

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

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2019

PAGES FOR FILING WITH REGISTRAR



INVERNESS THISTLE AND CALEDONIAN F. C. LIMITED

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INVERNESS THISTLE AND CALEDONIAN F. C. LIMITED

BALANCE SHEET

AS AT 31 MAY 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Intangible assets	3	2,500		-	
Tangible assets	4	2,543,106		2,638,097	
		<u>2,545,606</u>		<u>2,638,097</u>	
Current assets					
Stocks		33,209		37,288	
Debtors	5	392,374		412,899	
Cash at bank and in hand		198,326		109,439	
		<u>623,909</u>		<u>559,626</u>	
Creditors: amounts falling due within one year	6	(1,851,305)		(1,043,437)	
Net current liabilities		<u>(1,227,396)</u>		<u>(483,811)</u>	
Total assets less current liabilities		1,318,210		2,154,286	
Creditors: amounts falling due after more than one year	7	(17,922)		(36,533)	
Provisions for liabilities	9	(114,796)		(342,692)	
Net assets		<u>1,185,492</u>		<u>1,775,061</u>	
Capital and reserves					
Called up share capital	10	4,440,370		4,365,370	
Share premium account		69,406		69,406	
Revaluation reserve		2,223,810		2,002,348	
Profit and loss reserves		(5,548,094)		(4,662,063)	
Total equity		<u>1,185,492</u>		<u>1,775,061</u>	

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

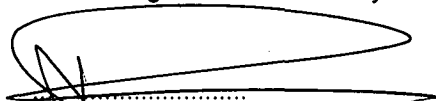
These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

INVERNESS THISTLE AND CALEDONIAN F. C. LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MAY 2019

The financial statements were approved by the board of directors and authorised for issue on 19 December 2019 and are signed on its behalf by:



James R Morrison (Chairman)
Director

Company Registration No. SC149117

INVERNESS THISTLE AND CALEDONIAN F. C. LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2019

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 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.

1.2 Going concern

The company has reported a loss of £892,465 for the year ended 31 May 2019 and has reported a net asset position on the balance sheet of £1,185,492. The company has net debts at 31 May 2019 of £1,062,508. The club remains reliant on player trading, new funding and financial backing of its directors, principal shareholders and supporters to finance short term annual revenue shortfalls and/or operating losses. Forecasts prepared by the directors for the forthcoming seasons, which rely on certain factors and assumptions, indicate there will be a requirement to provide further working capital to ensure the club 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 with further amounts pledged via formal undertakings. These loans, in addition to those advanced previously have no formal terms of repayment. Subsequent to 31 May 2019 the company has secured additional sponsorship and significant new revenue streams. The directors are confident that these, combined with the implementation of the business plan demonstrate the financial viability of the company and will result in a significant reduction in the reliance on loan funding to allow the company to meet its liabilities as they fall due.

The directors are satisfied that the assets and liabilities are recorded on the basis that the company will be able to realise its assets and discharge its liabilities in the normal course of business. 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.

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 statement of comprehensive income, 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 statement of comprehensive income in the accounting period in which they are payable.

INVERNESS THISTLE AND CALEDONIAN F. C. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

1 Accounting policies

(Continued)

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
Leasehold property	4% 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.

Assets whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation. The fair value of the assets has been determined using the depreciated replacement cost method. Leasehold properties are included at deemed cost based on the fair value of the assets on their transfer to the company at 31 May 2018.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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 2019

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 and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. 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.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

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 2019

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 133 (2018 - 102).

