HFC Holdings Limited

Financial statements for the year ended
31 July 2009

Registration number: SC132607

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Directors' Report

Financial Statements for the year ended 31 July 2009

Registration number: SC132607

The directors present their report on the affairs of the company, together with the financial statements and auditors' report, for the year ended 31 July 2009.

Principal activity and business review

The company's principal activity is to act as a holding company of a group of companies. The group's principal trading subsidiary is The Hibernian Football Club Limited.

The subsidiary undertakings held by the company are listed in note 8 to the accounts. Consolidated accounts have not been prepared as the company takes advantage of the exemption afforded by Section 400 of the Companies Act 2006.

The profit and loss account for the year ended 31 July 2009 is set out on page 4. The directors do not recommend the payment of a dividend (*2008: £nil*).

Directors and their interests

The directors who served during the year were:

R M Petrie

Sir Tom Farmer CBE KCSG

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

R M Petrie
Director
Maidencraig House
Edinburgh, EH4 2BN

2 April 2010

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG LLP
20 Castle Terrace
Edinburgh
EH1 2EG
United Kingdom

Independent auditors' report to the members of HFC Holdings Limited

We have audited the financial statements of HFC Holdings Limited for the year ended 31 July 2009 set out on pages 4 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 auditors' 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 Directors' Responsibilities Statement set out on page 2, 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB'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 APB's web-site at www.frc.org.uk/apb/scope/UKNP.

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 31 July 2009 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter 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.

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.

Hugh Harvie (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

8 April 2010

Profit and loss account

For the year ended 31 July 2009

Registration number: SC132607

	Notes	2009	2008
		£	£
Turnover	2	24,000	24,000
Administrative expenses		(63,400)	(35,131)
Operating loss		(39,400)	(11,131)
Interest receivable	4	65,122	129,368
Profit on ordinary activities before taxation		25,722	118,237
Taxation	6	(14,654)	(37,551)
Profit for the financial year	13	11,068	80,686

The profit for the financial year has been derived from continuing activities.

Balance Sheet

At 31 July 2009

Registration number: SC132607

	Notes	2009	2008
		£	£
Fixed assets			
Tangible assets	7	260,735	267,249
Investments	8	4,106,992	4,108,862
		4,367,727	4,376,111
Current assets			
Debtors	9	252,625	250,000
Cash at bank and in hand		1,830,780	1,827,328
		2,083,405	2,077,328
Creditors: Amounts falling due within one year	10	(13,907)	(27,282)
Net current assets		2,069,498	2,050,046
Total assets less current liabilities		6,437,225	6,426,157
Creditors: Amounts falling due after more than one year	11	(5,000,000)	(5,000,000)
Net assets		1,437,225	1,426,157
Capital and reserves			
Called up share capital	12	3,350,000	3,350,000
Profit and loss account	13	(1,912,775)	(1,923,843)
Shareholders' funds		1,437,225	1,426,157

These financial statements were approved by the Board of Directors on 2 April 2010 and were signed on its behalf by:

R M Petrie
Director

Notes to the financial statements

For the year ended 31 July 2009

Registration number: SC132607

1 Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and in the preceding year, is set out below.

a) Basis of accounting

The financial statements are prepared under the historical cost convention, and in accordance with applicable accounting standards. The company has taken advantage of the exemption from preparing consolidated accounts afforded by Section 400 of the Companies Act 2006. These financial statements present information about the company as an individual undertaking and not about its group.

b) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided to write off the cost, less estimated residual value of tangible fixed assets by equal instalments over their expected useful economic lives as follows:

Buildings	2% per annum

No depreciation is provided on freehold land.

c) Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. A deferred tax asset is only recognised to the extent that it is probable the company will have sufficient taxable profits from which the future reversal of the underlying timing differences can be deducted.

d) Cash flow statement

Under Financial Reporting Standard 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

2 Turnover

	2009	2008
	£	£
Rental income	24,000	24,000

3 Employee information and Directors' emoluments

The company has no employees other than its Directors (*2008: nil*). The total emoluments paid to the Directors by the company during the year was £nil (*2008: £nil*).

