

Registrar

WORKINGTON TOWN RUGBY LEAGUE FOOTBALL CLUB LIMITED

REGISTERED NUMBER 00392186

FINANCIAL ACCOUNTS FOR THE
YEAR ENDED 31ST MAY 1995



J F W ROBINSON & CO.
CHARTERED ACCOUNTANTS

WORKINGTON TOWN RUGBY LEAGUE FOOTBALL CLUB LIMITED

FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 31ST MAY 1995

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WORKINGTON TOWN RUGBY LEAGUE FOOTBALL CLUB LIMITED
REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31ST MAY 1995

The Directors' present their annual report with the accounts of the company for the year ended 31st May 1995.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was the promotion of Rugby League Football.

DIRECTORS

The Directors in office in the year and their beneficial interests in the company's issued ordinary share capital were as follows:

	Ordinary Shares of £5 each	
	1995	1994
Mr K J Gorge	2900	2900
Mr J G Bell	160	110
Mr I Southward	105	105
Mr J S Williams	7100	5100
Mr W K Wilson	7000	5000
Mr H Mothersill	5800	4200

DIRECTORS' RESPONSIBILITIES

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 or loss of the company for that period. In preparing those accounts, 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 accounts on a 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 reasonable steps for the prevention and detection of fraud and other irregularities.

Continued.....

WORKINGTON TOWN RUGBY LEAGUE FOOTBALL CLUB LIMITED
REPORT OF THE DIRECTORS (CONTINUED)

FOR THE YEAR ENDED 31ST MAY 1995

POLITICAL AND CHARITABLE DONATIONS

The company has not given money for political or charitable purposes amounting to more than £200 in aggregate.

AUDITORS

The auditors, J F W Robinson & Co., will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

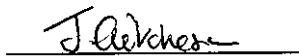
ARTICLES OF ASSOCIATION

As can be seen from Note 12 to the accounts, the company has exceeded its borrowing powers and it is intended to convene an Extraordinary General Meeting to ratify the matter and, at the same time, to amend the company's Articles of Association.

SMALL COMPANY EXEMPTIONS

In preparing the above report the Directors have taken advantage of special exemptions applicable to small companies provided by Part II of Schedule 8 to the Companies Act 1985.

Signed on behalf of the
board of directors



Mr J Aitchison
Secretary

Approved by the board: 4th July 1996

AUDITORS' REPORT TO THE SHAREHOLDERS OF
WORKINGTON TOWN RUGBY LEAGUE FOOTBALL CLUB LIMITED

We have audited the financial accounts on pages 4 to 11 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 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1 the company's directors are responsible for the preparation of financial accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial accounts, 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 accounts 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 accounts.

FUNDAMENTAL UNCERTAINTY - GOING CONCERN

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the possible outcome of negotiations for additional finance. The financial statements have been prepared on a going concern basis, the validity of which depends upon the necessary future funding being available. The financial statements do not include any adjustments that would result from a failure to obtain funding. Details of the circumstances relating to this fundamental uncertainty are described in Note 1.

In view of the significance of the uncertainty we consider that this should be drawn to your attention but our opinion is not qualified in this respect.

OPINION

In our opinion the financial statements have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

J. F. W. Robinson & Co.

J F W ROBINSON & CO.
 Registered Auditors
 Chartered Accountants
 Oxford Chambers
 New Oxford Street
 WORKINGTON
 CA14 2LR

4th July 1996

WORKINGTON TOWN RUGBY LEAGUE FOOTBALL CLUB LIMITED

BALANCE SHEET
AS AT 31ST MAY 1995

	<u>Notes</u>	<u>1995</u>	<u>1994</u>
		£	£
FIXED ASSETS			
Tangible Assets	4	542,917	600,491
CURRENT ASSETS			
Stock		4,500	1,221
Debtors	5	40,444	55,442
Cash at Bank and in Hand		1,156	3,477
		<u>46,100</u>	<u>60,140</u>
CREDITORS : Amounts Falling Due within One Year	6	(960,920)	(660,442)
NET CURRENT LIABILITIES		<u>(914,820)</u>	<u>(600,302)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(371,903)</u>	<u>189</u>
CREDITORS : Amounts Falling Due After more than One Year	7	53,727	119,305
		<u>£ (425,630)</u>	<u>£ (119,116)</u>
CAPITAL AND RESERVES			
Share Capital	8	240,200	180,950
Revaluation Reserve	9	456,511	506,511
Profit and Loss Account		<u>(1,122,341)</u>	<u>(806,577)</u>
<u>TOTAL SHAREHOLDERS' FUNDS</u>	10	<u>£ (425,630)</u>	<u>£ (119,116)</u>

In the preparation of the accounts advantage has been taken of special exemptions applicable to small companies under Part I of Schedule 8 to the Companies Act 1985 on the grounds that, in the directors' opinion, the company qualifies as a small company and is entitled to make use of the special exemptions.

