

Registration number 00189754

Yeovil Football and Athletic Club Limited

Abbreviated accounts

for the year ended 30 June 2006

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Yeovil Football and Athletic Club Limited

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Yeovil Football and Athletic Club Limited

Directors' report for the year ended 30 June 2006

The directors present their report and the accounts for the year ended 30 June 2006

Principal activity and review of the business

The principal activity of the company is the running of a professional football club and providing stadium facilities

The results for the year represent a 15% increase in turnover, primarily due to the Club's first season in Football League 1 and increased attendances. However, operating costs have also increased significantly. The net profit before tax has only been achieved by receipt of transfer fees during the year.

Key financial highlights are -

	2006	2005	2004
	£	£	£
Turnover	3 96m	3 45m	3 29m
Turnover growth	15%	5%	108%
Profit before tax	124K	13K	405K
Shareholders' funds	1 719m	1 603m	0 519m
Borrowing	39K	55K	1 101m

The Club continued to pursue the aim of promotion to the Football League Championship and the need, therefore, for ongoing investment in the football squad and stadium facilities. However, revenue streams in the marketplace are sensitive, and any dramatic decline would have a major impact on the company's results. For this reason, the company will continue with its policy of careful financial management and to fund its ongoing working capital requirement through current cash resources.

The company's principal financial instruments comprise bank balances, trade debtors and trade creditors.

With regard to bank balances, the company manages the liquidity risk through ongoing budgetary control, cashflow monitoring and forecasting.

The company's capital expenditure is funded through retained cash resources.

Trade debtors are managed to minimise the credit and cashflow risk by regular monitoring of amounts outstanding, to ensure that debtors are within credit terms offered.

Trade creditors liquidity risk is managed by ensuring that sufficient funds are available to meet amounts due.

Yeovil Football and Athletic Club Limited

Directors' report for the year ended 30 June 2006

Results and dividends

The results for the year are set out on page 5

The directors do not recommend payment of a final dividend

Directors and their interests

The directors who served during the year and their interests in the company are as stated below

	Ordinary shares	
	30 June 2006	30 June 2005
S P Allinson	600	600
J R Fry	500	500
D J Cox	-	-
P Sargent	-	-
B E Willis Appointed 27 March 2006	-	-
R E Budden Appointed 27 March 2006	-	-

J R Fry is a shareholder and director of the parent company His shareholding and interest in that company are disclosed in the directors' report of that company

Directors' responsibilities

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 the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) The financial statements are required by law to give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year In preparing these the directors are required to

- select suitable accounting policies and 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 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

In so far as the directors are aware

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

Yeovil Football and Athletic Club Limited

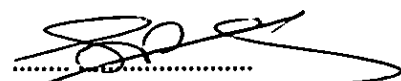
**Directors' report
for the year ended 30 June 2006**

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Milsted Langdon be reappointed as auditors of the company will be put to the Annual General Meeting

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies

This report was approved by the board on 1 March 2007 and signed on its behalf by


.....
Secretary

**Independent auditors' report to Yeovil Football and Athletic Club Limited
under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts set out on pages 5 to 17 together with the financial statements of Yeovil Football and Athletic Club Limited for the year ended 30 June 2006 prepared under Section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. 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 auditors' 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

The directors are responsible for preparing abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared. The scope of our work for the purpose of this report did 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 to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985 in respect of the year ended 30 June 2006, and the abbreviated accounts on pages 5 to 17 are properly prepared in accordance with that provision.



Chartered Accountants and Registered Auditors
Yeovil, 3 April 2007

Yeovil Football and Athletic Club Limited

**Abbreviated profit and loss account
for the year ended 30 June 2006**

	Notes	2006 £	2005 £
Gross profit		1,019,536	597,659
Administrative expenses		(969,179)	(669,439)
Other operating income		35,170	54,750
Operating profit/(loss)	2	<u>85,527</u>	<u>(17,030)</u>
Other interest receivable and similar income	3	38,143	29,644
Interest payable and similar charges	4	<u>(127)</u>	<u>-</u>
Profit on ordinary activities before taxation		123,543	12,614
Tax on profit on ordinary activities	7	<u>(6,824)</u>	<u>(4,666)</u>
Retained profit for the year		<u><u>116,719</u></u>	<u><u>7,948</u></u>
Both the turnover and profit are entirely in respect of continuing operations			
Statement of total recognised gains and losses			
Profit on ordinary activities after taxation		116,719	7,948
Unrealised movement on revaluation of property		<u>4,069</u>	<u>4,069</u>
Total recognised gains relating to the year		<u><u>120,788</u></u>	<u><u>12,017</u></u>

