

MORECAMBE FOOTBALL CLUB LIMITED
REGISTERED NO: 224792

ANNUAL REPORT AND STATEMENT
OF ACCOUNTS FOR THE YEAR
ENDED 31ST MAY, 1996



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MORECAMBE FOOTBALL CLUB LIMITEDDIRECTORS' REPORT

The directors present their report and accounts for the year ended 31st May, 1996.

PRINCIPAL ACTIVITY

The company's principal activity during the year continued to be that of a professional football club.

DIRECTORS AND THEIR INTERESTS

The directors at 31st May, 1996 and their interests in the share capital of the company were as follows:-

	At 31.5.96	At 1.6.95
	Ordinary shares	Ordinary shares
F. O'Brien (died 11.4.96)	4861	4861
K. Parker	1000	1000
G. Hodgson	1201	1201
J. Armistead (retired 15.5.96)	1054	1054
R.H. Taylor	2005	1005
D.A. Derham	1000	1000
P.M. Cross (retired 15.5.96)	1001	1001
R. Danson (appointed 1.12.95)	1000	
P. McGuigan (appointed 24.5.96)	-	-
D. Robinson (appointed 24.5.96)	-	-

DIRECTORS' RESPONSIBILITIES FOR THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period. In preparing those accounts, the directors are required to:

- select suitable policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts 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 accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking steps for the prevention and detection of fraud and other irregularities.

AUDITORS

Under S385(2) of the Companies Act 1985 the auditors, Colman, Whittaker & Roscow retire and offer themselves for re-appointment.

SMALL COMPANY EXEMPTIONS

The directors have taken advantage of the exemptions conferred by Part II of Schedule 8 to the Companies Act 1985.

BY ORDER OF THE BOARD



N. Marsden
Secretary

13th February, 1997

MORECAMBE FOOTBALL CLUB LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF MORECAMBE FOOTBALL CLUB

We have audited the Financial Statements on pages 3 to 10 which have been prepared under the historical cost convention, (as modified by the revaluation of certain fixed assets), 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. 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 mis-statement, 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 31st May, 1996 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



COLMAN, WHITTAKER & ROSCOW
CHARTERED ACCOUNTANTS AND REGISTERED AUDITOR
25, CLAREMONT ROAD,
MORECAMBE.

13th February, 1997

MORECAMBE FOOTBALL CLUB LIMITEDPROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MAY, 1996

	<u>Notes</u>	<u>1996</u>	<u>1995</u>
Turnover	2	258194	169986
Cost of Sales	3	<u>130074</u>	<u>90723</u>
<u>GROSS PROFIT</u>		128120	79263
Administrative Costs	4	<u>127067</u>	<u>67355</u>
<u>OPERATING PROFIT</u>		1053	11908
Interest Payable	5	<u>1293</u>	<u>247</u>
<u>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		(240)	11661
Taxation		<u>-</u>	<u>-</u>
<u>(LOSS)/PROFIT RETAINED FOR THE FINANCIAL YEAR</u>		<u>(240)</u>	<u>11661</u>

TOTAL RECOGNISED GAINS AND LOSSES

The Profit and Loss account contains all the gains and losses of the Company recognised in the year.

CONTINUING OPERATIONS

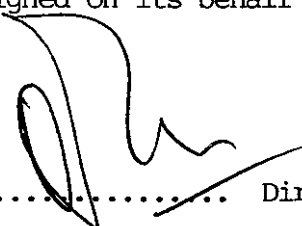
None of the Company's activities were acquired or discontinued during the above period.

