

Oxford United Football Club Ltd

Directors' Report and Financial Statements

for the Year Ended 30 June 2010

Critchleys LLP
Registered Auditors
Greyfriars Court
Paradise Square
Oxford
OX1 1BE

THURSDAY



A30

ARZ6BSW5
31/03/2011
COMPANIES HOUSE

283

Oxford United Football Club Ltd
Contents

Company Information	1
Directors' report	2 to 3
Independent auditors' report	4 to 5
Profit and loss account	6
Statement of total recognised gains and losses	7
Balance sheet	8 to 9
Notes to the financial statements	10 to 17

Oxford United Football Club Ltd
Company Information

Chairman	K Thomas
Directors	N Merry (resigned 8 July 2009) K Thomas A Lenagan (appointed 4 October 2010) I Lenagan (appointed 4 October 2010) J Rosenthal (appointed 4 October 2010)
Secretary	SNR Denton Secretaries Limited
Registered office	Kassam Stadium Grenoble Road Oxford OX4 4XP
Auditors	Critchleys LLP Registered Auditors Greyfriars Court Paradise Square Oxford OX1 1BE

Oxford United Football Club Ltd
Directors' Report for the Year Ended 30 June 2010

The directors present their report and the audited financial statements for the year ended 30 June 2010

Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Directors are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the period ending on that date. In preparing those financial statements, directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent, and
- prepare the financial statements 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 enable them to ensure the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of

Principal activity

The principal activity of the company is the running of a professional football club and related activities

Directors

The directors who held office during the year were as follows

- N Merry (resigned 8 July 2009)
- K Thomas

Auditors

The auditors, Critchleys LLP, will be proposed for re-appointment in accordance with section 487 of the Companies Act 2006

Small company provisions

This report has been prepared in accordance with the small companies regime under the Companies Act 2006

Oxford United Football Club Ltd
Directors' Report for the Year Ended 30 June 2010

continued

Approved by the Board on 3 March 2011 and signed on its behalf by

A handwritten signature in black ink, appearing to be 'K Thomas', written over a horizontal line.

K Thomas
Chairman

**Independent Auditors' Report to the Members of
Oxford United Football Club Ltd**

We have audited the financial statements of Oxford United Football Club Ltd for the year ended 30 June 2010, set out on pages 6 to 17. 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 members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements 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 financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements 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 the directors, and the overall presentation of the financial statements.

**Independent Auditors' Report to the Members of
Oxford United Football Club Ltd**

continued

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2010 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

Emphasis of matter - going concern

In forming our opinion, which is not qualified, we have considered the adequacy of the disclosures made in the accounts concerning the availability of resources to enable the Company to continue trading. The accounts have been prepared on a going concern basis, the validity of which depends upon the support of the Company's ultimate parent company as referred to in note 1. The accounts do not include any adjustments that would result from the withdrawal of support.

Opinion on other matter prescribed by the Companies Act 2006

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

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 financial statements 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 financial statements and the Directors' Report in accordance with the small companies regime.



Michael Good
Senior Statutory Auditor

for and on behalf of
Critchleys LLP, Statutory Auditor

Greyfriars Court
Paradise Square
Oxford
OX1 1BE

29 March 2011

Oxford United Football Club Ltd
Profit and Loss Account for the Year Ended 30 June 2010

	Note	2010 £	2009 £
Turnover		2,614,045	1,917,496
Direct operating costs		(1,964,038)	(1,890,741)
Gross profit		<u>650,007</u>	<u>26,755</u>
Administrative expenses		(740,873)	(860,054)
Operating loss before player amortisation	2	<u>(90,866)</u>	<u>(833,299)</u>
Amortisation of players' contracts		(24,034)	(4,094)
Profit on disposal of players' contracts		531,232	-
Other interest receivable and similar income		-	315
Interest payable and similar charges		(13,213)	11,580
Profit/(loss) on ordinary activities before taxation		<u>403,119</u>	<u>(825,498)</u>
Profit/(loss) for the financial year	11	<u><u>403,119</u></u>	<u><u>(825,498)</u></u>

The notes on pages 10 to 17 form an integral part of these financial statements

Oxford United Football Club Ltd

Statement of Total Recognised Gains and Losses for the Year Ended 30 June 2010

	2010	2009
	£	£
Profit/(loss) for the financial year	403,119	(825,498)
Actuarial deficit on pension scheme (note 3)	-	(62,372)
Total recognised gains and (losses) for the year	<u>403,119</u>	<u>(887,870)</u>

