

**Cowdenbeath Football Club
Limited**

Report and Financial Statements

Year Ended

30 May 2016

Company Number SC005809



Cowdenbeath Football Club Limited

Report and financial statements for the year ended 30 May 2016

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Directors

D R Findlay
J D Cameron
D A Allan
A H Anderson
M Slora
N Fentie
M Steven
T Ewing
A D R Smart
A Ferguson

Registered office

Central Park, Cowdenbeath, KY4 9QQ

Company number

SC005809

Auditors

BDO LLP, 4 Atlantic Quay, 70 York Street, Glasgow, G2 8JX

Bankers

Bank of Scotland, 9 Falkland Gate, Glenrothes, Fife, KY7 5LW

Cowdenbeath Football Club Limited

Report of the directors for the year ended 30 May 2016

The directors present their report together with the audited financial statements for the year ended 30 May 2016.

Results

The profit and loss account is set out on page 5 and shows the profit for the year.

Post balance sheet event

During November 2016, D R Findlay acquired a controlling stake in the company.

Directors

The directors of the company during the year were:

D R Findlay
J G Lints (resigned 31 May 2016)
J D Cameron
D A Allan
A H Anderson (resigned 31 May 2016, reappointed 9 September 2016)
M Slora
N Fentie
M Steven
T Ewing
A D R Smart (appointed 9 September 2016)
A Ferguson (appointed 31 May 2016)

Directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Cowdenbeath Football Club Limited

Report of the directors for the year ended 30 May 2016 (*continued*)

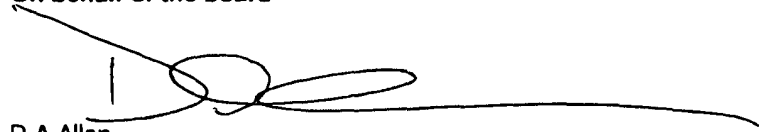
Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

The auditors, BDO LLP, are deemed to be re-appointed in accordance with section 487 of the Companies Act 2006.

In preparing this directors' report advantage has been taken of the small companies' exemption.

On behalf of the board

A handwritten signature in black ink, consisting of a stylized 'D' followed by a series of loops and a long horizontal stroke.

**D A Allan
Director**

31-3-17

Cowdenbeath Football Club Limited

Independent auditor's report

To the members of Cowdenbeath Football Club Limited

We have audited the financial statements of Cowdenbeath Football Club Limited for the year ended 30 May 2016 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 May 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter - Going Concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures in note 1 to the financial statements concerning the company's ability to continue as a going concern. There is uncertainty over the company's future funding, and it is reliant on the continued financial support of its directors and supporters. However as this financial support is not binding, and the future funding uncertain, these conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Cowdenbeath Football Club Limited

Independent auditor's report (*continued*)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.



Mark McCluskey (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Glasgow
United Kingdom

31 March 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Cowdenbeath Football Club Limited

Profit and loss account for the year ended 30 May 2016

	Note	2016 £	2015 £
Turnover	2	546,075	679,201
Cost of sales		381,403	633,716
		<u> </u>	<u> </u>
Gross profit		164,672	45,485
Administrative expenses		108,723	115,923
		<u> </u>	<u> </u>
Profit/(loss) on ordinary activities before and after taxation for the financial year		55,949	(70,438)
		<u> </u>	<u> </u>

The notes on pages 8 to 14 form part of these financial statements.

Cowdenbeath Football Club Limited

Balance sheet at 30 May 2016

<i>Company number SC005809</i>	Note	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible assets	6		29,822		40,117
Fixed asset investments	7		8,392		8,392
			38,214		48,509
Current assets					
Stocks		1,000		1,000	
Debtors	8	19,316		24,461	
Cash at bank and in hand		97,047		47,376	
		117,363		72,837	
Creditors: amounts falling due within one year	9	42,570		62,977	
Net current assets			74,793		9,860
Total assets less current liabilities			113,007		58,369
Creditors: amounts falling due after more than one year	10	151,697		151,697	
Deferred grant income	11	7,432		8,743	
			159,129		160,440
			(46,122)		(102,071)

The notes on pages 8 to 14 form part of these financial statements.