**The notes on pages 8 to 17 form an integral part of the abbreviated accounts.
Auditors' report - page 4.**

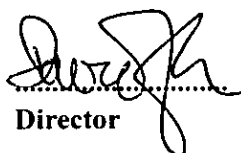
Yeovil Football and Athletic Club Limited

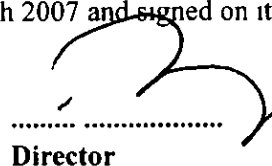
**Abbreviated balance sheet
as at 30 June 2006**

		2006		2005	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	8		22,683		15,227
Tangible assets	9		1,687,085		1,682,497
			<u>1,709,768</u>		<u>1,697,724</u>
Current assets					
Stocks	10	86,515		37,563	
Debtors	11	213,817		170,143	
Cash at bank and in hand		985,247		1,218,115	
		<u>1,285,579</u>		<u>1,425,821</u>	
Creditors: amounts falling due within one year	12	(995,739)		(1,206,345)	
Net current assets			<u>289,840</u>		<u>219,476</u>
Total assets less current liabilities			1,999,608		1,917,200
Creditors: amounts falling due after more than one year	13		(26,500)		(55,033)
Accruals and deferred income	14		(253,716)		(259,494)
Net assets			<u>1,719,392</u>		<u>1,602,673</u>
Capital and reserves					
Called up share capital	15		1,700,301		1,700,301
Revaluation reserve	16		225,526		229,595
Profit and loss account	16		(206,435)		(327,223)
Shareholders' funds	17		<u>1,719,392</u>		<u>1,602,673</u>

The abbreviated accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies

The abbreviated accounts were approved by the board on 1 March 2007 and signed on its behalf by


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Director


.....
Director

The notes on pages 8 to 17 form an integral part of the abbreviated accounts.
Auditors' report - page 4.

Yeovil Football and Athletic Club Limited

**Cash flow statement
for the year ended 30 June 2006**

	Notes	2006 £	2005 £
Reconciliation of operating profit/(loss) to net cash outflow from operating activities			
Operating profit/(loss)		85,527	(17,030)
Depreciation		169,067	132,996
Loss/(profit) on disposal of fixed assets		39,513	(169,616)
(Increase) in stocks		(48,952)	(11,253)
(Increase) in debtors		(43,674)	(26,472)
(Decrease)/increase in creditors		(226,014)	380,472
Grant released		(5,778)	(5,778)
Net cash outflow from operating activities		<u>(30,311)</u>	<u>283,319</u>

Cash flow statement

Net cash outflow from operating activities		(30,311)	283,319
Returns on investments and servicing of finance	22	38,016	29,644
Taxation		(4,666)	-
Capital expenditure	22	(220,624)	71,366
		<u>(217,585)</u>	<u>384,329</u>
Financing	22	(15,283)	29,285
Decrease in cash in the year		<u>(232,868)</u>	<u>413,614</u>

Reconciliation of net cash flow to movement in net debt (Note 23)

Decrease in cash in the year	(232,868)	413,614
Cash inflow from decrease in debts and lease financing	15,283	1,046,586
Change in net funds resulting from cash flows	(217,585)	1,460,200
Net debt at 1 July 2005	<u>1,163,082</u>	<u>(297,118)</u>
Net funds at 30 June 2006	<u>945,497</u>	<u>1,163,082</u>

Yeovil Football and Athletic Club Limited

Notes to the abbreviated accounts for the year ended 30 June 2006

1. Accounting policies

1.1. Accounting convention

The accounts are prepared under the historical cost convention modified to include the revaluation of certain fixed assets

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year

1.3. Intangible fixed assets and amortisation

Transfer fees payable are capitalised in the year in which the player is bought and amortised over the initial contract life. Transfer fees conditional on player and/or team performance related measures are capitalised as and when they crystallise and are amortised over the remaining contract life

Where a contract is re-negotiated prior to the expiry of its original term, the net book value at the time is amortised over the remaining revised contract life