The notes on pages 10 to 17 form an integral part of these financial statements

Oxford United Football Club Ltd
Balance Sheet as at 30 June 2010

		2010		2009	
	Note	£	£	£	£
Fixed assets					
Intangible assets	5		74,372		58,406
Tangible assets	6		<u>700</u>		<u>3,381</u>
			75,072		61,787
Current assets					
Stocks			-		13,202
Debtors	7	368,656		178,480	
Cash at bank and in hand		<u>5,410</u>		<u>5,570</u>	
		374,066		197,252	
Creditors: Amounts falling due within one year	8	<u>(1,503,198)</u>		<u>(1,716,218)</u>	
Net current liabilities			<u>(1,129,132)</u>		<u>(1,518,966)</u>
Total assets less current liabilities			(1,054,060)		(1,457,179)
Creditors: Amounts falling due after more than one year	9		<u>(3,461,059)</u>		<u>(3,461,059)</u>
Net liabilities			<u>(4,515,119)</u>		<u>(4,918,238)</u>
Capital and reserves					
Called up share capital	10		283,667		283,667
Share premium reserve	11		6,426		6,426
Capital redemption reserve	11		75		75
Profit and loss reserve	11		<u>(4,805,287)</u>		<u>(5,208,406)</u>
Shareholders' deficit			<u>(4,515,119)</u>		<u>(4,918,238)</u>

The notes on pages 10 to 17 form an integral part of these financial statements

Oxford United Football Club Ltd
Balance Sheet as at 30 June 2010

continued

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime under the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board, authorised for issue on 3 March 2011 and signed on its behalf by

A handwritten signature in black ink, appearing to be 'K. Thomas', written over a horizontal line.

K. Thomas
Chairman

The notes on pages 10 to 17 form an integral part of these financial statements

Oxford United Football Club Ltd

Notes to the Financial Statements for the Year Ended 30 June 2010

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The going concern basis has been used, despite the deficiency of net assets, because the ultimate parent company has indicated its intention to make available sufficient funds to enable the company to continue trading for at least one year from the date of approval of these accounts

Turnover

Turnover includes gate receipts, sponsorship, advertising, fund-raising, television fees, Football League contributions, donations and sundry-related income. It is stated net of value added tax and net of amounts due to the Football League and visiting football clubs

Intangible fixed assets - players' contracts

The element of a player's transfer fee which relates to his registration, together with associated costs, is capitalised as an intangible asset and amortised over the period of his contract including any subsequently agreed extension. No provision is made for the value of players developed within the company.

Conditional amounts receivable in respect of players transferred are accounted for in the year in which the condition is met. Signing-on fees and loyalty bonuses are included within direct operating costs in the year of payment.

Depreciation

Depreciation on tangible fixed assets is calculated at 25% per annum on a straight line basis.

Stock

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

Operating leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Pensions

The company contributes to a defined contribution pension scheme in respect of certain employees. The cost of such contributions to the scheme is charged to the profit and loss account as incurred. The assets of the schemes are held separately from those of the company, mainly in funds administered by the Football League Limited Pension and Life Assurance Scheme.

The company no longer contributes to the Football League defined benefit scheme but still has a liability arising under this scheme (see note 3).

Oxford United Football Club Ltd

Notes to the Financial Statements for the Year Ended 30 June 2010

continued

2 Operating loss before player amortisation

Operating loss before player amortisation is stated after charging

	2010	2009
	£	£
Auditors' remuneration	6,500	8,000
Operating lease rentals - land and buildings	311,078	330,454
Depreciation of tangible fixed assets	<u>3,570</u>	<u>5,145</u>

3 Pension contributions

Contributions amounting to £2,998 (2009 £2,998) were paid in respect of the defined contribution scheme

The company also has a liability under the Football League defined benefit scheme which closed in 1999. No contribution has been made to this scheme during the year. In 2009, a revised actuarial valuation shortly after the year end resulted in an increase in the liability of £63,372 and this amount was reflected through the statement of recognised gains and losses in the year ended 30 June 2009. A balance of £117,475 remained outstanding at 30 June 2010 (2009 £119,053) and is included in creditors.

4 Directors' remuneration

	2010	2009
	£	£
Termination of contract	-	21,000
Other remuneration	80,000	76,250
	<u>80,000</u>	<u>97,250</u>

Oxford United Football Club Ltd

Notes to the Financial Statements for the Year Ended 30 June 2010

continued

5 Intangible fixed assets

	Players' contracts £
Cost	
As at 1 July 2009	62,500
Additions	40,000
As at 30 June 2010	<u>102,500</u>
Amortisation	
As at 1 July 2009	4,094
Charge for the year	24,034
As at 30 June 2010	<u>28,128</u>
Net book value	
As at 30 June 2010	<u>74,372</u>
As at 30 June 2009	<u>58,406</u>

6 Tangible fixed assets

	Plant & machinery £
Cost	
As at 1 July 2009	68,712
Additions	889
As at 30 June 2010	<u>69,601</u>
Depreciation	
As at 1 July 2009	65,331
Charge for the year	3,570
As at 30 June 2010	<u>68,901</u>
Net book value	
As at 30 June 2010	<u>700</u>
As at 30 June 2009	<u>3,381</u>

Oxford United Football Club Ltd

Notes to the Financial Statements for the Year Ended 30 June 2010

continued

7 Debtors

	2010	2009
	£	£
Trade debtors	228,151	47,804
Other debtors	19,479	1,604
Prepayments and accrued income	121,026	129,072
	<u>368,656</u>	<u>178,480</u>

