

**ROCHDALE HORNETS FOOTBALL CLUB COMPANY LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31ST MAY 1996**

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



**ROCHDALE HORNETS FOOTBALL CLUB COMPANY LIMITED**

**Company Information**

**Directors**

Mr. P. Reynolds    Mr. R. Taylor  
Mr. R. Clark        Mr. M. Lord  
Mr. K. Oldham      Mr. D. Turner  
Mr. J. Ashworth

**Secretary**

Mr. P. Reynolds

**Company Number**

89733 (England & Wales)

**Registered Office**

Spotland Stadium,  
Sandy Lane,  
Rochdale.

**Auditors**

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

**ROCHDALE HORNETS FOOTBALL CLUB COMPANY LIMITED**

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**ROCHDALE HORNETS FOOTBALL CLUB COMPANY LIMITED**

**Company Number: 89733**

**Directors' Report**

The Directors present their report and the financial statements for the year ended 31st May 1996.

**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 1996 and their beneficial interests in the company's issued ordinary share capital were as follows:-

	Ordinary Shares of 50p each at	
	<u>31st May 1996</u>	<u>31st May 1995</u>
P. Reynolds	80	80
R. Clark	50	50
K. Oldham	20	20
J. Ashworth	180	180
R. Taylor	116	116
M. Lord	10	10
D. Turner	120	120

In addition, Mr. P. Rush served as a Director until his resignation on 10th October 1995.

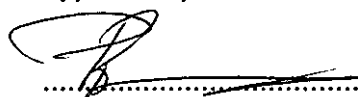
Mr. J. Ashworth resigned as a Director on 27th May 1997.

**Auditors**

The Auditors, Messrs Gee & Robinson will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report, has been prepared taking advantage of the exemptions conferred by Part II of Schedule 8 of the Companies Act 1985.

Approved by the Board and signed on its behalf by:-



..... Paul Reynolds, Secretary

Date ..... 23.3.98 .....

**ROCHDALE HORNETS FOOTBALL CLUB COMPANY LIMITED**

**Auditors' Report to the Shareholders of Rochdale Hornets Football Club Company Limited**

We have audited the financial statements on pages 3 to 7 which have been prepared 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 7 of the financial statements concerning the valuation of the investment in Denehurst Park (Rochdale) Ltd. There were no satisfactory audit procedures that we could adopt to confirm the Company's investment in Denehurst Park (Rochdale) Ltd., included in the Balance Sheet at £500,000.

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

**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 Company's investment in Denehurst Park (Rochdale) Ltd., in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st May 1996, and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985, applicable to small companies.



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

23 March 1998

**ROCHDALE HORNETS FOOTBALL CLUB COMPANY LIMITED**

**Profit and Loss Account  
for the year ended 31st May 1996**

	<u>Notes</u>		<u>1996</u>	<u>1995</u>
<b>Turnover</b>				
Match Receipts			84961	73032
Rugby League Receipts			135651	31564
Loan & Transfer Fees Received			<u>19650</u>	<u>61000</u>
			240262	165596
Less:				
<b>Direct Match and Playing Expenses</b>				
Wages & Statutory Contributions	2	233453	206426	
Loan & Transfer Fees Paid		21850	32901	
Security, Match & Training Expenses		24269	12477	
Repairs, Renewals & Ground Maintenance		2791	1229	
Motor & Travelling Expenses		23226	12922	
Net Cost of Programmes		2949	1524	
Playing Kit, Blazers, Laundry & Medical Expenses		<u>20902</u>	<u>18661</u>	
Match Day Catering & Refreshments		<u>16187</u>	<u>15694</u>	
			345627	301834
			(105365)	(136238)
Add:				
<b>Other Income</b>				
Saturday Yankee Lottery Donation		82770	92715	
Other Donations, Sponsorship & Advertising		<u>38324</u>	<u>44181</u>	<u>136896</u>
			15729	658
Deduct:				
<b>Administrative Expenses</b>				
Rent	3	54101	49364	
Rates, Heating, Lighting & Water		-	351	
Insurance		10273	3872	
Printing, Stationery & Advertising		2466	5741	
Telephone & Postage		2474	2118	
Bank Charges		3138	1948	
Late Filing Penalties		550	429	
Audit Fee		2000	1700	
Accountancy		2000	1700	
Legal & Professional Fees		12448	3834	
Equipment Hire		174	742	
Depreciation		<u>2238</u>	<u>2172</u>	
			91862	73971
<b>Operating Loss</b>			(76133)	(73313)
Losses on Sales of Fixed Assets			-	(2726)
<b>Loss on Ordinary Activities before Interest</b>			(76133)	(76039)
Interest Receivable			5553	8128
Interest Payable	4		<u>(6514)</u>	<u>(15026)</u>
<b>Loss on Ordinary Activities before Taxation</b>			(77094)	(82937)
<b>Taxation</b>	5		-	-
<b>Loss on Ordinary Activities after Taxation</b>			(77094)	(82937)
Retained Profit Brought Forward			391497	474434
<b>Retained Profits Carried Forward</b>			<u>£314403</u>	<u>£391497</u>