1.4. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost or valuation less residual value of each asset over its expected useful life, as follows

Land	-	Zero
Buildings	-	Straight line over the useful life of the buildings
Plant and machinery	-	15% reducing balance
Fixtures, fittings and equipment	-	20-33 3% straight line

1.5. Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

1.6. Stock

Stock is valued at the lower of cost and net realisable value

1.7. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year

1.8. Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes

1.9. Grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred

Yeovil Football and Athletic Club Limited

**Notes to the abbreviated accounts
for the year ended 30 June 2006**

continued

1.10. Other operating income

Donations are credited to income in the period in which they are received. Any other operating income is credited to the profit and loss account in the period in which it falls due.

1.11. Deferred income

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

1.12. Contractual liabilities under players' contracts

Contractual liabilities under players' contracts are written off in the year in which they become payable.

2. Operating profit/(loss)	2006	2005
	£	£
Operating profit/(loss) is stated after charging		
Amortisation of intangible assets	53,031	21,504
Depreciation of tangible assets	116,036	111,492
Loss on disposal of intangible fixed assets	39,513	-
Auditors' remuneration	6,000	6,250
	<u> </u>	<u> </u>
and after crediting		
Profit on disposal of intangible fixed assets	-	169,616
Amortisation of deferred income and grants	5,778	5,778
	<u> </u>	<u> </u>
3. Interest receivable and similar income	2006	2005
	£	£
Bank interest	38,143	29,644
	<u> </u>	<u> </u>
4. Interest payable and similar charges	2006	2005
	£	£
Interest payable on loans < 1 yr	127	-
	<u> </u>	<u> </u>

Yeovil Football and Athletic Club Limited

**Notes to the abbreviated accounts
for the year ended 30 June 2006**

continued

5. Employees

Number of employees

The average monthly numbers of employees
(including the directors) during the year were

	2006	2005
	Number	Number
Playing staff	34	31
Management and administrative	19	18
Stadium and maintenance	9	6
Catering staff	16	25
	<u>78</u>	<u>80</u>

Employment costs

	2006	2005
	£	£
Wages and salaries	2,237,871	2,121,369
Social security costs	208,676	187,240
Other pension costs	10,900	11,275
	<u>2,457,447</u>	<u>2,319,884</u>

5.1. Directors' emoluments

	2006	2005
	£	£
Remuneration and other emoluments	32,000	28,000
Pension contributions	10,000	10,000
	<u>42,000</u>	<u>38,000</u>

	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u>1</u>	<u>1</u>

6. Pension costs

The company contributes to personal pension plans in respect of certain employees. The plans and their assets are held by independent managers. A stakeholder pension scheme is operated for certain employees. The pension charge represents contributions due from the company and amounted to £10,900 (2005 - £11,275).

Yeovil Football and Athletic Club Limited

Notes to the abbreviated accounts for the year ended 30 June 2006

continued

7. Tax on profit on ordinary activities	2006	2005
	£	£
Analysis of charge in period		
Current tax		
UK corporation tax	<u>6,824</u>	<u>4,666</u>
Factors affecting tax charge for period		
The tax assessed for the period is lower than the standard rate of corporation tax in the UK (19 per cent) The differences are explained below		
	2006	2005
	£	£
Profit on ordinary activities before taxation	<u>123,543</u>	<u>12,614</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (30 June 2005 19%)	23,473	2,397
Effects of:		
Expenses not deductible for tax purposes	224	669
Depreciation for period in excess of capital allowances	8,727	10,062
Utilisation of tax losses	(25,177)	(7,495)
Marginal relief	(423)	(967)
Current tax charge for period	<u>6,824</u>	<u>4,666</u>

Factors that may affect future tax charges

No provision has been made for deferred tax on gains recognised on the freehold property revalued during the period ended 30 June 1998. Such tax would become payable only if the property were sold without it being possible to claim rollover relief. The total amount unprovided for is £47,500 (2005 £47,500). At present, it is not envisaged that any tax will become payable in the foreseeable future.

The company has trading tax losses at 30 June 2006 of approximately £1,023,060 (2005 £1,155,573) that are available indefinitely for offset against future taxable trading profits. A deferred tax asset has not been recognised in respect of losses as they do not satisfy recognition criteria for deferred tax asset of FRS 19.

