

ROCHDALE HORNETS FOOTBALL CLUB COMPANY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MAY 2004

COMPANY NUMBER: 89733 (England & Wales)



A55 *AUMCZBU6* 339
COMPANIES HOUSE 06/01/2006

A46 *A4ZIBBCT* 289
COMPANIES HOUSE 19/12/2005

ROCHDALE HORNETS FOOTBALL CLUB COMPANY LIMITED

Company Information

Directors	Mr. R Taylor (died 5 th October 2005) Mr. P Reynolds (died 31 st March 2005) Mr. K Oldham Mr. N Halsall Mr. J D Vining Mrs. A Manock (appointed July 2004) Ms. K Reynolds (appointed May 2005)
Secretary	Mrs. A Manock (appointed May 2005)
Company Number	89733 (England & Wales)
Registered Office	Spotland Stadium Sandy Lane Rochdale
Accountants	Ingleside Accountancy Services New Hill Farm Market Street Shawforth Lancs OL12 8XD

ROCHDALE HORNETS FOOTBALL CLUB COMPANY LIMITED

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ROCHDALE HORNETS FOOTBALL CLUB COMPANY LIMITED

Company Number 89733
Directors' Report for the year ended 31st May 2004

The Directors present their report and the financial statements for the year ended 31st May 2004.

Statement of Directors' responsibilities

Company Law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

Principal Activity

The company's principal activity continues to be that of Promotion of Rugby League Football.

Directors

The directors at 31st May 2004 and their interests in the share capital of the company were as follows:

	Ordinary Shares of 50p at	
	31 st May 2004	1 st June 2003
P Reynolds (died 31.03.05)	80	80
N Halsall	20	20
K Oldham	20	20
R Taylor (died 5.10.05)	106	106
J D Vining	20	20
P Rush	71	71

Small Company Rules

This report has been prepared in accordance with the special provisions of Part V11 of the Companies Act 1985 relating to small Companies.

This report was approved by the Board and signed on its behalf by:-

..... Mr. J D Vining, Director

Date..... 18/11/2005

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**ACCOUNTANTS REPORT ON THE
UNAUDITED FINANCIAL STATEMENTS
TO THE DIRECTORS OF
ROCHDALE HORNETS FOOTBALL CLUB COMPANY LIMITED**

In order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company which comprise the Profit and Loss Account and Balance Sheet, and the related notes from the accounting records and information and explanations you have given us.

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this 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 Board of Directors, as a body, for our work or for this report.

You have acknowledged on the balance sheet for the year ended 31st May 2004 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the Company is exempt from the statutory requirement for an audit for the year.

Ingleside Accountancy Services .

Ingleside Accountancy Services
New Hill Farm
Market Street
Shawforth
Lancs
OL12 8XD

Date 16.12.2005.