Signed on behalf of the
board of directors



Mr W K Wilson
Director



Mr J S Williams
Director

Approved by the board: 4th July 1996

WORKINGTON TOWN RUGBY LEAGUE FOOTBALL CLUB LIMITED

NOTES TO ACCOUNTS
FOR THE YEAR ENDED 31ST MAY 1995

1. BASIS OF PREPARING THE FINANCIAL STATEMENTS

The financial statements disclose a deficiency of total assets to liabilities as at the balance sheet date of £425,630. However current assets do not include any value attaching to the players and the Company's accounting policy in relation to players is stated in Note 2.

The Company meets its day to day working capital requirements by means of loans from the directors and others, bank overdraft facilities and extended credit from creditors. The directors have prepared projected cash flow information for a period in excess of twelve months from the date of the approval of these financial statements. These projections indicate a substantial shortfall in the required operational funding during the course of the forthcoming year and discussions are ongoing with shareholders, the Company's bankers and others with a view to raising the necessary additional finance.

The financial statements have been prepared on the going concern basis which assumes that the company will continue in operational existence for the foreseeable future.

The validity of this assumption depends on the successful conclusion of the ongoing negotiations mentioned above. The financial statements do not include any adjustments that would result if negotiations were not concluded successfully.

Whilst the directors are presently uncertain as to the outcome of these matters, they believe that it is appropriate for the financial statements to be prepared on the going concern basis.

WORKINGTON TOWN RUGBY LEAGUE FOOTBALL CLUB LIMITED

NOTES TO ACCOUNTS
FOR THE YEAR ENDED 31ST MAY 1995

2. ACCOUNTING POLICIES

Basis of Accounting

The accounts have been prepared under the historical cost convention as modified to incorporate the revaluation of certain fixed assets.

Turnover

Turnover represents the total amount of trading income receivable, excluding VAT.

Tangible Fixed Assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Long Leasehold Land & Buildings

Amortised in equal instalments over the remaining period of the lease.
As the property was revalued on 22nd December 1995 no charge has been made for the current year.

Fixtures and Fittings

Calculated on the reducing instalment basis at 15% per annum.

Players

All transfer fees for the purchase of players are written off in the year in which they are incurred. All fees for the sale of players are credited in the year in which they are receivable. All payments to players for loss of amateur status due on an instalment basis are accrued and written off in the year in which the instalments fall due. No credit is taken in the accounts for the value attaching to players at the Balance Sheet date.

Deferred Taxation

Deferred Taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to arise in the foreseeable future.

Leased Assets

Assets held under finance leases and hire purchase contracts are capitalised at the estimated fair value at date of inception of each lease or contract. The assets are depreciated over their expected useful lives. The finance charges are allocated over the primary period of the lease in proportion to the capital element outstanding. Rentals payable under operating leases are charged to the profit and loss account as incurred.

Cash Flow Statement

The company has taken advantage of the exemption provided by Financial Reporting Standard 1 and has not prepared a Cash Flow Statement for the year.

WORKINGTON TOWN RUGBY LEAGUE FOOTBALL CLUB LIMITED

NOTES TO ACCOUNTS
FOR THE YEAR ENDED 31ST MAY 1995

3. OPERATING LOSS

The Operating Loss (1994 - Loss) is stated after charging:

	<u>1995</u> £	<u>1994</u> £
Depreciation of Tangible Fixed Assets	7,574	8,910
Auditors' Remuneration	<u>5,500</u>	<u>8,000</u>
Directors' Emoluments		
For Services as Directors	-	-
Other Emoluments	<u>9,540</u>	<u>9,428</u>

4. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £	Long Leasehold Land & Buildings £	TOTAL £
COST OR VALUATION			
At 1st June 1994	92,548	550,000	642,548
Revaluation	<u>-</u>	<u>(50,000)</u>	<u>(50,000)</u>
At 31st May 1995	<u>92,548</u>	<u>500,000</u>	<u>592,548</u>
DEPRECIATION			
At 1st June 1994	42,057	-	42,057
Charge for the year	<u>7,574</u>	<u>-</u>	<u>7,574</u>
At 31st May 1995	<u>49,631</u>	<u>-</u>	<u>49,631</u>
NET BOOK VALUE			
At 31st May 1995	<u>42,917</u>	<u>500,000</u>	<u>542,917</u>
At 31st May 1994	<u>50,491</u>	<u>550,000</u>	<u>600,491</u>

Included in the net book value of tangible fixed assets is £31,781 (1994 - £37,389) in respect of assets acquired under a finance lease. Depreciation for the year on these assets was £5,608.

