



# REGISTRAR'S COPY

**CARLISLE UNITED ASSOCIATION  
FOOTBALL CLUB (1921) LIMITED**

**Report and Financial Statements**

**30 June 1996**

**Deloitte & Touche  
Gainsborough House  
34-40 Grey Street  
Newcastle upon Tyne  
NE1 6AE**





**REPORT AND FINANCIAL STATEMENTS 1996**

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**REPORT AND FINANCIAL STATEMENTS 1996**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

M Knighton - Chairman and Chief Executive

B Chaytow - Vice Chairman

R McKnight

A Doweck

R A Knighton (appointed 27 November 1995; resigned 4 November 1996)

H A Jenkins (appointed 26 March 1996)

J T T Fuller (appointed 13 March 1997)

**COMPANY SECRETARY**

J T T Fuller (appointed 12 March 1997)

**REGISTERED OFFICE**

Brunton Park

Warwick Road

Carlisle

CA1 1LL

**BANKERS**

Midland Bank plc

Midland Bank Chambers

Court Square

Carlisle

CA1 1QU

**AUDITORS**

Deloitte & Touche

Chartered Accountants

Gainsborough House

34-40 Grey Street

Newcastle upon Tyne

NE1 6AE

## **DIRECTORS' REPORT**

The directors present their report and the audited financial statements for the year ended 30 June 1996.

## **ACTIVITIES**

The company's principal activity is that of a professional Football League Club.

## **REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS**

The directors are satisfied with the results for the year and despite the club's relegation in the 1995/96 season they are confident that results will improve both on and off the field in the coming year.

## **DIVIDENDS AND TRANSFERS TO RESERVES**

The directors do not recommend the payment of a dividend for the year. Retained profits of £140,330 (1995 - £470,894) have been transferred to reserves.

## **FIXED ASSETS**

The company spent £2,464,483 during the year on ground and stadium improvements and £247,321 on equipment and motor vehicles. Fixed assets with a book value of £52,270 were disposed of at a profit of £4,876. At the 30 June 1996 the company's stadium was valued at £5,320,000 by a firm of Chartered Surveyors.

## **DIRECTORS AND THEIR INTERESTS**

The present membership of the board is set out on page 1.

Mrs R A Knighton was appointed as a director on 27 November 1995, Mr H A Jenkins was appointed as a director on 26 March 1996 and Mr J Fuller was appointed as a director on 13 March 1997. Mrs R A Knighton resigned as a director on 4 November 1996.

Knighton Holdings Limited, a company wholly controlled by Mr M Knighton, held 81,178 shares in the company at 30 June 1996 (30 June 1995 - 66,879). The other directors had no interests in the share capital of the company during the period.

The Chairman received no remuneration for the period from his initial appointment to 30 June 1995. For the year ended 30 June 1996 he received remuneration of £110,769. With effect from 13 July 1996 the Chairman has a service contract including an annual salary of £60,000.

## **AUDITORS**

A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.



**DIRECTORS' REPORT (continued)**

**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 as at the end of the financial year 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 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.

Approved by the Board of Directors  
and signed on behalf of the Board



## Chartered Accountants

Deloitte & Touche  
Gainsborough House  
34-40 Grey Street  
Newcastle upon Tyne NE1 6AE

Telephone: National 0191 261 4111  
International + 44 191 261 4111  
Fax (Gp. 3): 0191 232 7665  
DX 61022

## AUDITORS' REPORT TO THE MEMBERS OF CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED

We have audited the financial statements on pages 5 to 20 which have been prepared under the accounting policies set out on page 9.

### Respective responsibilities of directors and auditors

As described on page 3 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. 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. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche*