Yeovil Football and Athletic Club Limited

**Notes to the abbreviated accounts
for the year ended 30 June 2006**

continued

8. Intangible fixed assets	Transfer fees £	Total £
Cost		
At 1 July 2005	45,000	45,000
Additions	115,000	115,000
Disposals	(80,000)	(80,000)
At 30 June 2006	<u>80,000</u>	<u>80,000</u>
Provision for diminution in value		
At 1 July 2005	29,773	29,773
On disposals	(25,487)	(25,487)
Charge for the year	53,031	53,031
At 30 June 2006	<u>57,317</u>	<u>57,317</u>
Net book values		
At 30 June 2006	<u>22,683</u>	<u>22,683</u>
At 30 June 2005	<u>15,227</u>	<u>15,227</u>

Yeovil Football and Athletic Club Limited

**Notes to the abbreviated accounts
for the year ended 30 June 2006**

continued

9. Tangible fixed assets	Freehold land and buildings £	Plant and machinery £	Fixtures, fittings and equipment £	Total £
Cost/revaluation				
At 1 July 2005	1,754,906	325,781	104,569	2,185,256
Additions	31,025	26,069	63,530	120,624
At 30 June 2006	<u>1,785,931</u>	<u>351,850</u>	<u>168,099</u>	<u>2,305,880</u>
Depreciation				
At 1 July 2005	234,541	193,849	74,369	502,759
Charge for the year	50,019	16,669	49,348	116,036
At 30 June 2006	<u>284,560</u>	<u>210,518</u>	<u>123,717</u>	<u>618,795</u>
Net book values				
At 30 June 2006	<u>1,501,371</u>	<u>141,332</u>	<u>44,382</u>	<u>1,687,085</u>
At 30 June 2005	<u>1,520,365</u>	<u>131,932</u>	<u>30,200</u>	<u>1,682,497</u>

The company's freehold property is stated as the Open Market Value for Existing Use based on a professional valuation issued on 16 February 1998 and carried out by David Morgan & Partners, Chartered Surveyors who are independent valuers. The freehold property comprises the land and buildings at Huish Park, Lufton Way, Yeovil. In the directors' opinion the value of the freehold land and buildings is in excess of the reported net book value. The company has adopted the transitional provision of Financial Reporting Standard Number 15, "Tangible fixed assets".

The historical cost of freehold land and buildings included above at a valuation of £1,258,519 (2005 £1,258,519) was £1,022,343 (2005 £1,022,343) and the aggregate historical cost depreciation thereon would have been £147,223 (2005 £127,223).

Included in freehold land and buildings is land with a net book value of £250,000 (2005 £250,000) which is not depreciated.

10. Stocks	2006 £	2005 £
Goods for resale	<u>86,515</u>	<u>37,563</u>

Yeovil Football and Athletic Club Limited

**Notes to the abbreviated accounts
for the year ended 30 June 2006**

continued

11. Debtors	2006 £	2005 £
Trade debtors	124,989	29,000
Other debtors	45,125	129,899
Prepayments and accrued income	43,703	11,244
	<u>213,817</u>	<u>170,143</u>

12. Creditors: amounts falling due within one year	2006 £	2005 £
Other loan	13,250	-
Trade creditors	134,931	198,426
Corporation tax	6,824	4,666
Other taxes and social security costs	133,431	194,271
Other creditors	27,240	-
Accruals and deferred income	677,959	807,243
Pension contributions	2,104	1,739
	<u>995,739</u>	<u>1,206,345</u>

Included in accruals and deferred income is an amount of £5,778 (2005 £5,778) for deferred income in respect of donations and grants receivable for the funding of various ground improvements, which is included in freehold land and buildings. This funding is released to the profit and loss account over a period not in excess of 50 years.

13. Creditors: amounts falling due after more than one year	2006 £	2005 £
Other loans	<u>26,500</u>	<u>55,033</u>

Yeovil Football and Athletic Club Limited

**Notes to the abbreviated accounts
for the year ended 30 June 2006**

continued

14. Accruals and deferred income	2006	2005
	£	£
Grants		
At 1 July 2005	259,494	265,272
Released in year	(5,778)	(5,778)
At 30 June 2006	<u>253,716</u>	<u>259,494</u>

Deferred income of £253,716 (2005 £259,494) is in respect of donations and grants receivable for the funding of various ground improvements, which is included in freehold land and buildings. This funding is released to the profit and loss account over a period not in excess of 50 years. In accordance with accounting principles, £5,778 (2005 £5,778) is included in the financial statements as amounts due within one year.

