

Financial Statements

Northampton Rugby Football Club Limited

For the year ended 31 May 2014



Registered number: 03139409

Company Information

Directors	A C Hewitt (Chairman) J White (Deputy Chairman) A Robson (Chief Executive Officer) R A Deane (Financial Director) B W E Facer (Commercial Director) K L Barwell OBE (Non-executive) N D Beal (Non-executive) E Bevan (Non-executive) J J Drown (Non-executive) M A L Holmes (Non-executive) C Povey (Non-executive) J A G D Raphael (Non-executive)
Company secretary	A T Cozzolino
Registered number	03139409
Registered office	Franklin's Gardens Weedon Road NORTHAMPTON
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Grant Thornton House 202 Silbury Boulevard Milton Keynes MK9 1LW

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Strategic Report

For the year ended 31 May 2014

Principal activity

The principal activity in the period under review was that of promoting the playing and development of rugby football.

Business review

The 2013/14 season epitomised the successful business model for which Saints have been noted for. On the pitch this was rewarded as Saints became Aviva Premiership Champions for the first time, were winners of the Amlin Challenge Cup and losing finalists in the LV= Cup and Aviva Premiership "A" League whilst our Under 18s were winners of the Premiership Rugby Academies League. Along the way this gave rise to two home semi final matches, from which we are permitted to retain the greater share of the match revenues, which made a substantial contribution to the Club's financial performance.

The company has recorded a profit for the year after taxation of £265,823 (2013: £265,727).

The directors do not recommend the payment of a dividend (2012: £nil).

Key performance indicators

The company measures its financial performance using the following measures:

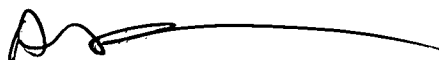
- growth in turnover is a key measure of the company's success in winning new business and retaining existing customers. The growth in rugby and commercial income was 11.6% up on last year.
- maintaining a profitable business
- cash collection is an important part of effective working capital management. At the year end debtor days were 27.9 days compared to last year of 20.0 days;
- total gate receipts per match;
- monitoring senior and academy salary squad caps.

Principal risks and uncertainties

The principal risks and uncertainties facing the business relate to the following:

- the health and wellbeing of the playing staff. The club controls this by employing the best coaches, physio's and conditioning staff possible to keep the players at their peak physical condition
- to ensure the continued employment of key coaching and playing staff by the timely renewal of contracts
- the financial stability of the Premiership Rugby Clubs in order to retain and sustainable Premiership Rugby Competition. This is mitigated by the key Rugby Club Executives working together to the required standards under a common goal of operating a successful on-going rugby competition
- maintaining a long term agreement with the RFU
- maintaining Franklin's Gardens as a safe matchday environment.

This report was approved by the board on 5 August 2014 and signed on its behalf.



A Robson
Director

Directors' Report

For the year ended 31 May 2014

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

Directors

The directors who served during the year were:

L K L Barwell (Chairman until 6 June 2013, resigned 14 June 2013)*
A C Hewitt (Chairman from 6 June 2013)
J White (Deputy Chairman)
A Robson (Chief Executive Officer)
R A Deane (Financial Director)
B W E Facer (Commercial Director) (appointed 1 January 2014)
K L Barwell OBE (Non-executive)
N D Beal (Non-executive)
E Bevan (Non-executive)
J J Drown (Non-executive)
M A L Holmes (Non-executive)
C Povey (Non-executive)

*Note, on 14 June 2013 L K L Barwell sadly passed away.

Results

The profit for the year, after taxation, amounted to £265,823 (2013 - £265,727).

Principal financial risks and uncertainties

Although the company may enter into derivative transactions such as interest rate swaps or forward foreign currency transactions in order to minimise its risks, the group did not enter into such transactions during the year. The company's policy is that no trading in such financial instruments shall be undertaken.

The company's financial instruments comprise cash, trade debtors, trade creditors, overdraft and loans. The main purpose of these financial instruments is to raise finance for the company's operations.

Liquidity risk

The company generates cash and therefore does not have any significant liquidity exposure. In the event of the rugby club being relegated, the company would receive an income parachute payment and additional income from central funds. The directors believe that this income, in addition to income generated from gate receipts and off field activities, would ensure the club has sufficient funding to either achieve premiership status on its first attempt, or enable the club to put into place further contingency plans to manage its liquidity exposure. Short term flexibility is achieved through the availability of overdraft facilities and bank loans.