Chartered Accountants and  
Registered Auditors

*6th October 1997*


**PROFIT AND LOSS ACCOUNT**  
**Year ended 30 June 1996**

	Note	Year ended 30 June 1996 £	as restated (see note 2) Ten months ended 30 June 1995 £
<b>TURNOVER</b>	2	<u>2,227,027</u>	<u>2,463,686</u>
Staff costs	3	1,441,038	1,129,610
Depreciation		76,820	52,556
Grants released		(20,134)	(9,034)
Other operating charges		<u>1,082,277</u>	<u>815,640</u>
		<u>2,580,001</u>	<u>1,988,772</u>
<b>OPERATING (LOSS)/PROFIT BEFORE TRANSFER FEES</b>		(352,974)	474,914
Transfer fees receivable		671,500	99,000
Transfer fees payable		<u>(35,250)</u>	<u>(62,500)</u>
<b>OPERATING PROFIT</b>	4	283,276	511,414
Interest receivable and similar income		4,270	176
Interest payable and similar charges	5	<u>(147,216)</u>	<u>(40,696)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		140,330	470,894
Tax on profit on ordinary activities	6	<u>-</u>	<u>-</u>
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR/PERIOD TRANSFERRED TO RESERVES</b>	7	<u>140,330</u>	<u>470,894</u>

All amounts stated above are derived from continuing operations.

There are no recognised gains and losses for the current financial year and preceding financial period other than as stated in the profit and loss account.



**BALANCE SHEET**  
**30 June 1996**

	Note	1996 £	1995 £
<b>FIXED ASSETS</b>			
Tangible assets	8	6,321,652	2,204,405
<b>CURRENT ASSETS</b>			
Stocks	9	113,367	54,580
Debtors	10	94,132	359,234
Cash at bank and in hand		21,986	2,668
		229,485	416,482
<b>CREDITORS: amounts falling due within one year</b>	11	2,820,400	1,606,434
<b>NET CURRENT LIABILITIES</b>		(2,590,915)	(1,189,952)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		3,730,737	1,014,453
<b>CREDITORS: amounts falling due after more than one year</b>	12	(359,657)	(276,949)
<b>DEFERRED INCOME</b>	14	(958,712)	-
<b>TOTAL NET ASSETS</b>		2,412,368	737,504
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	94,891	94,891
Revaluation reserve account	7	2,086,845	552,311
Profit and loss account	7	230,632	90,302
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>		2,412,368	737,504

These financial statements were approved by the Board of Directors on  
Signed on behalf of the Board of Directors

30-09-97

*Michael Knighton*

Director




**CASHFLOW STATEMENT**
**Year ended 30 June 1996**

	Note	Year ended 30 June 1996 £	Ten months ended 30 June 1995 £
<b>Net cash inflow from operating activities</b>	20	<u>1,642,192</u>	<u>795,292</u>
<b>Returns on investments and servicing of finance</b>			
Interest received		4,270	176
Interest paid		(128,112)	(34,088)
Interest element of finance lease rentals		<u>(19,104)</u>	<u>(6,608)</u>
<b>Net cash outflow from returns on investments and servicing of finance</b>		<u>(142,946)</u>	<u>(40,520)</u>
<b>Investing activities</b>			
Grants received		1,001,044	28,950
Payments to acquire tangible fixed assets		(2,516,736)	(775,477)
Receipts from sales of tangible fixed assets		<u>57,146</u>	<u>27,800</u>
<b>Net cash outflow from investing activities</b>		<u>(1,458,546)</u>	<u>(718,727)</u>
<b>Net cash inflow before financing</b>		<u>40,700</u>	<u>36,045</u>
<b>Financing</b>			
New borrowings		406,250	-
Capital element of finance lease rental payments	23	(82,664)	(36,468)
Brewery loan payments	23	(211,666)	(20,834)
Building society payments	23	(1,967)	(1,788)
Football Trust loan payments	23	<u>(33,350)</u>	<u>-</u>
<b>Net cash inflow/(outflow) from financing</b>		<u>76,603</u>	<u>(59,090)</u>
<b>Increase/(decrease) in cash and cash equivalents</b>	21,22	<u><u>117,303</u></u>	<u><u>(23,045)</u></u>



**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**Year ended 30 June 1996**

	<b>Year ended 30 June 1996 £</b>	<b>Ten months ended 30 June 1995 £</b>
Profit attributable to members of the company	140,330	470,894
Surplus arising on revaluation of freehold property	<u>1,534,534</u>	<u>-</u>
Total recognised gains and losses relating to the year/period	<u><u>1,674,864</u></u>	<u><u>470,894</u></u>

**NOTES TO THE ACCOUNTS**  
**Year ended 30 June 1996**

**1. ACCOUNTING POLICIES**

The particular accounting policies adopted are described below.

**Accounting convention**

The financial statements are prepared under the historical cost convention as modified by the revaluation of freehold property.