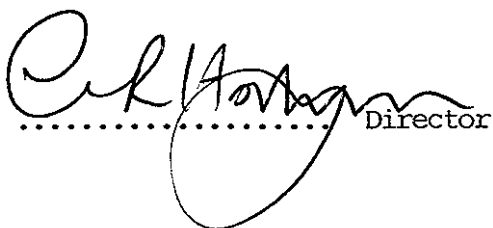
MORECAMBE FOOTBALL CLUB LIMITEDBALANCE SHEET
AS AT 31ST MAY, 1996

	<u>Notes</u>	<u>1996</u>	<u>1995</u>
<u>FIXED ASSETS</u>			
Tangible Assets	10	360987	316349
<u>CURRENT ASSETS</u>			
Stocks	6	2000	1000
Debtors	7	10387	10242
Cash in Hand		220	100
		<u>12607</u>	<u>11342</u>
<u>CURRENT LIABILITIES</u>			
Creditors: Amounts falling due within one year	8	<u>58545</u>	<u>30320</u>
<u>NET CURRENT LIABILITIES</u>		<u>(45938)</u>	<u>(18978)</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		<u>315049</u>	<u>297371</u>
<u>CREDITORS: Amounts falling due after more than one year</u>			
	9	<u>17443</u>	<u>5785</u>
		<u>297606</u>	<u>291586</u>
<u>CAPITAL AND RESERVES</u>			
Called Up Share Capital	12	37465	29365
Revaluation Reserve	14	224480	226320
Profit and Loss Account	15	<u>35661</u>	<u>35901</u>
<u>SHAREHOLDERS' FUNDS</u>	16	<u>297606</u>	<u>291586</u>

The directors have taken advantage of the exemptions conferred by Part I of Schedule 8 to the Companies Act 1985, on the grounds that the company is entitled to the benefit of those exemptions as a small company.

Approved by the Board on 13-2-97.
and signed on its behalf by:


..... Director


..... Director

MORECAMBE FOOTBALL CLUB LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MAY, 1996

1. ACCOUNTING POLICIES

a) Accounting Convention

The accounts are prepared under the historical cost convention, modified to include the revaluation of leasehold land and building.

b) Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, as follows:-

Leasehold Property - straight-line basis over the lease term (125 years)

Fixtures and Fittings - 15% per annum on the reducing balance

Ground & Safety

Standard Improvements - straight-line basis over 50 years

c) Stocks

Stocks are consistently stated at the lower of cost and net realisable value.

d) Repairs and Renewals

Expenditure is written off as incurred.

e) Deferred Taxation

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

f) Government and Other Grants

Grants in respect of capital expenditure are deducted from the cost of the related capital expenditure (see note 10).

MORECAMBE FOOTBALL CLUB LIMITEDNOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MAY, 1996 (Continued)

	<u>1996</u>	<u>1995</u>
2. <u>TURNOVER</u>		
<u>Football Club</u>		
Transfer Fees	2000	750
Match Income	63704	37235
Prize Money	4263	4318
Season Tickets	3737	1039
Ground Hire and Concession Charges	5893	538
Auxiliary Supporters Club - Rent	2600	2600
Grounds Advertising	11117	
Programme Sales	<u>11450</u>	
	22567	15161
Donations		
- Shrimp Club	21214	11695
- Promotions Account	65303	64265
- General Sponsorship	27067	15005
- Other Donations and Fund Raising Activities	12266	15727
Shrimpline	275	838
Soccer School	5676	815
Incidental Income	549	-
Rates Refund due to revaluation	15004	-
Sale of Replica Kit	<u>6076</u>	<u>-</u>
	<u>258194</u>	<u>169986</u>

Turnover as analysed above represents the total amount receivable by the company in the ordinary course of business excluding value added tax.

All turnover is generated from UK trading activities.

MORECAMBE FOOTBALL CLUB LIMITEDNOTES TO THE ACCOUNTSFOR THE YEAR ENDED 31ST MAY, 1996 (Continued)3. COST OF SALES

	<u>1996</u>	<u>1995</u>
Transfer Fees	2000	1950
Travelling and Refreshments	62400	48107
Grounds Repairs and Maintenance	22508	7140
Referees, Linesmen and Stewards	5062	2196
Rates and Water	8553	6855
Insurance	3142	2402
Players Requisites - Medical Care	4751	3395
- Other	5874	3290
Lighting and Heating	3196	4818
Association and League Fees	2880	1532
Other Subscriptions	346	218
Fines	765	688
Donations and Incidental Expenses	1005	2538
Laundry	1405	1716
Losses incurred re sale of provision of replica kits	-	245
Depreciation	6187	3633
	<u>130074</u>	<u>90723</u>

4. ADMINISTRATION COSTSFootball Club

Wages and Salaries - Players & Management	71757	
Finance & Commercial	26300	
Groundstaff	<u>2930</u>	
	100987	54041
Bank Charges	1221	568
Auditors Remuneration	750	600
Accountancy	650	600
Postage and Stationery	4215	8173
Programme Printing	12585	-
Telephone	4613	3303
Legal and Professional Fees	1756	70
Sundry	290	-
	<u>127067</u>	<u>67355</u>

5. INTEREST PAYABLE

Bank Overdraft Interest	1156	64
F.A. Improvement Loan Interest	<u>137</u>	<u>183</u>
	<u>1293</u>	<u>247</u>

