

**ROCHDALE HORNETS FOOTBALL CLUB COMPANY LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31<sup>ST</sup> MAY 2005**

**COMPANY NUMBER: 89733 (England & Wales)**



**ROCHDALE HORNETS FOOTBALL CLUB COMPANY LIMITED**

**Company Information**

Directors  
Mr. R Taylor (died 5<sup>th</sup> October 2005)  
Mr. P Reynolds (died 31<sup>st</sup> 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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1  
**ROCHDALE HORNETS FOOTBALL CLUB COMPANY LIMITED**

**Company Number 89733**  
**Directors' Report for the year ended 31<sup>st</sup> May 2005**

The Directors present their report and the financial statements for the year ended 31<sup>st</sup> May 2005.

**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**

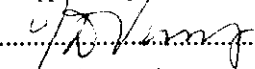
The directors at 31<sup>st</sup> May 2004 and their interests in the share capital of the company were as follows:

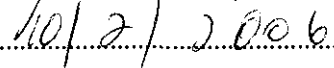
	Ordinary Shares of 50p at	
	31 <sup>st</sup> May 2005	1 <sup>st</sup> June 2004
P Reynolds (died 31.03.05)	80	80
N Halsall	20	20
K Oldham	20	20
R Taylor (died 5.10.05)	106	106
J D Vining	2021	20
A Maynock	2800	-
K Reynolds	2000	-

**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.....  .....

<sup>2</sup>  
**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 31<sup>st</sup> May 2005 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 14.2.2006

**3**  
**ROCHDALE HORNETS FOOTBALL CLUB COMPANY LIMITED**

**Profit & Loss Account**  
**For the year ended 31<sup>st</sup> May 2005**

	<b><u>NOTES</u></b>	<b><u>2005</u></b>	<b><u>2004</u></b>
<b>Turnover</b>	<b>2</b>		
Match receipts		89861	86719
Rugby league receipts		49420	38350
Loan & transfer fees received		<u>-</u>	<u>-</u>
		139281	125069
Less:			
<b>Direct match &amp; playing expenses</b>			
Wages & statutory contributions	<b>3</b>	186052	157948
Coaching fees		4680	3445
Compensation		-	300
Security, match & training expenses		12661	15466
Repairs, renewals & ground maintenance		137	70
Motor & travelling expenses		8803	4890
Motor vehicle lease		2609	2391
Net cost of programmes		2347	1895
Playing kit, blazers, laundry & medical expenses		27388	16254
Match day catering & refreshments		<u>7247</u>	<u>8189</u>
		251924	210848
		(112643)	(85779)
Add:			
<b>Other income</b>			
Rochdale Hornets Development Association			
Donation (Saturday Yankee Lottery)		68638	70397
Other donations, sponsorship & advertising		<u>81148</u>	<u>80132</u>
		149786	150529
		37143	64750
Deduct			
<b>Administrative expenses</b>			
Rent & Accommodation costs		23466	36968
Printing, stationery, advertising & promotion costs		7864	11615
Telephone & postage		2193	885
Bank charges & Interest		125	3297
Penalties/Interest on late payments		1948	666
Audit fee		-	2000
Accountancy & Payroll costs		1800	2700
Sundry Expenses		1349	-
Professional fees		-	959
Depreciation		2442	2873
Loss on sale of motor vehicle		<u>-</u>	<u>2189</u>
		41187	64152
<b>Operating Profit/Loss</b>		(4044)	598
Interest receivable		9	1
Interest payable	<b>4</b>	<u>(6368)</u>	<u>(5436)</u>
		(10403)	(4837)
<b>Loss on ordinary activities before taxation</b>			
Taxation on profit on ordinary activities	<b>5</b>	-	-
<b>Loss on ordinary activities after taxation</b>		(10403)	(4837)
<b>Retained loss brought forward</b>		(40771)	(35934)
<b>Retained profit carried forward – (adverse balance)</b>		<u>£(51174)</u>	<u>£(40771)</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 31<sup>st</sup> May 2005**

	<u>2005</u> £	<u>2004</u> £
Deficiency for the financial year	(10403)	(4837)
Unrealised surplus on revaluation of investment	—	—
<b>Total recognised gains &amp; losses relating to the year</b>	<u>(10403)</u>	<u>(4837)</u>

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

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**ROCHDALE HORNETS FOOTBALL CLUB COMPANY LIMITED**

**Balance Sheet as at 31<sup>st</sup> May 2005**

	<u>Notes</u>	<u>2005</u> £	<u>2004</u> £
<b>Fixed assets</b>			
<b>Tangible assets</b>	<b>6</b>		
Motor vehicles		-	-
Equipment, fixtures & fittings		<u>13838</u>	<u>16280</u>
		13838	16280
<b>Investments</b>	<b>7</b>	<u>1000000</u>	<u>1000000</u>
		1013838	1016280
<b>Current assets</b>			
Stocks		<u>-</u>	<u>2500</u>
Debtors (due within one year)			
Trade debtors		494	200
Loan – Denehurst Park (Rochdale) Limited		50000	50000
Loan – Mayfield A.R.L.F.C.		<u>-</u>	<u>2000</u>
		50494	52200
<b>Cash at bank &amp; in hand</b>	<b>8</b>	<u>5419</u>	<u>12071</u>
		55913	66771
<b>Creditors: amounts falling due</b>			
<b>Within one year</b>			
Bank Loan		24437	30000
Bank overdrafts		-	-
Trade creditors		74452	115128
Sundry creditors		-	-
VAT, PAYE & Social Security payable		67044	149094
Accrued charges		55200	53400
Directors' loans (unsecured)		198947	112350
Loan – Saturday Yankee Promotions		17915	17915
Loan – Rugby League		29000	29000
Other loans		<u>75563</u>	<u>76868</u>
		542558	583755
<b>Net current liabilities</b>		<u>(486645)</u>	<u>(516984)</u>
<b>Total assets less current liabilities</b>		527193	499296
<b>Creditors: amounts falling due after</b>			
<b>More than one year</b>			
Loan – Rugby League		<u>(1451)</u>	<u>(8851)</u>
		(1451)	(8851)
<b>Provision for liabilities and charges</b>			
Deferred taxation		-	-
<b>Net assets</b>		<u>£525742</u>	<u>£490445</u>
<b>Capital and reserves</b>			
Called-up share capital		72784	27084
Share premium account		4132	4132
Investment revaluation reserve	<b>9</b>	500000	500000
Profit & loss account – adverse balance		<u>(51174)</u>	<u>(40771)</u>
<b>Shareholders' funds</b>		<u>£525742</u>	<u>£490445</u>