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ROCHDALE HORNETS FOOTBALL CLUB COMPANY LIMITED

Profit & Loss Account
For the year ended 31st May 2004

	<u>NOTES</u>	<u>2004</u>	<u>2003</u>
Turnover	2		
Match receipts		86719	67755
Rugby league receipts		38350	21650
Loan & transfer fees received		<u>-</u>	<u>28500</u>
		125069	117905
Less:			
Direct match & playing expenses			
Wages & statutory contributions	3	157948	191739
Coaching fees		3445	16920
Loan & transfer fees paid		-	2096
Provision for transfer fees no longer required		-	(7141)
Compensation		300	-
Security, match & training expenses		15466	23777
Repairs, renewals & ground maintenance		70	74
Motor & travelling expenses		4890	19409
Motor vehicle lease		2391	2837
Net cost of programmes		1895	2633
Playing kit, blazers, laundry			
& medical expenses		16254	14588
Match day catering & refreshments		8189	12750
Trialist expenses		<u>-</u>	<u>1090</u>
		<u>210848</u>	<u>280772</u>
		(85779)	(162867)
Add:			
Other income			
Rochdale Hornets Development Association			
Donation (Saturday Yankee Lottery)		70397	73223
Other donations, sponsorship & advertising		<u>80132</u>	<u>58411</u>
		150529	131634
		64750	(31233)
Deduct			
Administrative expenses			
Rent & Accommodation costs		36968	30305
Printing, stationery, advertising			
& promotion costs		11615	3849
Telephone & postage		885	4123
Bank charges & Interest		3297	1470
Penalties/Interest on late payments		666	1541
Audit fee		2000	2500
Accountancy & Payroll costs		2700	2800
Office equipment hire		-	54
Professional fees		959	2250
Depreciation		2873	3997
Loss on sale of motor vehicle		<u>2189</u>	<u>2006</u>
		<u>64152</u>	<u>54895</u>
Operating Profit/Loss		598	(86128)
Interest receivable		1	-
Interest payable	4	<u>(5436)</u>	<u>(4341)</u>
		(4837)	(90469)
Loss on ordinary activities before taxation			
Taxation on profit on ordinary activities	5	-	-
Loss on ordinary activities after taxation		(4837)	(90469)
Retained loss brought forward		<u>(35934)</u>	<u>54535</u>
Retained profit carried forward – (adverse balance)		<u>£(40771)</u>	<u>£(35934)</u>

The notes on pages 5 to 8 form part of these Financial Statements

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ROCHDALE HORNETS FOOTBALL CLUB COMPANY LIMITED

Statements of Total Recognised Gains & Losses
For the year ended 31st May 2004

	<u>2004</u> <u>£</u>	<u>2003</u> <u>£</u>
Deficiency for the financial year	(4837)	(90469)
Unrealised surplus on revaluation of investment	—	<u>500000</u>
Total recognised gains & losses relating to the year	<u>(4837)</u>	<u>409531</u>

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ROCHDALE HORNETS FOOTBALL CLUB COMPANY LIMITED

Balance Sheet as at 31st May 2004

	<u>Notes</u>	<u>2004</u> £	<u>2003</u> £
Fixed assets			
Tangible assets	6		
Motor vehicles		2189	
Equipment, fixtures & fittings		<u>16280</u>	<u>19153</u>
		16280	21342
Investments	7	<u>1000000</u>	<u>1000000</u>
		1016280	1021342
Current assets			
Stocks		<u>2500</u>	<u>2500</u>
Debtors (due within one year)			
Trade debtors		200	1904
Other debtors		-	2470
Loan - Denehurst Park (Rochdale) Limited		50000	50000
Loan - Mayfield A.R.L.F.C.		2000	2000
Prepaid expenses		<u>-</u>	<u>40</u>
		<u>52200</u>	<u>56414</u>
Cash at bank & in hand	8	<u>12071</u>	<u>134</u>
		<u>66771</u>	<u>59048</u>
Creditors: amounts falling due			
Within one year			
Bank Loan		30000	-
Bank overdrafts		-	32234
Trade creditors		115128	92316
Sundry creditors		-	23016
VAT, PAYE & Social Security payable		149094	117561
Accrued charges		53400	46598
Directors' loans (unsecured)		112350	112318
Loan - Saturday Yankee Promotions		17915	17915
Loan - Rugby League		29000	29000
Other loans		76868	100618
Hire purchase indebtedness	9	<u>-</u>	<u>1281</u>
		<u>583755</u>	<u>572857</u>
Net current liabilities		<u>(516984)</u>	<u>(513809)</u>
Total assets less current liabilities		499296	507533
Creditors: amounts falling due after			
More than one year			
Loan - Rugby League		<u>(8851)</u>	<u>(34351)</u>
		(8851)	(34351)
Provision for liabilities and charges			
Deferred taxation	10	-	-
Net assets		<u>£490445</u>	<u>£473182</u>
Capital and reserves			
Called-up share capital	11	27084	4984
Share premium account		4132	4132
Investment revaluation reserve	12	500000	500000
Profit & loss account - adverse balance		<u>(40771)</u>	<u>(35934)</u>
Shareholders' funds		<u>£490445</u>	<u>£473182</u>

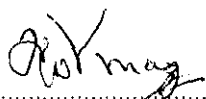
Balance Sheet Continued

The Directors have acknowledged their responsibilities for preparing accounts which give a true and fair view of the company and of its profit or loss for the year then ended in accordance with the requirements of Section 226 of the Companies Act 1985 and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to this company.

