

# **MFC.CO.UK Limited**

## **Report and Financial Statements**

Year ended 31 December 2009

WEDNESDAY



\*L1011NTJ\*

L12

29/09/2010

184

COMPANIES HOUSE

# MFC CO UK Limited

---

Registered No 3904202

## **Directors**

S Gibson  
K Lamb

## **Secretary**

A Bage

## **Auditors**

Grant Thornton UK LLP  
Grant Thornton House  
Melton Street  
London  
NW1 2EP

## **Bankers**

The Royal Bank of Scotland  
Argyll House  
246 Regent Street  
London  
W1B 3PB

## **Lawyers**

Wiggin  
Met Building  
22 Percy Street  
London  
W1T 2BU

## **Registered Office**

Riverside Stadium  
Middlesbrough  
TS3 6RS

## Directors' report

The Directors present the annual report and audited financial statements for the year ended 31 December 2009

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

### Principal activities and review of the business

The purpose of the Company is to exploit a perpetual and exclusive licence of the internet and certain media rights of Middlesbrough Football & Athletic Company (1986) Limited including the operation and hosting of the club website

On 18 June 2010 the shareholding in the Company which was owned by Perform Media Services Ltd was sold to Middlesbrough Football & Athletic Company (1986) Limited for a nominal sum and the Directors appointed by Perform Media Services Ltd resigned

In the year to 31 December 2009 the Company recorded a loss after taxation of £104,786 (2008 £78,112 loss) The Directors do not recommend the payment of a dividend (2008 £nil)

The Directors consider level of financial exploitation of the internet and the media rights licensed by the Company during the year to be acceptable and in line with expectation

Given the nature of the business and the ongoing financial support of the parent company the Directors do not believe that there were any material credit, liquidity or cashflow risks

### Directors and their interests

The Directors who held office during the year and thereafter were as follows

S Gibson

K Lamb

A Croker (resigned 18 June 2010)

O Slipper (resigned 18 June 2010)

No Director had any interest in the share capital of the Company

## **Statement of directors' responsibilities in respect of the financial statements**

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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 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 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.

In so far as the Directors are aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

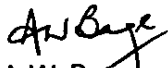
The Directors are responsible for the maintenance and integrity of the website and accordingly the auditors accept no responsibility for the information published.

Information published on the website is accessible in many countries and legislation in the UK concerning the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### **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.

By order of the Board

  
A W Bage  
Company Secretary  
24 September 2010

# Independent auditor's report

to the members of MFC.CO.UK Limited

## Independent auditor's report to the members of mfc.co.uk Limited

We have audited the financial statements of mfc.co.uk Limited for the year ended 31 December 2009 which comprises the profit and loss account and 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out in the directors' report, 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

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

### 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 December 2009 and of its loss 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.

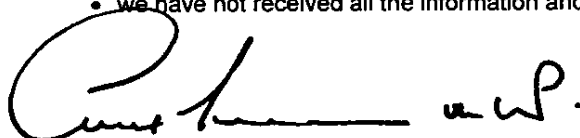
### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the 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.



Mark Henshaw

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

London

24 September 2010

## Profit and loss account

for the year ended 31 December 2009

		<b>Year ended 31 December 2009</b>	<b>Year ended 31 December 2008</b>
	<i>Notes</i>	<b>£</b>	<b>£</b>
Turnover	2	120,225	121,976
Administrative expenses		<u>(225,011)</u>	<u>(200,088)</u>
Operating loss		<b>(104,786)</b>	<b>(78,112)</b>
Net interest receivable	3	<u>-</u>	<u>-</u>
Loss on ordinary activities before taxation	4	<b>(104,786)</b>	<b>(78,112)</b>
Tax on loss on ordinary activities	6	<u>-</u>	<u>-</u>
Loss on ordinary activities after taxation		<b>(104,786)</b>	<b>(78,112)</b>

The results set out above relate wholly to continuing activities

The notes on pages 8 to 14 form part of these financial statements

## **Statement of total recognised gains and losses**

**for the year ended 31 December 2009**

There were no recognised gains or losses during the year other than those set out in the profit and loss account above

**Balance sheet**

at 31 December 2009

	Notes	31 December 2009 £	31 December 2008 £
<b>Fixed assets</b>			
Tangible assets	7	1,353	-
<b>Current assets</b>			
Debtors	8	74,411	63,625
Cash at bank		25,201	26,686
<b>Creditors: amounts falling due within one year</b>	9	(386,196)	(270,756)
Net current liabilities		(286,584)	(180,445)
<b>Total assets less current liabilities</b>		(285,231)	(180,445)
<b>Capital and reserves</b>			
Called up share capital	10	558,100	558,100
Profit and loss account	11	(843,331)	(738,545)
<b>Shareholders' funds</b>	12	(285,231)	(180,445)

