



# REGISTRAR'S COPY

## CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED

Abbreviated accounts

31 August 1994

Touche Ross & Co.  
Central Exchange Buildings  
93a Grey Street  
Newcastle upon Tyne  
NE1 6EA





## Chartered Accountants

Touche Ross & Co.  
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## AUDITORS' REPORT TO CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 3 to 6 together with the financial statements of Carlisle United Association Football Club (1921) Limited prepared under section 226 of the Companies Act 1985 for the year ended 31 August 1994.

### Respective responsibilities of the directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 3 and whether the abbreviated accounts have been prepared properly in accordance with that Schedule.

### Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

### Opinion

In our opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the year ended 31 August 1994, and the abbreviated accounts on pages 3 to 6 have been properly prepared in accordance with that Schedule.

On 11 September 1995 we reported, as auditors of Carlisle United Association Football Club (1921) Limited, to the members on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31 August 1994 and our audit report was as follows:

"We have audited the financial statements on pages 5 to 15 which have been prepared under the accounting policies set out on page 8.

### Respective responsibilities of directors and auditors

As described on page 3 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 judgements 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.



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## AUDITORS' REPORT TO CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

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.

### Uncertainty relating to the going concern basis

In forming our opinion, we have considered the adequacy of the disclosure made in note 2 concerning the financial support of the bank, the directors and the ultimate parent company. The financial statements have been prepared on a going concern basis, the validity of which depends upon this financial support being available. The financial statements do not include any adjustments that would result from a failure to obtain this support. Our opinion is not qualified in this respect.

### Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 August 1994 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies".

The statement of directors' responsibilities referred to in our audit report on the full financial statements, reproduced above, was as follows:

"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 as at the end of the financial year 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 judgements 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.

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. 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".

*Touche Ross & Co*

Chartered Accountants and  
Registered Auditors

11th September 1995.



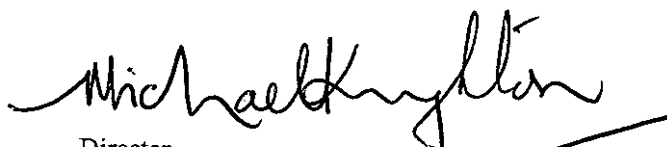
**CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED**

**BALANCE SHEET**  
**31 August 1994**

	Note	1994 £	1993 £
<b>FIXED ASSETS</b>			
Tangible assets	2	1,563,364	1,146,599
<b>CURRENT ASSETS</b>			
Stocks		19,838	16,813
Debtors	3	332,658	232,393
Cash at bank and in hand		36,696	26,596
		389,192	275,802
<b>CREDITORS: amounts falling due within one year</b>	4	1,394,939	755,377
<b>NET CURRENT LIABILITIES</b>		(1,005,747)	(479,575)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		557,617	667,024
<b>CREDITORS: amounts falling due after more than one year</b>	5	(291,007)	(69,192)
		266,610	597,832
<b>CAPITAL AND RESERVES</b>			
Called up share capital	6	94,891	94,891
Revaluation reserve account		552,311	614,811
Profit and loss account		(380,592)	(111,870)
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>		266,610	597,832

Advantage is taken of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985 with respect to the delivery of individual accounts. In the opinion of the directors, the company is entitled to those exemptions on the grounds that it has met the qualifications for a small company specified in Sections 246 and 247 of the Companies Act 1985.

Signed on behalf of the Board of Directors



Director

6 September 1995

**NOTES TO THE BALANCE SHEET**  
**31 August 1994**

**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements are prepared under the historical cost convention as modified by the revaluation of freehold property.

The format of accounts has been adopted to conform with the normal presentation amongst football clubs.

**Tangible fixed assets**

Depreciation is not provided on freehold property. The property is maintained regularly to a high standard and in the opinion of the directors the residual value is such that the charge for the year and accumulated depreciation at the balance sheet date are not material. On other assets it is provided on annual instalments over the estimated useful lives of the assets. The rates in use are as follows:

Furniture, fittings and ground equipment	10% reducing balance
Motor vehicles	25% reducing balance

**Grants**

Grants receivable from the Football Trust in respect of capital expenditure are treated as deferred income and released to the profit and loss account so as to match the depreciation charged on the fixed assets purchased with the grant. Deferred grant income in the balance sheet represents total grants received less amounts credited to the profit and loss account.

**Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost represents the purchase price of goods for resale.

**Deferred income**

Revenue derived from season tickets, advertising and sponsorship is credited to income in the year to which it relates.

**Players transfer fees**

Transfer fees payable and receivable are written off or credited to income in the year in which the player is bought or sold or contingent terms are met.

**Leases**

Assets held under finance leases and hire purchase contracts are capitalised at their fair value on inception of the leases and depreciated over their estimated useful lives. The finance charges are allocated over the period of the lease in proportion to the capital amount outstanding.

**Deferred taxation**

Deferred taxation is provided on timing differences, arising from the different treatment of items for accounting and taxation purposes, which are expected to reverse in the future, calculated at the rates at which it is expected that tax will arise.

In view of the expected continuing use of the freehold properties within the trade, no provision is considered necessary in respect of the potential liability which might arise in the event of the disposal of the properties at the amounts at which they are included in these accounts, and in the opinion of the directors it would be impracticable and of no relevance to attempt to quantify such a liability.



**NOTES TO THE BALANCE SHEET**  
**31 August 1994**

**2. TANGIBLE FIXED ASSETS**

	<b>Total £</b>
<b>Cost or valuation</b>	
At 1 September 1993	1,235,300
Additions	536,772
Disposals	(31,616)
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At 31 August 1994	1,740,456
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<b>Accumulated depreciation</b>	
At 1 September 1993	88,701
Provision for permanent diminution in value	62,500
Charge for the year	30,358
Disposals	(4,467)
	<hr/>
At 31 August 1994	177,092
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<b>Net book value</b>	
At 31 August 1994	1,563,364
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**3. DEBTORS**

Debtors includes amounts due from the parent undertaking amounting to £253,859 (1993 - £142,464), and £6,167 (1993 - £Nil) due from R McKnight Builders, a business controlled by Mr R McKnight, a director.

**4. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

The company has given security in respect of the following amounts included within creditors falling due within one year:

	<b>1994 £</b>	<b>1993 £</b>
Bank loans and overdrafts	218,219	116,884
Current instalments on mortgage and brewery loan	27,145	4,988
Obligations under finance leases and hire purchase contracts	18,043	22,152
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Creditors falling due within one year include £340,310 (1993 - £135,000) owed to the directors.

Other creditors includes an interest free amount of £11,742 (1993 - debtor of £13,258) due to St. David's Preparatory School Limited, a company in which Mr M Knighton has a controlling interest. The maximum amount due to St. David's Preparatory School Limited during the year was £11,742 (1993 - £13,258 due to the company).



**NOTES TO THE BALANCE SHEET**

**31 August 1994**

**5. CREDITORS: AMOUNTS FALLING AFTER MORE THAN ONE YEAR**

	1994 £	1993 £
Mortgage and brewery loan	225,802	28,382
Obligations under finance leases and hire purchase contracts	25,510	31,472
	<u>25,510</u>	<u>31,472</u>

**6. CALLED UP SHARE CAPITAL**

Authorised 150,000 ordinary shares of £1.00 each	150,000	150,000
Called up, allotted and fully paid 94,891 ordinary shares of £1.00 each	94,891	94,891
	<u>94,891</u>	<u>94,891</u>

**7. ULTIMATE PARENT COMPANY**

The ultimate parent company is Knighton Holdings Limited a company incorporated in England. Copies of the financial statements of Knighton Holdings Limited are available from Companies House, Crown Way, Cardiff, CF4 3UZ.