

# MORECAMBE FOOTBALL CLUB LIMITED

## ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 MAY 2014

THURSDAY



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COMPANIES HOUSE

# **MORECAMBE FOOTBALL CLUB LIMITED**

## **CONTENTS**

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	<b>Page</b>
Strategic report	1
Directors' report	2 - 3
Independent auditor's report	4
Abbreviated profit and loss account	5
Abbreviated balance sheet	6
Cash flow statement	7
Notes to the cash flow statement	8
Notes to the abbreviated accounts	9 - 17

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# **MORECAMBE FOOTBALL CLUB LIMITED**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 MAY 2014**

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The directors present the strategic report and financial statements for the year ended 31 May 2014.

### **Review of the business**

The financial year 2013/14 has continued to be challenging for Morecambe Football Club and a loss for the year of £445,465 (2013: £793,776) has been recorded.

Such losses are disappointing and in April 2013 management initiated a strategic review of the Club resulting in a 3 year plan which shows at least a break even position for the Club by the end of year 3. This will be achieved primarily by an initial reduction in costs and at the same time, where possible, the development of new income streams and maximisation current ones. The directors are committed to the achievement of this plan.

### **Financial risk management**

The principal risks to the business are relegation from the Football League and the consequential loss of income this would cause, or if the Company were unable to secure sufficient finance from either the directors or other sources to continue funding the cash flow requirements. These and other risks are monitored by the Board on a regular basis.

### **Going concern**

The company has traded at a loss during the year and has been reliant on the continued support of the directors, particularly Peter McGuigan (Chairman & majority shareholder) in providing loans to maintain the cash flow of the business. The directors have confirmed that they are prepared to continue to support the company financially and therefore consider it appropriate for the accounts to be prepared on the going concern basis.

By order of the board



Mr G A Howse

Secretary

16/12/14

# **MORECAMBE FOOTBALL CLUB LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 MAY 2014**

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The directors present their report and financial statements for the year ended 31 May 2014.

### **Principal activities**

The principal activity of the company continued to be that of a professional football club.

### **Results and dividends**

The results for the year are set out on page 5.

### **Future developments**

The directors do not envisage any significant changes to the business in the immediate future.

### **Directors**

The following directors have held office since 1 June 2013:

Mr P M Cross	
Mr P McGuigan	
Mr M Mace	
Mr N Adams	
Mr R H Taylor	
Mr D R K Robinson	
Mr M A W Dixon	
Mr G A Howse	
Mr J C Altham	(Appointed 5 March 2014)
Mr R C Altham	(Appointed 5 March 2014)
Mr D Brockbank	(Appointed 5 March 2014)
Mr G Taylor	(Appointed 31 March 2014)
Mr C M Hinchcliffe	(Appointed 24 July 2014)

### **Auditor**

The auditors, Moore and Smalley LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

# **MORECAMBE FOOTBALL CLUB LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MAY 2014**

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### **Statement of directors' responsibilities**

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to:

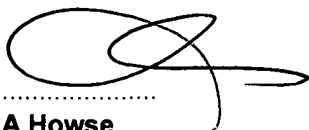
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

### **Statement of disclosure to auditor**

So far as the directors are aware, there is no relevant audit information of which the company's auditors is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

By order of the board



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**Mr G A Howse**

**Secretary**

10/12/14

# **MORECAMBE FOOTBALL CLUB LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO MORECAMBE FOOTBALL CLUB LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006**

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We have examined the abbreviated accounts set out on pages 5 to 17, together with the financial statements of Morecambe Football Club Limited for the year ended 31 May 2014 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Chapter 10 of Part 15 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 auditors' 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 auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 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.

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 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.



