



TALLTRAY LIMITED

Company Number SC299691

ANNUAL REPORT for the year ended 30 June 2016

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Annual Report for the year ended 30 June 2016

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REGISTERED OFFICE

Pittodrie Stadium
Pittodrie Street
Aberdeen
AB24 5QH

BANKERS

HSBC Bank PLC
95-99 Union Street
Aberdeen
AB11 6BD

SOLICITORS

Burness Paull LLP
Union Plaza
1 Union Wynd
Aberdeen
AB10 1DQ

INDEPENDENT AUDITOR

Deloitte LLP
Chartered Accountants and
Statutory Auditor
Union Plaza
1 Union Wynd
Aberdeen
AB10 1SL

Strategic Report

Introduction

The profit for the year after taxation amounted to £332,000 (2015 – £1,263,000). The Directors do not propose payment of a dividend (2015 - £Nil) and recommend that the profit is transferred to reserves.

Business Review

The Directors consider the key performance indicator of the Company to be turnover, being rental income.

The Company is a wholly owned subsidiary of its Parent Company, Aberdeen Football Club plc (AFC), a professional football club playing its Scottish Professional Football League matches at Pittodrie Stadium which is the principal asset of the Company. The Company has a long term lease agreement in place with AFC which expires on 30 July 2026 for the use of the stadium and surrounding land.

Financial Reporting Standard 102 – New Accounting Rules

The Company has prepared the Financial Statements on pages 6 to 15 under the new UK Reporting Standard, Financial Reporting Standard (FRS) 102 which became mandatory for all financial year ends on or after 31 December 2015. The transitional provisions of FRS 102 require the balance sheet at the beginning of the comparative period and the comparative profit and loss account to be prepared under the FRS 102 based accounting policies. On transition to FRS 102, the estimated market value of Pittodrie Stadium at 1 July 2014 was adopted as the deemed cost and the policy of revaluation of the stadium ceased. Application of the transitional provisions has resulted in the recognition of deferred tax liabilities arising on the revaluation gain on the stadium of £431,000 at 30 June 2015 (1 July 2014: £1,010,000). The impact of this has been to reduce the total assets of the Company by the same amount at each of those dates. At 30 June 2016, a deferred tax liability has been recognised amounting to £341,000.

Principal Risks and Uncertainties

The Directors believe that the principal risk to the Company is the prevailing commercial property market and the impact on the realisable value of Pittodrie stadium. If AFC relocate to a new stadium, as is being proposed, the stadium would require to be realised to assist the new stadium funding.

Going Concern

The Company has minimal ongoing working capital requirements and the Parent Company has confirmed that no repayment of intercompany balances will be sought prior to 31 March 2018 at the earliest. The Parent Company has also confirmed the availability of further support if required. The Directors have considered the foregoing and developed a reasonable expectation that the Company will continue as a going concern in the foreseeable future.

Financial Risk Management

The Company's principal financial instruments are bank balances and loans from the Parent Company. The credit risk on liquid funds is considered limited because the counterparties are banks with recognised credit-ratings assigned by international credit-rating agencies. The Company's principal financial liabilities are amounts due to the Parent Company which are interest free and have no fixed date for repayment. The Company does not make use of derivative financial instruments for speculative purposes.

Strategic Report (continued)

Future Prospects

During the year, AFC made a decision to abandon its planning application for a new stadium at Loirston Loch in the South of Aberdeen. The planning process had been very long and was further complicated by the protracted negotiations with Aberdeen City Council and its joint-venture partners regarding the extent and value of the site available for AFC to develop. AFC considered that the final size of the site available to it was insufficient to allow it to deliver the stadium project as had originally been envisaged and consequently the planning application was withdrawn.

In March this year, AFC announced that it was making a new planning application for a site at Kingsford between Kingswells and Westhill some 250 metres to the West of the Aberdeen Western Peripheral Route currently under construction and which is expected to be open by Winter 2017. The site at Kingsford would allow AFC to develop much-needed training and community facilities for its professional players, Youth Academy and the Aberdeen FC Community Trust, and accommodate a new stadium as part of the proposed development. If the application is approved, funding secured and all else goes to plan, the aim is to have the football academy in place for the 2018/19 season, and the stadium built for the start of the 2020/21 season.

