

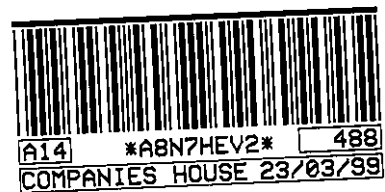
BATH CITY FOOTBALL CLUB LIMITED

Registered Number 176565

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MAY 1998



BATH CITY FOOTBALL CLUB LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 1998

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BATH CITY FOOTBALL CLUB LIMITED

REPORT OF THE DIRECTORS

The directors present their report and financial statements for the year ended 31st May 1998.

Principal activities and business review

The principal activities of the company throughout the year were to promote the game of association football and the associated commercial and social supporting activities.

The economic climate has been difficult for football clubs at this level of competition. The results for the year and the financial position at the year end were considered to be improving by the directors who expect the improvement to be continued in the future due to organisational changes being made and the greater local support being received.

Results and dividend

The results of the company for the year are set out on page 7.

The directors do not recommend that a dividend is paid for the year under review.

Share capital

The capital of the company was increased by £27507 by way of issue of 27507 ordinary shares of £1 each.

Future developments

The directors are proposing to expand on the policies that have been developed this year to raise the football and financial performance of the Club.

Fixed assets

In the opinion of the directors the freehold property has a market value in excess of the carrying value in the accounts, if the market value was realised this could also produce an associated tax charge. No other assets have a significant difference in value between book value reported and market value.

BATH CITY FOOTBALL CLUB LIMITED**REPORT OF THE DIRECTORS**
(Continued)**Directors and their interests**

The directors who served the company throughout the year together with their interests (including family interests) in the shares of the company, at the beginning and end of the year, were as follows:

Ordinary Shares of £1 each
31st May 1998 1st June 1997

S K Hall	(appointed 8/12/97)	25	-
R B Brimson	(appointed 8/12/97)	1000	-
P G Evans	(appointed 8/12/97)	25	-
A S Kerslake	(appointed 8/12/97)	150	150
K L Loach	(appointed 8/12/97)	500	-
R Shephard	(appointed 8/12/97)	500	50
S J Skinner	(appointed 19/1/98)	250	250
J D Turner	(appointed 7/5/98)	1100	1000
R C Stock	(resigned 9/10/97)	1125	1125
D F Turner	(resigned 19/11/97)	2500	2500
I J Prosser	(resigned 8/12/97)	2000	2000
R C Twyford	(resigned 16/12/97)	1000	1000
L J Kew	(resigned 8/12/97)	2000	2000
O L Newland	(resigned 24/11/97)	-	-

Year 2000

As discussed at length in the media, many computers and microchips only recognise dates using the last two digits of the year and will therefore need to be modified or replaced to record the year 2000. Our business uses computerised accounting systems to record some transactions. In addition, we could be affected by the systems used by our suppliers and customers. As a result we could be at risk if other parties do not deal adequately with the year 2000 issue.

The directors have assessed the risks to our business resulting from the change to the year 2000. We consider that there will not be a significant cost to the Club in dealing with this issue.

BATH CITY FOOTBALL CLUB LIMITED

REPORT OF THE DIRECTORS
(Continued)

We have also assessed the possibility of year 2000 related failures in our significant suppliers, and we feel that the Club will be able to deal promptly with any failures that may occur.

EURO

On the 1st January 1999 some countries converted their currencies to the Euro and we do not consider this will have an adverse effect on our Club.

By Order of the Board

Signed:

S. Skinner
.....
S SKINNER
SECRETARY

16th February 1999

BATH CITY FOOTBALL CLUB LIMITED

DIRECTORS' RESPONSIBILITIES

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 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 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.

REPORT OF THE AUDITOR TO THE MEMBERS OF BATH CITY FOOTBALL CLUB LIMITED FOR THE YEAR ENDED 31ST MAY 1998

I have audited the financial statements on pages 7 to 16 which have been prepared under the historical cost convention (as modified by the revaluation of fixed assets) and the accounting policies set out on page 9.

