

C F BOOTH LIMITED

DIRECTORS' REPORT

Directors: K F Booth (Chairman)
G K F Booth
J H Booth
J Jones
G T Wilkinson

Secretary: K F Booth

Registered office: Clarence Metal Works, Armer Street, Rotherham
South Yorkshire S60 1AF

The directors present their report and the audited accounts for the year ended 31 March 1989.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS DEVELOPMENTS

The principal activities of the group continued to be metal recycling and the manufacture of prime metal from two sites in Rotherham and sites in Sheffield and Barnsley.

An analysis of group turnover and results between the different classes of business is given in note 3 to the accounts.

SUBSEQUENT EVENTS AND FUTURE DEVELOPMENTS

There have been no events to the date of this report which have materially affected the company. The group will pursue its existing activities.

RESULTS AND DIVIDENDS

The profit for the year attributable to members amounts to £1,543,000 and is dealt with as shown in the consolidated profit and loss account. The directors do not propose to pay a dividend.

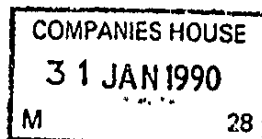
DIRECTORS

The directors of the company during the year ended 31 March 1989 were those listed above and R Wilkinson was a director until March 1989.

DIRECTORS' INTERESTS

According to the register maintained as required under the Companies Act 1985, the directors' interests in the share capital of the company were as follows:

	31 March	
	1989	1988
K F Booth	25,075	25,075
G K F Booth	3,700	3,000
J H Booth	2,182	1,501
J Jones	Nil	Nil
G T Wilkinson	2,085	2,085



No director had an interest in the shares of any subsidiary, other than as a nominee for C F Booth Limited, during the year.

C F BOOTH LIMITED

DIRECTORS' REPORT

DISABLED PERSONS

It is the company's policy to give full consideration to suitable applications for employment from disabled persons.

Opportunities also exist for employees of the company who become disabled to continue in their employment or to be trained for other positions within the company.

EMPLOYEE INVOLVEMENT

Employees are provided with information on matters of concern to them at a level commensurate with their current understanding of the financial and economic factors affecting the performance of the group. Most employees are in regular contact with senior management when they are able to discuss decisions likely to affect their interests.

AUDITORS

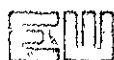
Ernst & Whinney have expressed their willingness to continue in office as auditors and a resolution proposing their reappointment will be submitted at the annual general meeting.

By order of the board

K F Booth

Secretary

17 August 1989



Ernst & Whinney
Chartered Accountants

REPORT OF THE AUDITORS TO THE MEMBERS OF C F BOOTH LIMITED

We have audited the accounts set out on pages 4 to 26 in accordance with approved auditing standards. The accounts have been prepared under the historical cost convention as explained in note 1(a).

In our opinion the accounts give a true and fair view of the state of affairs of the group at 31 March 1989 and of the profit and source and application of funds of the group for the year then ended and comply with the Companies Act 1985.

Ernst & Whinney

SHEFFIELD

17 August 1989

G F BOOTH LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 1989

	Note	1989 £'000	1988 £'000
TURNOVER	2/3	46,872	39,573
OPERATING COSTS	4	44,456	38,399
		<hr/>	<hr/>
GROUP OPERATING PROFIT	5	2,416	1,174
Share of loss of non-consolidated subsidiary	6	(75)	(43)
Other income	8	58	13
		<hr/>	<hr/>
		2,399	1,144
Interest payable	9	248	345
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,151	799
Taxation	10	730	315
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,421	484
Extraordinary item	11	122	42
		<hr/>	<hr/>
RETAINED PROFIT FOR THE FINANCIAL YEAR	12	1,543	526
		<hr/>	<hr/>
STATEMENT OF RETAINED PROFITS			
Balance at 31 March 1988		7,142	6,616
Retained profit for the year		1,543	526
Purchased goodwill written off		(84)	-
Transfer from revaluation reserve	22	103	-
		<hr/>	<hr/>
Balance at 31 March 1989	13	8,704	7,142
		<hr/>	<hr/>