The format of accounts has been adopted to conform with the normal presentation amongst football clubs.

**Tangible fixed assets**

Depreciation is not provided on freehold property. The property is maintained regularly to a high standard and in the opinion of the directors the residual value is such that the charge for the period and accumulated depreciation at the balance sheet date are not material. On other assets depreciation is provided on annual instalments over the estimated useful lives of the assets. The rates in use are as follows:

Furniture, fittings and ground equipment	10% straight line
Motor vehicles	25% straight line

**Grants**

Grants receivable from the Football Trust in respect of capital expenditure are treated as deferred income and released to the profit and loss account so as to match the depreciation charged on the fixed assets purchased with the grant. Deferred grant income in the balance sheet represents total grants received less amounts credited to the profit and loss account.

**Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost represents the purchase price of goods for resale.

**Deferred income**

Revenue derived from season tickets, advertising and sponsorship is credited to income in the year to which it relates.

**Players transfer fees**

Transfer fees payable and receivable are written off or credited to income in the year in which the player is bought or sold or contingent terms are met.

**Leases**

Assets held under finance leases and hire purchase contracts are capitalised at their fair value on inception of the leases and depreciated over their estimated useful lives. The finance charges are allocated over the period of the lease in proportion to the capital amount outstanding.

**Deferred taxation**

Deferred taxation is provided on timing differences, arising from the different treatment of items for accounting and taxation purposes, which are expected to reverse in the future, calculated at the rates at which it is expected that tax will arise.

In view of the expected continuing use of the freehold properties within the trade, no provision is considered necessary in respect of the potential liability which might arise in the event of the disposal of the properties at the amounts at which they are included in these accounts, and in the opinion of the directors it would be impracticable and of no relevance to attempt to quantify such a liability.

**NOTES TO THE ACCOUNTS**  
**Year ended 30 June 1996**

**2. TURNOVER**

Turnover represents amounts received and receivable in respect of football matches and other operating income, stated net of value added tax, with comparative figures restated accordingly as follows:

	<b>Year ended 30 June 1996 £</b>	<b>Ten months ended 30 June 1995 £</b>
Football income	1,066,791	1,511,370
General donations	30,575	6,120
Other non-football income	1,129,661	946,196
	<u>2,227,027</u>	<u>2,463,686</u>

**3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

	<b>Year ended 30 June 1996 £</b>	<b>Ten months ended 30 June 1995 £</b>
<b>Director's emoluments:</b>		
Remuneration	<u>135,000</u>	<u>-</u>
<b>Chairman and highest paid director</b>	<u>110,769</u>	<u>-</u>
<b>Emoluments of the other directors, excluding pension contributions, were within the following scales:</b>		
	<b>No.</b>	<b>No.</b>
£0 - £5,000	4	3
£20,001 - £25,000	1	-
	<u>£</u>	<u>£</u>
<b>Staff costs:</b>		
Wages and salaries	1,314,473	1,040,564
Social security costs	115,094	80,106
Pension costs	11,471	8,940
	<u>1,441,038</u>	<u>1,129,610</u>


**NOTES TO THE ACCOUNTS**
**Year ended 30 June 1996**
**3. INFORMATION REGARDING DIRECTOR AND EMPLOYEES (continued)**

Employee numbers:	No.	No.
Football staff	44	44
Administration	51	45
	<u>95</u>	<u>89</u>

**4. OPERATING PROFIT**

	Year ended 30 June 1996 £	Ten months ended 30 June 1995 £
<b>Operating profit is after charging:</b>		
Depreciation		
Owned assets	52,554	39,920
Leased assets	24,266	12,636
Auditors' remuneration	5,500	5,000
Loss on disposal	-	1,218
	<u></u>	<u></u>
<b>and after crediting:</b>		
Grants released	20,134	9,034
Profit on disposal	4,876	-
	<u></u>	<u></u>

**5. INTEREST PAYABLE AND SIMILAR CHARGES**

	Year ended 30 June 1996 £	Ten months ended 30 June 1995 £
Bank loans, overdrafts and other loans	112,664	34,088
Finance leases and hire purchase contracts	19,104	6,608
Other interest	15,448	-
	<u>147,216</u>	<u>40,696</u>
The above includes interest in respect of borrowings repayable within five years	<u>145,361</u>	<u>26,217</u>

**6. TAX ON PROFIT ON ORDINARY ACTIVITIES**

There is no charge for corporation tax during the period (1995 - £nil) due to the company having unrelieved tax losses of approximately £571,500 (1995 - £535,000) after set off against deferred taxation of £Nil (1995: £20,000), which are available to set against future profits of the company from the same trade.