Respective responsibilities of directors and auditors

As described on page 4, the company's directors are responsible for the preparation of the financial statements. It is my responsibility to form an independent opinion, based on my audit, on those statements and to report my opinion to you.

Basis of opinion

I conducted my 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.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me 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 my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Fundamental uncertainty

In forming my opinion, I have considered the adequacy of the disclosures made in the financial statements concerning the actions that are being taken to return the company to profitability and to ensure that future funding is available. The financial statements do not include any adjustments that would result from the failure of these actions. Details of the circumstances relating to the fundamental uncertainty are described in note 1. My opinion is not qualified in this respect.

REPORT OF THE AUDITOR TO THE MEMBERS OF BATH CITY FOOTBALL CLUB
LIMITED

FOR THE YEAR ENDED 31ST MAY 1998
(Continued)

Opinion

In my opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st May 1998 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

P. Robins

P Robins
Chartered Accountant
Registered Auditor

33 Duke Street
Trowbridge
Wilts BA14 8EA

16th February 1999

BATH CITY FOOTBALL CLUB LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MAY 1998

	<u>Notes</u>	<u>1998</u>	<u>1997</u>
Turnover		287716	336197
Cost of Sales		(58237)	(82097)
		-----	-----
Gross Profit		229479	254100
Administrative Expenses		(287749)	(360698)
		-----	-----
Operating Loss	2	(58270)	(106598)
Other Interest Receivable and Similar Income		18	425
Interest payable and similar charges	4	(30946)	(14805)
		-----	-----
Loss on Ordinary Activities Before Taxation		(89198)	(120978)
Taxation	5	-	(427)
		-----	-----
Retained Loss for the Financial Year		£(89198)	£(121405)
		=====	=====

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

The notes on pages 9 to 16 form part of these accounts.

BATH CITY FOOTBALL CLUB LIMITEDBALANCE SHEET AT 31ST MAY 1998

	<u>Notes</u>	<u>1998</u>	<u>1997</u>
Fixed Assets			
Tangible Assets	6	341343	357168
		-----	-----
Current Assets			
Stocks	7	2461	4533
Debtors	8	6162	9208
Cash at Bank and In Hand		7042	7448
		-----	-----
		15665	21189
Creditors: Amounts Falling Due Within One Year	9	(87711)	(101466)
		-----	-----
Net Current Liabilities		(72046)	(80277)
		-----	-----
Total Assets Less Current Liabilities		269297	276891
Creditors: Amounts Falling Due After More Than One Year	10	(255833)	(216982)
		-----	-----
Net Assets		£13464	£59909
		=====	=====
Capital and Reserves			
Called Up Share Capital	11	184083	156576
Other Reserves	11	15246	-
Revaluation Reserve	11	43620	44634
Profit and Loss Account	11	(229485)	(141301)
		-----	-----
Shareholders' Funds	11	£13464	£59909
		=====	=====

.....)
S Hall)

) Directors
)
.....)

S Skinner
.....)

The accounts were approved by the Board on 16th February 1999.

The notes on pages 9 to 16 form part of these accounts.

BATH CITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 1998

1. Accounting Policies

(a) Accounting Basis and Standards

The directors have prepared financial forecasts for a period after the balance sheet date and this incorporates proposed actions with a view to placing the company on a profitable basis. Based on these forecasts and discussions with the company's bankers and other major creditors the directors consider that the company will continue to operate within facilities agreed.

On this basis of improving trading performance and appropriate funding facilities the directors consider it appropriate to prepare the accounts on a going concern basis. The accounts do not include any adjustments that would result from the withdrawal of lending facilities.

(b) Accounting Convention

The financial statements have been prepared under the historical cost convention, except for certain fixed assets which are included at valuation.

(c) Fixed Assets

Fixed assets are stated at cost or valuation less accumulated depreciation. Depreciation is provided on the cost or valuation in order to write off those assets on a straight line basis over their anticipated useful lives, as follows:-

Freehold property	2% per annum
Ground equipment, office furniture and fittings	10% per annum

(d) Stocks

Stocks are stated at the lower of cost or net realisable value and consist of goods purchased for resale in the Social Club and Club Shop.