G F BOOTH LIMITED

CONSOLIDATED BALANCE SHEET - 31 MARCH 1989

	Note	1989 £'000	1988 £'000
FIXED ASSETS			
Tangible assets	14	4,944	5,078
Investments	15	299	-
		<hr/>	<hr/>
		5,243	5,078
		<hr/>	<hr/>
CURRENT ASSETS			
Stocks	16	3,457	3,182
Debtors	17	10,184	9,212
Cash at bank and in hand		133	116
		<hr/>	<hr/>
		13,774	12,510
		<hr/>	<hr/>
CREDITORS - amounts falling due within one year			
Bank overdrafts	18	2,846	3,677
Trade and other creditors	19	5,685	4,846
		<hr/>	<hr/>
		8,531	8,523
		<hr/>	<hr/>
NET CURRENT ASSETS		5,243	3,987
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		10,486	9,065
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred Taxation	20	353	391
		<hr/>	<hr/>
TOTAL ASSETS LESS LIABILITIES		10,133	8,674
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	21	50	50
Revaluation reserve	22	1,152	1,255
Other reserve	22	227	227
Profit and loss account	22	8,704	7,142
		<hr/>	<hr/>
K F Booth) <i>K F Booth</i>			
) Directors			
J Jones) <i>J Jones</i>			
17 August 1989			
		<hr/>	<hr/>
		10,133	8,674
		<hr/>	<hr/>

G F BOOTH LIMITED

BALANCE SHEET - 31 MARCH 1989

	Note	1989 £'000	1988 £'000
FIXED ASSETS			
Tangible assets	14	2,803	2,818
Investments	15	864	643
		<hr/>	<hr/>
		3,667	3,461
		<hr/>	<hr/>
CURRENT ASSETS			
Stocks	16	248	143
Debtors	17	2,645	3,390
Cash at bank and in hand		1,024	73
		<hr/>	<hr/>
		3,917	3,606
		<hr/>	<hr/>
CREDITORS - amounts falling due within one year			
Bank overdraft	18	-	190
Trade and other creditors	19	2,985	2,572
		<hr/>	<hr/>
		2,985	2,762
		<hr/>	<hr/>
NET CURRENT ASSETS		932	844
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,599	4,305
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred Taxation	20	140	95
		<hr/>	<hr/>
TOTAL ASSETS LESS LIABILITIES		4,459	4,210
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	21	50	50
Revaluation reserve	22	987	1,024
Profit and loss account	22	3,422	3,136
		<hr/>	<hr/>
		4,459	4,210
		<hr/>	<hr/>

K F Booth

) *K F Booth*

) Directors

J Jones

) *J Jones*

17 August 1989

C F BOOTH LIMITED

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31 MARCH 1989

	1989 £'000	1988 £'000
SOURCES OF FUNDS		
FROM OPERATIONS		
Profit on ordinary activities before taxation	2,151	799
Items not involving the movement of funds:		
Depreciation of fixed assets	689	689
Profit on sale of fixed assets	(180)	(38)
Share of loss of non-consolidated subsidiary	75	43
	<hr/>	<hr/>
Total generated from operations	2,735	1,493
OTHER SOURCES		
Proceeds of sale of fixed assets	500	63
Refund of contributions on closure of pension fund	-	64
Taxation refund	-	153
	<hr/>	<hr/>
Total sources of funds	3,235	1,773
FUNDS APPLIED		
Purchase of goodwill	84	-
Purchase of fixed assets	875	840
Taxation paid	335	-
Purchase of shares in non-consolidated subsidiary	221	-
	<hr/>	<hr/>
	1,515	840
	<hr/>	<hr/>
INCREASE IN WORKING CAPITAL	1,720	933
	<hr/>	<hr/>
Arising from movements in:		
Stocks	275	(404)
Debtors	972	2,998
Trade and other creditors	(375)	(986)
Liquid funds	848	(675)
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	1,720	933
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G F BOOTH LIMITED

NOTES ON THE ACCOUNTS - 31 MARCH 1989

1 ACCOUNTING POLICIES

(a) Accounting convention

The accounts are prepared under the historical cost convention modified by the revaluation of freehold and leasehold property.

(b) Basis of consolidation

The consolidated accounts incorporate the accounts of the company and of each of its subsidiaries, apart from Rotherham United Football Club Limited (see note 6), for the year ended 31 March 1989. In accordance with Statement of Standard Accounting Practice no. 14 the financial statements of Rotherham United Football Club Limited have been included in the group accounts on pages 20 to 26.

(b) Depreciation of tangible fixed assets

Freehold land is not depreciated. The cost (after deducting investment and other government grants) or valuation of other fixed assets is depreciated by equal annual instalments over their expected useful lives as follows:

Freehold buildings	50 years
Long leasehold property	50 years
Plant and equipment	10 years
Office equipment	10 years
Skips and trailers	10 years
Motor lorries	5 years
Motor cars	4 years

Depreciation is not charged on any item of plant until it is installed and in operation.