**Damian Walmsley (Senior Statutory Auditor)  
for and on behalf of Moore and Smalley LLP  
Chartered Accountants  
Statutory Auditor**

Richard House  
9 Winckley Square  
Preston  
PR1 3HP

4/2/2015

# MORECAMBE FOOTBALL CLUB LIMITED

## ABBREVIATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MAY 2014

	Notes	2014 £	2013 £
<b>Turnover</b>		2,518,108	2,417,759
Other operating income less cost of sales		(2,512,210)	(2,642,982)
Administrative expenses		(421,192)	(541,132)
<b>Operating loss</b>	<b>2</b>	(415,294)	(766,355)
Other interest receivable and similar income		-	472
Interest payable and similar charges	<b>6</b>	(30,171)	(27,893)
<b>Loss on ordinary activities before taxation</b>		(445,465)	(793,776)
Tax on loss on ordinary activities	<b>7</b>	-	-
<b>Loss for the year</b>	<b>15</b>	(445,465)	(793,776)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

# MORECAMBE FOOTBALL CLUB LIMITED

## ABBREVIATED BALANCE SHEET

AS AT 31 MAY 2014

	Notes	2014 £	£	2013 £	£
<b>Fixed assets</b>					
Tangible assets	8		7,932,122		8,005,723
<b>Current assets</b>					
Stocks	9	17,253		16,820	
Debtors	10	145,849		380,273	
Cash at bank and in hand		12,097		13,655	
		<u>175,199</u>		<u>410,748</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>(836,688)</u>		<u>(1,124,002)</u>	
<b>Net current liabilities</b>			(661,489)		(713,254)
<b>Total assets less current liabilities</b>			7,270,633		7,292,469
<b>Creditors: amounts falling due after more than one year</b>	12		(2,153,367)		(1,966,188)
<b>Accruals and deferred income</b>	13		(25,786)		(30,336)
			<u>5,091,480</u>		<u>5,295,945</u>
<b>Capital and reserves</b>					
Called up share capital	14	1,489,585		1,248,585	
Share premium account	15	10,000		10,000	
Profit and loss account	15	3,591,895		4,037,360	
<b>Shareholders' funds</b>	16		<u>5,091,480</u>		<u>5,295,945</u>

These abbreviated accounts have been prepared in accordance with the special provisions in section 445(3) of the Companies Act 2006 relating to medium-sized companies.

Approved by the Board and authorised for issue on 16/12/14

  
Mr P McGuigan  
Director

Company Registration No. 00224792



# MORECAMBE FOOTBALL CLUB LIMITED

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MAY 2014

	£	2014 £	£	2013 £
<b>Net cash outflow from operating activities</b>		(256,473)		(660,744)
<b>Returns on investments and servicing of finance</b>				
Interest received	-		472	
Interest paid	(30,171)		(27,893)	
<b>Net cash outflow for returns on investments and servicing of finance</b>		(30,171)		(27,421)
<b>Capital expenditure</b>				
Payments to acquire tangible assets	(16,804)		(43,664)	
Receipts from sales of tangible assets	-		860,000	
<b>Net cash (outflow)/inflow for capital expenditure</b>		(16,804)		816,336
<b>Net cash (outflow)/inflow before management of liquid resources and financing</b>		(303,448)		128,171
<b>Financing</b>				
Issue of ordinary share capital	241,000		-	
Other new long term loans	117,805		-	
Other new short term loans	20,000		217,965	
Repayment of other long term loans	(118,251)		(393,043)	
Repayment of other short term loans	(1,340)		(184,840)	
Capital element of hire purchase contracts	-		(2,516)	
<b>(Decrease)/increase in debt</b>	18,214		(362,434)	
<b>Net cash inflow/(outflow) from financing</b>		259,214		(362,434)
<b>Decrease in cash in the year</b>		(44,234)		(234,263)

# MORECAMBE FOOTBALL CLUB LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MAY 2014

<b>1 Reconciliation of operating loss to net cash inflow from operating activities</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Operating loss	(415,294)	(766,355)
Depreciation of tangible assets	90,405	98,019
Amortisation of intangible assets	-	2,817
Loss on disposal of tangible assets	-	158,237
(Increase)/decrease in stocks	(433)	4,719
Decrease/(increase) in debtors	234,424	(52,583)
Decrease in creditors within one year	(161,025)	(98,598)
Movement on grant provision	(4,550)	(7,000)
<b>Net cash outflow from operating activities</b>	<b>(256,473)</b>	<b>(660,744)</b>

