

Talltray Limited

Company Number SC299691

ANNUAL REPORT for the year ended 30 June 2011

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Annual Report for the year ended 30 June 2011

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Colin I Welsh (non-executive)		
Ian Jack (non-executive)		
SECRETARY		
E David Johnston		

REGISTERED OFFICE

Pittodrie Stadium
Aberdeen
AB24 5QH

BANKERS

Bank of Scotland
Queens Cross Branch
39 Albyn Place
Aberdeen
AB10 1YN

INDEPENDENT AUDITOR

Deloitte LLP
Chartered Accountants
Union Plaza
1 Union Wynd
Aberdeen
AB10 1SL

SOLICITORS

Paull & Williamsons
Union Plaza
1 Union Wynd
Aberdeen
AB10 1DQ

Report of the Directors

The Directors have pleasure in submitting their Annual Report and audited Financial Statements for the year ended 30 June 2011. This Report has been prepared in accordance with the provisions applicable to companies entitled to take the small companies exemption under the Companies Act 2006.

1. ACTIVITIES

The principal activity of the Company is that of stadium leasing.

2. BUSINESS REVIEW

The loss for the year after taxation amounted to £1,043,000 (2010 - £1,040,000). The Directors do not propose payment of a dividend (2010 - £Nil) and recommend that the loss is transferred to reserves.

The Directors consider the key performance indicators of the Company to be rental income and interest charges.

The Company is a wholly owned subsidiary of Aberdeen Football Club plc ("AFC"), a professional football club playing its Scottish Premier League matches at Pittodrie Stadium which is the principal asset of the Company. AFC entered into a long term leasing agreement with the Company to lease the stadium and surrounding land. A total rental of £1.0 million was received in the first 5 years of the agreement, and in accordance with accounting standards this was recognised on a straight line basis over that period. The initial five year term expired on 30 June 2011, and future rental payments for the stadium will be the greater of the market rental value and the interest payments due in respect of the Company's borrowings to finance the purchase of the stadium.

AFC intend to re-locate to a new stadium in time for season 2013/14 and have obtained planning permission for such a stadium on land at Loirston to the south of Aberdeen. The sale of the Company's only asset, Pittodrie Stadium and the application of the free proceeds towards funding the new stadium is central to this plan. In October 2011 Pittodrie Stadium was put up for sale and offers for the 13 acre site are awaited. A market valuation of the site by CB Richard Ellis Limited dated 18 May 2011 valued Pittodrie Stadium and the surrounding car parks at £18.3 million.

3. ENVIRONMENT

The Company recognises the importance of its environmental responsibilities. As the principal activity is the leasing of a football stadium, the impact on the environment is limited.

4. DIRECTORS AND THEIR INTERESTS

The Directors of the Company and their interests in the issued share capital of the Company as defined by the Companies Act 2006, at 1 July 2010, or their date of appointment if later, and at 30 June 2011 were as follows:

	Ordinary shares of £1 each	
	As at 30 June 2011	As at 1 July 2010 (or date of appointment)
Stewart Milne	-	-
Duncan G Fraser	-	-
William F Miller	-	-
Gordon A Buchan	-	-
Martin J Gilbert	-	-
Hugh W M Little	-	-
Christopher J Gavin	-	-
Kenneth A Matheson	-	-
Colin I Welsh (appointed 04/07/2011)	-	-
Ian Jack (appointed 04/07/2011)	-	-

Brief biographical details of the Directors are as follows: -

Stewart Milne was appointed as a director and Chairman of the Company in June 2006, and is the non-executive Chairman of the holding company Aberdeen Football Club plc. He is also Chairman and Chief Executive of the Stewart Milne Group.

Duncan Fraser was appointed an executive director of the Company in June 2006, and is the Chief Executive of the holding company Aberdeen Football Club plc. He is a Chartered Accountant and held senior positions in the oil and gas industry prior to his appointment.

Report of the Directors (continued)

4. DIRECTORS AND THEIR INTERESTS (continued)

Brief biographical details of the Directors are as follows: -

Willie Miller was appointed a non-executive director of the Company in June 2006. He also has responsibility for the youth development operations of the holding company Aberdeen Football Club plc, a club which he played for a record 796 times between 1973 and 1990 and also captained during its period of greatest success. He also gained 65 full Scotland caps and managed Aberdeen Football Club between 1992 and 1995.