**NOTES TO THE ACCOUNTS**
**Year ended 30 June 1996**
**7. STATEMENT OF MOVEMENTS ON RESERVES**

	Revaluation reserve £	Profit and loss account £
At 1 July 1995	552,311	90,302
Profit for the year	-	140,330
Surplus on revaluation of freehold property	1,534,534	-
At 30 June 1996	<u>2,086,845</u>	<u>230,632</u>

**8. TANGIBLE FIXED ASSETS**

	Freehold property £	Furniture fittings & ground equipment £	Motor vehicles £	Assets in course of construction £	Total £
<b>Cost or valuation</b>					
At 1 July 1995	1,732,377	445,028	96,427	78,202	2,352,034
Additions	-	164,890	82,431	2,464,483	2,711,804
Disposals	-	-	(89,833)	-	(89,833)
Reclassification	2,471,112	-	-	(2,471,112)	-
Adjustment arising on revaluation	1,534,534	-	-	-	1,534,534
At 30 June 1996	<u>5,738,023</u>	<u>609,918</u>	<u>89,025</u>	<u>71,573</u>	<u>6,508,539</u>
<b>Accumulated depreciation</b>					
At 1 July 1995	-	105,484	42,146	-	147,630
Charge for the year	-	51,400	25,420	-	76,820
Disposals	-	-	(37,563)	-	(37,563)
At 30 June 1996	<u>-</u>	<u>156,884</u>	<u>30,003</u>	<u>-</u>	<u>186,887</u>
<b>Net book value</b>					
At 30 June 1996	<u>5,738,023</u>	<u>453,034</u>	<u>59,022</u>	<u>71,573</u>	<u>6,321,652</u>
At 30 June 1995	<u>1,732,377</u>	<u>339,545</u>	<u>54,281</u>	<u>78,202</u>	<u>2,204,405</u>

At 30 June 1996 the stadium was valued at £5,320,000, on a depreciated replacement cost basis, by a firm of Chartered Surveyors. The surplus arising on revaluation has been taken to revaluation reserve.



**NOTES TO THE ACCOUNTS**  
**Year ended 30 June 1996**

**8. TANGIBLE FIXED ASSETS (CONTINUED)**

	Freehold property £	Furniture fittings & ground equipment £	Motor vehicles £	Assets in course of construction £	Total £
<b>Comparable amounts determined according to historic cost convention</b>					
Cost	3,651,178	609,918	89,025	71,573	4,421,694
Accumulated depreciation	-	156,884	30,003	-	186,887
At 30 June 1996	<u>3,651,178</u>	<u>453,034</u>	<u>59,022</u>	<u>71,573</u>	<u>4,234,807</u>
At 30 June 1995	<u>1,180,066</u>	<u>339,545</u>	<u>54,281</u>	<u>78,202</u>	<u>1,652,094</u>

The net book value of the company's fixed assets includes £163,482 (1995 - £43,271 ) in respect of assets held under finance leases and hire purchase contracts as follows:

	1996 £	1995 £
Furniture, fittings and ground equipment	108,452	-
Motor vehicles	55,030	43,271
	<u>163,482</u>	<u>43,271</u>

Freehold property at cost or valuation is stated at:

	1996 £	1995 £
open market value for existing use	5,320,000	899,963
cost	418,023	832,414
	<u>5,738,023</u>	<u>1,732,377</u>

**9. STOCKS**

	1996 £	1995 £
Stock - Goods for resale	<u>113,367</u>	<u>54,580</u>

**NOTES TO THE ACCOUNTS**

**Year ended 30 June 1996**

**10. DEBTORS**

	1996	1995
	£	£
Trade debtors	70,341	25,297
Amounts due from parent undertaking	-	287,229
Other debtors	23,791	46,708
	<u>94,132</u>	<u>359,234</u>

Trade debtors includes £Nil (1995 - £282) due from R McKnight Builders, a business controlled by Mr R McKnight, a director. Other debtors includes £Nil (1995 - £1,516) due from St David's Preparatory School Limited, a company in which Mr M Knighton has a controlling interest.