BATH CITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 1998
(Continued)

- (e) Leasing and Hire Purchase Commitments
Assets held under finance leases, which are those leases where substantially all the risks and rewards of ownership of asset have passed to the company, and hire purchase contracts are recorded in the balance as fixed assets. Depreciation is provided on these assets over their estimated useful lives.

Future obligations under finance leases and hire purchase contracts are included in creditors, net of finance changes. Payments are apportioned between the finance element, which is charged to the profit and loss account as interest, and the capital element, which reduces the outstanding obligations.

Rentals paid under operating leases are charged to income on a straight-line basis over the lease term.

- (f) Cash Flow Statement
The company qualifies as a small company under the Companies Act 1985. The directors have elected to take advantage of the exemption under FRS1 not to prepare a cash flow statement.
- (g) Turnover
Turnover represents income from football activities comprising gate receipts, commercial activities and income from the social club, all net of VAT.

BATH CITY FOOTBALL CLUB LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST MAY 1998****(Continued)**

	<u>1998</u>	<u>1997</u>
2. Operating Loss		
The operating loss is stated after charging:		
Auditors' remuneration	3000	3000
Depreciation		
Owned tangible fixed assets	15825	15825
Operating lease rentals:		
Plant and machinery	£7614	£9277
	=====	=====
3. Employee Information		
The average number of persons employed by the company (including directors) during the year was:		
	<u>1998</u>	<u>1997</u>
Administration	2	3
Football and Commercial	44	42
	=====	=====
Their total remuneration was:		
Wages and salaries	159837	160057
Social security costs	16162	9208
	-----	-----
	175999	169265
	=====	=====
Directors' Emoluments		
	<u>1998</u>	<u>1997</u>
Aggregate emoluments (including benefits in kind)	7239	-
	=====	=====
4. Interest Payable and Similar Charges		
	<u>1998</u>	<u>1997</u>
Bank loans and overdrafts	15183	10925
Loan from group undertaking	14230	-
Other interest and charges	1533	3880
	-----	-----
	30946	14805
	=====	=====

BATH CITY FOOTBALL CLUB LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MAY 1998**
(Continued)**5. Taxation**

No liability to Corporation Tax is expected to arise. The company provides for deferred tax only to the extent that it is likely that a liability will crystallise in the foreseeable future. No provision is made in these accounts.

6. Tangible Assets

	<u>Freehold Land and Buildings</u>	<u>Ground Fixtures and Fittings</u>	<u>Total</u>
Cost or Valuation			
At 1st June 1997	362380	85773	448153
Additions	-	-	-
Disposals	-	-	-
	-----	-----	-----
At 31st May 1998	362380	85773	448153
	=====	=====	=====
Depreciation			
At 1st June 1997	43484	47501	90985
Charge for the Year	7247	8578	15825
Disposals	-	-	-
	-----	-----	-----
At 31st May 1998	50731	56079	106810
	-----	-----	-----
Net Book Value			
At 31st May 1998	311649	29694	£341343
	=====	=====	=====
At 1st June 1997	318896	38272	£357168
	=====	=====	=====

Freehold land and buildings were revalued as at 31st May 1985 at £80000, there were additions which are shown at a cost of £282380 since that date.

	<u>1998</u>	<u>1997</u>
7. Stocks		
Finished goods and goods for resale	2461	4533
	=====	=====
8. Debtors	<u>1998</u>	<u>1997</u>
Trade debtors	5052	9208
Other debtors	1110	-
	-----	-----
	6162	9208
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MAY 1998
(Continued)**9. Creditors: Amounts Falling Due
Within One Year**

	<u>1998</u>	<u>1997</u>
Current instalments due on long-term loans	6544	6544
Payments received on account	-	13225
Trade creditors	44880	42602
Corporate Equity Limited	14230	-
Inland Revenue	7884	23201
Valued Added Tax	1798	10567
Accruals and deferred income	12375	5327
	-----	-----
	£87711	£101466
	=====	=====