15. Share capital	2006	2005
	£	£
Authorised equity		
3,000,000 Ordinary shares of £1 each	<u>3,000,000</u>	<u>3,000,000</u>
Allotted, called up and fully paid		
1,700,301 Ordinary shares of £1 each	<u>1,700,301</u>	<u>1,700,301</u>

16. Equity Reserves	Revaluation reserve	Profit and loss account	Total
	£	£	£
At 1 July 2005	229,595	(327,223)	(97,628)
Transfer of realised profit	(4,069)	4,069	-
Retained profit for the year	-	116,719	116,719
At 30 June 2006	<u>225,526</u>	<u>(206,435)</u>	<u>19,091</u>

17. Reconciliation of movements in shareholders' funds	2006	2005
	£	£
Profit for the year	116,719	7,948
Net proceeds of equity share issue	-	1,075,871
Net addition to shareholders' funds	<u>116,719</u>	<u>1,083,819</u>
Opening shareholders' funds	1,602,673	518,854
Closing shareholders' funds	<u>1,719,392</u>	<u>1,602,673</u>

Yeovil Football and Athletic Club Limited

Notes to the abbreviated accounts for the year ended 30 June 2006

continued

18. Financial commitments

At 30 June 2006 the company had annual commitments under non-cancellable operating leases as follows

	2006 £	Other 2005 £
Expiry date:		
Within one year	-	2,600
Between one and five years	9,751	9,751
In over five years	7,388	7,388
	<u>17,139</u>	<u>19,739</u>

19. Capital commitments

2006 £	2005 £
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Details of capital commitments at the accounting date are as follows

Contracted for but not provided in the financial statements

<u>-</u>	<u>23,500</u>
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20. Contingent liabilities

The company may receive, under transfer agreements, further amounts for profit for players already transferred. No reliable estimate can be made on the likelihood of these players transferred or their potential transfer values.

The company has, under transfer agreements, a liability to pay additional sums dependant on players' attainment and subsequent transfer value. No provision has been made in these financial statements for such liabilities and no reliable estimates can be made of any subsequent transfer values.

If the company ceases to use the ground, all or a proportion of the grants received in respect of various property improvements may become repayable. The amount of this contingent liability at 30 June 2006 was £259,494 (2005 £265,272).

Yeovil Football and Athletic Club Limited

**Notes to the abbreviated accounts
for the year ended 30 June 2006**

continued

21. Transactions with directors

During the year the company paid £3,913 to Albert Goodman, an accountancy firm of which P Sargent is a partner, for costs in respect of assistance with preparation of management information (2005 £1,028 for advice with the restructuring of the company's shares)

The company also paid £12,038 to Clarke Willmott, a firm of solicitors whom S P Allinson is a partner, for advice in respect of litigation and compensation claims (2005 £5,002 in respect of the revision of the company's Memorandum and Articles of Association)

22. Gross cash flows

	2006	2005
	£	£
Returns on investments and servicing of finance		
Interest received	38,143	29,644
Interest paid	(127)	-
	<u>38,016</u>	<u>29,644</u>
Capital expenditure		
Payments to acquire intangible assets	(115,000)	(10,000)
Payments to acquire tangible assets	(120,624)	(96,634)
Receipts from sales of intangible assets	15,000	178,000
	<u>(220,624)</u>	<u>71,366</u>
Financing		
Issue of ordinary share capital	-	1,075,871
Other new long term loans	26,500	
Other new short term loans	13,250	-
Repayment of other long term loans	(55,033)	(1,046,586)
	<u>(15,283)</u>	<u>29,285</u>

23. Analysis of changes in net funds

	Opening balance	Cash flows	Closing balance
	£	£	£
Cash at bank and in hand	1,218,115	(232,868)	985,247
Debt due within one year	-	(13,250)	(13,250)
Debt due after one year	(55,033)	28,533	(26,500)
	<u>(55,033)</u>	<u>15,283</u>	<u>(39,750)</u>
Net funds	<u>1,163,082</u>	<u>(217,585)</u>	<u>945,497</u>