<b>2 Analysis of net debt</b>	<b>1 June 2013</b>	<b>Cash flow</b>	<b>Other non-cash changes</b>	<b>31 May 2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Net cash:				
Cash at bank and in hand	13,655	(1,558)	-	12,097
Bank overdrafts	(246,037)	(42,676)	-	(288,713)
	<u>(232,382)</u>	<u>(44,234)</u>	<u>-</u>	<u>(276,616)</u>
Debt:				
Debts falling due within one year	(217,965)	(18,660)	187,625	(49,000)
Debts falling due after one year	(1,966,188)	446	(187,625)	(2,153,367)
	<u>(2,184,153)</u>	<u>(18,214)</u>	<u>-</u>	<u>(2,202,367)</u>
<b>Net debt</b>	<b>(2,416,535)</b>	<b>(62,448)</b>	<b>-</b>	<b>(2,478,983)</b>

<b>3 Reconciliation of net cash flow to movement in net debt</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Decrease in cash in the year	(44,234)	(234,263)
Cash (inflow)/outflow from (increase)/decrease in debt	(18,214)	362,434
<b>Movement in net debt in the year</b>	<b>(62,448)</b>	<b>128,171</b>
Opening net debt	(2,416,535)	(2,544,706)
<b>Closing net debt</b>	<b>(2,478,983)</b>	<b>(2,416,535)</b>

# MORECAMBE FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2014

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

##### Going concern

In common with many football clubs, the ability to remain a going concern is dependent on the on-going support of its directors, the associated companies owned and controlled by its directors and its financiers.

The directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the company has adequate resources to continue in operational existence for a period of at least twelve months from the date of approving the accounts. For this reason the directors continue to adopt the going concern basis in preparing the financial statements.

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

#### 1.3 Turnover

Turnover represents income receivable, net of VAT, from football and related commercial activities. Sponsorship and similar income is recognised over the duration of the respective contracts. Gate and other match day revenues are recognised over the period of the football season as games are played. Other corporate and hospitality revenues are recognised at the time of the event.

#### 1.4 Player contracts

Amortisation is calculated so as to write off the cost over the period of the contract.

#### 1.5 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land	No depreciation provided
Leasehold property	2% straight line
Plant and machinery	15% reducing balance
Motor vehicles	25% reducing balance

#### 1.6 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.7 Stock

Stock is valued at the lower of cost and net realisable value.

# MORECAMBE FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2014

### 1 Accounting policies

(Continued)

#### 1.8 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 that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

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.

#### 1.9 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

#### 1.10 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

### 2 Operating loss

	2014	2013
	£	£
Operating loss is stated after charging:		
Amortisation of intangible assets	-	2,817
Depreciation of tangible assets	90,405	98,019
Loss on disposal of tangible assets	-	158,237
Auditors' remuneration (including expenses and benefits in kind)	7,000	6,120
	<u>          </u>	<u>          </u>

# MORECAMBE FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2014

### 3 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

	2014 Number	2013 Number
Playing and management staff	26	27
Other football related staff	25	15
Shop staff	1	1
Hospitality staff	17	20
Support and administrative staff	7	7
	<u>76</u>	<u>70</u>

#### Employment costs

	2014 £	2013 £
Wages and salaries	1,678,884	1,799,949
Social security costs	145,731	159,926
	<u>1,824,615</u>	<u>1,959,875</u>

### 4 Directors' remuneration

	2014 £	2013 £
Remuneration for qualifying services	<u>30,000</u>	<u>30,000</u>

### 5 Investment income

	2014 £	2013 £
Bank interest	<u>-</u>	<u>472</u>
	<u>-</u>	<u>472</u>

### 6 Interest payable

	2014 £	2013 £
On bank loans and overdrafts	<u>30,171</u>	<u>27,893</u>

# MORECAMBE FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2014

7	Taxation	2014 £	2013 £
	Total current tax	-	-
	<b>Factors affecting the tax charge for the year</b>		
	Loss on ordinary activities before taxation	(445,465)	(793,776)
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2013 - 20.00%)	(89,093)	(158,755)
	Effects of:		
	Non deductible expenses	9,983	3,047
	Depreciation in excess of capital allowances	(23,973)	14,139
	Chargeable disposals	-	351
	Tax losses carried forward	103,083	141,218
		89,093	158,755
	<b>Current tax charge for the year</b>	-	-

The company has estimated losses of £ 4,644,012 (2013 - £ 4,128,598) available for carry forward against future trading profits.