Cowdenbeath Football Club Limited

Balance sheet at 30 May 2016 (continued)

	Note	2016 £	2016 £	2015 £	2015 £
Capital and reserves					
Called up share capital	12		4,978		4,978
Share premium account	13		1,025		1,025
Other reserves	13		1,360		1,360
Profit and loss account	13		(53,485)		(109,434)
Shareholders' deficit			(46,122)		(102,071)

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the board of directors and authorised for issue on 31-3-17



D A Allan
Director

The notes on pages 8 to 14 form part of these financial statements.

Cowdenbeath Football Club Limited

Notes forming part of the financial statements for the year ended 30 May 2016

1 Accounting policies

The financial statements have been prepared under the historical cost convention.

The following principal accounting policies have been applied:

Going concern

The company has incurred a profit for the year of £55,949 and the balance sheet total reflects net liabilities of £46,122.

The financial position of the club is linked to the performance of the team on the pitch. Given the club's current position in the league, there is uncertainty over whether the club will be competing next season in League Two of the Scottish Professional Football League or the Lowland League. Relegation from League Two would have an adverse impact on the club's income. In either case, the directors will continue to take steps to reduce costs in the business with a view to achieving no less than a break even position. The club is also reliant on financial support in the form of donations from its directors and supporters. The directors and others have indicated that they will continue to provide financial support to enable the company to meet its obligations as they fall due, however this support is not binding.

The uncertainty over future income and the reliance on individuals to continue to fund the club indicates the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as going concern in its current form and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. However, the directors consider that following a further cost cutting program, the directors and others will continue to provide any necessary support and accordingly they have drawn up the financial statements on a going concern basis.

Turnover

Turnover, which is exclusive of value added tax, represents match receipts and other income associated with the continuing principal activity of running a professional football club.

All turnover is recognised when the event to which it relates takes place. Income relating to future events is treated as deferred.

Intangible assets

Costs directly attributable to the acquisition and retention of football players are capitalised and treated as intangible assets. These amounts are amortised to the profit and loss account over the contract period remaining from their capitalisation, to nil residual values.

When a playing contract is extended, any costs associated with securing the extension are capitalised and the unamortised balance is amortised to a residual value of nil on a straight line basis over the remaining term of the contract period.

Depreciation

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

Equipment and fittings	- 10% reducing balance / 12.5% & 25% straight line
Motor vehicles	- 25% reducing balance
Floodlight installation	- 15% reducing balance

Grant income

Grants are credited to deferred income. Grants towards capital expenditure are released to the profit and

Cowdenbeath Football Club Limited

Notes forming part of the financial statements for the year ended 30 May 2016 (continued)

1 Accounting policies (continued)

Grant income (continued)

loss account over the expected useful life of the associated assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Valuation of investments

Investments held as fixed assets are stated at cost less any provision for impairment. Investments held as current assets are stated at the lower of cost and net realisable value.

2 Turnover

Turnover arises solely within the United Kingdom.

3 Operating profit/(loss)

	2016 £	2015 £
This is arrived at after charging:		
Depreciation of tangible fixed assets	10,295	10,849
Amortisation of other intangible fixed assets	-	5,000
Fees payable to the company's auditor for the auditing of the company's annual accounts	3,000	2,750
Property rental	20,837	20,000
	<u> </u>	<u> </u>

4 Directors' remuneration

	2016 £	2015 £
Aggregate emoluments	-	450
	<u> </u>	<u> </u>

Cowdenbeath Football Club Limited

Notes forming part of the financial statements for the year ended 30 May 2016 (*continued*)

5 Taxation on profit/(loss) on ordinary activities

As at 30 May 2016 the company had corporation tax trade losses of £214,051 (2015: £270,000) available to be carried forward and utilised against trading profits of the company in future years.

The associated deferred tax asset has not been recognised in the financial statements as there is uncertainty regarding the company's ability to generate sufficient future taxable profits to utilise the losses.