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	1996	1995
	£	£
Bank overdraft	109,251	207,236
Building Society mortgage	2,145	2,145
Brewery loan	15,000	25,000
Football Trust loans	39,996	-
Other mortgage loan	131,250	-
Obligations under finance leases and hire purchase contracts	52,484	16,754
Trade creditors	238,143	222,171
Amount due to parent undertaking	1,559,889	-
Directors' loan accounts	237,862	303,990
Other tax and social security	112,315	364,186
Other creditors	74,579	92,806
Accruals and deferred income	247,486	372,146
	<u>2,820,400</u>	<u>1,606,434</u>

The bank overdraft, brewery loan and other mortgage loan are secured by fixed and floating charges over certain of the company's freehold property.

Trade creditors includes £52,885 (1995 - £Nil) due to R McKnight Builders, a business controlled by Mr R McKnight, a director.



**NOTES TO THE ACCOUNTS**  
**Year ended 30 June 1996**

**12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	1996 £	1995 £
Building Society mortgage	15,797	17,764
Brewery loan	58,750	185,416
Football Trust loans	126,654	-
Obligations under finance lease and hire purchase contracts	97,405	20,731
Accruals and deferred income	61,051	53,038
	<u>359,657</u>	<u>276,949</u>

The mortgage is repayable in instalments by the year 2001 on normal capital repayment reducing balance terms with an interest rate of 1.5% above the Building Society's base rate.

The initial brewery loan was replaced by a smaller loan during the year. This is repayable within five years on normal capital repayment reducing balance terms with an interest rate of 6% per annum.

A loan was obtained from the football trust during the year. This is repayable within five years and is interest free.

Finance lease and hire purchase creditors are secured on the related assets.


**NOTES TO THE ACCOUNTS**
**Year ended 30 June 1996**
**13. BORROWINGS**

	1996 £	1995 £
Bank overdraft	109,251	207,236
Other mortgage loan	131,250	-
Building Society Mortgage	17,942	19,909
Brewery loan	73,750	210,416
Football Trust loans	166,650	-
Obligations under finance leases and hire purchase contracts	149,889	37,485
	<u>648,732</u>	<u>475,046</u>
Due within one year	350,126	251,135
Due after more than one year	298,606	223,911
	<u>648,732</u>	<u>475,046</u>
Analysis of repayments:		
Obligations under finance leases and hire purchase contracts		
Within one year	52,484	16,754
Between one and two years	50,010	14,476
Between two and five years	47,395	6,255
	<u>149,889</u>	<u>37,485</u>
Bank, Building Society, Brewery, other Mortgage loan and Football Trust loans and overdrafts:		
Within one year	297,642	234,381
Between one and two years	57,141	27,145
Between two and five years	136,844	81,436
After five years	7,216	94,599
	<u>498,843</u>	<u>437,561</u>
The amounts repayable by instalments which fall due after five years are as follows:		
Building Society Mortgage	7,216	9,183
Brewery loan	-	85,416
	<u>7,216</u>	<u>94,599</u>

**NOTES TO THE ACCOUNTS**  
**Year ended 30 June 1996**

**14. DEFERRED GRANT INCOME**

The movements in deferred grant income during the year were as follows:

	£	
At July 1995	64,021	
Received during the year	1,001,044	
Grants released in the year	(20,134)	
	<u>1,044,931</u>	
At 30 June 1996		
	<u>1,044,931</u>	
The amount is disclosed within accruals and deferred income as follows:	1996	1995
	£	£
Within one year	25,168	10,983
Due after more than one year	61,051	53,038
Deferred income - New East Stand	958,712	-
	<u>1,044,931</u>	<u>64,021</u>

**15. PROVISIONS FOR LIABILITIES AND CHARGES**

Deferred taxation

The amount of deferred tax provided in full in the financial statements is as follows:

	1996	1995
	£	£
Capital allowances in excess of depreciation	-	20,000
Short term timing differences	-	-
	<u>-</u>	<u>20,000</u>
Less: Trading losses	-	(20,000)
	<u>-</u>	<u>-</u>