(c) Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for any obsolete or slow moving items. In the case of finished goods and work in progress, cost includes direct labour and an appropriate proportion of production overheads. The allocation of manufacturing fixed overheads has regard to budgeted normal production.

(d) Deferred taxation

Provision is made for deferred taxation, using the liability method, on short term timing differences and all other material timing differences which are not expected to continue in the future.

(e) Goodwill

Purchased goodwill and goodwill arising on consolidation, representing the excess of the purchase consideration over the fair value ascribed to the net tangible assets at the date of acquisition, is written off immediately against reserves.

2 TURNOVER

Turnover comprises the invoice value of goods and services supplied by the group exclusive of VAT and intra-group transactions.

G F BOOTH LIMITED

NOTES ON THE ACCOUNTS - 31 MARCH 1989

3 ANALYSIS OF TURNOVER AND PROFITS BETWEEN ACTIVITIES

	Turnover		Profit on ordinary activities before taxation	
	1989 £'000	1988 £'000	1989 £'000	1988 £'000
Metal recycling	33,813	29,837	843	62
Prime metal manufacture	11,219	8,454	909	399
Other activities	1,840	1,282	399	338
	<hr/>	<hr/>	<hr/>	<hr/>
	46,872	39,573	2,151	799
	<hr/>	<hr/>	<hr/>	<hr/>

4 OPERATING COSTS

	1989 £'000	1988 £'000
Increase in stocks of work in progress and finished goods	(207)	638
Raw materials and consumables	36,294	29,077
Staff costs - wages and salaries	3,839	3,624
- social security costs	372	342
- other pension costs	83	76
Depreciation of fixed assets	689	689
Other operating charges	2,088	2,692
Other external charges	1,298	1,261
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	44,456	38,399
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5 GROUP OPERATING PROFIT

Group operating profit is stated after charging:

	1989 £'000	1988 £'000
Hire of plant and equipment	188	171
Auditors' remuneration	48	46
Emoluments of directors (note 7)	193	191
and after crediting the following exceptional items:		
Profit on sale of land and buildings	222	-
Release of provision no longer required	50	-
Exceptional profit on contract	450	-
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C F BOOTH LIMITED

NOTES ON THE ACCOUNTS - 31 MARCH 1989

6 SHARE OF LOSS OF NON-CONSOLIDATED SUBSIDIARY

This represents the appropriate proportion of the share of the loss of Rotherham United Football Club Limited for the year ended 31 March 1989. Rotherham United Football Club Limited does not prepare financial statements to the same date as the holding company and has been excluded from consolidation on the grounds of dissimilar activities.

7 EMOLUMENTS OF DIRECTORS

	1989 £'000	1988 £'000
Remuneration, including pension contributions	189	191
Compensation for loss of office	4	-
	—	—
	193	191
	—	—

The emoluments, excluding pension contributions, of directors are detailed as follows:

	1989 £'000	1988 £'000
Chairman	5	3
Highest paid director	65	65
	—	—
Other directors in scale	Number of directors	
£10,001 to £15,000	1	-
£15,001 to £20,000		3
£20,001 to £25,000	2	-
£55,001 to £60,000	-	1
£60,001 to £65,000	1	-
	—	—

8 OTHER INCOME

	1989 £'000	1988 £'000
Corporation tax repayment supplement	21	-
Interest receivable	37	13
	—	—
	58	13
	—	—

G F BOOTH LIMITED

NOTES ON THE ACCOUNTS - 31 MARCH 1989

9 INTEREST PAYABLE

	1989 £'000	1988 £'000
Bank overdraft interest	248	345
	—	—

10 TAXATION

The charge based on the profit for the year comprises:

	1989 £'000	1988 £'000
UK corporation tax		
Current	819	413
Deferred	(6)	(85)
Share of tax credit of non consolidated subsidiary	(31)	(10)
	—	—
Adjustment relating to prior years	782 (52)	318 (3)
	—	—
	730	315
	—	—

UK corporation tax has been provided at 35% (1988 - 35%). The elements of the deferred taxation credit for the year are available by reference to the movement between the 1987 and 1988 deferred taxation balances shown in Note 20.