There are no recognised gains or losses for 1996 or 1995 other than those included in the profit and loss account.

The notes on pages 5 to 7 form part of these Financial Statements.

**ROCHDALE HORNETS FOOTBALL CLUB COMPANY LIMITED**

**Balance Sheet as at 31st May 1996**

	<u>Notes</u>	<u>1996</u>	<u>1995</u>
<b>Fixed Assets</b>	<b>6</b>		
<b>Tangible Assets</b>			
Equipment, Fixtures & Fittings		11828	11346
Motor Vehicles		<u>685</u>	<u>913</u>
		12513	12259
<b>Investments</b>	<b>7</b>	500000	500000
<b>Current Asssts</b>			
Stocks		<u>2500</u>	<u>3250</u>
<b>Debtors</b>			
Trade Debtors		8213	24416
Prepaid Expenses		<u>3235</u>	<u>-</u>
		11448	24416
Cash at Bank & in Hand	<b>8</b>	<u>67029</u>	<u>127238</u>
		80977	154904
<b>Creditors: Amounts Falling Due Within One Year</b>			
Bank Overdraft	<b>9</b>	78294	61170
Trade Creditors		40685	56539
Sundry Creditors		10730	25350
VAT, PAYE & Social Security Payable		74679	54054
Accrued Charges		62883	61687
Directors' Loans (unsecured)		<u>2700</u>	<u>7750</u>
		269971	266550
<b>Net Current Liabilities</b>		(188994)	(111646)
<b>Total Assets less Current Liabilities</b>		323519	400613
<b>Creditors: Amounts Falling Due after More Than One Year</b>		-	-
<b>Provision for Liabilities and Charges</b>		-	-
<b>Net Assets</b>		<u>£323519</u>	<u>£400613</u>
<b>Financed by:</b>			
<b>Capital and Reserves</b>			
Share Capital	<b>10</b>	4984	4984
Share Premium Account		4132	4132
Profit and Loss Account		<u>314403</u>	<u>391497</u>
<b>Shareholders' Funds</b>	<b>11</b>	<u>£323519</u>	<u>£400613</u>

The Directors' have taken advantage, in the preparation of these Financial Statements of the exemptions available under Part I of Schedule 8 to the Companies Act 1985, on the grounds that the Company qualifies as a small company by virtue of Section 247 of the Companies Act 1985.

We approve these Accounts and confirm that we have made available all relevant records and information for their preparation and audit.

Signed on behalf of the Board,

..... Mr. P Reynolds)

..... R. Taylor ) **DIRECTORS**

Date 23.3.98

The notes on pages 5 to 7 form part of these financial statements.

**ROCHDALE HORNETS FOOTBALL CLUB COMPANY LIMITED**

**Notes to the Financial Statements**  
**for the year ended 31st May 1996**

**1. Accounting Policies**

**1.1 Basis of Preparation of Accounts**

The financial statements are prepared under the historical cost convention and include the results of the company's operations which are described in the Directors' Report and all of which are continuing.

The Company has taken advantage of the exemption in Financial Reporting Standard No. 1 from producing a cash flow statement on the grounds that it is a small company.

**1.2 Turnover**

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

**1.3 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:

Equipment, Fixtures & Fittings 10% - 33% p.a.\*

Motor Vehicles 25% p.a.

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

**1.4 Stocks**

Stocks - valued at the lower of cost or net realisable value after making due allowance for obsolete and slow-moving stocks.

**1.5 Deferred Taxation**

The Company is not accounting for Deferred Taxation as further tax relief available on accumulated losses exceed the Deferred Taxation on Accelerated Capital Allowances.