**16. CALLED UP SHARE CAPITAL**

	1996	1995
	£	£
<b>Authorised</b>		
5,000,000 (1995; 150,000) ordinary shares of £1.00 each	<u>5,000,000</u>	<u>150,000</u>
<b>Called up, allotted and fully paid</b>		
94,891 ordinary shares of £1.00 each	<u>94,891</u>	<u>94,891</u>

On 13 December 1995 the authorised share capital of the company was increased to £5,000,000 by the creation of 4,850,000 ordinary shares of £1 each which will rank pari passu in all respects with the existing shares in issue. Following the year end, the called up, allotted and fully paid share capital of the company has been increased to £144,891 by the issue of 50,000 ordinary shares of £1 each at par value


**NOTES TO THE ACCOUNTS**
**Year ended 30 June 1996**
**17. CAPITAL COMMITMENTS**

	1996 £	1995 £
Contracted for but not provided	-	-
Authorised but not yet contracted for	-	2,285,018

**18. PENSION SCHEMES**

The company operates a defined contribution scheme for the benefit of the employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £11,471 (1995 - £8,940).

**19. ULTIMATE PARENT COMPANY**

The ultimate parent company is Knighton Holdings Limited a company incorporated in England. Copies of the financial statements of Knighton Holdings Limited are available from Companies House, Crown Way, Cardiff, CF4 3UZ.

**20. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	1996 £	1995 £
Operating profit	283,276	511,414
Depreciation	76,820	52,556
(Profit)/loss on disposal of fixed assets	(4,876)	1,218
Grant released	(20,134)	(9,034)
Increase in stocks	(58,787)	(34,742)
Decrease in debtors	265,102	56,686
Increase in creditors	1,100,791	217,194
<b>Net cash inflow from operating activities</b>	<b>1,642,192</b>	<b>795,292</b>

**21. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS**

	1996 £	1995 £
Balance at 1 July	(204,568)	(181,523)
Net cash inflow/(outflow)	117,303	(23,045)
<b>Balance at 30 June</b>	<b>(87,265)</b>	<b>(204,568)</b>


**NOTES TO THE ACCOUNTS**
**Year ended 30 June 1996**
**22. ANALYSIS OF THE BALANCES OF CASH AS SHOWN IN THE BALANCE SHEET**

	1996 £	1995 £	Change in year £
Cash at bank and in hand	21,986	2,668	19,318
Bank overdraft	(109,251)	(207,236)	97,985
	<u>(87,265)</u>	<u>(204,568)</u>	<u>117,303</u>
	30 June 1995 £	31 August 1994 £	Change in period £
Cash at bank and in hand	2,668	36,696	(34,028)
Bank overdraft	(207,236)	(218,219)	(10,983)
	<u>(204,568)</u>	<u>(181,523)</u>	<u>(23,045)</u>

**23. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR**

	Football Trust loan £	Brewery loan £	Finance leases and hire purchase contracts £	Mortgages £
Balance at 1 July 1995	-	210,416	37,485	19,909
New borrowings	200,000	75,000	195,068	131,250
Capital element of repayments	(33,350)	(211,666)	(82,664)	(1,967)
Balance at 30 June 1996	<u>166,650</u>	<u>73,750</u>	<u>149,889</u>	<u>149,192</u>
Balance at 1 September 1994	-	231,250	43,553	21,697
Finance from new agreements	-	-	30,400	-
Capital element of repayments	-	(20,834)	(36,468)	(1,788)
Balance at 30 June 1995	<u>-</u>	<u>210,416</u>	<u>37,485</u>	<u>19,909</u>

**24. MAJOR NON-CASH TRANSACTIONS**

During the year the company entered into finance lease arrangements in respect of assets with a total capital value at the inception of the leases of £195,068 (1995 - £30,400).



**NOTES TO THE ACCOUNTS**

**Year ended 30 June 1996**

**25. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>Year ended 30 June 1996 £</b>	<b>Ten months ended 30 June 1995 £</b>
Profit attributable to members of the company	140,330	470,894
Other recognised gains and losses relating to the year/period	1,534,534	-
<b>Net addition to shareholders' funds</b>	<b>1,674,864</b>	<b>470,894</b>
<b>Opening shareholders' funds</b>	<b>737,504</b>	<b>266,610</b>
<b>Closing shareholders' funds</b>	<b>2,412,368</b>	<b>737,504</b>