

ROCHDALE HORNETS FOOTBALL CLUB COMPANY LIMITED

ABBREVIATED STATUTORY ACCOUNTS

FOR THE YEAR ENDED

31ST MAY 1999

COMPANY NUMBER: 89733 (England & Wales)



ROCHDALE HORNETS FOOTBALL CLUB COMPANY LIMITED

Company Number: 89733

Auditors' Report to Rochdale Hornets Football Club Company Limited
under Section 247B of the Companies Act 1985

We have examined the abbreviated accounts set out on pages 2 to 5 together with the financial statements of Rochdale Hornets Football Club Company Limited for the year ended 31st May 1999, prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.

Other information

On 22 March 2000, we reported as auditors of Rochdale Hornets Football Club Company Limited to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31st May 1999 and our audit report was as follows:-

We have audited the financial statements on pages 3 to 8 which have been prepared in accordance with the Financial Reporting Standard from Smaller Entities (effective March 1999), under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors.

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board except that the scope of our work was limited as explained below. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error.

We have considered the adequacy of the disclosures made in note 9 of the financial statements concerning the valuation of the investment in Denehurst Park (Rochdale) Limited. There were no satisfactory audit procedures that we could adopt to confirm the value of the Company's investment in Denehurst Park (Rochdale) Limited, included in the Balance Sheet at £500,000. There were also no satisfactory audit procedures that we could adopt to confirm the club's outstanding liability position in respect of Denehurst Park (Rochdale) Limited.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

The financial statements have been prepared on a going concern basis, the validity of which depends upon future funding being available. The going concern basis may not be appropriate, because the company's current liabilities exceeded its current assets by £232,154 at 31st May 1999, and the company is dependent upon the continuing financial support of its major creditors, as mentioned in note 1 of the financial statements. Our opinion is not qualified in this respect.

Qualified opinion arising from limitation in audit scope

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning the value of the company's investment in Denehurst Park (Rochdale) Limited, and its outstanding liability position in relation to that company, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st May 1999, and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Gee & Robinson,
Chartered Accountants,
Registered Auditors,
3 Whitehall Street,
Rochdale, OL16 1DU

22 March 2000

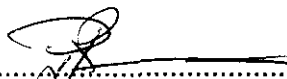

ROCHDALE HORNETS FOOTBALL CLUB COMPANY LIMITED

Abbreviated Balance Sheet as at 31st May 1999

	<u>Notes</u>	<u>1999</u>	<u>1998</u>
Fixed assets			
Intangible assets	3	1632	-
Tangible assets	4	10826	12353
Investments	5	<u>500000</u>	<u>500000</u>
		512458	512353
Current assets			
Stocks		3000	2250
Debtors (due within one year)		32511	19231
Cash at bank & in hand		<u>2382</u>	<u>240</u>
		37893	21721
Creditors: amounts falling due within one year		<u>(270047)</u>	<u>(262978)</u>
Net current liabilities		<u>(232154)</u>	<u>(241257)</u>
Total assets less current liabilities		280304	271096
Creditors: amounts falling due after more than one year		-	-
Provisions for liabilities and charges		-	-
Net assets		<u>£280304</u>	<u>£271096</u>
Capital and reserves			
Share capital	6	4984	4984
Share premium account		4132	4132
Profit and loss account		<u>271188</u>	<u>261980</u>
Shareholders' funds		<u>£280304</u>	<u>£271096</u>

The abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies.

The financial statements were approved by the Board and signed on its behalf.


..... Mr. P Reynolds)

..... Mr. R. Taylor) Directors

Date 21.03.2000

The notes on pages 3 - 5 form part of these financial statements.

ROCHDALE HORNETS FOOTBALL CLUB COMPANY LIMITED

Notes to the abbreviated financial statements
for the year ended 31st May 1999

1. Going concern basis

Due to the accumulated losses incurred by the club and the level of net current liabilities, the ability of the company to continue as a going concern is dependent on the continued financial support of the company's creditors. The club currently meets its day to day working capital requirements through funding from the Rugby Football League, News Corporation and donations from the Rochdale Hornets Development Association (Saturday Yankee Lottery). 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.

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. This policy is effective for accounting periods ending after 22nd December 1998, under FRS 10.