Interest rate risk

The company finances its operation through a mixture of shareholders' funds, bank overdrafts, bank loans and working capital.

Directors' responsibilities statement

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

Directors' Report

For the year ended 31 May 2014

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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Disclosure of information to auditor

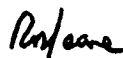
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

This report was approved by the board on 5 August 2014 and signed on its behalf.



R A Deane
Director.

Independent Auditor's Report to the Members of Northampton Rugby Football Club Limited

We have audited the financial statements of Northampton Rugby Football Club Limited for the year ended 31 May 2014, which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Auditor's 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 auditor

As explained more fully in the Directors' responsibilities statement, 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 and express an opinion on 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/apb/scope/private.cfm.

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 31 May 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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



Independent Auditor's Report to the Members of Northampton Rugby Football Club Limited

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.

Grant Thornton UK LLP

John Corbishley (Senior Statutory Auditor)
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
Milton Keynes

5 August 2014

Profit and Loss Account

For the year ended 31 May 2014

	Note	2014 £	2013 £
Turnover	1, 2	14,897,002	13,344,643
Cost of sales		<u>(8,502,965)</u>	<u>(7,533,876)</u>
Gross profit		6,394,037	5,810,767
Administrative expenses		<u>(5,669,064)</u>	(5,396,561)
Exceptional depreciation	3	<u>(290,258)</u>	-
Total administrative expenses		<u>(5,959,322)</u>	<u>(5,396,561)</u>
Operating profit	4	434,715	414,206
Interest receivable and similar income	7	2,806	-
Interest payable and similar charges	8	<u>(5,803)</u>	<u>(10,188)</u>
Profit on ordinary activities before taxation		431,718	404,018
Tax on profit on ordinary activities	9	<u>(165,895)</u>	<u>(138,291)</u>
Profit for the financial year	19	<u>265,823</u>	<u>265,727</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the profit and loss account.

The notes on pages 8 to 21 form part of these financial statements.

Balance Sheet

As at 31 May 2014

	Note	£	2014 £	£	2013 £
Fixed assets					
Intangible assets	10		196,157		199,550
Tangible assets	11		11,210,254		11,559,361
Investments	12		179		179
			<u>11,406,590</u>		<u>11,759,090</u>
Current assets					
Stocks	13	252,046		339,962	
Debtors	14	2,441,464		1,801,368	
Cash at bank and in hand		8,895,942		1,759,780	
			<u>11,589,452</u>	<u>3,901,110</u>	
Creditors: amounts falling due within one year	15	(6,822,639)		(4,764,015)	
Net current assets/(liabilities)			<u>4,766,813</u>		<u>(862,905)</u>
Total assets less current liabilities			<u>16,173,403</u>		<u>10,896,185</u>
Creditors: amounts falling due after more than one year	16		(6,296,766)		(5,877,758)
Provisions for liabilities					
Deferred tax	17		(301,527)		(336,212)
Net assets			<u><u>9,575,110</u></u>		<u><u>4,682,215</u></u>
Capital and reserves					
Called up share capital	18		9,127,072		4,500,000
Profit and loss account	19		448,038		182,215
Shareholders' funds	20		<u><u>9,575,110</u></u>		<u><u>4,682,215</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 5 August 2014.



A Robson
Director



R A Deane
Director

The notes on pages 8 to 21 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 May 2014

1. Accounting Policies

1.1 Basis of preparation of financial statements

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

1.2 Turnover

Turnover represents the amounts, excluding VAT and trade discounts, receivable by the company for match tickets, executive boxes, sponsorship, English Rugby Partnership income, rental of ground, gate receipts and the provision of goods supplied and services provided by the company.

1.3 Deferred income

Deferred income, other than grants, represents amounts received in relation to sponsorship and executive boxes. Deferred income is released to the profit and loss account in the season to which the income relates and typically is over a period of between 1 and 4 years.

1.4 Goodwill and intangible fixed assets

Goodwill represents the surplus arising on the acquisition of the net assets of The Northampton Football Club on 12 February 1996.

The company has adopted a policy of amortising the cost over 20 years from February 1996.