6. STOCKS

Players Requisites	100	100
Scarves, ties and replica kits for resale	<u>1900</u>	<u>900</u>
	<u>2000</u>	<u>1000</u>

7. DEBTORS

Sundry Debtors	3212	1901
Auxiliary Supporters Club	6150	5050
Prepayments	1025	333
H.M. Customs & Excise VAT	-	<u>2958</u>
	<u>10387</u>	<u>10242</u>

MORECAMBE FOOTBALL CLUB LIMITEDNOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MAY, 1996 (Continued)

	<u>1996</u>	<u>1995</u>
8. <u>CREDITORS</u> : Amounts falling due within one year		
Trade Creditors	29294	2396
Taxation and Social Security	5781	4613
Loans (see note 11)	1143	1143
Bank Overdraft	<u>22327</u>	<u>22168</u>
	<u>58545</u>	<u>30320</u>

The Bank Overdraft is secured by a fixed and floating charge over the Company's assets.

9. CREDITORS: Amounts falling due after more than one year
 This represents, in total, loans as detailed in Note 11.

10. FIXED ASSETS

Cost or Valuation

At 1st June, 1995
 Additions during the year
 Grants received during the year
 At 31st May, 1996

	Football Club Fixtures Fittings & Equipment	Ground and Safety Standard Improvements	Leasehold Property	Total
	33327	69437	230000	332764
	2579	70836	-	73415
	-	(20750)	-	(20750)
	35906	119523	230000	385429

Depreciation

At 1st June, 1995
 Charge for the year
 At 31st May, 1996

	12735	-	3680	16415
	3797	2390	1840	8027
	16532	2390	5520	24442

Net Book Value

At 31st May, 1996
 At 31st May, 1995

	19374	117133	224480	360987
	20592	69437	226320	316349

The Leasehold Property was valued by the Inland Revenue District Valuer at open market value for existing use on 24th October, 1993 (see note 14).

MORECAMBE FOOTBALL CLUB LIMITEDNOTES TO THE ACCOUNTSFOR THE YEAR ENDED 31ST MAY, 1996 (Continued)

	<u>1996</u>	<u>1995</u>
11. <u>LOANS</u> comprise:		
Football Association Improvement Loan	2286	3428
Unsecured Loans to the Club by Directors	<u>16300</u>	<u>3500</u>
	<u>18586</u>	<u>6928</u>

Reflected in the Balance Sheet as follows:-

Creditors: Amounts falling due within one year 1143 1143

Creditors: Amounts falling due after more than one year 17443 578518586 692812. EQUITY SHARE CAPITAL

Authorised

Ordinary Shares of £1 each 100000 100000

Issued and Fully Paid 37465 29365

During the year 8100 £1 Ordinary Shares were issued at par as part of the ongoing policy of issuing shares on demand up to the authorised limit.

13. DIRECTORS' REMUNERATION

No Director received any remuneration or benefits during the year in respect of services as Directors.

14. REVALUATION RESERVE

Subsequent to the granting of the new Lease by the Trustees of J B Christie Settlement on 8th October, 1992 for a period of 125 years, the Inland Revenue District Valuer placed a value of £230,000 on the remaining leasehold property. Based on this valuation, made on 24th October, 1993, the Directors have included as an asset, the value of the Leasehold Property in the Balance Sheet. The value of the Leasehold Property is being depreciated on a straight-line basis over the period of the Lease and the depreciation is debited to the Revaluation Reserve accordingly.

15. RESERVES

	<u>Revaluation Reserve (see note 14)</u>	<u>Profit & Loss Account</u>
At 1st June, 1995	226320	35901
Retained (Loss)/Profit for the year		(240)
Depreciation for the year (on revaluation reserve only)	(1840)	
At 31st May, 1996	<u>224480</u>	<u>35661</u>

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1996</u>	<u>1995</u>
At 1st June, 1995	291586	277215
(Loss)/Profit for the year	(240)	11661
Depreciation for the year (on revaluation reserve only)	(1840)	(1840)
Issue of Share Capital for the year	8100	4550
At 31st May, 1996	<u>297606</u>	<u>291586</u>

17. CAPITAL SANCTIONS AND COMMITMENTS

At the date of these accounts no Capital Expenditure had been sanctioned or committed by the Board (1995 - £Nil)

18. CONTINGENT LIABILITIES

There were no Contingent Liabilities for the year ended 31st May, 1996 (1995 - £Nil)