6 Tangible fixed assets

	Equipment and fittings £	Motor vehicles £	Floodlight installation £	Total £
<i>Cost or valuation</i>				
At 31 May 2015 and 30 May 2016	100,304	3,602	45,044	148,950
<i>Depreciation</i>				
At 31 May 2015	76,097	1,576	31,160	108,833
Provided for the year	7,706	507	2,082	10,295
At 30 May 2016	83,803	2,083	33,242	119,128
<i>Net book value</i>				
At 30 May 2016	16,501	1,519	11,802	29,822
At 30 May 2015	24,207	2,026	13,884	40,117

Cowdenbeath Football Club Limited

Notes forming part of the financial statements
for the year ended 30 May 2016 (continued)

7 Fixed asset investments

	£
<i>Cost or valuation</i>	
At 31 May 2015 and 30 May 2016	8,392

Subsidiary undertakings, associated undertakings and other investments

The principal undertakings in which the company's interest at the year end is 20% or more are as follows:

	Class of share capital held	Proportion of share capital held	Nature of business	Last year end
Fife Elite Football Academy Limited	Ordinary	21%	Player development	31 May 2016

Unless otherwise stated, the following figures have been extracted from audited financial statements for the year ended 30 May 2016:

	Aggregate share capital and reserves		Profit for the period	
	2016	2015	2016	2015
	£	£	£	£
Fife Elite Football Academy Limited	49,096	42,412	6,684	2,380

Cowdenbeath Football Club Limited

Notes forming part of the financial statements
for the year ended 30 May 2016 (*continued*)

8 Debtors

	2016 £	2015 £
Trade debtors	1,868	13,126
Amounts owed by group undertakings	-	648
Prepayments and accrued income	17,448	10,687
	<u>19,316</u>	<u>24,461</u>

All amounts shown under debtors fall due for payment within one year.

9 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	22,701	37,359
Amounts owed to group undertakings	130	-
Taxation and social security	6,957	15,947
Accruals and deferred income	12,782	9,671
	<u>42,570</u>	<u>62,977</u>

10 Creditors: amounts falling due after more than one year

	2016 £	2015 £
Directors' loans	141,697	141,697
Other creditors	10,000	10,000
	<u>151,697</u>	<u>151,697</u>

Cowdenbeath Football Club Limited

Notes forming part of the financial statements for the year ended 30 May 2016 (continued)

11 Deferred grant income

Scottish Football Partnership grant

	£
As at 1 June 2014	8,743
Released to the profit & loss account	(1,311)
As at 31 May 2015	7,432

12 Share capital

	2016 £	2015 £
<i>Allotted, called up and fully paid</i>		
4,678 ordinary shares of £1 each	4,678	4,678
1,200 ordinary 1 shares of £0.25 each	300	300
	4,978	4,978

13 Reserves

	Share premium account £	Other reserves £	Profit and loss account £
At 31 May 2015	1,025	1,360	(109,434)
Profit for the year	-	-	55,949
At 30 May 2016	1,025	1,360	(53,485)

Cowdenbeath Football Club Limited

Notes forming part of the financial statements for the year ended 30 May 2016 (*continued*)

14 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below:

	2016 £	2015 £
Operating leases which expire:		
Within one year	20,837	20,000

15 Related party disclosures

Controlling parties

During the period, the company was controlled by A K Brewster and D F Brewster by way of their joint controlling interest in the parent company, Innovate (Cowdenbeath) Limited. During November 2016, D R Findlay acquired a controlling stake in the company.

Group transactions

During the year the company paid rent of £20,837 (2015: £20,000) to Innovate (Cowdenbeath) Limited for the use of the facility at Central Park, Cowdenbeath. There were also expenses recharged in both directions, in connection with the costs of Central Park; these had an immaterial net effect. At the year end £130 was due to Innovate (Cowdenbeath) Limited (2015: from £648).

Transactions concerning directors of the company

Several of the directors have advanced loans totalling £24,355 to the company in the year. Donations and sponsorship payments of £23,125 (2015: £11,547) were received from directors in the year, and expenses of £1,230 (2015: £5,867) were paid by directors in the year. At the year end the outstanding loans totalled £141,697 (2015: £141,697). These loans are interest free with no fixed date for repayment outwith one year.

16 Ultimate parent company

The ultimate parent company was Innovate (Cowdenbeath) Ltd, a company incorporated in Scotland, which owns 89.03% of the issued 'ordinary' shares of £1 and 52.17% of the issued 'ordinary 1' shares of 25p of the company. During November 2016, D R Findlay acquired from Innovate (Cowdenbeath) Ltd 89.03% of the issued 'ordinary' shares of £1 and 52.17% of the issued 'ordinary 1' shares of 25p of the company.