# MORECAMBE FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2014

### 8 Tangible fixed assets

	Freehold land £	Leasehold property £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 June 2013	185,133	7,636,334	534,470	3,950	8,359,887
Additions	-	-	16,804	-	16,804
At 31 May 2014	185,133	7,636,334	551,274	3,950	8,376,691
<b>Depreciation</b>					
At 1 June 2013	-	124,428	226,227	3,509	354,164
Charge for the year	-	44,025	46,236	144	90,405
At 31 May 2014	-	168,453	272,463	3,653	444,569
<b>Net book value</b>					
At 31 May 2014	185,133	7,467,881	278,811	297	7,932,122
At 31 May 2013	185,133	7,511,906	308,243	441	8,005,723

The directors do not consider the market value of the freehold land to be materially different from its net book value.

### 9 Stocks

	2014 £	2013 £
Finished goods and goods for resale	17,253	16,820

### 10 Debtors

	2014 £	2013 £
Trade debtors	47,055	248,169
Other debtors	58,967	85,731
Prepayments and accrued income	39,827	46,373
	145,849	380,273

# MORECAMBE FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2014

11 Creditors: amounts falling due within one year	2014 £	2013 £
Bank loans and overdrafts	288,713	246,037
Trade creditors	218,048	383,416
Taxes and social security costs	80,500	77,090
Other creditors	50,468	217,965
Accruals and deferred income	198,959	199,494
	<u>836,688</u>	<u>1,124,002</u>

The bank overdraft of £288,713 (2013: £246,037) is secured by way of a fixed and floating charge over the leasehold and freehold land assets of the company.

Trade creditors include £6,328 (2013: £5,304) secured by way of a fixed and floating charge over the leasehold and freehold land assets of the company.

Other creditors include £12,000 (2013: £nil) secured by way of a fixed and floating charge over property and assets of the company.

12 Creditors: amounts falling due after more than one year	2014 £	2013 £
Other loans	<u>2,153,367</u>	<u>1,966,188</u>
<b>Analysis of loans</b>		
Wholly repayable within five years	<u>2,202,367</u>	<u>2,184,153</u>
	2,202,367	2,184,153
Included in current liabilities	<u>(49,000)</u>	<u>(217,965)</u>
	<u>2,153,367</u>	<u>1,966,188</u>
<b>Loan maturity analysis</b>		
In more than one year but not more than two years	14,400	217,965
In more than two years but not more than five years	43,200	-
In more than five years	<u>2,095,767</u>	<u>1,966,188</u>

Other loans falling due after more than one year include £2,139,367 (2013: £nil) secured by way of a fixed and floating charge over property and assets of the company.



# MORECAMBE FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2014

### 13 Accruals and deferred income

	Government grants £
Balance at 1 June 2013	30,336
Amortisation in the year	(4,550)
Balance at 31 May 2014	<u>25,786</u>

### 14 Share capital

	2014 £	2013 £
<b>Allotted, called up and fully paid</b>		
1,433,404 Ordinary of £1 each	1,433,404	1,192,404
56,181 Ordinary 'A' of £1 each	56,181	56,181
	<u>1,489,585</u>	<u>1,248,585</u>

During the year the company issued 241,000 Ordinary shares of £1 each. The consideration received amounted to £241,000.

### 15 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 June 2013	10,000	4,037,360
Loss for the year	-	(445,465)
Balance at 31 May 2014	<u>10,000</u>	<u>3,591,895</u>

### 16 Reconciliation of movements in shareholders' funds

	2014 £	2013 £
Loss for the financial year	(445,465)	(793,776)
Proceeds from issue of shares	241,000	-
Net depletion in shareholders' funds	(204,465)	(793,776)
Opening shareholders' funds	5,295,945	6,089,721
Closing shareholders' funds	<u>5,091,480</u>	<u>5,295,945</u>

# MORECAMBE FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2014

#### 17 Financial commitments

At 31 May 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 May 2015:

	Other 2014 £	2013 £
Operating leases which expire:		
Within one year	-	3,953
Between two and five years	-	7,017
	<hr/>	<hr/>
	-	10,970
	<hr/>	<hr/>

#### 18 Related party relationships and transactions

The company was controlled by the board of directors in the current and prior year.