The decision of AFC to move its focus from Loirston to Kingsford increased the likelihood that the new training and stadium facility projects will become a reality, due to the expectation that the costs to complete the land purchase will be substantially less than previously envisaged and the existence of a land purchase agreement should planning permission for the projects be obtained. This makes the future sale of the Company's only asset, Pittodrie Stadium more likely in the medium term.



On Behalf of the Board
Duncan G Fraser
Chief Executive
6 December 2016

Report of the Directors

The Directors have pleasure in submitting their Annual Report and audited Financial Statements for the year ended 30 June 2016.

1. DIRECTORS INFORMATION

Brief biographical details of the Directors are as follows: -

Stewart Milne was appointed a director of the Company in June 1994. Stewart became Vice Chairman in 1997 and Executive Chairman in June 1998 and following the appointment of the Company's first Chief Executive in November 1999, stepped down to a non-executive role. Stewart is also Chairman and Chief Executive of the Stewart Milne Group.

George Yule was appointed an executive director of the Company in June 2012 in the role of Executive Vice-Chairman. His career background in successfully managing and growing businesses in the Oil Sector internationally, and his network of key business contacts, have positioned him for the lead role in developing the Company's future ambitions - with areas of specific responsibility being the Kingsford training and community facilities, the new AFC Stadium, and the governance of the Company's ongoing activities as a member of the AFC Executive Team. George is also a Trustee for Aberdeen FC Community Trust, who along with the AFCCT Board, have taken the vision for the charity from concept to reality over the past 3 years.

Duncan Fraser was appointed an executive director of the Company in May 2004, having been Company Secretary since November 2002. In November 2007 he was promoted to the role of Managing Director and in August 2010 was appointed Chief Executive. He is a Chartered Accountant and held senior positions in the oil and gas industry prior to his appointment. Duncan has held a number of key roles within the wider game, including a non-executive directorship of the Scottish Professional Football League from which he stepped down in July 2016. He remains an elected member of the SFA Professional Gaming Board and an elected member of the Competitions Working Group of the European Club Association. He is also a member of the UEFA Match Delegate Board and the FIFA Match Commissioners Board as well as a Trustee of the Scottish Football Benevolent Trust.

Gordon Buchan was appointed a non-executive director of the Company in April 1992. He is a solicitor and advises the Board on all legal matters concerning the Company.

Colin Welsh was appointed a non-executive director of the Company in July 2011. 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. Ian is Regional Vice-President for UK and Holland for M-I SWACO UK.

Craig Brown was appointed a non-executive director of the Company in March 2013. Craig has a wealth of experience in football, being the longest serving Scotland manager over a period of 8 years encompassing 70 international matches and back-to-back qualifications for the 1996 European Championships and the 1998 World Cup. In club football Craig has managed Clyde, Preston North End, and Motherwell and managed AFC during the 2011/12 and 2012/13 seasons.

Duncan Skinner was appointed a non-executive director of the Company in January 2015. He is a Chartered Management Accountant with 34 years of experience in the Oil and Gas industry. Duncan took early retirement from his role as Chief Financial Officer at Wood Group PSN in April 2013 to concentrate his activities on social enterprise and charity work. He is Chairman of Glencraft Aberdeen Limited, a social enterprise employing blind and disabled people in the mattress and bed manufacturing sector, and also the Chairman of the Aberdeen FC Community Trust and is involved in a number of other similar organisations.

Colin Welsh, Ian Jack and Craig Brown retire by rotation and, being eligible, offer themselves for re-election at the forthcoming Annual General Meeting.

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

Report of the Directors (continued)

2. ENVIRONMENT

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

3. DIRECTORS' RESPONSIBILITIES STATEMENT

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). 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 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination on financial statements may differ from legislation in other jurisdictions.

4. 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.

5. AUDITOR

Deloitte LLP have indicated their willingness to be reappointed for another term and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.



On Behalf of the Board
Duncan G Fraser
Chief Executive
6 December 2016

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 2016 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes 1 to 20. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 Directors' Responsibilities Statement, 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2016 and of the profit 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.