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 bases:

	<u>1999</u>	<u>1998</u>
Equipment, Fixtures & Fittings 10% - 33% p.a.* on reducing balance basis	<u>£1787</u>	<u>£2064</u>

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

2.5 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to 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 Company is not accounting for Deferred Taxation as further tax relief available on accumulated losses exceeds the Deferred Taxation on Accelerated Capital Allowances.

3. Intangible fixed assets

	<u>Players Contracts £</u>	<u>Total £</u>
Cost		
At 1.6.98	-	-
Additions	<u>5000</u>	<u>5000</u>
At 31.5.99	<u>£5000</u>	<u>£5000</u>
Amortisation		
At 1.6.98	-	-
Charge for the year	<u>£3368</u>	<u>£3368</u>
At 31.5.99	<u>£3368</u>	<u>£3368</u>
Net book values		
At 31.5.99	<u>£ 1632</u>	<u>£ 1632</u>
At 31.5.98	<u>Nil</u>	<u>Nil</u>

ROCHDALE HORNETS FOOTBALL CLUB COMPANY LIMITED

Notes to the abbreviated financial statements
for the year ended 31st May 1999

4.	Tangible fixed assets	Equipment Fixtures & Fittings
	Cost	
	At 1.6.98	68325
	Additions	260
	Disposal	-
	At 31.5.99	<u>£68585</u>
	Depreciation	
	At 1.6.98	55972
	Disposal	-
	Provision for the year	1787
	At 31.5.99	<u>£57759</u>
	Net Book Value at 31st May 1999	<u>£10826</u>
	Net Book Value at 31st May 1998	<u>£12353</u>
5.	Fixed asset investments	<u>1999</u> <u>1998</u>
a.	Undertakings in which the company has a participating interest Denehurst Park (Rochdale) Limited 500,000 C shares at cost	<u>£500000</u> <u>£500000</u>
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 accounts of Denehurst Park (Rochdale) Limited for the year ended 31st May 1999, were not available. The draft accounts for the year ended 31st May 1998 show capital and reserves of £652,086 and a profit for the year of £7,124.	
d.	The company's investment based on a 1998 balance sheet valuation of Denehurst Park (Rochdale) Limited would be £296,373. However, the directors do not consider that a provision for a diminution in value should be made as they do not agree with the carrying value of the investment property included in these Financial Statements of Denehurst Park (Rochdale) Limited, and the information is not up to date.	
6.	Share capital	<u>1999</u> <u>1998</u>
	Authorised	
	12,000 ordinary shares of 50p	<u>£6000</u> <u>£6000</u>
	Allotted, called-up & fully paid	
	9,958 ordinary shares of 50p each	4979 4979
	Forfeited shares	<u>5</u> <u>5</u>
		<u>£4984</u> <u>£4984</u>

ROCHDALE HORNETS FOOTBALL CLUB COMPANY LIMITED

Notes to the abbreviated financial statements
for the year ended 31st May 1999

7. Other commitments

At 31st May 1999 the company had annual commitments under non-cancellable operating leases as follows:-

	<u>Motor Vehicles</u>	
	<u>1999</u>	<u>1998</u>
Expiry date:		
Within one year	-	6352
Between two and five years	-	<u>6882</u>
	-	<u>£13234</u>

8. Transactions with directors

During the year ended 31st May 1998, Mr. P. Reynolds was requested by the Board of directors to obtain a personal loan of £10,000 from Barclays Bank plc. The company agreed to repay the loan including the interest incurred thereon. During the year ended 31st May 1999 the loan interest paid amounted to £1662 (1998 £1631).

9. Related parties

The club uses facilities owned by Denehurst Park (Rochdale) Limited. During the year ended 31st May 1999 the commercial charge made by Denehurst Park (Rochdale) Limited was £45,000 (1998 £45,000). The amount outstanding per the club's records at the Balance Sheet date was £74,214 (1998 £74,395).

The club has interest free unsecured loans from directors, the balances on the loan accounts at 31st May 1999 were as follows:-

	<u>1999</u>	<u>1998</u>
M. Lord	5886	8259
D. Turner	2800	2700
R. Taylor	4941	5800
N. Halsall	<u>8000</u>	<u>5000</u>
	<u>£21627</u>	<u>£21759</u>

Additional related party information is given in note 8.