P M Cross was a director of Morecambe Bay Wines and Spirits Co. Limited. During the year the company purchased goods and services from Morecambe Bay Wines and Spirits Limited for £nil (2013: £80,161) and received income from them of £nil (2012: £43,090). At the year end creditors include £nil (2013: £73,908) payable to Morecambe Bay Wines and Spirits Co. Limited and debtors include £nil (2013: £65,875) due from this company.

During the year Mr P McGuigan and Mr M Dixon were directors and shareholders of PMG Global Limited. Over the course of the year the club made sales of £5,188 (2013: £3,844) to PMG Global Limited, also the company financed expenditure on behalf of the club totalling £nil (2013: £24,095). At the year end the club was owed £2,135 (2013: £nil) by PMG Global Limited, and had an amount due to PMG Global Limited of £22,221 (2013: £22,221).

During the year Mr P McGuigan was a director and the majority shareholder of PMG Leisure Limited. Over the course of the year the club financed expenditure on behalf of the company totalling £nil (2013: £26,551) and made purchases from the company of £8,000 (2013: £18,000). At the year end the club was owed £nil (2013: £23,435) by PMG Leisure Limited.

During the year Mr N Adams was a director and the majority shareholder of Omega Holidays Group Plc. Over the course of the year the club made sales of £15,551 (2013: £5,671) to Omega Holidays Group Plc, and also made purchases of £nil (2013: £2,320) from the company. At the year end the club owed £nil (2013: £2,320) to Omega Holidays Group Plc.

During the year Mr R Taylor was a director and shareholder of Thornton Lodge Care Limited. Over the course of the year the club made sales of £3,995 (2013: £4,030) to the company. At the year end the club was owed £765 (2013: £2,559) by Thornton Lodge Care Limited.

During the year Mr D Robinson was a director and shareholder of Lancastrian Estates Limited. Over the course of the year the club made sales of £2,713 (2013: £3,826) to the company. At the year end the club owed £2,960 (2013: £7,330) to Lancastrian Estates Limited.

During the year Mr D Robinson was a director and shareholder of Coach House Developments (Lancaster) Limited. Over the course of the year the club made sales of £2,227 (2013: £671) to the company. At the year end the club was owed £579 (2013: the club owed £100) by Coach House Developments (Lancaster) Limited.

# **MORECAMBE FOOTBALL CLUB LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MAY 2014**

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### **18 Related party relationships and transactions**

**(Continued)**

During the year Mr G Howse was a partner of Colman, Whittaker and Roscow. Over the course of the year the club made sales of £1,570 (2013: £1,951) to the partnership, and purchases of £nil (2013: £563) from the partnership. At the year end the club was owed £210 (2013: the club owed £196) by Colman, Whittaker and Roscow.

During the year Mr J Altham and Mr R Altham were directors of Althams Catering Butchers Limited. Over the course of the year the club made sales of £22,443 and purchases of £33,194 with the company. At the year end the company was owed £1,289 by Althams Catering Butchers Limited. The club also owed Althams Catering Butchers Limited £4,074.

During the year the club made sales of £10,456 (2013: £9,360) to the directors, and paid expenses of £3,438 (2013: £2,817) to the directors. At the year end the club was owed £4,119 by the directors (2013: the club owed the directors £9,004).

All of the above transactions were on normal commercial terms.

During the year the directors advanced funds to the club totalling £117,805 (2013: 100,130) and made withdrawals of £98,251 (2013: £66,173). At the year end the company owed the directors £1,985,742. No interest was charged on these loans during the year.

During the previous year land with a net book value of £208,556 was sold to Omega Holidays Group Plc for a consideration of £202,079. This transaction was undertaken in order to inject cash into the Club following a cash shortfall. As part of the agreement this land will be sold on by Omega Holidays Group Plc and the additional proceeds generated (net of any costs) will be transferred to the Club. It is expected that the full market value of this land will be realised.

Also during the previous year, land with a net book value of £254,278 was sold to an LLP, which was under the control of two directors at the time of the transaction, Mr N Adams and Mr G Hodgson, for a consideration of £210,000. As part of the agreement this land will be sold on by the LLP and the additional proceeds generated (net of any costs) will be transferred to the Club. It is expected that the full market value of this land will be realised.

At the year end three of the directors offered personal guarantees totalling £274,500 (2013: £274,500) as security over the overdraft.