

Company Registration No. SC149117 (Scotland)

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

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MAY 2021**

**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 2021**

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	3		2,343,885		2,492,224
<b>Current assets</b>					
Stocks		63,003		30,608	
Debtors	4	138,995		144,208	
Cash at bank and in hand		83,008		358,298	
		<u>285,006</u>		<u>533,114</u>	
<b>Creditors: amounts falling due within one year</b>	5	<u>(1,326,670)</u>		<u>(1,447,824)</u>	
<b>Net current liabilities</b>			<u>(1,041,664)</u>		<u>(914,710)</u>
<b>Total assets less current liabilities</b>			1,302,221		1,577,514
<b>Creditors: amounts falling due after more than one year</b>	6		(5,973)		(45,984)
<b>Provisions for liabilities</b>	7		-		(94,611)
<b>Net assets</b>			<u>1,296,248</u>		<u>1,436,919</u>
<b>Capital and reserves</b>					
Called up share capital	9		4,900,370		4,900,370
Share premium account			69,406		69,406
Revaluation reserve			2,095,942		2,171,376
Other reserves	10		100,000		100,000
Profit and loss reserves			<u>(5,869,470)</u>		<u>(5,804,233)</u>
<b>Total equity</b>			<u>1,296,248</u>		<u>1,436,919</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.

The financial statements were approved by the board of directors and authorised for issue on 31 May 2022 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 2021**

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### **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 before tax of £235,282 for the year ended 31 May 2021, and has a reported net asset position of £1,296,248 with net debts of £961,190 at the balance sheet date. Restrictions created by the Covid-19 pandemic in the year have affected revenues and the company has utilised certain government financial support mechanisms during the year to provide liquidity to the business. The directors have taken the required actions to ensure the long-term financial stability of the company and continue to monitor its financial position. They are encouraged by the performance and resilience shown. The company remains reliant on player trading, new funding streams and the continued financial support backing of its directors, shareholders and supporters. Forecasts prepared by the directors for the season to May 2023, which recognise the ongoing challenges faced by the company in respect of its recovery from the Covid-19 pandemic and rely on certain factors and assumptions, indicate that the company can meet its liabilities as they fall due over the next 12 months. These projections are reliant on new income streams; in particular from contracted entertainment events and commercial parking income to support annual revenue shortfalls and footballing operating losses. Whilst the forecasts are inherently uncertain, the directors are confident that additional income sources, combined with operational costs savings will secure the financial viability of the company and ensure it meets its debts as they fall due.

Notwithstanding the material uncertainty regarding additional income sources, the directors are satisfied 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.

# INVERNESS THISTLE AND CALEDONIAN F. C. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

### 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 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.

#### 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 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.

# INVERNESS THISTLE AND CALEDONIAN F. C. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

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### 1 Accounting policies

(Continued)

#### **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.

#### **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.

# INVERNESS THISTLE AND CALEDONIAN F. C. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

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### 1 Accounting policies

(Continued)

#### 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.

#### 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 profit or loss 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 profit or loss 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 leases asset are consumed.

#### 1.15 Government grants

Government grants relating to turnover, including those receivable from the SFA Covid-19 relief fund and under the Coronavirus Job Retention Scheme, are released to the profit and loss account in full.

Grants relating to an asset that specifies performance conditions is recognised in income when the performance conditions are met. Where such grants do not specify performance conditions, it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

### 2 Employees

The average monthly number of persons (including directors who are not remunerated) employed by the company during the year was 70 (2020 - 108).

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

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MAY 2021**

### **3 Tangible fixed assets**

	Land and buildings	Plant and machinery etc	Total
	£	£	£
<b>Cost or valuation</b>			
At 1 June 2020	3,198,174	351,810	3,549,984
Additions	-	25,172	25,172
At 31 May 2021	3,198,174	376,982	3,575,156
<b>Depreciation and impairment</b>			
At 1 June 2020	758,591	299,169	1,057,760
Depreciation charged in the year	157,695	15,816	173,511
At 31 May 2021	916,286	314,985	1,231,271
<b>Carrying amount</b>			
At 31 May 2021	2,281,888	61,997	2,343,885
At 31 May 2020	2,439,583	52,641	2,492,224

Included within land and buildings are the pitch and stands 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 2021 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:

	2021 £	2020 £
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 2021**

### **4 Debtors**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	20,295	15,327
Other debtors	118,700	128,881
	<u>138,995</u>	<u>144,208</u>

### **5 Creditors: amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Trade creditors	96,295	47,532
Taxation and social security	88,359	287,096
Other creditors	1,142,016	1,113,196
	<u>1,326,670</u>	<u>1,447,824</u>

Net obligations under hire purchase contracts amount to £5,569 (2020 - £18,303) 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**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Obligations under finance leases	5,973	5,426
Government grants	-	40,558
	<u>5,973</u>	<u>45,984</u>

Net obligations under hire purchase contracts amount to £5,973 (2020 - £5,426). These are secured over the assets to which the agreements relate.

### **7 Provisions for liabilities**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Deferred tax liabilities	-	94,611

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

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MAY 2021**

### **8 Deferred taxation**

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

	<b>Liabilities 2021 £</b>	<b>Liabilities 2020 £</b>
<b>Balances:</b>		
Fixed Asset Timing Differences	56,094	-
Other Short Term Timing Differences	(592)	-
Revaluations	506,000	437,000
Tax Losses	(561,502)	(342,389)
	<u>-</u>	<u>94,611</u>
		<b>2021 £</b>
<b>Movements in the year:</b>		
Liability at 1 June 2020		94,611
Credit to profit or loss		(163,611)
Charge to other comprehensive income		69,000
		<u>-</u>
Liability at 31 May 2021		<u>-</u>

### **9 Called up share capital**

	<b>2021 £</b>	<b>2020 £</b>
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
4,000,367 Ordinary shares of £1 each	4,000,367	4,000,367
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>4,900,370</u>	<u>4,900,370</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.

# INVERNESS THISTLE AND CALEDONIAN F. C. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

### 10 Other reserves

Other reserves represent a capital contribution following a loan from a shareholder being discharged during the year ended 31 May 2020.

### 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.

#### Material uncertainty related to going concern

We draw attention to Note 1.2 in the financial statements which indicates that the company incurred a net loss before tax of £235,282 for the year ended 31 May 2021 and, as of that date, the company had net assets of £1,296,248 with net debts of £961,190. As stated in Note 1.2, these events or conditions, along with other matters as set forth in Note 1.2 indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The senior statutory auditor was Jamie Waugh.  
The auditor was Johnston Carmichael LLP.

### 12 Events after the reporting date

Subsequent to the year end, the company issued 2,000 £1 Ordinary A shares at par.

### 13 Related party transactions

The following amounts were outstanding at the reporting end date:

	2021	2020
	£	£
<b>Amounts due to related parties</b>		
Key management personnel	729,251	735,000

### 14 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:

	2021	2020
	£	£
	2,190,000	2,205,000

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.