11 EXTRAORDINARY ITEM

	1989 £'000	1988 £'000
Share of extraordinary item in non-consolidated subsidiary arising on sale of freehold property	142	-
Share of attributable taxation	(20)	-
Refund of contributions on closure of pension fund	-	64
Attributable taxation at 35%	-	(22)
	—	—
	122	42
	—	—

C F BOOTH LIMITED

NOTES ON THE ACCOUNTS - 31 MARCH 1989

12 RETAINED PROFIT FOR THE FINANCIAL YEAR

In accordance with the exemptions allowed by section 228(7) of the Companies Act 1985, the company has not presented its own profit and loss account.

The profit for the financial year dealt with in the accounts of the company was £249,672 (1988 - £219,673).

13 RETAINED PROFITS

	1989 £'000	1988 £'000
Retained by:		
Company - retained profits	3,422	3,136
- consolidation adjustment	265	173
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	3,687	3,309
	5,017	3,833
	<hr/>	<hr/>
	8,704	7,142
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The consolidation adjustment relates to provisions made by the holding company against investments in and amounts due from certain subsidiaries.

G F BOOTH LIMITED

NOTES ON THE ACCOUNTS - 31 MARCH 1989

14 TANGIBLE FIXED ASSETS

GROUP

	Freehold property £'000	Long leasehold property £'000	Plant, equipment & vehicles £'000	Total £'000
Cost or valuation				
At 31 March 1988	3,008	13	8,689	11,710
Additions	135	-	740	875
Disposals	(271)	-	(313)	(584)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1989	2,872	13	9,116	12,001
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 31 March 1988	269	2	6,361	6,632
Charge for year	35	-	654	689
Relating to disposals	(10)	-	(254)	(264)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1989	294	2	6,761	7,057
	<hr/>	<hr/>	<hr/>	<hr/>
Net book amounts at				
31 March 1989	2,578	11	2,355	4,944
	<hr/>	<hr/>	<hr/>	<hr/>
31 March 1988	2,739	11	2,328	5,078
	<hr/>	<hr/>	<hr/>	<hr/>
Cost or valuation				
at 31 March 1989				
is made up of:				
Cost	344	10	9,116	9,470
Valuation 1978	1,288	3	-	1,291
1980	160	-	-	160
1982	565	-	-	565
1985	515	-	-	515
	<hr/>	<hr/>	<hr/>	<hr/>
	2,872	13	9,116	12,001
	<hr/>	<hr/>	<hr/>	<hr/>

Revaluations of the group's freehold and long leasehold property, on an open market value for existing use basis, took place in 1978, 1980, 1982 and 1985. If the properties had not been revalued, they would have been carried in the balance sheet at:

	£'000
Cost	1,511
Accumulated depreciation	127
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Net book amount	1,384
	<hr/>

C F BOOTH LIMITED

NOTES ON THE ACCOUNTS - 31 MARCH 1989

14 TANGIBLE FIXED ASSETS (continued)

COMPANY	Freehold property £'000	Plant, equipment and motor vehicles £'000	Total £'000
Cost or valuation			
At 31 March 1988	2,284	3,568	5,852
Additions	74	235	309
Group transfer	11	118	129
Disposals	(91)	(117)	(208)
	—	—	—
At 31 March 1989	2,278	3,804	6,082
	—	—	—
Depreciation			
At 31 March 1988	215	2,819	3,034
Charge for year	28	224	252
Group transfer	-	76	76
Relating to disposals	(4)	(79)	(83)
	—	—	—
At 31 March 1989	239	3,040	3,279
	—	—	—
Net book amounts at			
31 March 1989	2,039	764	2,803
	—	—	—
31 March 1988	2,069	749	2,818
	—	—	—
Cost or valuation			
at 31 March 1989			
is made up of:			
Cost	293	3,804	4,097
Valuation 1978	1,198	-	1,198
1980	160	-	160
1982	112	-	112
1985	515	-	515
	—	—	—
	2,278	3,804	6,082
	—	—	—

Revaluations of the company's freehold property, on an open market value for existing use basis, took place in 1978, 1980, 1982 and 1985. If the properties had not been revalued, they would have been carried in the balance sheet at:

	£'000
Cost	1,260
Accumulated depreciation	84
	—
Net book amount	1,176
	—

C F BOOTH LIMITED

NOTES ON THE ACCOUNTS - 31 MARCH 1989

15 FIXED ASSET INVESTMENTS

GROUP	£'000
Non-consolidated subsidiary	
Share of net assets	
At 31 March 1988	34
Shares acquired	221
Share of loss for the year ended 31 March 1989 (net of tax)	(44)
Share of extraordinary item	122
	—
At 31 March 1989	333
	—
Discount on acquisition	67
Released in previous year	(33)
	—
At 31 March 1988 and 31 March 1989	34
	—
Net investment in non-consolidated subsidiary	
At 31 March 1989	299
	—
At 31 March 1988	-
	—
COMPANY	
	Subsidiary companies £'000
Cost	
At 31 March 1988	664
Additions	221
	—
At 31 March 1989	885
	—
Provision for diminution in value	
At 31 March 1989 and 31 March 1988	21
	—
Net book amount at 31 March 1989	864
	—
Net book amount at 31 March 1988	643
	—

C F BOOTH LIMITED

NOTES ON THE ACCOUNTS - 31 MARCH 1989

15 FIXED ASSET INVESTMENTS (continued)

The subsidiaries at 31 March 1989 were:

Company	Nature of business
Booth Doncaster (Non-Ferrous & Alloys) Limited	Metal recycling
Booth PSV & Commercial Limited	Non trading
Booth Roe Metals Limited	Metal recycling
Booth Special Alloys Limited	Non trading
Booth Stainless & Nickel Alloys Limited	Metal recycling
Booth Steel Stockholders Limited	Steel stockholders
Booth Transport Limited	Transport
Car Shredders Limited	Metal recycling
C F Booth (Doncaster) Limited	Metal recycling
C F Booth (Engineering) Limited	Engineering
C F Booth (Steel) Limited	Metal recycling
C G Carlisle & Co Limited	Stainless steel manufacture and stockholding
Demex Limited	Demolition, excavation and metal recycling
Fibretox Industrial Services Limited	Non trading
Full Metals (Import & Export) Limited	Non trading
Non-ferrous Smelting Co Limited	Non trading
North Derbyshire Metal Products Limited	Metal products
Northfield Aluminium Limited	Non-ferrous ingot manufacture
Roe Brothers (Ipswich) Limited	Non trading
Roe Brothers (Transport) Limited	Non trading
Roe Foundry Limited	Non trading
Rotherham United Football Club Limited	Football club
Rotherham Stainless & Nickel Alloys Limited	Stainless steel merchanting
Rotherham Waste Disposals Limited	Non trading
Shredder Engineering Services Limited	Non trading
Thorpe Waste Removals Limited	Waste removals
Waste Paper Processors Limited	Non trading

All subsidiary companies are incorporated in England and are wholly owned by C F Booth Limited except for Rotherham United Football Club Limited which is 75% owned.

16 STOCKS

	GROUP		COMPANY	
	1989 £'000	1988 £'000	1989 £'000	1988 £'000
Raw materials	1,010	942	-	-
Work in progress	73	72	-	-
Finished goods	2,358	2,152	233	143
Other	16	16	15	-
	<hr/>	<hr/>	<hr/>	<hr/>
	3,457	3,182	248	143
	<hr/>	<hr/>	<hr/>	<hr/>

The replacement cost of relevant stocks is not materially different from the figures stated above.

G F BOOTH LIMITED

NOTES ON THE ACCOUNTS - 31 MARCH 1989

17 DEBTORS

	GROUP		COMPANY	
	1989	1988	1989	1988
	£'000	£'000	£'000	£'000
Due within one year				
Trade debtors	8,794	8,540	1,678	2,566
Amounts owed by group companies	129	350	606	603
Value added tax	-	-	35	69
Prepayments and accrued income	78	76	9	-
Other debtors	1,183	246	317	152
	<hr/>	<hr/>	<hr/>	<hr/>
	10,184	9,212	2,645	3,390
	<hr/>	<hr/>	<hr/>	<hr/>

Amounts owed by group companies include £129,426 (1988 - £349,999) due from Rotherham United Football Club Limited.

18 BANK OVERDRAFTS

The bank overdrafts are secured by legal mortgages and specific equitable charges over the freehold and long leasehold property and a floating charge over all other assets of the company and certain of its subsidiaries.