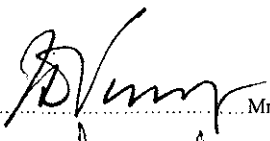
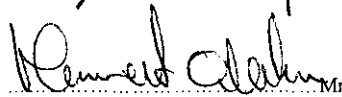
4a  
**Balance Sheet Continued**

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 )  
 ..... Mr. K Oldham )     **Directors**

Date 10.2.06

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**ROCHDALE HORNETS FOOTBALL CLUB COMPANY LIMITED**

**Notes to the Financial Statements**  
**For the year ended 31<sup>st</sup> May 2005**

**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:

Equipment, Fixtures & Fittings 15% per annum..

**3**

**Wages & statutory contributions**

The average number of employees during the year was

	<u>2005</u>	<u>2004</u>
	<u>27</u>	<u>16</u>
Wages & Salaries	175598	149117
Social security costs	<u>10454</u>	<u>8831</u>
	<u>£186052</u>	<u>£157948</u>

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ROCHDALE HORNETS FOOTBALL CLUB COMPANY LIMITED

Notes to the Financial Statements  
For the year ended 31<sup>st</sup> May 2005

	<u>2005</u>	<u>2004</u>
<b>4</b>		
<b>Interest payable</b>		
Bank interest	-	-
Hire purchase interest	-	445
Interest – directors loans	2608	4090
Other loans	<u>3760</u>	<u>901</u>
	<u>6368</u>	<u>£5436</u>
<b>5</b>		
<b>Taxation</b>		
UK Corporation tax	-	-
<b>6</b>		
<b>Tangible fixed assets</b>	<b>Equipment Fixtures &amp; Fittings</b>	<b>Total</b>
<b>Cost</b>		
At 1.6.04	87726	87726
Additions	-	-
Disposals	-	-
At 31.5.05	<u>87726</u>	<u>87726</u>
<b>Depreciation</b>		
At 1.6.04	71446	71446
Disposals	-	-
Provision for the year	<u>2442</u>	<u>2442</u>
At 31.5.05	<u>73888</u>	<u>73888</u>
<b>Net book value at 31<sup>st</sup> May 2004</b>	<u>£16280</u>	<u>£16280</u>
<b>Net book value at 31<sup>st</sup> May 2005</b>	<u>£13838</u>	<u>£13838</u>

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**ROCHDALE HORNETS FOOTBALL CLUB COMPANY LIMITED**

**Notes to the Financial Statements**  
**For the year ended 31<sup>st</sup> May 2005**

	<u>2005</u>	<u>2004</u>
<b>7</b>		
<b>Fixed asset investments</b>		
<b>a.</b>		
<b>Undertakings in which the company has a participating interest</b>		
Denehurst Park (Rochdale) Limited		
500,000 C Shares at directors valuation */cost	<u>1000000</u>	<u>1000000</u>
<b>b.</b>		
<b>Holdings of more than 10%</b>		
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.		
<b>c.</b>		
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.		
<b>8</b>		
<b>Cash at bank and in hand</b>	<u>2005</u>	<u>2004</u>
Cash at bank – Current account	5346	12064
	<u>73</u>	<u>7</u>
Cash in hand	<u>£5419</u>	<u>£12071</u>
<b>11</b>		
<b>Share capital</b>	<u>2005</u>	<u>2004</u>
<b>Authorised</b>		
1,000,000 ordinary shares of 50p	<u>500,000</u>	<u>£6000</u>
<b>Allotted, called-up &amp; fully paid</b>		
145578 ordinary shares of 50p each	72789	27089
<b>Forfeited shares</b>	<u>5</u>	<u>5</u>
	<u>72784</u>	<u>£27084</u>

**8**  
**ROCHDALE HORNETS FOOTBALL CLUB COMPANY LIMITED**

**Notes to the Financial Statements**  
**For the year ended 31<sup>st</sup> May 2005**

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**Investment revaluation reserve**

	<b><u>2005</u></b>	<b><u>2004</u></b>
Balance at 1 <sup>st</sup> June 2004	500000	500000
Investment revaluation	—	—
<b>Balance at 31<sup>st</sup> May 2005</b>	<b><u>500000</u></b>	<b><u>500000</u></b>

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 31<sup>st</sup> May 2005 was £17915 (2004 £17915).

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**Related parties**

The club has unsecured loans from directors, the balances on the loan accounts at 31<sup>st</sup> May 2005 were as follows:

	<b><u>2005</u></b>	<b><u>2004</u></b>
R. Taylor (deceased)	12320	4209
N Halsall	32385	32385
J D Vining	96146	58481
P Reynolds (deceased)	1777	—
P Rush	13190	17190
K Oldham	—	85
A Manock	28962	—
K Reynolds	<u>14167</u>	<u>—</u>
	<b><u>198947</u></b>	<b><u>£112350</u></b>