8 Creditors: Amounts falling due within one year

	2010	2009
	£	£
Bank loans and overdrafts	47,084	92,008
Other loans	355,000	55,000
Trade creditors	54,668	11,201
Social security and other taxes	142,044	443,784
Other creditors	904,402	1,104,225
Director's loan account	-	10,000
	<u>1,503,198</u>	<u>1,716,218</u>

9 Creditors: Amounts falling due after more than one year

	2010	2009
	£	£
Woodstock Partners Limited loan	3,361,059	3,361,059
Other loans	100,000	100,000
	<u>3,461,059</u>	<u>3,461,059</u>

The amount due to Woodstock Partners Limited of £3,361,059 (2009: £3,361,059) is secured by a debenture over the company's assets. With effect from April 2008, Woodstock Partners Limited has not charged interest on the loan.

Oxford United Football Club Ltd

Notes to the Financial Statements for the Year Ended 30 June 2010

continued

10 Share capital

	2010	2009
	£	£
Allotted, called up and fully paid		
Equity		
800 Ordinary shares of £7 each	5,600	5,600
138,067 Ordinary shares of £1 each	138,067	138,067
140,000 5 25% Preference shares of £1 each	140,000	140,000
	<u>283,667</u>	<u>283,667</u>

The rights conferred by the ordinary shares are as follows -

a) Ordinary shares carry one vote for every £1 of nominal capital. Subject to this, the ordinary shares of £7 each and the ordinary shares of £1 each rank *pari passu* in all respects and constitute one class.

b) No dividend can exceed the maximum allowed from time to time by the Football Association. Subject thereto, and the Companies Act 2006, interim dividends may be declared and paid by the directors in their discretion if the profits so justify. Subject as above the payment of final dividends requires an ordinary resolution.

c) Ordinary shares are not redeemable.

d) On a winding up the ordinary shares rank behind the preference shares in respect of any surplus assets but if such surplus assets are more than sufficient to pay to members the whole amount paid up on their shares, the balance shall be given to the Football Association Benevolent Fund or to some other similar club or institute in Oxfordshire.

Oxford United Football Club Ltd

Notes to the Financial Statements for the Year Ended 30 June 2010

continued

The rights conferred by the preference shares are as follows -

- a) Holders are entitled to a fixed preferential dividend at the rate of 5.25% per annum on the amounts for the time being paid thereon. This dividend ranks for payment in priority to the payment on other shares of the company and is payable in respect of any accounting reference period (if and so far as, in the opinion of the directors, the profits of the company justify such payment) six months after the accounting reference date which concludes that period, provided such preference shares were in issue during the whole of such period.
- b) On a winding up or other repayment of capital, holders are entitled to have the assets of the company available for distribution amongst the members applied, in priority to any other class of shares, in paying to them *pari passu* the capital paid up on their preference shares.
- c) Holders are not entitled to receive notice of or attend or vote at any General Meeting unless the business of the meeting includes the consideration of a resolution for winding up the company or reducing its share capital.
- d) Holders do not have the right to any further or other participation in the profits or assets of the company.
- e) Preference shares are not redeemable.

Oxford United Football Club Ltd

Notes to the Financial Statements for the Year Ended 30 June 2010

continued

11 Reserves

	Share premium reserve £	Capital redemption reserve £	Profit and loss reserve £	Total £
Balance at 1 July 2009	6,426	75	(5,208,406)	(5,201,905)
Transfer from profit and loss account for the year	-	-	403,119	403,119
Balance at 30 June 2010	<u>6,426</u>	<u>75</u>	<u>(4,805,287)</u>	<u>(4,798,786)</u>

12 Contingent assets

At 30 June 2010 further amounts were potentially receivable in respect of the sale of players, which were conditional upon future events. In accordance with the accounting policy (note 1), these will be accounted for in the year in which the condition is met.

13 Operating lease commitments

As at 30 June 2010 the company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire

	2010 £	2009 £
Within one year	10,000	7,500
Over five years	<u>457,005</u>	<u>431,078</u>
	<u>467,005</u>	<u>438,578</u>

Oxford United Football Club Ltd

Notes to the Financial Statements for the Year Ended 30 June 2010

. continued

14 Related parties

Controlling entity

The ultimate parent company is Woodstock Partners Limited, a company incorporated in the UK. Woodstock Partners Limited holds 89% of the ordinary share capital of the company.

Related party transactions

During the year £80,000 (2009 £60,000) was payable to The Thom Group, Inc, in respect of the role of Kelvin Thomas as Executive Chairman. This amount is included in directors' remuneration in note 4. At the year end, £37,500 (2009 £15,000) of this amount remained unpaid. Kelvin Thomas is the controlling shareholder of The Thom Group, Inc.

At the year end the company owed Kelvin Thomas £nil (2009 £10,000) in respect of a loan provided during the year.