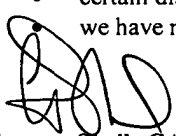
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and 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 by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company 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.



Graeme Sheils CA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Aberdeen, Scotland
6 December 2016

Profit and Loss Account

for the year ended 30 June 2016

	Notes	2016 £000	2015 £000
Turnover	3(d)	195	195
Other Operating Income	5	47	48
Operating Profit	8	<u>242</u>	<u>243</u>
Exceptional item - Other Financing Income	6	-	75
Profit before Interest and Taxation		<u>242</u>	<u>318</u>
Interest Payable and Similar Charges	7	-	(61)
Profit on Ordinary Activities Before Taxation		<u>242</u>	<u>257</u>
Tax on Profit	9	90	1006
Profit for the financial year		<u>332</u>	<u>1263</u>

All of the result for the current and previous year relate to continuing operations.

Statement of Comprehensive Income

for the year ended 30 June 2016

There are no gains or losses for the current and preceding financial years other than those dealt with through the Profit and Loss Account shown above. Consequently, no separate Statement of Comprehensive Income is presented.

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

Balance Sheet

as at 30 June 2016

	Notes	2016 £000	2015 £000
Fixed Assets			
Tangible assets	10	18000	18000
Current Assets			
Debtors	11	-	7
Cash at bank and in hand		8	1
		<u>8</u>	<u>8</u>
Creditors			
Amounts falling due within one year		-	-
Net Current Assets		<u>8</u>	<u>8</u>
Total Assets less Current Liabilities		18008	18008
Creditors			
Amounts falling due after more than one year	12	(16140)	(16335)
Deferred Taxation	13,20	(341)	(431)
Deferred Income	14	(800)	(847)
Net Assets		<u><u>727</u></u>	<u><u>395</u></u>
Capital and Reserves			
Called-up share capital	15	-	-
Revaluation reserve	16,20	-	-
Profit and loss account	16	727	395
Shareholders' Funds		<u><u>727</u></u>	<u><u>395</u></u>

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

The Financial Statements of Talltray Limited, registered number SC299691 were approved by the Board of Directors and authorised for issue on 6 December 2016.



Signed on behalf of the Board of Directors
Duncan G Fraser
 Chief Executive
 6 December 2016

Statement of Changes in Equity

for the year ended 30 June 2016

	Notes	Revaluation Reserve £000	Profit and Loss Account £000	Total £000
At 1 July 2014 reported under previous UK GAAP		5413	(4681)	732
Pittodrie Stadium transitioned to deemed cost on 1 st July 2014		(5413)	5413	-
Deferred tax on revaluation of Pittodrie Stadium		-	(1010)	(1010)
Deferred tax on potential de-grouping charge on transfer of Pittodrie Stadium to Talltray Limited in July 2006		-	(427)	(427)
Impairment of Pittodrie Stadium		-	(153)	(153)
At 1 July 2014 as restated	20	-	(858)	(858)
Profit for the financial year ended 30 June 2015		-	1263	1263
Impairment of Pittodrie Stadium		-	(10)	(10)
At 1 July 2015 as restated	20	-	395	395
Profit for the financial year		-	332	332
At 30 June 2016		-	727	727

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

Statement of Cash Flows

for the year ended 30 June 2016

Cash Flows from Operating Activities	2016 £000	2015 £000
Profit for the financial year	332	1263
Amortisation of grants	(47)	(48)
Other financing income	-	(61)
Interest paid and similar expenses	-	54
Decrease/(increase) in debtors	7	(7)
Increase in creditors	(195)	(195)
Tax credit	(90)	(1,006)
Net cash inflow from operating activities	<u>7</u>	<u>-</u>
Cash and cash equivalents at 1 July	1	1
Cash and cash equivalents at 30 June	<u><u>8</u></u>	<u><u>1</u></u>

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

Notes Forming Part of the Financial Statements

for the year ended 30 June 2016

1. Company Information

The Company is a Limited Company limited by shares and registered in Scotland, number SC299691, with its registered office and principal place of business at Pittodrie Stadium, Pittodrie Street, Aberdeen AB24 5QH. The principal activity of the Company is the leasing of its only asset Pittodrie Stadium to its Parent Company, Aberdeen Football Club plc number SC005364. The Company trades only in Scotland, UK.

2. Basis of Preparation

(a) Financial Statements

The Financial Statements have been prepared in UK Sterling currency under the historical cost convention and in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 and with the Companies Act 2006. This is the first period in which the Financial Statements have been prepared under FRS 102 – see also Note 20. The Financial Statements incorporate the results of the Company, made up to 30 June.

(b) Going Concern

The Directors have considered and approved future financial projections which demonstrate that the Company will have sufficient resources to continue 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 support from its Parent Company if required. Having considered the projections including reasonably possible sensitivities, the Directors have developed a reasonable expectation that the Company will continue as a going concern for the foreseeable future. Accordingly, the Financial Statements continue to be prepared on a going concern basis.

(c) Related Party Transactions

The Company has taken advantage of the exemption not to disclose transactions with its parent company as permitted by FRS102.

3. Principal Accounting Policies

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

(a) Tangible Assets

Tangible assets are stated at cost less depreciation, calculated to write off their cost in equal annual amounts over their estimated useful lives down to their estimated residual value. On transition to FRS 102, the estimated market value of Pittodrie Stadium at 1 July 2014 was adopted as the deemed cost and the policy of revaluation of the stadium ceased. Pittodrie Stadium is not depreciated as the net book value is deemed to equate to the residual value.

(b) 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.

(c) 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.

(d) Turnover

The Company has one principal class of business which is the leasing of a football stadium. The Company has a long term lease agreement in place with its Parent Company, which expires on 30 July 2026, which allows the entity the use of the stadium and surrounding land. Turnover represents income receivable, net of VAT, from stadium leasing.

Notes Forming Part of the Financial Statements

for the year ended 30 June 2016

3. Principal Accounting Policies (continued)

(e) Impairment of Assets

Assets other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the profit and loss account. An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount is the higher of its fair value less costs to sell and its value in use.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the accounting policies, which are described in Note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the Financial Statements.

Revenue recognition

Revenue is recognised only when the Company's obligations are considered to have been fulfilled, the amount can be measured reasonably, and it is probable that the economic benefits associated with a transaction will be received. Revenue is recognised when the Company fulfils its contractual obligations to customers by supplying goods or services. Where services are performed gradually over time, revenue is recognised as activity progresses by reference to the value of work performed.

Key sources of estimation uncertainty

Carrying value of Pittodrie Stadium

Pittodrie Stadium is carried at residual value. The determination of the residual value net of selling costs includes an estimation of the market value of a potential property development on the Pittodrie Stadium site. The Company appointed an external valuer to perform this assessment and the most recent valuation report on Pittodrie Stadium was prepared by F G Burnett Limited as at 30 June 2015. Having considered the expected timing of realisation of the residual value, the Directors consider it appropriate to retain Pittodrie Stadium and the surrounding land in the Financial Statements at £18.0 million - see Note 10.

5. Other Operating Income	2016	2015
	£000	£000
Amortisation of grants	<u>47</u>	<u>48</u>
6. Exceptional item - Other Financing Income	2016	2015
	£000	£000
Write off of loan issue expenses	<u>-</u>	<u>75</u>
7. Interest Payable and Similar Charges	2016	2015
	£000	£000
Bank loan interest and similar charges	<u>-</u>	<u>(61)</u>

Notes Forming Part of the Financial Statements

for the year ended 30 June 2016

8. Operating Profit	2016	2015
	£000	£000
This is stated after crediting: -		
Rents receivable from operating leases	195	195
Amortisation of grants	47	48
	<u> </u>	<u> </u>

9. Tax on Profit for year	2016	2015
	£000	£000
Deferred tax – see Note 13	90	1006
Taxation credit	90	1006
	<u> </u>	<u> </u>

The Company has estimated taxation losses available for carry forward amounting to £2,019,000 (30 June 2015 – £2,214,000) - see Note 13. The blended rate of tax for the year, based on the UK standard rate of corporation tax, is 20.00% (30 June 2015 – 20.75%). 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.