Gordon Buchan was appointed a non-executive director of the Company in June 2006, and is also a non-executive director of the holding company Aberdeen Football Club plc. He is a solicitor and a partner with Paull & Williamsons and advises the Board on all legal matters concerning the Company.

Martin Gilbert was appointed a non-executive director of the Company in June 2006, and is also a non-executive director of the holding company Aberdeen Football Club plc. He is the Chief Executive of Aberdeen Asset Management PLC and also non-executive Chairman of First Group plc and is a director of a number of listed investment trusts and other companies.

Hugh Little was appointed a non-executive director of the Company in June 2006, and is also a non-executive director of the holding company Aberdeen Football Club plc. He is Head of Acquisitions at Aberdeen Asset Management PLC and is also a director of a number of other companies.

Chris Gavin was appointed a non-executive director of the Company in June 2006, and is also a non-executive director of the holding company Aberdeen Football Club plc. He is currently Vice Chairman of the Upper Kennerty Mills Trust and is Secretary of the Aberdeen FC Heritage Trust. He was formerly with BP Exploration and is a former treasurer of the AFC Supporters Trust.

Kenneth Matheson was appointed a non-executive director of the Company in June 2006, and is also a non-executive director of the holding company Aberdeen Football Club plc. He has held several senior positions in banking and is currently a non-executive director of a number of companies.

Colin Welsh was appointed a non-executive director of the Company in July 2011, and is also a non-executive director of the holding company Aberdeen Football Club plc. He is the Chief Executive Officer of Simmons & Company International Limited an investment bank specialising in the oil industry.

Ian Jack was appointed a non-executive director of the Company in July 2011, and is also a non-executive director of the holding company Aberdeen Football Club plc. He is Regional Vice-President for UK and Holland for M-I SWACO UK.

Duncan Fraser, Hugh Little and Ken Matheson retire by rotation and, being eligible, offer themselves for re-election at the forthcoming Annual General Meeting. Colin Welsh and Ian Jack were appointed since the last Annual General Meeting and require to have their appointments ratified.

An insurance policy for Directors' and Officers' Liability has been maintained during the course of the year.

5. FIXED ASSETS

During the year the Directors carried out a review of the carrying value of all freehold land and stands, executive boxes and permanent fixtures at the year end with reference to a depreciated replacement cost valuation performed by Messrs F G Burnett as at 30 June 2010. Having given consideration to the current market conditions the Directors have reinstated the valuation of Pittodrie Stadium and the surrounding land in the Financial Statements back to its previous carrying value of £17.0 million.

6. PAYMENT OF CREDITORS

It is the Company's policy to pay creditors in line with terms and conditions agreed with individual suppliers. Where no terms are agreed, creditors are paid within 28 days of the month end in which the invoice is received. At the year end the Company had no trade or other creditors.

7. FINANCIAL INSTRUMENTS

The Company's principal financial instruments are bank borrowings. The credit risk on liquid funds is limited because the counterparties are banks with good credit-ratings assigned by international credit-rating agencies. The Company does not directly enter into any derivative financial instruments. The Company's principal financial liabilities are a bank term loans which are on variable interest rates, loans from related parties and a loan from its parent company. The terms of these facilities are explained in note 7 to the Financial Statements.

Report of the Directors (continued)

8. GOING CONCERN

At 30 June 2011 the Company has a deficit of assets to liabilities of £478,000 (2010 - £18,000) including £1,067,000 (2010 - £2,442,000) payable to its ultimate parent company, Aberdeen Football Club plc "AFC" (see note 8). AFC has confirmed that it will not seek repayment of the sums due to it within the next twelve months and will continue to provide support to enable the Company to meet its obligations and liabilities as they fall due over the next twelve months.

The bank term loan and interest roll-up account fell due for repayment on 10 March 2011. After negotiations with the bank regarding the renewal of the facilities, the major shareholders of AFC introduced new loans to the business totalling £2.5 million and an amount of £1.2 million was subsequently repaid to the bank to reduce the total bank indebtedness to £10.82 million. At the same time a 12 month extension of the bank facilities was granted, subject to certain milestones being achieved and the AFC Group's continued compliance with a number of ongoing conditions in relation to the new stadium and related sale of Pittodrie Stadium. These bank facilities will expire and fall due for review on 28 February 2012. As such, at the date of approving the financial statements, committed bank facilities are not in place for a period of at least 12 months.

