Supporters Society Limited the "Supporters Trust", have enhanced rights for as long as they are held by the Supporters Trust.

8 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Jamie Waugh.

The auditor was Johnston Carmichael LLP.

9 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2017 £	2016 £
<u>108,000</u>	<u>303,852</u>

Given the revision of leases detailed below in the Events reported after the reporting date note, the comparative commitments include one year of rentals for the pitch and stands.

INVERNESS THISTLE AND CALEDONIAN F. C. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

10 Events after the reporting date

Subsequent to the year end, the company is expecting to conclude on the revision of the leases relating to the pitch and stands currently rented from a third party once legal contracts / leases between both parties have been finalised. The stands are expected to be included within land and buildings at fair value; such valuation shall be obtained from an independent chartered surveyor following conclusion of the transaction.

Related to the foregoing, it has been agreed that rental arrears of £269,107 can be written off in their entirety and will be formally agreed on conclusion of the legal documentation regarding the ground and stadium leases. The write back of these arrears will be accounted for within the financial statements for the year ended 31 May 2018.

Subsequent to the year end, the company has also secured loan funding from existing shareholders of £378,555 with a further £121,445 pledged.