The directors have acknowledged their responsibilities for ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985.

The directors have confirmed that no notice has been deposited under Section 249B (2) of the Companies Act 1985.

The directors have taken advantage of the Companies Act 1985 in not having these accounts audited under Section 249A (1) (total exemption).



.....Mr. J D Vining)

) Directors



.....Mr. K Oldham)

Date 16.12.2005.

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ROCHDALE HORNETS FOOTBALL CLUB COMPANY LIMITED

Notes to the Financial Statements
For the year ended 31st May 2004

1

Going concern basis

Due to the accumulated losses incurred by the club and the increasing level of "net current liabilities", the ability of the company to continue as a going concern is dependant on the continued financial support of the company's creditors and future funding. The club currently meets its day to day working capital requirements through funding from the Rugby League and donations. In the opinion of the directors the club will continue to operate in this manner and the going concern basis is appropriate for the preparation of these accounts.

2

Accounting policies

2.1

Basis of preparation of accounts

The financial statements are prepared under the historical cost convention and as modified by the revaluation of the investment and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

2.2

Turnover

Turnover comprises match receipts, receipts from Rugby League and loan and transfer fees received by the company, net of VAT.

2.3

Intangible fixed assets and amortisation

The cost of acquisition of a players contract is treated as an intangible fixed asset and is amortised to profit and loss account over the shorter of the contract term or the playing career with the club.

2.4

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, less depreciation.

Depreciation is provided at rates calculated to write off the cost of Fixed Assets, less their estimated residual value, over their expected useful lives on the following basis:

Motor Vehicles 25% per annum on reducing balance basis.

Equipment, Fixtures & Fittings 10%-33% per annum* on reducing basis.

*Assets held under Finance Lease have been written off over the shorter of Leasing period or useful Life.

2.5

Leasing & hire purchase contracts

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives. Assets acquired under hire purchase contracts are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lesser are charged to the profit and loss account as incurred.

2.6

Stocks

Stocks are valued at the lower of cost or net realisable value after making due allowance for obsolete and slow moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.7

Deferred taxation

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

However, deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred taxation is measured on a non-discounted basis at the average tax rates that would apply when the timing differences are expected to reverse, based on the tax rates and laws that have been enacted by the balance sheet date.

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Wages & statutory contributions

The average number of employees during the year was

	<u>2004</u>	<u>2003</u>
	<u>16</u>	<u>18</u>
Wages & Salaries	149117	180612
Social security costs	<u>8831</u>	<u>11127</u>
	<u>£157948</u>	<u>£191739</u>
Administration staff	20252	21818
Players & other staff	<u>137699</u>	<u>169921</u>
	<u>£157948</u>	<u>£191739</u>

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ROCHDALE HORNETS FOOTBALL CLUB COMPANY LIMITED

Notes to the Financial Statements
For the year ended 31st May 2004

	<u>2004</u>	<u>2003</u>
4		
Interest payable		
Bank interest	-	2332
Hire purchase interest	445	321
Interest – directors loans	4090	786
Other loans	<u>901</u>	<u>902</u>
	<u>£5436</u>	<u>£4341</u>
5		
Taxation		
UK Corporation tax	-	-
6		
Tangible fixed assets		
	Motor Vehicles	Equipment Fixtures & Fittings
Cost		<u>Total</u>
At 1.6.03	5050	87726
Additions	-	-
Disposals	<u>(5050)</u>	<u>(5050)</u>
At 31.5.04	-	<u>87726</u>
Depreciation		
At 1.6.03	2861	68573
Disposals	<u>(2861)</u>	-
Provision for the year	-	<u>2873</u>
At 31.5.04	-	<u>71446</u>
Net book value at 31st May 2004	<u>£ -</u>	<u>£16280</u>
Net book value at 31st May 2003	<u>£2189</u>	<u>£21342</u>

