

MORECAMBE FOOTBALL CLUB, LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED
31 MAY 2009



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THURSDAY

MORECAMBE FOOTBALL CLUB, LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 MAY 2009

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MORECAMBE FOOTBALL CLUB, LIMITED

INDEPENDENT AUDITOR'S REPORT TO MORECAMBE FOOTBALL CLUB, LIMITED

UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 4 to 11, together with the accounts of Morecambe Football Club, Limited for the year ended 31 May 2009 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditor's 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 for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors are responsible for preparing the abbreviated accounts in accordance with Section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin 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.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

MORECAMBE FOOTBALL CLUB, LIMITED

INDEPENDENT AUDITOR'S REPORT TO MORECAMBE FOOTBALL CLUB, LIMITED *(continued)*

UNDER SECTION 449 OF THE COMPANIES ACT 2006

Other information

On 22 February 2010 we reported, as auditor of the company, to the shareholders on the accounts prepared under Section 396 of the Companies Act 2006 for the year ended 31 May 2009, and the full text of the company audit report is reproduced below

"We have audited the accounts of Morecambe Football Club, Limited for the year ended 31 May 2009 on pages 6 to 21. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities)

This report is made solely to the company's shareholders, as a body, in accordance with Chapter 6 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 to 3, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the accounts.

As the company was eligible and claimed the exemption from the requirement to have an audit under the provisions of section 249A(1) of the Companies Act 1985 in respect of the year ended 31 May 2008 the comparative figures in these accounts were not audited.

MORECAMBE FOOTBALL CLUB, LIMITED

INDEPENDENT AUDITOR'S REPORT TO MORECAMBE FOOTBALL CLUB, LIMITED (*continued*)

UNDER SECTION 449 OF THE COMPANIES ACT 2006

Opinion on accounts

In our opinion the accounts

- give a true and fair view of the state of the company's affairs as at 31 May 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the accounts are prepared is consistent with the accounts

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the accounts are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the accounts and the directors' report in accordance with the small companies regime

Moore and Smalley LLP

Joyce Tombs (Senior Statutory Auditor)

For and on behalf of

Moore and Smalley LLP

Chartered Accountants & Statutory Auditor

Priory Close
St Mary's Gate
Lancaster
Lancashire
LA1 1XB

22 February 2010

MORECAMBE FOOTBALL CLUB, LIMITED

BALANCE SHEET

31 MAY 2009

	Note	2009 £	2008 £
Fixed assets	2		
Intangible assets		34,437	49,243
Tangible assets		<u>2,149,042</u>	<u>2,037,858</u>
		2,183,479	2,087,101
Current assets			
Stocks		18,488	14,975
Debtors		1,765,657	103,676
Cash at bank and in hand		<u>4,927,503</u>	<u>20,537</u>
		6,711,648	139,188
Creditors: amounts falling due within one year	3	<u>513,310</u>	<u>530,326</u>
Net current assets/(liabilities)		6,198,338	(391,138)
Total assets less current liabilities		8,381,817	1,695,963
Creditors: amounts falling due after more than one year	4	930	781,697
Deferred grant income	5	<u>47,186</u>	<u>293,043</u>
		8,333,701	621,223
Capital and reserves			
Called-up equity share capital	6	1,083,585	1,073,085
Share premium account		10,000	10,000
Revaluation reserve		-	1,171,593
Other reserves		-	(46,643)
Profit and loss account		<u>7,240,116</u>	<u>(1,586,812)</u>
Shareholders' funds		8,333,701	621,223

The Balance sheet continues on the following page

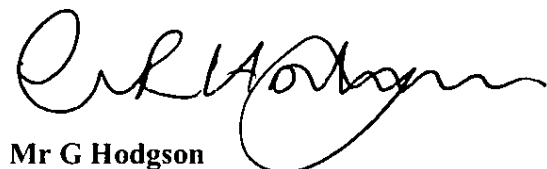
MORECAMBE FOOTBALL CLUB, LIMITED

BALANCE SHEET (*continued*)

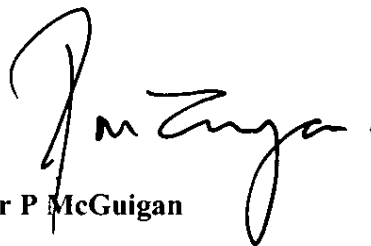
31 MAY 2009

These accounts have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

These accounts were approved by the directors and authorised for issue on 16 February 2010, and are signed on their behalf by



Mr G Hodgson



Mr P McGuigan

Company Registration Number 00224792

The comparative amounts included above were not audited

MORECAMBE FOOTBALL CLUB, LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MAY 2009

1 Accounting policies

Basis of accounting

The accounts have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The directors have confirmed that they are prepared to continue to support the Club financially and therefore they consider it appropriate for the accounts to be prepared on the going concern basis

Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts, to the extent that the company has a right to consideration arising from the performance of its contractual arrangements