The Long Leasehold Land and Buildings have been revalued at their open market value at 22nd December 1995 in accordance with a revaluation by Edward Symmons & Partners, Surveyors and Valuers.

The historical cost of Leasehold Land and Buildings included above at a valuation of £500,000 was £100,443 (1994 - £100,443) and the aggregate depreciation thereon would have been £5,868 (1994 - £5,241).

WORKINGTON TOWN RUGBY LEAGUE FOOTBALL CLUB LIMITED

NOTES TO ACCOUNTS
FOR THE YEAR ENDED 31ST MAY 1995

5. DEBTORS

Amounts due within one year:	<u>1995</u> £	<u>1994</u> £
Trade Debtors	28,159	29,901
Other debtors	12,285	25,541
	<u>40,444</u>	<u>55,442</u>

6. CREDITORS

Amounts falling due within one year:	<u>1995</u> £	<u>1994</u> £
Bank Overdrafts and Loans (Secured)	130,241	76,156
Trade Creditors	142,335	92,889
Obligations Under Finance Leases (Secured)	9,617	8,177
Other Creditors (Secured)	112,846	92,426
Other Creditors	565,881	390,794
	<u>960,920</u>	<u>660,442</u>

WORKINGTON TOWN RUGBY LEAGUE FOOTBALL CLUB LIMITED

NOTES TO ACCOUNTS
FOR THE YEAR ENDED 31ST MAY 1995

7. CREDITORS

Amounts falling due after more than one year:	<u>1995</u> £	<u>1994</u> £
Obligations Under Finance Leases (Secured)	17,416	26,125
Other Creditors (Secured)	25,315	69,296
Other Creditors	10,996	23,884
	<u>53,727</u>	<u>119,305</u>

Obligations under Finance Leases and Hire Purchase Contracts

Obligations under Finance Leases and Hire Purchase Contracts are repayable over varying periods by monthly instalments as follows:

In the next year	<u>9,617</u>	<u>8,177</u>
In the second to fifth year	<u>17,416</u>	<u>26,125</u>
Creditors other than Finance Lease and Hire Purchase Contracts		
Creditors with instalments due for payment after more than five years (Secured)	<u>3,016</u>	<u>5,532</u>

8. SHARE CAPITAL

	<u>1995</u> £	<u>1994</u> £
Authorised 50,000 Ordinary Shares of £5 each	<u>250,000</u>	<u>250,000</u>
Allotted, Issued and Fully Paid 48,040 Ordinary Shares of £5 each (1994 - 36,190)	<u>240,200</u>	<u>180,950</u>

During the year 11,850 shares of £5 each were allotted and fully paid at par to increase the capital base of the Company.

WORKINGTON TOWN RUGBY LEAGUE FOOTBALL CLUB LIMITED

NOTES TO ACCOUNTS
FOR THE YEAR ENDED 31ST MAY 1995

9. REVALUATION RESERVE

	<u>1995</u> £	<u>1994</u> £
At 1st June 1994	506,511	506,511
Loss on revaluation of Leasehold Land & Buildings	(50,000)	-
At 31st May 1995	<u>456,511</u>	<u>506,511</u>

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1995</u> £	<u>1994</u> £
LOSS FOR THE YEAR	(315,764)	(168,378)
Loss on revaluation of Fixed Assets	(50,000)	-
New share capital subscribed	59,250	34,000
Net addition to shareholders' funds	(306,514)	(134,378)
Opening Shareholders' Funds	<u>(119,116)</u>	<u>15,262</u>
Closing Shareholders' Funds	<u>(425,630)</u>	<u>(119,116)</u>

11. CONTINGENT LIABILITIES

The Company has guaranteed the payment of police costs in respect of two pop concerts held at Derwent park in 1990 and 1991. In the event of default by the promoters, the potential liability in respect of these amounts to £6,270. No provision has been made in the accounts in respect of this amount.

12. BORROWING POWERS

The Company's borrowings exceed those authorised by its Articles of Association and the Directors propose to convene an Extraordinary General Meeting to ratify the matter.