Transfer fees paid for player registrations

The costs of acquired player registrations are capitalised as intangible assets and amortised over the period of the players' contracts, with appropriate adjustments for any impairments assessed to have taken place.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% on cost
Leasehold Property	-	Over the remaining term of the lease
Ground improvements	-	20% on reducing balance
Property improvements	-	10% on reducing balance
Motor vehicles	-	33.33% on reducing balance
Furniture, fixtures and fittings	-	20% on reducing balance
Office equipment	-	20-33.33 on cost

In respect of freehold property and improvements on assets taken over from The Northampton Football Club, depreciation is provided on the original costs of the assets. No depreciation is provided during the period of construction for freehold property.

Finance costs are capitalised where they are considered to be directly attributable to the construction of the tangible fixed asset.

Notes to the Financial Statements

For the year ended 31 May 2014

1. Accounting Policies (continued)

1.6 Operating leases

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.7 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.9 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the latest enacted tax rates.

1.10 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1.11 Grants received

Grants received in respect of capital expenditure are credited to a deferred income account and are released to the profit and loss account by equal annual instalments over the expected useful lives of the relevant assets.

Notes to the Financial Statements

For the year ended 31 May 2014

1. Accounting Policies (continued)

1.12 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

2. Turnover

The whole of the turnover is attributable to the activity as stated in the Director's report.

Turnover is attributable to the following classes of business:

	2014 £	2013 £
Rugby income	4,531,975	3,768,342
Premiership Rugby and RFU income	3,536,163	3,256,781
Commercial income	6,828,864	6,319,520
	<u>14,897,002</u>	<u>13,344,643</u>

3. Exceptional depreciation in year

The exceptional depreciation charge relates to an adjustment of the useful economic life of the Sturtridge Pavilion, in view of the clubs commitment to commence the construction of the new Barwell Stand.

Notes to the Financial Statements

For the year ended 31 May 2014

4. Operating profit

The operating profit is stated after charging:

	2014	2013
	£	£
Amortisation - intangible fixed assets	125,393	47,727
Depreciation of tangible fixed assets:		
- owned by the company	665,520	392,272
Auditor's remuneration	23,850	23,700
Operating lease rentals:		
- plant and machinery	42,621	58,321
- other operating leases	56,106	61,620
	<u>773,490</u>	<u>553,640</u>

5. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2014	2013
	£	£
Wages and salaries	6,812,764	6,332,638
Social security costs	753,325	707,468
Other pension costs	170,878	234,091
	<u>7,736,967</u>	<u>7,274,197</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2014	2013
	No.	No.
Sports and rugby players	76	75
Administration, commercial and match day only staff	171	167
	<u>247</u>	<u>242</u>

Included in administration, commercial and match day only staff are 136 (2013 - 125) part-time employees.

Notes to the Financial Statements

For the year ended 31 May 2014

6. Directors' remuneration

	2014	2013
	£	£
Remuneration	<u>375,066</u>	<u>274,631</u>
Company pension contributions to defined contribution pension schemes	<u>44,257</u>	<u>37,681</u>

During the year retirement benefits were accruing to 2 directors (2013 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £234,053 (2013 - £185,600).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £35,412 (2013 - £29,257).

7. Interest receivable

	2014	2013
	£	£
Other interest receivable	<u>2,806</u>	<u>-</u>

Notes to the Financial Statements

For the year ended 31 May 2014

8. Interest payable

	2014	2013
	£	£
On bank loans and overdrafts	5,803	10,188

9. Taxation

	2014	2013
	£	£
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	204,641	138,066
Adjustments in respect of prior periods	(4,061)	4,616
Total current tax	200,580	142,682
Deferred tax		
Origination and reversal of timing differences and total deferred taxation	5,500	12,412
Effect of tax rate change on opening balance	(44,405)	(14,080)
Adjustments in respect of prior periods	4,220	(2,723)
Total deferred tax (see note 17)	(34,685)	(4,391)
Tax on profit on ordinary activities	165,895	138,291

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2013 - higher than) the standard rate of corporation tax in the UK of 22.67% (2013 - 23.83%). The differences are explained below:

	2014	2013
	£	£
Profit on ordinary activities before tax	431,718	404,018
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 22.67% (2013 - 23.83%)	97,852	96,277
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	113,022	54,650
Capital allowances for year in excess of depreciation	(32,176)	(5,154)
Adjustments to tax charge in respect of prior periods	(4,061)	4,616
Short term timing difference leading to an increase/(decrease) in taxation	25,943	(7,707)
Current tax charge for the year (see note above)	200,580	142,682

Notes to the Financial Statements

For the year ended 31 May 2014

9. Taxation (continued)

No provision has been made for deferred tax on the sale of freehold land and properties where taxable gains have been rolled over into replacement assets. Such tax would become payable only if the freehold land and property were sold without it being possible to claim rollover relief. The total amount unprovided for in respect of this is £155,000 (2013 - £178,000). At present it is not envisaged that any tax will become payable in the foreseeable future.