Intangible fixed assets and amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Player contracts	over the period of the contracts
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Tangible fixed assets

All fixed assets are initially recorded at cost and leasehold property has been revalued periodically. During the year all revalued assets were disposed of so at the year end all fixed assets are recorded at cost less depreciation

Depreciation

Depreciation is calculated so as to write off the cost or revaluation of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Leasehold Property	125 years/2% straight line/10%
Football Club - fixtures & fittings	15%
Bar - fixtures & fittings	15%
Motor vehicles	25%

MORECAMBE FOOTBALL CLUB, LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MAY 2009

1 Accounting policies (continued)

Except as indicated above, depreciation is calculated on a reducing balance basis for all categories of assets

No depreciation is provided on freehold land

No depreciation has been provided on the leasehold property costs incurred in respect of the development of a new football stadium as the stadium has not yet been brought into use. Once brought into use the costs will be depreciated over the period of the company's leasehold interest.

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

Stocks

Stock represents items held for resale and consumables and is valued at the lower of cost and net realisable value.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

MORECAMBE FOOTBALL CLUB, LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MAY 2009

1 Accounting policies (continued)

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity

MORECAMBE FOOTBALL CLUB, LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MAY 2009

1 Accounting policies (continued)

Deferred grant income

Deferred grant income in respect of capital expenditure is treated as deferred income and credited to the profit and loss account over the estimated useful lives of the assets to which the grants related

During the year the majority of the assets for which the grants were received were sold and therefore the remaining balance on the deferred grant income account in respect of those assets disposed of was released to the profit and loss account

2 Fixed assets

	Intangible Assets £	Tangible Assets £	Total £
Cost or valuation			
At 1 June 2008	66,500	2,111,827	2,178,327
Additions	20,000	2,031,282	2,051,282
Disposals	(35,000)	(1,902,681)	(1,937,681)
At 31 May 2009	51,500	2,240,428	2,291,928
Depreciation			
At 1 June 2008	17,257	73,969	91,226
Charge for year	10,500	22,441	32,941
On disposals	(10,694)	(5,024)	(15,718)
At 31 May 2009	17,063	91,386	108,449
Net book value			
At 31 May 2009	34,437	2,149,042	2,183,479
At 31 May 2008	49,243	2,037,858	2,087,101

MORECAMBE FOOTBALL CLUB, LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MAY 2009

2 Fixed assets (continued)

During the year the company sold its long leasehold interest in Christie Park and at the same time the Trustees of the J B Christie Settlement sold their freehold interest in the property. The company then purchased a freehold interest in a Westgate site for the purposes of developing a new football stadium and, in order to comply with the terms of the J B Christie Settlement, agreed that on completion of this contract the company would sell part of the freehold to the Settlement and at the same time the Settlement would grant to the company a long leasehold interest in this part of the property. Whilst, at the year end, these transactions had not been completed the costs incurred by the company in the development of the new stadium have been treated as additions to leasehold property.

Capital commitments

At the year end the board had committed the company to the development of a new football stadium and to undertake related community projects with anticipated costs in excess of £8.5 million. Contracts had been signed prior to the year end in the sum of £425,000.

3 Creditors: amounts falling due within one year

The following liabilities disclosed under creditors falling due within one year are secured by the company

	2009 £	2008 £
Bank loans and overdrafts	-	175,877
Hire purchase agreements	3,960	3,960
	<u>3,960</u>	<u>179,837</u>

4 Creditors: amounts falling due after more than one year

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	2009 £	2008 £
Bank loans and overdrafts	-	143,977
Hire purchase agreements	930	4,890
	<u>930</u>	<u>148,867</u>

MORECAMBE FOOTBALL CLUB, LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MAY 2009

4 Creditors: amounts falling due after more than one year (continued)

Included within creditors falling due after more than one year is an amount of £Nil (2008 - £217,830) in respect of liabilities which fall due for payment after more than five years from the balance sheet date

	2009 £	2008 £
Analysis of loans		
Not wholly repayable within five years by instalments	Nil	217,830
Included in current liabilities	Nil	(73,853)
	<u>Nil</u>	<u>143,977</u>

5 Deferred grant income

	2009 £	2008 £
Received and receivable	348,414	348,414
Amortisation	(301,228)	(55,371)
	<u>47,186</u>	<u>293,043</u>

6 Share capital

Authorised share capital:

	2009 £	2008 £
1,200,000 Ordinary shares of £1 each	<u>1,200,000</u>	<u>1,200,000</u>

Allotted, called up and fully paid:

	2009		2008	
	No	£	No	£
1,083,585 Ordinary shares (2008 - 1,073,085) of £1 each	<u>1,083,585</u>	<u>1,083,585</u>	<u>1,073,085</u>	<u>1,073,085</u>

During the year 10,500 ordinary shares of £1 each were allotted and fully paid at par for cash consideration to provide additional working capital