3 Intangible fixed assets

	Transfer and signing on fees £
Cost	
At 1 June 2018	-
Additions	10,000
At 31 May 2019	10,000
Amortisation and impairment	
At 1 June 2018	-
Amortisation charged for the year	7,500
At 31 May 2019	7,500
Carrying amount	
At 31 May 2019	2,500
At 31 May 2018	-

INVERNESS THISTLE AND CALEDONIAN F. C. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost or valuation			
At 1 June 2018	3,083,065	330,878	3,413,943
Additions	39,560	20,675	60,235
Disposals	(44,779)	-	(44,779)
At 31 May 2019	3,077,846	351,553	3,429,399
Depreciation and impairment			
At 1 June 2018	503,822	272,024	775,846
Depreciation charged in the year	132,370	12,685	145,055
Eliminated in respect of disposals	(34,608)	-	(34,608)
At 31 May 2019	601,584	284,709	886,293
Carrying amount			
At 31 May 2019	2,476,262	66,844	2,543,106
At 31 May 2018	2,579,243	58,854	2,638,097

Included within land and buildings are the pitch and stands previously rented from a third party which were previously transferred to the ownership of the company at £nil cost and included within land and buildings at fair value. These assets were valued at £2,300,000 at October 2018 on a depreciated replacement cost basis by Allied Surveyors Scotland, an independent firm of chartered surveyors. The directors are also satisfied that a value of £2,300,000 is an appropriate reflection of the carrying value of these assets at 31 May 2019 and this amount has been recorded within the revaluation reserve accordingly.

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

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:

	2019 £	2018 £
Cost	152,520	152,520
Accumulated depreciation	(152,520)	(152,520)
Carrying value	-	-

INVERNESS THISTLE AND CALEDONIAN F. C. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

5 Debtors

	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	32,875	30,778
Other debtors	359,499	382,121
	<u>392,374</u>	<u>412,899</u>

6 Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	141,399	97,204
Taxation and social security	139,674	221,858
Other creditors	1,570,232	724,375
	<u>1,851,305</u>	<u>1,043,437</u>

Net obligations under hire purchase contracts amount to £29,507 (2018 - £32,680) and are included in other creditors. 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 2019

7 Creditors: amounts falling due after more than one year

	2019	2018
	£	£
Other creditors	17,922	36,533
	<u>17,922</u>	<u>36,533</u>

Net obligations under hire purchase contracts amount to £17,922 (2018 - £36,533). These are secured over the assets to which the agreements relate.

8 Provisions for liabilities

	2019	2018
	£	£
Deferred tax liabilities	114,796	342,692
	<u>114,796</u>	<u>342,692</u>

9 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities	Liabilities
	2019	2018
	£	£
Balances:		
Tax losses	(276,204)	-
Revaluations	391,000	391,000
Capital losses	-	(48,308)
	<u>114,796</u>	<u>342,692</u>

	2019
	£
Movements in the year:	
Liability at 1 June 2018	342,692
Credit to other comprehensive income	(227,896)
	<u>114,796</u>
Liability at 31 May 2019	<u>114,796</u>

INVERNESS THISTLE AND CALEDONIAN F. C. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

10 Called up share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
3,540,367 Ordinary shares of £1 each	3,540,367	3,465,367
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>4,440,370</u>	<u>4,365,370</u>

During the year the company issued 75,000 £1 ordinary shares at par.

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.

11 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.

12 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2019 £	2018 £
Acquisition of tangible fixed assets	<u>53,900</u>	<u>-</u>

13 Events after the reporting date

Subsequent to 31 May 2019, the company has converted loans payable of £460,000 to 460,000 new £1 ordinary shares at par. Further loans payable at 31 May 2019 of £100,000 have been forgiven by the lender subsequent to the period end.

14 Related party transactions

INVERNESS THISTLE AND CALEDONIAN F. C. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

14 Related party transactions (Continued)

The following amounts were outstanding at the reporting end date:

	2019 £	2018 £
Amounts due to related parties		
Key management personnel	795,000	225,000

The following amounts were outstanding at the reporting end date:

	2019 £	2018 £
Amounts due from related parties		
Other related parties	-	227,500

Other related parties include entities under the control of key management personnel. During the prior year, the company recognised revenue of £300,000 due from these entities in respect of an overage premium on a lease agreement. The amount outstanding at 31 May 2018 of £227,500 was fully received in the year.

15 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:

	2019 £	2018 £
	2,289,000	2,346,000