4 Interest receivable and similar income

	2009	2008
	£	£
Interest receivable from subsidiary undertaking	9,056	32,369
Bank interest	56,066	96,985
Other	-	14
	65,122	129,368

5 Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated after charging:

	2009	2008
	£	£
Auditors' remuneration for the audit of these financial statements	2,250	2,500
Depreciation and other amounts written off owned tangible fixed assets	6,514	6,514

6 Taxation

	2009	2008
	£	£
UK corporation tax at 28% *(2008 – 28%)*		
Current tax on income for the period	14,654	37,551
	14,654	37,551

Factors affecting the tax charge for the current period

The current tax charge for the period is higher (2008 – higher) than the standard rate of corporation tax in the United Kingdom, 28%, (2008 - 28%). The differences are explained below:

	2009	2008
	£	£
Current Tax Reconciliation		
Profit on Ordinary Activities before Taxation	25,722	118,237
Current Tax at 28% (2008 – 29.33%)	7,202	34,683
Effects of:		
Expenses not deductible for tax purposes	7,452	2,868
Total current tax charge (see above)	14,654	37,551

7 Tangible fixed assets

Land and buildings

	£
Cost	
At beginning and end of year	325,691
Depreciation	
At the beginning of year	58,442
Charge for the year	6,514
At end of year	64,956
Net Book Value	
At 31 July 2009	260,735
At 31 July 2008	267,249

8 Fixed asset investments

Investment in subsidiary undertakings:

	2009 £	2008 £
At beginning of year	4,108,862	4,112,162
Disposals	(1,870)	(3,300)
At end of year	4,106,992	4,108,862

The company holds more than 10% of the equity capital of the following companies:

	Country of incorporation and operation	Principal activity	Description and proportion of shares held by the company
The Hibernian Football Club Limited	Scotland	Professional Football Club	Ordinary shares 98%
Hibernian Hospitality Limited	Scotland	Dormant	Ordinary shares 100%
Hibernian Financial Limited	Scotland	Dormant	Ordinary shares 100%
HFC Properties Limited	Scotland	Dormant	Ordinary shares 100%

9 Debtors

Amounts falling due within one year:	2009	2008
	£	£
Other debtors	2,625	-
Amounts owed by subsidiary undertaking	250,000	250,000
	252,625	250,000

The outstanding loan is between the company and its subsidiary, The Hibernian Football Club Limited and is repayable in full on demand and bears interest at a rate of 1.5% over the base lending rate of the Bank of Scotland.

10 Creditors: Amounts falling due within one year

	2009	2008
	£	£
Accruals	3,000	5,000
Corporation tax creditor	10,907	22,282
	13,907	27,282

11 Creditors: Amounts falling due after more than one year

	2009	2008
	£	£
Shares classified as liabilities (note 12)	5,000,000	5,000,000

12 Share capital

	2009	2008
Authorised	£	£
Ordinary Shares of £1 each	3,850,000	3,850,000
Cumulative Preferred "A" Shares of £1 each	500,000	500,000
	4,350,000	4,350,000
Allotted, called-up and fully paid	£	£
Ordinary Shares of £1 each	3,350,000	3,350,000
Cumulative Preferred "A" Shares	500,000	500,000
	3,850,000	3,850,000
Analysis of allotted, called up and fully paid share capital		
Shares classified as shareholder funds	3,350,000	3,350,000
Shares classified as liabilities	500,000	500,000
	3,850,000	3,850,000

The holders of Cumulative Preferred "A" Shares have no voting rights at a general meeting of shareholders and have restricted rights on a return of capital. These shares are entitled to cumulative preferential dividend equivalent to a fixed percentage of profit in excess of certain thresholds. The Cumulative Preferred "A" Shares were issued at a premium of £4,500,000 and are classified as a liability (refer note 11).

13 Profit and loss account

	2009	2008
	£	£
Beginning of year	(1,923,843)	(2,004,529)
Profit for the financial year	11,068	80,686
End of year	(1,912,775)	(1,923,843)

14 Reconciliation of movement of shareholders' funds

	2009	2008
	£	£
Opening shareholders' funds	1,426,157	1,345,471
Profit for the financial year	11,068	80,686
Closing shareholders' funds	1,437,225	1,426,157

15 Related party transactions

During the year rental income of £24,000 (*2008 - £24,000*) and interest of £9,056 (*2008 - £32,369*) was received from Hibernian Football Club Limited. The company incurred an administration cost of £20,000 (*2008 - £20,000*) from Maidencraig Investments Ltd, a company controlled by Sir Tom Farmer CBE KCSG.

16 Ultimate holding company

Following a group restructure during the year, the ultimate holding company is now Maidencraig Investments (No.1) Limited, a company incorporated in Scotland. The sole beneficiary of that shareholding is Sir Tom Farmer CVO CBE KCSG DL. The consolidated accounts of Maidencraig Investments (No.1) Limited are available from Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF.