

Company Registration No. SC011580 (Scotland)

DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2018

DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED

Company Information

Directors	Mr R I McArthur Mr W A Braisby Mr R M Garmory Mr I Hunter Mr J Leishman Mr A Main Mr C McBay
Company number	SC011580
Registered office	East End Park Halbeath Road Dunfermline Fife KY12 7RB
Auditor	Condie & Co 10 Abbey Park Place Dunfermline Fife KY12 7NZ
Business address	East End Park Halbeath Road Dunfermline Fife KY12 7RB
Bankers	Santander UK plc 2 Triton Square Regent's Place London

DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED

Contents

	Page
Chairman's statement	1 - 3
Directors' report	4 - 5
Independent auditor's report	6 - 7
Statement of comprehensive income	8
Statement of financial position	9
Notes to the financial statements	10 - 16

DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED

Chairman's Statement

For The Year Ended 31 May 2018

General

I am pleased to present the company's accounts for the year ended 31 May 2018. These accounts cover the fourth full year of operations since the company came out of administration on 13 December 2013. The company continues to make progress towards the goal of returning to the top flight of Scottish football with a healthy and sustainable financial foundation.

Football Review

Once again, I am delighted to be able to report that the club has continued to improve in terms of league position.

Although results took a dip in the second quarter of the season, the club secured a play-off position in only our second season in the SPFL Ladbrokes Championship. We were only three points short of finishing in second place and we accrued 11 more points than in the previous season. Again, looking at the previous season, this year we scored 16 more goals and conceded six fewer goals, ending the season with the division's best defensive record.

We must pay credit to Allan Johnston, the rest of the management team and the playing squad for their professionalism, their enthusiasm and their hard work on behalf of our club. In the three seasons under Allan's management, the club has risen from 29th place to 16th place in the SPFL.

The following table reflects the season's performance.

	2018	2017	2016
SPFL Championship - Final Placing	4th	5th	-
SPFL League One - Final Placing	-	-	1st
Scottish Cup	Round 4	Round 5	Round 4
League Cup	Round 2	Quarter Final	Round 3
Challenge Cup	Round 3	Round 1	Quarter Final

Finances and Trading

For the third year running, our accounts show a profit, albeit a very modest one. In a season when we lost the visiting support of Hibernian and two home derby matches against Raith Rovers and when the combination of the fixture list and bad weather meant that we went almost two months without a home match at the start of 2018, being able to report a surplus for the year is very gratifying.

On a positive note, being drawn against Rangers at Ibrox in the Betfred Cup gave us a financial windfall and allowed the club to invest more than would otherwise have been the case in the playing squad, equipment, our scouting system and database and in the stadium.

A total of 93,962 spectators attended our 18 home SPFL Ladbrokes Championship fixtures. The average attendance level at all our first team's competitive home games in 2017-18 was 4,620 – a testament to the loyalty of our supporters.

The club's cash position has continued to strengthen and we continue to meet all of our financial obligations on time.

Your board's ability to report a relatively healthy financial position is, as I have said on so many occasions, heavily dependent on the substantial donations of cash and time which come from so many supporters. We are able to count on cash donations in the region of £300,000 every year and on a virtually unquantifiable monetary amount in terms of the time given to the club by so many volunteers.

DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED

Chairman's Statement

For The Year Ended 31 May 2018

Finances and Trading (continued)

The Centenary Club Lifeline, the 1885 DAFC Business Club, the DASC Shop and the Pars Supporters' Trust all make significant monetary contributions. Our supporters turn out to follow the team in large numbers – both home and away - and a host of volunteers continue to provide their time and other resources to help on matchdays and throughout the year. Without these contributions the club's standing and aspirations would be very much lower than they are.

Community Activity

We continue to work closely with the Pars Foundation and the Dunfermline Athletic Heritage Trust in developing and broadening our role in the West Fife community. During the year we developed relationships with Home-Start, The Samaritans and the Dunfermline Foodbank.

Our Schools Engagement Programme continues to do fantastic work and this was rightly recognised by the SPFL Trust who awarded our Health & Wellbeing programme "Best Community Project". The programme beat competition from Aberdeen, Celtic and Hearts in the final. My continued thanks go to Gennaro Guidice, Dave Dawson and Willie Oliphant for their continued enthusiasm in delivering our schools programmes.

The Future

In common with all of the club's supporters, your board is keen to build further on the successes to date and to see the club improve every season – both on the pitch and off the pitch. The SPFL Ladbrokes Championship will, however, be very challenging this season. Clubs like Partick Thistle, Ross County and Dundee United will have larger playing budgets than our club and there will be six or seven clubs who each believe they can achieve a play-off position. Your board will do everything that it can prudently do to provide the management team with the resources they need to mount a determined challenge to improve on last year's outcome.

At the time of writing, we have sold 3,403 season tickets, which once again demonstrates the loyalty and enthusiasm of our supporter base. We are extremely grateful for your support.