The Directors are currently undertaking a process to ensure that an appropriate funding structure is put in place over the coming months to meet both the short-term funding requirements of the Group's football operations as well as the long-term funding requirements to enable the Group to move forward with the new stadium development.

The Directors have prepared future financial projections which cover the period up to and beyond the review date for the banking facilities, which make assumptions regarding the availability of future funding, and which demonstrate that the Group has sufficient resources to meet its obligations and liabilities as they fall due. The Directors have considered the assumptions and estimates used in the preparation of the future financial projections, including those in relation to activity levels which are influenced by the performance of the football team and, having considered the forecast results, expect that the Group will continue as a going concern in the foreseeable future.

The Directors are confident that the majority of the Group's future funding will be secured through a number of sources including the expected sale proceeds from Pittodrie, a long term mortgage for the new stadium and the continued support of the major shareholders. The Directors remain confident that these matters will be satisfactorily resolved over the coming months and accordingly, notwithstanding the uncertainty noted above, they continue to adopt the going concern basis in the preparation of these Financial Statements.

9. DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual 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). Company law also requires that 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 the Group and of the profit or loss of the Company and the Group 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; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the company will continue in business (see note 8 above).

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.

Report of the Directors (continued)

10. AUDIT INFORMATION

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

11. AUDITOR

A resolution to reappoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting.



On Behalf of the Board
Duncan G Fraser
Chief Executive
21st November 2011

Independent Auditor's Report

to the Members of Talltray Limited

We have audited the financial statements of Talltray Limited for the year ended 30 June 2011 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Note of Historical Cost Profits and Losses the Balance Sheet, the Cash Flow Statement and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 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 auditor

As explained more fully in the note on Directors' Responsibilities in the Report of the Directors, 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 Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 June 2011 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 disclosure made in the directors' report and note 1 to the financial statements concerning the company's ability to continue as a going concern. As noted therein, the group is in the process of negotiating facilities with its bankers, corporate shareholders and other parties which will meet both the short-term funding requirements of the company's operations as well as the long-term funding requirements to enable the group to move forward with the proposed new stadium development. These negotiations have not been concluded and, as such, the group does not have facilities in place covering a period of at least 12 months from the date of approval of these financial statements. These conditions indicate the existence of an uncertainty relating to the resolution of a material issue which may cast real doubt about the group's ability to continue as a going concern, should it not be satisfactorily resolved in the manner anticipated by the directors.

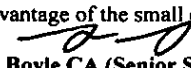
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small company's regime or take advantage of the small company's exemption in preparing the directors report.


James Boyle CA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Aberdeen, Scotland
21st November 2011

Profit and Loss Account

for the year ended 30 June 2011

	Notes	2011 £000	2010 £000
Turnover	1	200	200
Operating Charges	4	(536)	(521)
Operating Loss	2,4	<u>(336)</u>	<u>(321)</u>
Interest payable and similar charges	3	(707)	(719)
Loss on Ordinary Activities Before Taxation		<u>(1043)</u>	<u>(1040)</u>
Tax on loss on ordinary activities	5	-	-
Loss for the Financial Year	12	<u><u>(1043)</u></u>	<u><u>(1040)</u></u>

All results arise from continuing operations.

Statement of Total Recognised Gains and Losses

Loss for the financial year	(1043)	(1040)
Surplus on revaluation of fixed assets	583	1846
Total recognised (losses) and gains in the year	<u>(460)</u>	<u>806</u>

Note of Historical Cost Profits and Losses

	Notes		
Loss on ordinary activities before taxation		(1043)	(1040)
Difference between historical cost depreciation charge and the actual depreciation charge for the year	12	183	89
Historical cost loss on ordinary activities before taxation		<u>(860)</u>	<u>(951)</u>
Historical cost loss for the year after taxation		<u>(860)</u>	<u>(951)</u>

The notes on pages 10 to 15 form part of the Financial Statements.