<b>2. Wages and Statutory Contributions</b>	<b><u>1996</u></b>	<b><u>1995</u></b>
The average number of Employees during the year was:	<u>34</u>	<u>35</u>
Wages & Salaries	221286	192573
Social Security Costs	<u>12167</u>	<u>13853</u>
	<b><u>233453</u></b>	<b><u>206426</u></b>
Administration Staff	23827	14636
Coaching & Physiotherapy Staff	35434	15479
Players & Other Staff	<u>174192</u>	<u>176311</u>
	<b><u>£233453</u></b>	<b><u>£206426</u></b>
<b>3. Rent</b>		
Stadium	45000	45000
Training & Other Ground Facilities	6895	2864
Property	<u>2206</u>	<u>1500</u>
	<b><u>£54101</u></b>	<b><u>£49364</u></b>
<b>4. Interest Payable</b>		
Bank Interest	6514	6026
Denehurst Park (Rochdale) Ltd.	<u>-</u>	<u>9000</u>
	<b><u>£6514</u></b>	<b><u>£15026</u></b>



**ROCHDALE HORNETS FOOTBALL CLUB COMPANY LIMITED**

**Notes to the Financial Statements**  
**for the year ended 31st May 1996**

5.	<b>Taxation</b>	<u>1996</u>	<u>1995</u>
	UK Corporation Tax	—	—

6.	<b>Tangible Fixed Assets</b>	<b>Equipment, Fixtures &amp; Fittings</b>	<b>Motor Vehicles</b>	<b>Total</b>
	<b>Cost</b>			
	At 1.6.95	61034	5950	66984
	Additions	<u>2492</u>	—	<u>2492</u>
	<b>At 31.5.96</b>	<b><u>£63526</u></b>	<b><u>£ 5950</u></b>	<b><u>£69476</u></b>
	<b>Depreciation</b>			
	At 1.6.95	49688	5037	54725
	Provision for the year	<u>2010</u>	<u>228</u>	<u>2238</u>
	<b>At 31.5.96</b>	<b><u>£51698</u></b>	<b><u>£ 5265</u></b>	<b><u>£56963</u></b>
	<b>Net Book Value at 31st May 1996</b>	<b><u>£11828</u></b>	<b><u>£ 685</u></b>	<b><u>£12513</u></b>
	<b>Net Book Value at 31st May 1995</b>	<b><u>£11346</u></b>	<b><u>£ 913</u></b>	<b><u>£12259</u></b>

		<u>1996</u>	<u>1995</u>
7.	<b>Investments</b>		
	Denehurst Park (Rochdale) Ltd.		
	500,000 C Shares at Cost	<u>£500000</u>	<u>£500000</u>

The Accounts of Denehurst Park (Rochdale) Ltd. for the year ended 31st May 1996 show a Balance Sheet value at £664,038. Your Company's investment in Denehurst Park (Rochdale) Ltd. 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.

		<u>1996</u>	<u>1995</u>
8.	<b>Cash at Bank and In Hand</b>		
	Cash at Bank - Treasurer's Deposit Account	66577	127201
	Cash in Hand	<u>452</u>	<u>37</u>
		<b><u>£67029</u></b>	<b><u>£127238</u></b>

9. **Bank Overdraft**  
The company's bank overdraft facility is secured by two Deeds of Charge stating that monies held on Treasurer's Deposit Account can be used for set off against the overdraft facilities. One Deed is for £50,000 (dated 4th February 1993) and one is for £15,000 (dated 21st April 1994).

**ROCHDALE HORNETS FOOTBALL CLUB COMPANY LIMITED**

**Notes to the Financial Statements**  
**for the year ended 31st May 1996**

	<u>1996</u>	<u>1995</u>
<b>10. Share Capital</b>		
<b>Authorised</b>		
12,000 Ordinary Shares of 50p	<u>£6000</u>	<u>£6000</u>
<b>Allotted, Called-up &amp; Fully Paid</b>		
9,958 Ordinary Shares of 50p each	4979	4979
<b>Forfeited Shares</b>	<u>5</u>	<u>5</u>
	<u>£4984</u>	<u>£4984</u>
<b>11. Shareholders' Funds</b>		
Opening Shareholders' Funds	400613	483550
Loss for the year	<u>(77094)</u>	<u>(82937)</u>
<b>Closing Shareholders' Funds</b>	<u>£ 323519</u>	<u>£ 400613</u>

12. Due to the continuing level of operating losses incurred, there exists uncertainty as to the future trading operations of the Club. The Club currently meets its day to day working capital requirements through Rugby League funding and Saturday Yankee Lottery donations. We understand from the directors' that they expect that the Club will continue to operate in this manner and that their views are based on their plans and forecasts, but that, inherently, there can be no certainty in relation to those views.