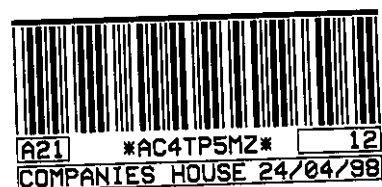


HULL IONIANS RUFC LIMITED
Registered number: 2875169

FINANCIAL STATEMENTS

30 June 1997



HULL IONIANS RUFC LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 1997

The directors present their report and the audited financial statements for the year ended 30 June 1997.

BUSINESS REVIEW

The company's principal activity is the provision of rugby and sports facilities to its members. The directors are satisfied with the result for the year and the financial position of the company at the year end.

DEFICIT FOR THE YEAR

The result for the year is shown in the income and expenditure account on page 4. The directors do not recommend a dividend and the deficit has been added to the adverse balance on reserves.

DIRECTORS

The directors of the company during the year were:

B K Appleyard
P Sharp
R Sangwin
V R Gosling
M Conquest
D Hewitt
S Dent

No director held an interest in the shares of the company during the year.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements 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 financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgments and 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.

HULL IONIANS RUFC LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 1997 (CONTINUED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES (CONTINUED)

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 financial statements 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.

By Order of the Board

A handwritten signature in dark ink, appearing to be 'RHP', written over the printed name 'Secretary'.

Secretary

19th February 1998

Price Waterhouse



AUDITORS' REPORT TO THE MEMBERS OF HULL IONIANS RUFC LIMITED

We have audited the financial statements on pages 4 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on pages 1 and 2 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 judgments 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 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 statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 1997 and of its deficit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse

Chartered Accountants
and Registered Auditors

19 February 1998

HULL IONIANS RUFC LIMITED

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 JUNE 1997

	1997	1996
Donations from parent company	-	5,571
Donation from Hull Ionians RUFC	-	3,299
Subscriptions	3,747	7,362
Gate fees	2,813	6,414
Hire of club	6,252	5,004
Sponsorship and advertising	15,915	32,244
Donations received	9,357	12,661
Health Club	32,893	22,584
Bar	193,951	166,827
Food	81,439	53,497
Draws and raffles	245	2,300
Bank interest received	-	524
Other interest received	8	-
Sale of goods	1,819	1,658
	<u>348,439</u>	<u>319,945</u>
Travelling expenses, teas and referees' expenses, laundry etc	43,661	24,202
Less Pool receipts	2,152	2,957
	41,509	21,245
Car leasing costs	-	2,190
Ground maintenance	11,981	9,941
Physiotherapist fees	1,402	2,884
Balls and equipment	5,989	8,792
Bar purchases and wages	161,488	132,818
Telephones	703	1,862
Food purchases and wages	52,543	37,015
Light and heat	17,013	14,120
Audit, accountancy and advisory services	1,100	5,184
Postage, printing and stationery	5,532	5,849
Health Club expenses	17,558	13,924
Cost of goods sold	1,699	1,092
Cleaning and security	19,866	15,648
Insurance of players	1,140	800
Repairs and renewals	8,228	4,960
Rates and water rates	2,991	15,173
Advertising and promotion	3,593	5,106
Sundry expenses	4,205	4,169
Depreciation	1,307	445
Insurances	3,250	4,854
Subscriptions and donations	639	310
Legal fees	-	1,558
Dinners and social	408	17,639
	<u>364,144</u>	<u>327,578</u>
	(15,705)	(7,633)
Corporation tax - prior year adjustment	(166)	(157)
Deficit for the year	£(15,871)	£(7,790)

The company has no recognised gains or losses other than its deficit for the year.

HULL IONIANS RUFC LIMITED

BALANCE SHEET - 30 JUNE 1997

	Notes	1997	1996
FIXED ASSETS	2	3,450	890
CURRENT ASSETS			
Stock		6,135	5,753
Debtors	3	3,939	1,963
Cash at bank and in hand		<u>1,370</u>	<u>1,663</u>
		11,444	9,379
CREDITORS - Amounts falling due within one year	4	<u>(42,757)</u>	<u>(22,261)</u>
NET CURRENT LIABILITIES		<u>(31,313)</u>	<u>(12,882)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£(27,863)</u>	<u>£(11,992)</u>
CAPITAL AND RESERVES			
Called up share capital	5	2	2
Income and expenditure account	6	<u>(27,865)</u>	<u>(11,994)</u>
EQUITY SHAREHOLDERS' FUNDS	7	<u>£(27,863)</u>	<u>£(11,992)</u>

APPROVED BY THE BOARD ON 19th February 1998

PJP

VR Croo L

DIRECTORS

HULL IONIANS RUFC LIMITED

NOTES TO THE ACCOUNTS - 30 JUNE 1997

1 ACCOUNTING POLICIES

(1) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The directors have elected to take advantage of the exemption under FRS1 not to prepare a cash flow statement.

(2) Depreciation

Depreciation of tangible fixed assets is calculated by reference to cost at rates estimated to write off the relevant assets over their expected useful lives taking into account normal commercial and technical obsolescence.

The annual rates used are

Computer equipment	33 $\frac{1}{3}$ % on cost
Fixtures and fittings	15% on cost

(3) Stock

Stock is valued at the lower of cost and net realisable value. Cost is computed on an actual historic cost basis.

2 FIXED ASSETS

	Fixtures and fittings	Computer equipment	Total
Cost			
30 June 1996	-	1,335	1,335
Additions	<u>2,328</u>	<u>1,539</u>	<u>2,867</u>
	£2,328	£2,874	£5,202
Depreciation			
30 June 1996	-	445	445
Charge for the year	<u>349</u>	<u>958</u>	<u>1,307</u>
30 June 1997	£349	£1,403	£1,752
Net book value			
30 June 1997	<u>£1,979</u>	<u>£1,471</u>	<u>£3,450</u>

HULL IONIANS RUFC LIMITED

NOTES TO THE ACCOUNTS - 30 JUNE 1997 (CONTINUED)

3	DEBTORS	1997	1996
	Other debtors	£3,939	1,963
		<u> </u>	<u> </u>
4	CREDITORS - Amounts falling due within one year		
	Bank overdraft	1,075	2,442
	Due to parent undertaking	10,100	100
	Corporation tax	-	131
	Other taxation and social security	17,424	7,208
	Accruals	<u>14,158</u>	<u>12,380</u>
		£42,757	£22,261
		<u> </u>	<u> </u>
5	CALLED UP SHARE CAPITAL	30 June 1996 and 1997	
		Number	
		of shares	
	Authorised		
	Ordinary shares of £1	100	£100
		<u> </u>	<u> </u>
	Allotted, called up and fully paid		
	Ordinary shares of £1	2	£2
		<u> </u>	<u> </u>
6	INCOME AND EXPENDITURE ACCOUNT - ADVERSE BALANCE		
	30 June 1996		(11,994)
	Deficit for the year		<u>(15,871)</u>
	30 June 1997		£(27,865)
			<u> </u>
7	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	1997	1996
	Deficit for the year	(15,871)	(7,790)
	Opening shareholders' funds	<u>(11,992)</u>	<u>(4,202)</u>
	Closing shareholders' funds	£(27,863)	£(11,992)
		<u> </u>	<u> </u>

8 PARENT UNDERTAKING

The company's parent undertaking is Hull Ionians Rugby Union Football Club (Holdings) Limited, a company limited by guarantee. The parent undertaking has confirmed that it will provide funding to enable the company to continue in operation.