Balance Sheet

as at 30 June 2011

	Notes	2011 £000	2010 £000
Fixed Assets			
Tangible fixed assets	6	<u>17000</u>	<u>17000</u>
Creditors: Amounts falling due within one year	7	<u>(10874)</u>	<u>(11492)</u>
Total Assets less Current Liabilities		6126	5508
Creditors: Amounts falling due after more than one year	8	(5567)	(4442)
Deferred Income	10	(1037)	(1084)
Net Liabilities		<u>(478)</u>	<u>(18)</u>
Capital and Reserves			
Called up share capital	11	-	-
Revaluation reserve	12	3949	3549
Profit and loss account deficit	12	(4427)	(3567)
Shareholders' Deficit	13	<u>(478)</u>	<u>(18)</u>

The notes on pages 10 to 15 form part of the Financial Statements.

The Financial Statements of Talltray Limited, company registration number SC299691 were approved by the Board of Directors and authorised for issue on 21st November 2011.



Signed on behalf of the Board of Directors
Duncan G Fraser
Chief Executive

Cash Flow Statement

for the year ended 30 June 2011

Net Cash Flow	Notes	2011 £000	2010 £000
Net cash outflow from operating activities	i	(1121)	-
Taxation		-	-
Return on investment and servicing of finance	ii	(179)	-
Net cash outflow before financing		<u>(1300)</u>	<u>-</u>
Financing	ii	<u>1300</u>	<u>-</u>
Cash movement		<u><u>-</u></u>	<u><u>-</u></u>
 Reconciliation of Net Cash Flow to Movement in Net Debt (See Note iii)			
Cash movement		-	-
Cash inflow from increase in debt		<u>(1300)</u>	<u>-</u>
Change in net debt resulting from cash flows		(1300)	-
Roll-up of interest expense		(528)	(719)
Net debt at 1 July		<u>(13492)</u>	<u>(12773)</u>
Net debt at 30 June		<u><u>(15320)</u></u>	<u><u>(13492)</u></u>

The notes on pages 10 to 15 form part of the Financial Statements.

Notes to the Cash Flow Statement

for the year ended 30 June 2011

i	Reconciliation of Operating Loss to Net Cash Outflow from Operating Activities	2011	2010	
		£000	£000	
	Operating loss	(336)	(321)	
	Depreciation	583	569	
	Amortisation of grants	(47)	(48)	
	Increase in creditors	54	-	
	Decrease in amount due to parent company	(1375)	(200)	
		<u>(1121)</u>	<u>-</u>	
ii	Gross Cash Flows			
	Return on investment and servicing of finance			
	Interest paid and similar charges	<u>(179)</u>	<u>-</u>	
	Financing			
	Loan repayments	(1200)	-	
	New shareholder loans	2500	-	
		<u>1300</u>	<u>-</u>	
iii	Analysis of Changes in Net Debt			
	30 June 2010	Cash	Non-Cash	30 June 2011
	£000	Flows	Changes	£000
		£000	£000	
	Cash at bank and in hand	-	-	-
	Debt due within one year	(9700)	(1120)	(10820)
	Bank interest roll-up account - due within one year	(1792)	1200	592
	Debt due after more than one year	(2000)	(2500)	-
		<u>(13492)</u>	<u>(1300)</u>	<u>(15320)</u>

The non-cash changes relate to an element of the bank term loan interest previously rolled up into the principal amount, becoming a variable-rate loan (see note 7).

Notes Forming Part of the Financial Statements

for the year ended 30 June 2011

1. Accounting Policies

The principal accounting policies, which have been applied consistently in the current and prior year, are summarised below.

(a) Basis of Preparation

The Financial Statements have been prepared under the historical cost convention as modified by the revaluation of freehold land and stands, executive boxes and permanent fixtures, and in accordance with applicable United Kingdom accounting standards.

(b) Going Concern

The Financial Statements have been prepared on a going concern basis, with the existing bank loan facilities (see note 7 to the Financial Statements) being agreed through to 28 February 2012. At the date of approving the Financial Statements, committed facilities are not in place for a period of at least 12 months beyond the date of approval. Negotiations with the bank regarding the renewal of the facilities are ongoing. Notwithstanding this uncertainty, based on the discussions to date, the Directors expect the required facilities to be renewed in due course. These matters are discussed in more detail in note 8 in the Report of the Directors.

(c) Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost or revalued amount less depreciation. Freehold land and stands, executive boxes and permanent fixtures are valued on a Depreciated Replacement Cost basis with the surplus or deficit on book value transferred to the revaluation reserve. A full, detailed valuation is completed every 5 years, with interim valuations completed on the third anniversary of the full valuation. Further interim valuations may be completed on the first, second and fourth anniversaries if there is potentially a material change in value. Tangible fixed assets are depreciated to write off their cost in equal annual amounts over their estimated useful lives. Land is not depreciated.