Profit before taxation	242	257
	<u> </u>	<u> </u>
Tax on profit at standard rate	48	53
Factors affecting charge for the period:		
Non-taxable income	(9)	(26)
Utilisation of tax losses	(39)	(31)
Gains etc.	(52)	-
Tax rate changes	(38)	4
Release of deferred tax provided on revaluation of Pittodrie Stadium	-	(579)
Release of deferred tax on potential de-grouping charge on transfer of Pittodrie Stadium to Talltray Limited in July 2006	-	(427)
Total amount of tax credit to Profit and Loss Account	(90)	(1006)
	<u> </u>	<u> </u>

10. Tangible Assets	Pittodrie Stadium
	£000
Cost	
At 1 July 2015 and 30 June 2016	18000
	<u> </u>
Depreciation	
At 1 July 2015	-
Provided in the year	-
At 30 June 2016	-
	<u> </u>
Net Book Value	
At 30 June 2016	18000
	<u> </u>
At 30 June 2015	18000
	<u> </u>

Pittodrie Stadium is carried at its estimated residual value hence there is no depreciation charge in the year. The most recent valuation of Pittodrie Stadium was prepared as at 30 June 2015 by F G Burnett Limited and identified the estimated market value of the site which equates to the residual value, at £18.0 million. The Directors consider the current more difficult market conditions to be temporary and that the estimated residual value of £18.0 million continues to be appropriate.

Notes Forming Part of the Financial Statements

for the year ended 30 June 2016

11. Debtors	2016	2015
	£000	£000
Other debtors	-	7

Other debtors of £7,000 in 2015 arose from a refund of bank interest received in July 2015.

12. Creditors: Amounts falling due after more than one year	2016	2015
	£000	£000
Due to Parent Company	16140	16335

The amounts due to the Parent Company are interest free and do not require repayment until 31 March 2018 at the earliest.

13. Deferred Taxation	2016	2015
	£000	£000
At 1 July	431	1437
Release of deferred tax on revaluation of Pittodrie Stadium	(90)	(579)
Release of deferred tax on potential de-grouping charge on transfer of Pittodrie Stadium to Talltray Limited in July 2006	-	(427)
At 30 June – see Note 20	341	431

Deferred tax is provided in full in respect of the revaluation of Pittodrie Stadium. Deferred tax at 30 June 2016 has been calculated at 18% (30 June 2015 – 20%), the rate of Corporation tax substantively enacted on 26 October 2015.

At 30 June 2016 the Company has an unrecognised deferred tax asset of £362,000 (30 June 2015 - £450,000) which primarily represents the availability of tax losses for carry forward. The ability of the Company to utilise the deferred tax asset depends primarily on future trading performance. The deferred tax asset has not been recognised given the uncertainty as to the availability of future profits to utilise the accumulated tax losses.

14. Deferred Income	2016	2015
	£000	£000
Deferred grant income - from Football Trust		
At 1 July	847	895
Released to profit and loss account	(47)	(48)
At 30 June	800	847

15. Called-up Share Capital	2016	2015
	£000	£000
Allotted and fully paid		
1 Ordinary Shares of £1 pence each	1	1

16. Reserves

Revaluation Reserve

The Revaluation Reserve records increases and decreases in the fair value of Pittodrie Stadium. Following the adoption of FRS 102, the Revaluation Reserve was transferred to the Profit and Loss Account.

Profit and Loss Account

The Profit and Loss Account includes all current and prior year retained profits and losses. Included within the Profit and Loss Account is £5,413,000 (2015 - £5,413,000) of non-distributable reserves represented by unrealised property revaluations under previous UK GAAP.

Notes Forming Part of the Financial Statements

for the year ended 30 June 2016

17. Contingent Liabilities

The Company has exited all obligations to Bank of Scotland, other than in regard to a contingent liability which may arise on the disposal of Pittodrie stadium if any part of the proceeds is not reinvested in a new stadium. This remaining commitment to the Bank of Scotland is secured until 31 October 2017 by a floating charge and a standard security over the stadium, cross guaranteed by the Parent Company and secured also by a floating charge from the Parent Company.

Following 31 October 2017, the contingent liability will continue to exist, but will not be subject to any security.