10. Intangible fixed assets

	Player registrations £	Goodwill £	Total £
Cost			
At 1 June 2013	225,000	121,257	346,257
Additions	122,000	-	122,000
At 31 May 2014	347,000	121,257	468,257
Amortisation			
At 1 June 2013	41,667	105,040	146,707
Charge for the year	119,333	6,060	125,393
At 31 May 2014	161,000	111,100	272,100
Net book value			
At 31 May 2014	186,000	10,157	196,157
At 31 May 2013	183,333	16,217	199,550

Purchased goodwill relates to the surplus arising from the acquisition of the net assets of the Northampton Football Club and is amortised over its useful economic life of 20 years.

Notes to the Financial Statements

For the year ended 31 May 2014

11. Tangible fixed assets

	Freehold property, new buildings and ground improvement £	Furniture, fixtures and fittings, motor vehicles and office equipment £	Total £
Cost			
At 1 June 2013	14,074,482	1,996,976	16,071,458
Additions	180,064	148,355	328,419
Disposals	-	(126,897)	(126,897)
At 31 May 2014	14,254,546	2,018,434	16,272,980
Depreciation			
At 1 June 2013	2,910,137	1,601,960	4,512,097
Charge for the year	555,582	109,938	665,520
On disposals	-	(114,891)	(114,891)
At 31 May 2014	3,465,719	1,597,007	5,062,726
Net book value			
At 31 May 2014	10,788,827	421,427	11,210,254
At 31 May 2013	11,164,345	395,016	11,559,361

Included within freehold property, new buildings and ground improvements is:

- land at cost of £1,417,857 (2013 - £1,417,857) which is not depreciated.
- assets in the course of construction of £557,992 (2013 - £392,915) which are not depreciated. Included in this amount is finance costs capitalised during the year in relation to the construction of these assets of £78,068 (2013 - £nil). The aggregate amount of finance costs capitalised is £78,068 (2013 - £nil).

12. Fixed asset investments

	Investment other than loans £	Shares in group undertaking £	Total £
Cost and net book amount			
At 1 June 2013 and 31 May 2014	79	100	179
Net book value			
At 31 May 2014	79	100	179
At 31 May 2013	79	100	179

Notes to the Financial Statements

For the year ended 31 May 2014

12. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Saints Rugby Limited	£1 Ordinary shares	100%

The aggregate of the share capital and reserves as at 31 May 2014 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(loss) £
Saints Rugby Limited	100	-

The investment other than loans relates to an investment in Premier Rugby Limited.

The company is exempt from preparing consolidated financial statements on the grounds that it is an intermediate holding company in a medium sized group. The financial statements therefore present information about the company as an individual undertaking and not about its group.

13. Stocks

	2014 £	2013 £
Shop stock	252,046	339,962

14. Debtors

	2014 £	2013 £
Trade debtors	1,142,430	731,702
Other debtors	8,782	7,797
Prepayments and accrued income	1,290,252	1,061,869
	2,441,464	1,801,368

Notes to the Financial Statements

For the year ended 31 May 2014

15. Creditors:

Amounts falling due within one year

	2014	2013
	£	£
Bank loans and overdrafts	305,000	300,000
Other loans	220,000	-
Trade creditors	827,707	693,685
Amounts owed to group undertakings	-	84,661
Corporation tax	130,435	71,769
Other taxation and social security	1,202,178	1,004,045
Deferred income	2,367,371	1,899,247
Other creditors	418,682	424,677
Accruals	1,351,266	285,931
	<u>6,822,639</u>	<u>4,764,015</u>

Interest on bank overdraft is charged at 1.5% (2013 - 1.5%) over the bank rate.

The bank loan held with Barclays Commercial Bank is secured by a fixed and floating charge over all the assets of the group.

The interest on the other loan is charged at 3.97%. The other loan is secured by a fixed charge over the Freehold Property of Franklin's Gardens, Weedon Road, land North of Edgar Mobbs Way and land South-West of St James Road, Northampton.