The applied depreciation rates are as follows: -

	% per annum
Stands, Executive Boxes and Permanent Fixtures	2.5 - 20

(d) Grants

Grants received from the Football Trust for stands, safety improvements and plant are credited to deferred income and amortised through the profit and loss account over the estimated useful lives of the related assets.

(e) Taxation

Corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset.

(f) Revenue Recognition

The Company has one class of business which is the principal activity of leasing out a football stadium. The Company had entered into a long term leasing agreement with its parent company to lease the stadium and surrounding land to it. A total rental of £1.0 million was received in the first 5 years, with a 12 month "rental holiday" being observed in the year of inception to 30 June 2007, although in accordance with accounting standards the rentals have been recognised on a straight line basis over the five year period. The initial five year term expired on 30 June 2011, and future rental payments for the stadium will be the greater of the market rental value and the interest payments due in respect of the Company's borrowings to finance the purchase of the stadium. Turnover represents income receivable, net of VAT, from stadium leasing and associated commercial activities.

Notes Forming Part of the Financial Statements

for the year ended 30 June 2011

2. Analysis of Operating Charges	2011	2010
	£000	£000
Operating Charges		
Depreciation and other amounts written off tangible and intangible fixed assets, net of grant release	<u>(536)</u>	<u>(521)</u>

The Company had no employees during the current year or prior period. The directors did not receive any fees or other remuneration during the current year or prior period.

3. Interest Payable and Similar Charges		
Bank loan interest and similar charges	<u>(707)</u>	<u>(719)</u>

4. Operating Loss		
This is stated after charging/(crediting):-		
Auditors' remuneration - Audit services	1	1
Rents receivable from operating leases	(200)	(200)
Amortisation of grants	(47)	(48)
Depreciation of owned assets	<u>583</u>	<u>569</u>

5. Tax on Loss on Ordinary Activities		
Taxation charge	<u>-</u>	<u>-</u>

The Company has estimated taxation losses available for carry forward amounting to £2,242,000 (2010 - £1,825,000) - see Note 15. The standard rate of tax for the year, based on the UK standard rate of corporation tax, is 27.5% (2010 - 28%). The actual tax charge for the current and the previous year differs from the standard rate for the reasons set out in the following reconciliation.

Loss on ordinary activities before tax	<u>(1043)</u>	<u>(1040)</u>
Tax on loss on ordinary activities at standard rate	(292)	(291)
Factors affecting charge for the period:		
Expenses not deductible for tax purposes	163	159
Income not taxable for tax purposes	(13)	(13)
Creation of tax losses	<u>142</u>	<u>145</u>
Total actual amount of current tax	<u>-</u>	<u>-</u>

Notes Forming Part of the Financial Statements

for the year ended 30 June 2011

6. Tangible Fixed Assets

	Land £000	Stands, Executive Boxes and Permanent Fixtures £000	Total £000
Cost or valuation			
At 1 July 2010	4000	13000	17000
Additions	-	-	-
Revaluation	-	-	-
At 30 June 2011	<u>4000</u>	<u>13000</u>	<u>17000</u>
Depreciation			
At 1 July 2010	-	-	-
Charge for year	-	583	583
Revaluation	-	(583)	(583)
At 30 June 2011	<u>-</u>	<u>-</u>	<u>-</u>
Net Book Value			
At 30 June 2011	<u>4000</u>	<u>13000</u>	<u>17000</u>
At 30 June 2010	<u>4000</u>	<u>13000</u>	<u>17000</u>

	Land £000	Stands, Executive Boxes and Permanent Fixtures £000	Total £000
Comparable amounts determined according to the historical cost convention			
Cost	4000	11186	15186
Accumulated depreciation	-	(2135)	(2135)
Net book value at 30 June 2011	<u>4000</u>	<u>9051</u>	<u>13051</u>
Net book value at 30 June 2010	<u>4000</u>	<u>9452</u>	<u>13452</u>

FRS 15 has been adopted and all freehold land and stands, executive boxes and permanent fixtures are carried at valuation. At the year end, the Directors have carried out a review of the carrying value of all freehold land and stands, executive boxes and permanent fixtures with reference to a depreciated replacement cost valuation performed by Messrs F G Burnett as at 30 June 2010. Having given consideration to the current market conditions the Directors have reinstated the valuation of Pittodrie Stadium and the surrounding land in the Financial Statements back to its previous carrying value of £17.0 million.