18. Financial Instruments

	2016 £000	2015 £000
<u>Financial assets</u> – measured at undiscounted amount receivable		
Cash at bank and in hand	<u>8</u>	<u>1</u>
	2016 £000	2015 £000
<u>Financial liabilities</u> – measured at undiscounted amount payable		
Due to Parent Company	<u>16140</u>	<u>16335</u>

The Company's income, expense, gains and losses in respect of financial instruments are summarised below: -

	2016 £000	2015 £000
Interest income and expense		
Total interest income for financial assets at amortised cost	-	-
Total interest expense for financial liabilities at amortised cost	-	(61)

19. Controlling Party

At the balance sheet date, the Company is a wholly-owned subsidiary of Aberdeen Football Club plc. Aberdeen Football Club plc is the smallest and largest group which consolidates the results of this company. The Parent Company does not have a single controlling party.

Notes Forming Part of the Financial Statements

for the year ended 30 June 2016

20. Transition to FRS 102

This is the first year that the Company has presented its Financial Statements under FRS 102. The last Financial Statements under previous UK GAAP were for the year ended 30 June 2015 and the date of transition to FRS 102 was therefore 1 July 2014. As a consequence of adopting FRS 102, the accounting policies for the revaluation of Pittodrie Stadium and for the provision of deferred tax relating to that revaluation have been changed to comply with the new standard.

Revaluation of Pittodrie Stadium

Under previous UK GAAP, Pittodrie Stadium was included in the Balance Sheet at a valuation based on valuation reports received from external valuers. Under the provisions of FRS 102, it is permitted on a one-off basis to transition the revalued amount of an asset as deemed cost and this basis has been adopted.

Deferred Taxation on Revaluation of Pittodrie Stadium

Under previous UK GAAP deferred tax on the revaluation of tangible assets was not required to be recognised unless there was a binding commitment for the sale of the asset. Under FRS102 the potential deferred tax liability on the revaluation of Pittodrie Stadium requires to be recognised, without any commitment to sell the asset. See Notes 3(c) and 13.

Under previous UK GAAP deferred tax on a potential de-grouping charge, which arose from the transfer of the stadium on 1 July 2006 from the Parent Company to the Company and which could have crystallized if the stadium was transferred outside of the Group, was not recognised. Under UK taxation rules the potential de-grouping charge has expired and fell away in the year ended 30 June 2015.

	At 1 July 2014 £000	At 30 June 2015 £000
Deferred Taxation Provision		
Deferred Taxation reported under previous UK GAAP	-	-
Deferred tax on revaluation of Pittodrie Stadium	1010	431
Deferred tax on potential de-grouping charge on transfer of Pittodrie Stadium to Talltray Limited in July 2006	427	-
Restated Deferred Taxation Provision	<u>1437</u>	<u>431</u>
Revaluation Reserve		
Revaluation Reserve reported under previous UK GAAP	5413	5380
Transfer of Revaluation Reserve to Profit and Loss Account	(5413)	(5413)
Reversal of transfer of amount equivalent to depreciation on revaluation	-	33
Restated Revaluation Reserve	<u>-</u>	<u>-</u>
Shareholders' Funds		
Shareholders' Funds reported under previous UK GAAP	732	956
Impairment of Pittodrie Stadium	(153)	(163)
Reversal of depreciation provided on Pittodrie Stadium	-	33
Deferred tax on revaluation of Pittodrie Stadium	(1010)	(431)
Deferred tax on potential de-grouping charge on transfer of Pittodrie Stadium to Talltray Limited in July 2006	(427)	-
Restated Shareholders' Funds	<u>(858)</u>	<u>395</u>
Profit and Loss Account		
Profit and Loss Account reported under previous UK GAAP	(4681)	(4424)
Transfer-in of Revaluation Reserve balance at 1 July 2014	5413	5413
Impairment of Pittodrie Stadium	(153)	(163)
Reversal of transfer of amount equivalent to depreciation on revaluation	-	(33)
Reversal of depreciation provided on Pittodrie Stadium	-	33
Deferred tax on revaluation of Pittodrie Stadium	(1010)	(431)
Deferred tax on potential de-grouping charge on transfer of Pittodrie Stadium to Talltray Limited in July 2006	(427)	-
Restated Profit and Loss Account	<u>(858)</u>	<u>395</u>