19 TRADE AND OTHER CREDITORS

	GROUP		COMPANY	
	1989	1988	1989	1988
	£'000	£'000	£'000	£'000
Trade creditors	2,035	2,260	76	123
Amounts owed to group companies	-	-	1,071	803
UK corporation tax	1,012	548	213	276
Other taxation and social security	394	320	106	64
Other creditors	871	1,069	766	779
Accruals	1,373	649	753	527
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	5,685	4,846	2,985	2,572
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C F BOOTH LIMITED

NOTES ON THE ACCOUNTS - 31 MARCH 1989

20 DEFERRED TAXATION

	GROUP £'000	COMPANY £'000
At 31 March 1988	391	95
(Release)/charge for year	(6)	33
Transfer from group company	-	12
Adjustment re prior years	(32)	-
	—	—
At 31 March 1989	353	140
	—	—

Deferred taxation arises in respect of the following timing differences:

	GROUP		COMPANY	
	1989 £'000	1988 £'000	1989 £'000	1988 £'000
Accelerated capital allowances	403	441	190	145
Other timing differences	(50)	(50)	(50)	(50)
	—	—	—	—
	353	391	140	95
	—	—	—	—

Deferred taxation has been provided at 35%.

Additional tax liabilities, which are not expected to crystallise in the future, exist in respect of:

	1989 £'000	1988 £'000	1989 £'000	1988 £'000
Revaluation of freehold property	63	110	63	110
	—	—	—	—

These potential liabilities have been calculated at a corporation tax rate of 35%.

21 CALLED UP SHARE CAPITAL.

	1989 £'000	1988 £'000
Authorised - 150,000 ordinary shares of £1 each	150	150
	—	—
Allotted, called up and fully paid - 50,000 ordinary shares of £1 each	50	50
	—	—

C F BOOTH LIMITED

NOTES ON THE ACCOUNTS - 31 MARCH 1989

22 RESERVES

	Other £'000	Revaluation surplus £'000	Profit and loss account £'000
GROUP			
At 31 March 1988	227	1,255	7,142
Revaluation surplus realised	-	(103)	103
Retained profit for the year	-	-	1,543
Goodwill written off	-	-	(84)
	—	—	—
At 31 March 1989	227	1,152	8,704
	—	—	—
COMPANY			
At 31 March 1988		1,024	3,136
Revaluation surplus realised		(37)	37
Profit for the year		-	249
		—	—
At 31 March 1989		987	3,422
		—	—

In addition to the profit and loss account at 31 March 1989, £221,000 of the group's and £166,000 of the company's revaluation surplus was distributable. (1988 - £203,000 and £147,000).

23 CAPITAL COMMITMENTS

Capital expenditure of £32,000 had been authorised and contracted for at 31 March 1989 (1988 - £Nil).

24 CONTINGENT LIABILITIES

The company has guaranteed, up to £750,000, the overdraft of one of its subsidiary companies. At 31 March 1989, the overdraft on this account was in excess of £750,000 (1988 - £750,000).

The company has given an unlimited guarantee in respect of the bank overdrafts on all accounts of the other subsidiary companies. At 31 March 1989, the overdrafts on these accounts amounted to £2,878,445 (1988 - £3,443,611).

The company has joint and several liability for all amounts due by its subsidiary companies to HM Customs & Excise under a Group VAT registration agreement. At 31 March 1989, the total potential liability amounted to £274,096 (1988 - £112,924).

25 EMPLOYEES

The average number of persons employed by the group during the year, including directors, was as follows:

	1989	1988
Management	14	14
Administration	79	79
Production	369	347
Distribution	34	34
	—	—
	496	474
	—	—

ROTHERHAM UNITED FOOTBALL CLUB LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAY 1989

	Note	1989 £	1988 10 months £
TURNOVER			
Match receipts	1	332,488	288,723
OTHER OPERATING INCOME			
Rotherham United Promotions		148,850	89,001
Share of Pools		79,404	65,733
Sponsorship		27,031	7,188
Transfer fees		196,500	74,500
Other income		36,146	6,284
		<hr/> 487,931	<hr/> 242,706
INVESTMENT INCOME			
Rent		3,675	3,525
		<hr/> 824,094	<hr/> 534,954
OPERATING CHARGES			
Salaries and national insurance		481,905	377,927
Match expenses		79,374	47,092
Overheads		200,990	136,066
Interest payable		16,865	1,129
Transfer fees		147,652	52,500
		<hr/> 926,786	<hr/> 614,714
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(102,692)	(79,760)
Taxation	3	(45,250)	(19,000)
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(57,442)	(60,760)
EXTRAORDINARY ITEM	4	162,527	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	11	<hr/> £105,085	<hr/> £(60,760)