The notes on pages 8 to 14 form part of these financial statements

Approved by the Board on 24 September 2010

and signed on its behalf by



Director



## Notes to the financial statements

for the year ended 31 December 2009

### 1. Accounting policies

#### Basis of preparation

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

The financial statements have been prepared in accordance with the going concern concept because Middlesbrough Football & Athletic Company (1986) Limited has given the necessary assurances such that sufficient resources will be made available for the foreseeable future so that the company can meet its liabilities as and when they fall due

#### Statement of cash flows

Under Financial Reporting Standard No 1 Statement of Cash Flows (Revised), the company is exempt from the requirements to prepare a statement of cash flows as it is a small company under the Companies Act 2006

#### Fixed assets and depreciation

Depreciation has been provided in order to write off the cost of depreciable fixed assets over their estimated useful lives. The rate used is

Office furniture and equipment on a straight line basis over three years

The carrying values of tangible fixed assets are reviewed for impairment, if events or changes in circumstance indicate that those carrying values may not be reasonable

#### Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold, and
- deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

### 2. Turnover

Turnover represents amounts derived from the provision of services falling within the company's continuing ordinary activities, after the deduction of value added tax, all of which are conducted in the United Kingdom

## Notes to the financial statements

for the year ended 31 December 2009

### 3. Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging the following

	<i>Year ended 31 December 2009</i>	<i>Year ended 31 December 2008</i>
	<i>£</i>	<i>£</i>
Depreciation	39	1,518
Auditors' remuneration – audit services	1,250	-

The Company has entered into a liability limitation agreement with Grant Thornton UK LLP, the statutory auditor, in respect of the statutory audit for the year ended 31 December 2009. The proportionate liability agreement follows the standard terms in Appendix B to the Financial Reporting Council's June 2008 Guidance on Auditor Liability Agreements, and was approved by the shareholders.

### 4. Employee costs

There were no employees in the Company in the year (2008: 0).

Two persons (2008: 3) are employed by Perform Media Services Ltd, who carry out services on behalf of the Company, and their costs of £79,363 (2008: £83,952) recharged to the Company.

None of the Directors received any emoluments during the year (2008: nil).

## Notes to the financial statements

for the year ended 31 December 2009

### 5. Tax on loss on ordinary activities

	<i>Year ended 31 December 2009 £</i>	<i>Year ended 31 December 2008 £</i>
<b>Current tax</b>		
UK corporation tax on profits of the period	-	-
Adjustment in respect of previous periods	-	-
Total current tax	-	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	-
Other timing differences	-	-
Total deferred tax	-	-
Tax on profit on ordinary activities	-	-
 Loss on ordinary activities before tax	 <b>(104,786)</b>	 <b>(78,112)</b>
 Loss on ordinary activities multiplied by standard rate of tax 28% (2008 28%)	 <b>(29,340)</b>	 <b>(21,871)</b>
Effects of		
Difference between capital allowances and depreciation	<b>11</b>	<b>425</b>
Tax losses arising/ (utilised) in year	<b>29,329</b>	<b>21,446</b>
Expenses not deductible for tax purposes (including amortisation of goodwill)	-	-
Group relief	-	-
Other timing differences	-	-
Adjustment to tax charge in respect of previous periods	-	-
Profits credited at lower rate of tax	-	-
Unrelieved losses carried forwards	-	-
Current tax charge for the period	-	-

In 2009 a potential deferred tax asset in respect of £118,630 (2008 £89,290) was not recognised in respect of timing differences related to trading losses carried forward as there was insufficient evidence that the asset would be recovered

## Notes to the financial statements

for the year ended 31 December 2009

### 6. Fixed assets

	<i>Office equipment</i>	<i>Internet and media rights</i>	<i>Total</i>
	£	£	£
<b>Cost</b>			
At 1 January 2009	13,573	1	13,574
Additions	1,392	-	1,392
At 31 December 2009	14,965	1	14,966
<b>Depreciation</b>			
At 1 January 2009	13,573	1	13,574
Charged during the year	39	-	39
At 31 December 2009	13,612	1	13,613
<b>Net book value</b>			
At 31 December 2008	-	-	-
At 31 December 2009	1,353	-	1,353

### 7. Debtors

	<i>2009</i>	<i>2008</i>
	£	£
Amounts due from controlling parties	60,237	27,303
Prepayments and accrued income	11,179	30,119
Other taxes and social security costs	2,995	6,203
	74,411	63,625

### 8. Creditors: amounts falling due within one year

	<i>2009</i>	<i>2008</i>
	£	£
Trade creditors	182	5,097
Amounts due to controlling parties	357,199	246,746
Other creditors and accruals	28,815	18,913
	386,196	270,756

## Notes to the financial statements

for the year ended 31 December 2009

### 9. Share capital

	2009 Number	2008 Number	2009 £	2008 £
<i>Authorised</i>				
Ordinary shares of £1 each	100	100	100	100
8% cumulative preference shares of £1 each	2,000,000	2,000,000	2,000,000	2,000,000
5% cumulative preference shares of £1 each	1,442,000	1,442,000	1,442,000	1,442,000
Deferred shares of £1 each	558,000	558,000	558,000	558,000
			<u>4,000,100</u>	<u>4,000,100</u>

Preference shares carry a fixed cumulative preferential dividend at the rates specified above payable quarterly. Interest accrues on the amount of any preference dividend unpaid.