Included above are assets held under finance leases, or hire purchase contracts amounting to: £ NIL (2003 £2189)

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ROCHDALE HORNETS FOOTBALL CLUB COMPANY LIMITED

Notes to the Financial Statements
For the year ended 31st May 2004

	<u>2004</u>	<u>2003</u>
7		
Fixed asset investments		
a.		
Undertakings in which the company has a participating interest		
Denehurst Park (Rochdale) Limited		
500,000 C Shares at directors valuation */cost	1000000	1000000
b.		
Holdings of more than 10%		
Your Company's investment in Denehurst Park (Rochdale) Limited is 500,000 shares out of 1,100,000 issued, which represents a 45.45% holding.		
Rochdale Association Football Club also hold 500,000 Shares and the remaining 100,000 are held by Rochdale M.B.C.		
c.		
The company's investment based on a 45.45% proportion of the 2004 balance sheet valuation of Denehurst Park (Rochdale) Limited would be £329,565. However, the directors consider that the investment value in Denehurst Park (Rochdale) Limited in the Financial Statements should be increase to £1,000,000 arising from a valuation, (obtained by Rochdale Hornets Rugby League Football Club Company Limited) of the investment property in the Denehurst Park (Rochdale) Limited Balance Sheet.		
8		
Cash at bank and in hand	<u>2004</u>	<u>2003</u>
Cash at bank – Current account	12064	-
Deposit accounts	-	78
	<u>7</u>	<u>56</u>
Cash in hand	<u>£12071</u>	<u>£134</u>
9		
Creditors		
Of the creditors falling due within and after more than one year the net obligations under finance leases and hire purchase contracts totally £NIL (2003 £1281...) are secured.		
10		
Deferred taxation		
The company is not accounting for deferred taxation as the deferred tax asset should only be recognised if it is considered more likely than not that there will be suitable profits from which the accumulated tax losses can be relieved. In the opinion of the directors, no provision for the deferred taxation asset is required.		
11		
Share capital	<u>2004</u>	<u>2003</u>
Authorised		
12,000 ordinary shares of 50p	£6000	£6000
Allotted, called-up & fully paid		
54178 ordinary shares of 50p each	27089	4979
	<u>5</u>	<u>5</u>
Forfeited shares	<u>£27084</u>	<u>£4984</u>

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ROCHDALE HORNETS FOOTBALL CLUB COMPANY LIMITED

Notes to the Financial Statements
For the year ended 31st May 2004

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Investment revaluation reserve	<u>2004</u>	<u>2003</u>
Balance at 1 st June 2003	500000	-
Investment revaluation	<u>-</u>	<u>500000</u>
Balance at 31st May 2004	<u>500000</u>	<u>500000</u>

Arising on the directors revaluation of the investment in Denehurst Park (Rochdale) Limited – note 8 also refers.

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Transactions with directors

The club has a loan from Saturday Yankee Promotions, an organisation owned by Mr. P. Reynolds (deceased) and Mr. R. Taylor (deceased). The balance on the loan account at 31st May 2004 was £17915 (2003 £17915).

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Related parties

The club has unsecured loans from directors, the balances on the loan accounts at 31st May 2004 were as follows:

	<u>2004</u>	<u>2003</u>
R. Taylor (deceased)	4209	5042
N Halsall	32385	27385
J D Vining	58481	51811
P Reynolds (deceased)	-	5637
P Rush	17190	19480
K Oldham	<u>85</u>	<u>2963</u>
	<u>£112350</u>	<u>£112318</u>