Movements on reserves are set out in notes 10 and 11

ROTHERHAM UNITED FOOTBALL CLUB LIMITED

BALANCE SHEET - 31 MAY 1989

	Note	1989 £	1988 £
FIXED ASSETS			
Tangible assets	5	715,418	757,685
CURRENT ASSETS			
Debtors	6	72,976	22,156
Cash at bank and in hand		427	1,077
		<hr/>	<hr/>
		73,403	23,233
CREDITORS - amounts falling due within one year	7	354,733	581,689
		<hr/>	<hr/>
NET CURRENT LIABILITIES		(281,330)	(558,456)
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		434,088	199,229
CREDITORS - amounts falling due after more than one year	8	-	(162,226)
		<hr/>	<hr/>
TOTAL ASSETS LESS LIABILITIES		£434,088	£37,003
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	9	300,000	8,000
Share premium account		93	93
Revaluation reserve	10	307,792	341,792
Profit and loss account	11	(173,797)	(312,882)
		<hr/>	<hr/>
		£434,088	£37,003
		<hr/>	<hr/>

The accounts were approved by the board on 17 August 1989

K F Booth

R Hull Jnr

Directors

ROTHERHAM UNITED FOOTBALL CLUB LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

YEAR ENDED 31 MAY 1989

	1989	1988 10 months
	£	£
SOURCE OF FUNDS		
Disposal of fixed assets	150,000	14,600
Issue of shares	292,000	-
Hire purchase finance	-	5,790
	<hr/>	<hr/>
Total sources of funds	442,000	20,390
	<hr/>	<hr/>
APPLICATION OF FUNDS		
Loss on ordinary activities before taxation	102,692	79,760
Adjustment for items not involving the movement of funds		
Depreciation	(22,821)	(17,007)
Loss on disposal of fixed assets	-	(2,636)
	<hr/>	<hr/>
	(22,821)	(19,643)
	<hr/>	<hr/>
Total absorbed by operations	79,871	60,117
	<hr/>	<hr/>
OTHER APPLICATIONS		
Purchase of fixed assets	27,652	31,632
Hire purchase repayments	2,027	7,461
Loan repayments	250,795	-
Bank loan repayment	75,000	-
	<hr/>	<hr/>
	355,474	39,093
	<hr/>	<hr/>
Total funds applied	435,345	99,210
	<hr/>	<hr/>
DECREASE IN WORKING CAPITAL	£(6,655)	£(78,820)
	<hr/>	<hr/>
Increase in debtors and prepayments	50,820	22,156
Increase in creditors	(20,825)	(4,875)
Increase in bank overdraft	(22,690)	(97,178)
(Decrease)/increase in cash	(650)	1,077
	<hr/>	<hr/>
	£(6,655)	£(78,820)
	<hr/>	<hr/>

ROTHERHAM UNITED FOOTBALL CLUB LIMITED

NOTES TO THE ACCOUNTS - 31 MAY 1989

1 ACCOUNTING POLICIES

(a) Accounting convention

The financial statements are prepared under the historical cost convention modified by the revaluation of land and buildings.

(b) Turnover

Turnover is stated net of Value Added Tax and amounts due to the Football League, Football Association and visiting clubs.

(c) Depreciation

Depreciation is provided on all tangible assets other than freehold land, at the following rates calculated to write off the cost or valuation over their estimated useful lives. The rates used are as follows:-

Floodlights	10% reducing balance
Building and stands	2% straight line
Motor vehicles	25% reducing balance
Fixtures and fittings	25% reducing balance

(d) Transfer fees

Transfer fees are included in the accounts on the basis of the amount incurred or earned in the year.

2 LOSS ON ORDINARY ACTIVITIES

The loss is stated after charging the following

	1989	1988 10 months
	£	£
Staff costs (see note 12b)	481,905	377,927
Depreciation	22,821	17,007
Auditors' remuneration	1,500	1,000
Interest payable on bank and other borrowings repayable within 5 years	16,865	1,129
	<hr/>	<hr/>

3 TAXATION

The credit based on the loss for the year is as follows:-

	1989	1988
Group relief and consortium relief receivable	£45,250	£19,000
	<hr/>	<hr/>

ROTHERHAM UNITED FOOTBALL CLUB LIMITED

NOTES TO THE ACCOUNTS - 31 MAY 1989

4 EXTRAORDINARY ITEM

The extraordinary item comprises:

	£
Profit on sale of freehold property at Orgreave	102,902
Bank loan foregone	85,875
	<hr/>
Taxation	188,777
	(26,250)
	<hr/>
	£162,527
	<hr/>

In accordance with an agreement made with the bank in 1987, on the sale of the property, £75,000, representing 50% of the proceeds, was paid in full settlement of a loan by the bank of £160,875.