	2009 Number	2008 Number	2009 £	2008 £
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	100	100	100	100
Deferred shares of £1 each	558,000	558,000	558,000	558,000
			<u>558,100</u>	<u>558,100</u>

Deferred shares carry no voting rights, have no rights to dividends and on return of capital are only entitled to receive back the amount of paid up capital once each ordinary share has been paid up to a value of £1,000,000.

### 10. Profit and loss account

	Year ended 31 December 2009 £	Year ended 31 December 2008 £
At start of year	(738,545)	(660,433)
Retained loss for the year	<u>(104,786)</u>	<u>(78,112)</u>
At end of year	<u>(843,331)</u>	<u>(738,545)</u>

## Notes to the financial statements

for the year ended 31 December 2009

### 11. Reconciliation of shareholders' funds and movements on reserves

	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Total shareholders' funds</i>
	£	£	£
At 1 January 2008	558,100	(660,433)	(102,333)
Loss for the year		(78,112)	(78,112)
At 31 December 2008	558,100	(738,545)	(180,445)
Loss for the year	-	(104,786)	(104,786)
At 31 December 2009	558,100	(843,331)	(285,231)

### 12. Related party transactions

- (a) The Company receives, from Perform Media Services Ltd, services in connection with the construction, hosting and operation of the website of Middlesbrough Football & Athletic Company (1986) Limited. Perform Media Services Ltd is a 50% shareholder in the company. Amounts charged during the year in respect of these services totalled £108,000 (2008 £108,000).
- (b) In addition to the amounts identified in (a) above, the Company has, during the year, received goods, services and cash from Perform Media Services Ltd to a value of £90,860 (2008 £98,823) (including VAT).
- (c) At the balance sheet date, £357,198 (2008 £243,809) (including VAT) was due to Perform Media Services Ltd, for the current and earlier periods, in respect of the transactions described in (a) and (b) above, and is shown in note 8 above within amounts due to controlling parties.
- (d) The Company is entitled to receive a commission on the gross sales value of club branded products and tickets where the order is placed via the club website. During the year the amount of income receivable from the Middlesbrough Football & Athletic Company (1986) Limited in respect of such sales was £49,524 (2008 £17,006). At the balance sheet date £5,371 (2008 £27,303) (including VAT) is included in amounts due from controlling parties in note 7.
- (e) During the year costs of £2,185 (2008 £2,038) were incurred by Perform Group Ltd on behalf of the Company and were then recharged to the Company. At the balance sheet date £nil (2008 £2,938) was owed to Perform Group Ltd.
- (f) In addition, Perform Media Services Ltd collected amounts due to the Company from third parties, at the year end the aggregate amount receivable by the company in respect of these transactions of £48,684 (2008 £81,202) at the balance sheet date £4,260 (2008 £nil) is included in amounts due from controlling parties in note 7.
- (g) During the year, Perform Media Sales Ltd collected amounts due to the Company from third parties, at the year end the aggregate amount receivable by the company in respect of these transactions of £50,606 (2008 £nil) at the balance sheet date £50,606 (2008 £nil) is included in amounts due from controlling parties in note 7.

## Notes to the financial statements

for the year ended 31 December 2009

### 13. Contingent liabilities, capital and other financial commitments

There were no contingent liabilities, capital or other financial commitments at the year ended 31 December 2009 and 31 December 2008

### 14. Post balance sheet event

On 18 June 2010 the shareholding in the Company which was owned by Perform Media Services Ltd was sold to Middlesbrough Football & Athletic Company (1986) Limited for a nominal sum and the Directors appointed by Perform Media Services Ltd resigned

### 15. Immediate and ultimate parent undertaking

The immediate parent undertaking is Middlesbrough Football & Athletic Company (1986) Limited

The ultimate parent undertaking is The Gibson O'Neill Company Limited, a company registered in England and Wales

The Gibson O'Neill Company Limited is the parent undertaking of the smallest and largest group of undertakings for which group financial statements are drawn up and of which the Company is a member. The consolidated financial statements of The Gibson O'Neill Company Limited are available from the company secretary at Brignell Road, Riverside Park Industrial Estate, Middlesbrough, TS2 1PS

### 16. Ultimate controlling party

The directors regard Mr S Gibson as the ultimate controlling party by virtue of his 75% holding in the shares of The Gibson O'Neill Company Limited, the ultimate parent undertaking