All tangible fixed assets held by the Company are leased to Aberdeen Football Club plc on an operating lease and are currently being marketed for sale, as disclosed in section 2 of the Report of the Directors.

Notes Forming Part of the Financial Statements

for the year ended 30 June 2011

7. Creditors: Amounts falling due within one year	2011	2010
	£000	£000
Bank loan 1	9700	9700
Bank loan 2 (formerly interest roll-up facility)	1120	1792
Loans at 30 June (see note 9)	<u>10820</u>	<u>11492</u>
Sundry creditors	54	-
	<u>10874</u>	<u>11492</u>

The bank borrowings are secured by a floating charge and a standard security over the stadium from the Company to the bank, cross guaranteed by the Company's parent company. The Company has granted further standard securities over the stadium, to have priority after the bank's standard security and floating charge, to its parent company and to certain related parties for their loans (see note 16).

The bank term loan and interest roll-up account fell due for repayment on 10 March 2011. After negotiations with the bank regarding the renewal of the facilities, an amount of £1.2 million was repaid to the bank to reduce the indebtedness to £10.82 million and an extension of the facilities to 28 February 2012 granted subject to certain milestones being achieved in relation to the new stadium and pending sale of Pittodrie Stadium. The current bank loan facilities of £9.7 million and £1.12 million bear interest at variable rates (currently 3.33%) and are renewed on an annual basis.

The loan stock of £4.5 million (see note 8) comprises two amounts being the original £2.0 million introduced in 2006 and a further amount of £2.5 million which was introduced during the year.

The £2.0 million of loan stock from the related parties originally carried a maximum compound return of 10% per annum and any repayment of that loan stock and interest was wholly dependent on the future sale of the stadium. If the guarantees/letters of comfort granted by the related parties had been called upon, the Company's liability to them would have been satisfied by the issue to them of secured loan stock bearing a fixed rate of 8% and redeemable after ten years.

If the stadium had been sold the proceeds would have been distributed, either to external parties for the loans detailed above, or to the parent company, as follows and in the following order:-

- a. to the bank, the full amount of its term loan outstanding and the associated rolled up interest and all other bank debt then due including all expenses incurred in the sale;
- b. to the parent company, the amount of any inter-company balance due by Talltray to the parent company in respect of any advances made to it by the parent company to cover working capital costs, such as legal or annual audit costs;
- c. to the related parties, the next £2,000,000 of proceeds, pro rata to the capital amount of their respective loan capital investments;
- d. to the parent company, the next £2,000,000 of proceeds;
- e. to the related parties, an amount equal to any loan stock issued by Talltray to satisfy its liabilities where the guarantees/letters of comfort granted by the related parties were called upon;
- f. to the parent company and the related parties, 70% and 30% respectively of the remaining proceeds up to an amount, which, when 30% of it is paid to the related parties, will result in their receiving, in aggregate between them, a compounded rate of return of 10% on their initial loan capital investment and a compounded rate of return of 8% on the loan stock referred to at sub-paragraph d. above; and
- g. to the parent company, the balance of any proceeds up to the outstanding amount of the deferred purchase price for the sale of the stadium.

Following the introduction of the further loans of £2.5 million during the year, the above terms have been altered and the total loan stock of £4.5 million is now interest free and carries no fixed date for repayment. The Directors are currently in negotiation with the bank regarding the re-writing of the above terms to cover the repayment of the various loans once Pittodrie Stadium has been sold.

In addition, a keyman insurance policy covering the loan period over the life of Stewart Milne in the sum of £2.25 million has been assigned to the Bank of Scotland.

Notes Forming Part of the Financial Statements

for the year ended 30 June 2011

8. Creditors: Amounts falling due after more than one year	2011	2010
	£000	£000
Loans from related parties (notes 9 and 16)	4500	2000
Due to parent company	1067	2442
	<u>5567</u>	<u>4442</u>

The amounts due to the parent company carry no interest and have no fixed repayment terms. The parent company has confirmed that it does not intend to seek repayment of the intercompany debts within one year.