5 TANGIBLE FIXED ASSETS

	At 31 May 1988 £	Additions £	Disposals £	At 31 May 1989 £
COST OR VALUATION				
Freehold land	175,000	-	(50,000)	125,000
Floodlights	44,175	-	-	44,175
Buildings and stands	655,157	-	-	655,157
Motor vehicles	5,790	11,133	-	16,923
Fixtures and fittings	7,226	16,519	-	23,745
	<hr/>	<hr/>	<hr/>	<hr/>
	887,348	27,652	(50,000)	865,000
	<hr/>	<hr/>	<hr/>	<hr/>
	At 31 May 1988	Charge for year	Relating to disposals	At 31 May 1989
DEPRECIATION				
Floodlights	33,534	1,064	-	34,598
Buildings and stands	90,067	13,104	(2,902)	100,269
Motor vehicles	1,448	3,869	-	5,317
Fixtures and fittings	4,614	4,784	-	9,398
	<hr/>	<hr/>	<hr/>	<hr/>
	129,663	22,821	(2,902)	149,582
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value	£757,685			£715,418
	<hr/>			<hr/>

Freehold land and the buildings and stands were revalued in 1982 on a depreciated replacement cost basis at £700,000 and have been included in the accounts at this amount. If these assets had not been revalued they would have been included in the accounts at £596,307 less depreciation of £306,472.

ROTHERHAM UNITED FOOTBALL CLUB LIMITED

NOTES TO THE ACCOUNTS - 31 MAY 1989

6 DEBTORS

	1989 £	1988 £
Debtors	72,976	20,176
Taxation	-	1,980
	<hr/>	<hr/>
	£72,976	£22,156
	<hr/>	<hr/>

7 CREDITORS - amounts falling due within one year

	1989 £	1988 £
Bank overdraft (note a)	119,868	97,178
Trade creditors	40,072	26,214
VAT and payroll taxes	18,291	11,324
Hire purchase creditor	1,351	2,027
Directors' loans	45,000	15,000
Due to holding company	115,151	334,946
Unsecured loans	15,000	95,000
	<hr/>	<hr/>
	£354,733	£581,689
	<hr/>	<hr/>

(a) The bank overdraft is secured by a mortgage over the freehold property at Millmoor.

8 CREDITORS - amounts falling due after more than one year

	1989 £	1988 £
Bank loan (note a)	-	160,875
Hire purchase creditor	-	1,351
	<hr/>	<hr/>
	£-	£162,226
	<hr/>	<hr/>

(a) The bank loan was secured by a mortgage over the freehold land at Orgreave. The balance was frozen until the land was sold whereupon 50% of the net sale proceeds were paid to the bank. The bank has foregone the balance of the loan, see note 4.

9 CALLED UP SHARE CAPITAL

On 5 September 1988, the authorised share capital was increased from £8,000 to £300,000. During the year shares have been issued for cash, at par, to provide working capital for the company.

	1989	1988
Allotted, called up and fully paid		
Ordinary shares of £1 each	£300,000	£8,000
	<hr/>	<hr/>

ROTHERHAM UNITED FOOTBALL CLUB LIMITED

NOTES TO THE ACCOUNTS - 31 MAY 1989

10 REVALUATION RESERVE

	£
At 31 May 1988	341,792
Realised in year	(34,000)
	<hr/>
At 31 May 1989	£307,792
	<hr/>

11 PROFIT AND LOSS ACCOUNT

	1989 £	1988 £
At 31 May 1988	(312,882)	(252,122)
Profit/(loss) for the year	105,085	(60,760)
Transfer from revaluation reserve	34,000	-
	<hr/>	<hr/>
At 31 May 1989	£(173,797)	£(312,882)
	<hr/>	<hr/>

12 EMPLOYEE INFORMATION

(a) The average number of persons employed by the company was:-

	1989	1988
Players, manager and coaches	53	49
Administration staff	4	4
	<hr/>	<hr/>
	57	53
	<hr/>	<hr/>

(b) Staff costs

	1989 £	1988 10 months £
Wages and salaries	432,735	329,196
Employer's social security contributions	38,958	32,069
Pension contributions	10,212	16,662
	<hr/>	<hr/>
	£481,905	£377,927
	<hr/>	<hr/>

13 HOLDING COMPANY

The company is a subsidiary of C F Booth Limited, a company incorporated in England.