We will be participating in the new SPFL Reserve League 1 this year and we believe that that format will better suit the development of our playing squad than the previous arrangements.

We have recruited a number of new apprentices from the Fife Elite Football Academy Under-17s and we have successfully launched our new Development Club which will raise funds specifically to assist in funding the costs of developing our younger sponsors. The Development Club already has a major sponsor in Carron Bathrooms and 23 supporters have enrolled as members for the new season raising valuable capital.

The Board continues to work with the Scottish FA which is hosting the UEFA Women's Under-19 Euro 2019 competition in July next year, as East End Park will be one of the designated competition venues.

As well as a lot of changes within the playing squad, we have had quite a few changes behind the scenes too. First, I would like to thank John Potter (First Team Coach), Michael Mlotkiewicz (General Manager), Kenny Murray (Physiotherapist) and Sammy Robinson (Chaplain) who have all left roles with our club, but their efforts, loyalty and assistance were very much appreciated. At the same time I would like to welcome Stephen Crawford (Reserve Team Manager), Stuart Phin (Head of Medical & Sports Therapy), John Porteous (Physiotherapist), Craig Brown (Media & PR Officer) and Rae Mackenzie (Chaplain). I wish them all good luck in their new roles.

DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED

Chairman's Statement

For The Year Ended 31 May 2018

Appreciation

As I have said on so many occasions before, your club continues to benefit from the loyalty shown by so many supporters and local businesses. That is something which your board does not take lightly. Our main sponsor, SRJ Windows continues to provide us with fantastic support and were also indebted to the Purvis Group and Macklin Motors for their continued sponsorship. Last season, it was also gratifying to see a number of new sponsors engaging with our club such as MacDonald's, Premier Cars Volkswagen, Thomsons World of Furniture, Kingsgate Shopping Centre and Caledonia Washrooms.

There are simply too many individuals and organisations who have provided, and who continue to provide, essential support to the club for me to thank each one of them. Every member of our staff, every sponsor, every advertiser, every guest at hospitality and every supporter plays a hugely valuable role. As I said last year, you are the people who make this club what it is.

Your loyalty and support are sincerely appreciated and will never be taken for granted.

On behalf of the board



Mr R I McArthur

Chairman

17 September 2018

DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED

Directors' Report

For The Year Ended 31 May 2018

The directors present their annual report and financial statements for the year ended 31 May 2018.

Principal activities

The principal activity of the company continued to be that of the promotion and practice of football, and other related commercial activities.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr R I McArthur
Mr W A Braisby
Mr R M Garmory
Mr I Hunter
Mr J Leishman
Mr A Main
Mr C McBay

Auditor

The auditor, Condie & Co, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED

Directors' Report (Continued)

For The Year Ended 31 May 2018

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



Mr R I McArthur

Chairman

17 September 2018

DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED

Independent Auditor's Report

To The Members Of Dunfermline Athletic Football Club Limited

Opinion

We have audited the financial statements of Dunfermline Athletic Football Club Limited (the 'company') for the year ended 31 May 2018 which comprise the statement of comprehensive income, the statement of financial position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2018 and of its 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED

Independent Auditor's Report (Continued)

To The Members Of Dunfermline Athletic Football Club Limited

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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 companies regime and take advantage of the small companies' exemption in preparing the directors' report.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



Sharon Collins (Senior Statutory Auditor)
for and on behalf of **Condie & Co**

19 September 2018

Chartered Accountants
Statutory Auditor

10 Abbey Park Place
Dunfermline
Fife
KY12 7NZ

DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED

Statement Of Comprehensive Income

For The Year Ended 31 May 2018

	Notes	2018 £	2017 £
Turnover		2,265,646	2,084,609
Cost of sales		(2,166,083)	(2,086,255)
Gross profit/(loss)		99,563	(1,646)
Administrative expenses		(414,863)	(366,744)
Other operating income		320,752	394,602
Operating profit		5,452	26,212
Interest receivable and similar income		242	285
Profit before taxation		5,694	26,497
Tax on profit	3	(50)	(121)
Profit for the financial year		5,644	26,376

DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED


Statement Of Financial Position

As At 31 May 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	4		1,367,600		1,392,700
Investments	5		66		66
			<u>1,367,666</u>		<u>1,392,766</u>
Current assets					
Stocks		27,635		17,728	
Debtors	7	100,464		100,778	
Cash at bank and in hand		567,037		483,158	
		<u>695,136</u>		<u>601,664</u>	
Creditors: amounts falling due within one year	8	<u>(510,675)</u>		<u>(447,947)</u>	
Net current assets			<u>184,461</u>		<u>153,717</u>
Total assets less current liabilities			<u>1,552,127</u>		<u>1,546,483</u>
Capital and reserves					
Called up share capital	10	1,260,292		1,260,292	
Share premium account		7,786,014		7,786,014	
Profit and loss reserves		(7,494,179)		(7,499,823)	
Total equity			<u>1,552,127</u>		<u>1,546,483</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 17 September 2018 and are signed on its behalf by:


Mr R I McArthur
Chairman

Company Registration No. SC011580

DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED

Notes To The Financial Statements

For The Year Ended 31 May 2018

1 Accounting policies

Company information

Dunfermline Athletic Football Club Limited is a private company limited by shares incorporated in Scotland. The registered office is East End Park, Halbeath Road, Dunfermline, Fife, KY12 7RB.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have reviewed the company forecasts and projections, and have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents the income arising from football for the year in respect of gate receipts, advertising boards, sponsorships and corporate hospitality and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Season ticket sales are deferred and, together with gate receipts and other matchday revenues, recognised throughout the football season as games are played. Sponsorship and other commercial income is recognised over the duration of the respective contracts. Broadcasting revenues are recognised when the relevant televised match is played. Merit awards are recognised when they are certain.

Revenue from contracts for the provision of services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.4 Tangible fixed assets

Tangible fixed assets are measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold property	3.33% straight line
Plant and machinery	20% straight line
Equipment	25% reducing balance
Motor vehicles	33% straight line

DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED

Notes To The Financial Statements (Continued)

For The Year Ended 31 May 2018

1 Accounting policies

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Costs associated with the acquisition of players' registrations are charged to the income statement in the year in which they arise.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED

Notes To The Financial Statements (Continued)

For The Year Ended 31 May 2018

1 Accounting policies

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED

Notes To The Financial Statements (Continued)

For The Year Ended 31 May 2018

1 Accounting policies

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED

Notes To The Financial Statements (Continued)

For The Year Ended 31 May 2018

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 82 (2017 - 87).

3 Taxation

	2018 £	2017 £
Current tax		
UK corporation tax on profits for the current period	50	121

4 Tangible fixed assets

	Leasehold property £	Plant and machinery £	Equipment £	Motor vehicles £	Total £
Cost					
At 1 June 2017	1,789,725	24,555	107,639	33,595	1,955,514
Additions	-	2,300	84,054	-	86,354
At 31 May 2018	1,789,725	26,855	191,693	33,595	2,041,868
Depreciation and impairment					
At 1 June 2017	483,725	12,555	51,739	14,795	562,814
Depreciation charged in the year	59,500	5,700	39,154	7,100	111,454
At 31 May 2018	543,225	18,255	90,893	21,895	674,268
Carrying amount					
At 31 May 2018	1,246,500	8,600	100,800	11,700	1,367,600
At 31 May 2017	1,306,000	12,000	55,900	18,800	1,392,700

5 Fixed asset investments

	2018 £	2017 £
Investments	66	66

The company holds one Ordinary Share of £1 in the Scottish Professional Football League Limited, which represents a 2.38% interest in the company.

Investments are recorded at cost and reviewed annually for impairment.

DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED

Notes To The Financial Statements (Continued)

For The Year Ended 31 May 2018

6 Associates

Details of the company's associates at 31 May 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Fife Elite Football Academy Limited	Crescent House, Carneige Campus, Enterprise Way, Dunfermline, Fife, KY11 8GR	Promotion of youth association football	Ordinary	45.45	

7 Debtors

	2018	2017
Amounts falling due within one year:	£	£
Trade debtors	20,030	19,668
Other debtors	80,434	81,110
	<u>100,464</u>	<u>100,778</u>

8 Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	54,420	65,008
Other taxation and social security	132,301	116,833
Other creditors	323,954	266,106
	<u>510,675</u>	<u>447,947</u>

9 Deferred taxation

There were no deferred tax movements in the year.

Deferred tax is not recognised in respect of tax losses of £20,972,226 as it is not probable that they will be recovered against the reversal of deferred tax liabilities or future taxable profits.

DUNFERMLINE ATHLETIC FOOTBALL CLUB LIMITED

Notes To The Financial Statements (Continued)

For The Year Ended 31 May 2018

10 Called up share capital

	2018	2017
	£	£
Ordinary share capital Issued and fully paid		
1,260,292 Ordinary of £1 each	1,260,292	1,260,292
	<u>1,260,292</u>	<u>1,260,292</u>

11 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2018	2017
	£	£
	2,535,683	2,600,683
	<u>2,535,683</u>	<u>2,600,683</u>

Lessor

At the reporting end date the company had contracted with tenants for the following minimum lease payments:

	2018	2017
	£	£
	8,800	8,800
	<u>8,800</u>	<u>8,800</u>

12 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2018	2017
	£	£
Acquisition of tangible fixed assets	16,200	-
	<u>16,200</u>	<u>-</u>

13 Related party transactions

The company has elected to take advantage of the exemption conferred by FRS102 Section 1 A from the need to disclose transactions with related parties which are not material and concluded under normal market conditions.

14 Parent company

The parent company is Pars United Community Interest Company. No individual party holds a controlling interest.