**10. Creditors: Amounts Falling Due
After More than One Year**

- (a) At 31st May 1998 the company had loans outstanding as follows:-

	<u>1998</u>	<u>1997</u>
Bass Wales and West	7765	7765
National Westminster Bank Plc	116673	123217
Corporate Equity Limited	131395	86000
	-----	-----
	£255833	£216982
	=====	=====

- (b) The terms of the above loans are as follows:-

- (i) The Bass Wales and West Loan is secured by a mortgage on the freehold property and is repayable by 3rd July 2002. Provided that the company meets purchasing targets, the loan is interest free and a discount is granted to repay the loan.
- (ii) In August 1992 the company took out a bank loan of £120,000 repayable over 15 years by equal monthly instalments, or on demand, secured by a mortgage on the freehold property. During the two years ended 31st May 1997 the company received further advances of £7500 and £25000 respectively. The interest rate is 4% above Banks Base Rate.
- (iii) The loans made by Corporate Equity Limited are secured by a mortgage on the company's property, the loans are not repayable by instalments, they are repayable not later than 12th February 2004. The principal interest rate is 3% above Banks Base Rate.

BATH CITY FOOTBALL CLUB LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST MAY 1998**
(Continued)**11. Shareholders' Funds**

	<u>Called Up Share Capital</u> £	<u>Revaluation Reserve</u> £	<u>Other Reserves</u> £	<u>Profit and loss Account</u> £	<u>Total</u> £
Balance at 1st June 1997	156576	44634	-	(141301)	59909
Share Subscription Received	-	-	15246	-	15246
Share Issue	27507	-	-	-	27507
Transfer from Profit and Loss Account	-	(1014)	-	1014	-
Loss in Year	-	-	-	(89198)	(89198)
Balance at 31st May 1998	184083	43620	15246	(229485)	13464

The revaluation reserve relates to surplus on revaluation of freehold land and buildings.

12. Share Capital 1998 1997

(a) The Authorised Share Capital comprises:

Authorised:		
200,000 Ordinary Shares of £1 each	£200000	£200000
	=====	=====
Called Up, Allotted and Fully Paid:		
Ordinary Shares of £1 each	£184083	£156576
	=====	=====

- (b) During the year ended 31st May 1998 - 27507 (1997 - 97225) Ordinary Shares of £1 each, with an aggregate nominal value of £27507 (1997 - £97225) were issued fully paid, for cash, in order to raise further funds for the continuing operations of the company. At 31st May 1998 Corporate Equity Limited held 94002 Ordinary Shares.

BATH CITY FOOTBALL CLUB LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31ST MAY 1998(Continued)

13. Reserves	<u>1998</u>	<u>1997</u>
(a) Revaluation Reserve		
Balance at beginning of the year	44634	45648
Depreciation of revalued element of fixed assets in the year	(1014)	(1014)
	-----	-----
Balance at end of the year	£43620	£44634
	=====	=====
(b) Profit and Loss Account		
Balance at beginning of the year	(141301)	(20910)
Loss for the Year	(89198)	(121405)
Depreciation of revalued element of fixed assets in the year	1014	1014
	-----	-----
Balance at end of the year (deficiency)	£(229485)	£(141301)
	=====	=====
(c) Share Subscription Received		
The account arises from funds received for shares which were not issued until after year end £15246.		

14. **Future Financial Commitments**

- (a) Operating Leases
At 31st May 1998 the company had annual commitments under agreed operating leases as set out below:

	<u>1998</u>
	<u>Other</u>
Operating leases which expire:	
(a) within one year	5534
(b) in the second to fifth year	7984
(c) after five years	-

	13518
	=====

BATH CITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 1998
(Continued)

15. **Parent Undertakings and Related Parties**

The ultimate parent undertaking is Corporate Equity Limited.

16. **Capital commitments**

At 31st May 1998 and 1997 there were no commitments for capital expenditure.

17. **Contingent liabilities**

A claim has been made against the company for alleged sums due under a photocopier lease agreement which the directors consider may be in the sum of up to £28000 and additional legal costs of up to £10000. It is further considered by the directors that the claim can be successfully defended and no financial provision has been made in these accounts.

The page that follows does not
form part of the Statutory
Financial Statements