Notes to the Financial Statements

For the year ended 31 May 2014

16. Creditors:

Amounts falling due after more than one year

	2014	2013
	£	£
Bank loan	-	305,000
Other loans	5,280,000	-
Amounts owed to group undertakings	-	4,542,411
Deferred income	1,016,766	1,030,347
	<u>6,296,766</u>	<u>5,877,758</u>

Included within the above are amounts falling due as follows:

	2014	2013
	£	£
Between one and two years		
Bank loan	-	305,000
Other loans	220,000	-
	<u>220,000</u>	<u>-</u>
Between two and five years		
Other loans	660,000	-
	<u>660,000</u>	<u>-</u>
Over five years		
Other loans	4,400,000	-
	<u>4,400,000</u>	<u>-</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2014	2013
	£	£
Repayable by instalments	4,400,000	-
	<u>4,400,000</u>	<u>-</u>

17. Deferred taxation

	2014	2013
	£	£
At beginning of year	336,212	340,602
Charge for/(released during) year	(34,685)	(4,390)
	<u>301,527</u>	<u>336,212</u>

Notes to the Financial Statements

For the year ended 31 May 2014

17. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2014 £	2013 £
Accelerated capital allowances	326,214	342,307
Short term timing differences	(24,687)	(6,095)
	<u>301,527</u>	<u>336,212</u>

18. Share capital

	2014 £	2013 £
Authorised, allotted, called up and fully paid		
9,127,072 (2013 - 4,500,000) Ordinary shares of £1 each	<u>9,127,072</u>	<u>4,500,000</u>

During the year the company issued 4,627,072 shares to its parent company at £1 per share of nominal value of £1 each.

19. Reserves

	Profit and loss account £
At 1 June 2013	182,215
Profit for the financial year	265,823
	<u>448,038</u>
At 31 May 2014	

20. Reconciliation of movement in shareholders' funds

	2014 £	2013 £
Opening shareholders' funds	4,682,215	4,416,488
Profit for the financial year	265,823	265,727
Shares issued during the year	4,627,072	-
	<u>9,575,110</u>	<u>4,682,215</u>
Closing shareholders' funds		

21. Contingent liabilities

There were no contingent liabilities at 31 May 2014 or 31 May 2013.

Notes to the Financial Statements

For the year ended 31 May 2014

22. Capital commitments

There were no capital commitments at 31 May 2014 or 31 May 2013.

23. Pension commitments

The company operates a defined contribution pension scheme for the benefit of the employees and certain directors (see note 5). The assets of the scheme are administered by trustees in a fund independent from those of the company.

24. Operating lease commitments

At 31 May 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2014	2013	2014	2013
	£	£	£	£
Expiry date:				
Within 1 year	23,400	31,920	5,213	5,812
Between 2 and 5 years	-	-	15,564	4,483

25. Related party transactions

As a wholly owned subsidiary of Northampton Saints PLC, the company is exempt from the requirement of FRS 8 to disclose transactions with other members of the group headed by Northampton Saints PLC on the grounds that the accounts are publically available from Companies House.

	2014	2014	2013	2013
	Value in the	Due to /	Value in the	Due to /
	year	(from) the	year	(from) the
	£	group	£	group
	£	£	£	£
K L Barwell OBE, LKL Barwell and E Bevan (Bradden Estates Management)				
-Sales from the company	687	-	-	-
-Purchases made by the company	-	-	84,000	-
LKL Barwell (Vision Security Group Limited)				
-Sales from the company	38,009	3,273	35,950	559
-Purchases from the company	61,303	(6,414)	96,096	(14,456)
A C Hewitt (Burbage Realty)				
-Purchases made by the company	22,754	(17,954)	18,000	-
N D Beal (David Williams Independent Financial Advisors)				
-Sales from the company	3,564	-	3,000	-
J J Drown (Porterhouse Developments)				
-Sales from the company	600	-	-	-
-Purchases made by the company	24,661	-	17,478	-

Notes to the Financial Statements

For the year ended 31 May 2014

25. Related party transactions (continued)

Sales and purchases between the company and companies connected with the directors were at arms length and relate principally to sponsorship and rental of hospitality suites.

26. Ultimate parent undertaking and controlling party

The directors consider that the ultimate parent undertaking and controlling related party of this company is Northampton Saints PLC.

The largest group of undertakings for which group accounts have been drawn up is that headed by Northampton Saints PLC.