9. Loans	2011	2010
	£000	£000
The loans are repayable as follows:		
Within one year (see note 7)	10820	11492
Between two and five years	4500	2000
	<u>15320</u>	<u>13492</u>

10. Deferred Income	2011	2010
	£000	£000
Deferred grant income - from Football Trust		
At beginning of year	1084	1132
Released to profit and loss account	(47)	(48)
At end of year	<u>1037</u>	<u>1084</u>

11. Share Capital	2011	2010
	£	£
Authorised - 10000 Ordinary Shares of £1 each	10000	10000
Allotted and fully paid - 1 Ordinary Share of £1	<u>1</u>	<u>1</u>

12. Reserves	Revaluation Reserve	Profit and Loss Account
	£000	£000
At 1 July 2010	3549	(3567)
Surplus on revaluation of fixed assets	583	-
Transfer equivalent to additional depreciation on revalued assets	(183)	183
Loss for the financial year	-	(1043)
Balance at 30 June 2011	<u>3949</u>	<u>(4427)</u>

13. Reconciliation of Movement in Shareholders' Deficit	2011	2010
	£000	£000
At 1 July	(18)	(824)
Loss for the financial year	(1043)	(1040)
Surplus on revaluation of fixed assets	583	1846
At 30 June	<u>(478)</u>	<u>(18)</u>

Notes Forming Part of the Financial Statements

for the year ended 30 June 2011

14. Capital Commitments

The Company had capital commitments at 30 June 2011 of £Nil (2010 - £Nil).

15. Deferred Taxation

The Company has unrecognised deferred tax liabilities of £554,000 (2010 - £597,000) relating to a potential de-grouping charge and £993,000 (2010 - £1,069,000) relating to the revaluation of the stadium. These are not recognised as there is no commitment to a sale of the property at 30 June 2011.

At 30 June 2011 the Company has an unrecognised deferred tax asset of £606,000 (2010 - £511,000) due to the availability of trading losses for carry forward. The ability of the Company to recognise the deferred tax asset depends on future trading performance. No deferred tax asset has been recognised given the uncertainty as to the availability of available future profits to utilise the accumulated tax losses.

The government has indicated that it intends to enact reductions of 1% each year in the main rate of corporation tax currently standing at 28%, down to 23% by 1 April 2014.

We estimate that the future rate changes to 23% would reduce our unrecognised deferred tax asset (see note 21) provided at 30 June 2011 by £70,000 (2010 - £18,000), however the actual impact will be dependent on our deferred tax position at that time.

16. Related Party Transactions

Loans have been provided to the Company, firstly of £2.25 million by Stewart Milne Group Ltd (Stewart Milne, the non-executive chairman of the Company and of its parent, is chairman of this company) and secondly of £2.25 million by Aberdeen Asset Management PLC (Martin Gilbert who is a non-executive director of the Company and of its parent, is chief executive of this company). Details of the balances outstanding are included in note 8.

Details of transactions with Aberdeen Football Club plc are exempt from disclosure under FRS8 as it is a 100% owned subsidiary of that company. No compensation was paid to key management in the current or prior year.

17. Immediate and Ultimate Parent company

The immediate and ultimate parent company is Aberdeen Football Club plc which is the largest and smallest group that prepares consolidated financial statements. A copy of the Financial Statements of Aberdeen Football Club plc may be obtained from its registered office at Pittodrie Stadium, Pittodrie Street, Aberdeen AB24 5QH.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the FIFTH Annual General Meeting of Talltray Limited will be held at The Boardroom, Pittodrie Stadium, Pittodrie Street, Aberdeen on 19th December 2011 at 6.00pm to transact the following: -

As ordinary business:

1. To receive and consider the Financial Statements for the period ended 30 June 2011 together with the Reports of the Directors and Auditors thereon.
2. To re-elect Duncan G Fraser as a Director.
3. To re-elect Hugh W M Little as a Director.
4. To re-elect Kenneth A Matheson as a Director.
5. To confirm the appointment of Colin I Welsh as a Director.
6. To confirm the appointment of Ian Jack as a Director.
7. To re-appoint Deloitte LLP, Chartered Accountants, as Auditors and to authorise the Directors to fix their remuneration.

BY ORDER OF THE DIRECTORS



E David Johnston
Secretary

Registered Office:

Pittodrie Stadium, Pittodrie Street, Aberdeen AB24 5QH

Dated 21st November 2011