

THE GRIMSBY TOWN FOOTBALL CLUB PLC
STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2014

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FOR THE YEAR ENDED 31ST MAY 2014**

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THE GRIMSBY TOWN FOOTBALL CLUB PLC

**COMPANY INFORMATION
FOR THE YEAR ENDED 31ST MAY 2014**

CLUB PRESIDENT: J Elsom

DIRECTORS: M C Chapman
P Day
J S Fenty
D Roberts
J Wood

SECRETARY: I Fleming

REGISTERED OFFICE: Blundell Park
Cleethorpes
N E Lincolnshire
DN35 7PY

REGISTERED NUMBER: 00034760 (England and Wales)

AUDITORS: Weaver Wroot
Chartered Certified Accountants
Statutory Auditors
28 Dudley Street
Grimsby
N E Lincolnshire
DN31 2AB

BANKERS: Lloyds Bank
50 - 52 Victoria Street West
Grimsby
North East Lincs.
DN31 1BL

**STRATEGIC REPORT
FOR THE YEAR ENDED 31ST MAY 2014**

The directors present their strategic report for the year ended 31st May 2014.

REVIEW OF BUSINESS

A reasonably good 2013-14 season which resulted in an FA Cup third round appearance and the securing a second consecutive play off position, ended frustratingly with Football League status not being achieved.

Income continues to fall a long way short of expenditure and whilst overall matchday and related income achieved a very modest increase this has been used to maintain the playing budget.

The company's trading continues to show a substantial loss which is likely to remain the case for future years as Blundell Park falls well short of modern day stadia which enables additional income streams to help balance the books and provide a competitive playing budget.

PRINCIPAL RISKS AND UNCERTAINTIES

There are a number of potential risks and uncertainties which could impact on the company. The Board meets regularly during the year and monitors these risks on a regular basis. The key business risks and uncertainties affecting the company are considered to relate to:

- the recruitment and retention of key employees
- the rules and regulations of the applicable football governing bodies
- the renewal of key commercial agreements on similar or improved terms.

The company's activities are exposed to financial risks that include credit risk and the risks associated with interest rates. The company's policy is to eliminate, as far as possible, the interest rate risk which relates to its outstanding loan balances. This is achieved by:

- monitoring compliance with the terms of its debt finance
- regularly reviewing forecasts to identify any issues that may arise.

ON BEHALF OF THE BOARD:



I Fleming - Secretary

1st November 2014

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST MAY 2014**

The directors present their report with the financial statements of the company for the year ended 31st May 2014.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a professional football club together with related and ancillary activities.

DIVIDENDS

The directors do not recommend payment of a dividend.

FUTURE DEVELOPMENTS

The company's principle short term aim is to return to League football and since the end of the financial year the directors have invested in new players with the expectation of making a promotion challenge.

DIRECTORS

P. Day was co-opted to the board on 28th November 2013, the remaining directors set out below have held office during the whole of the period from 1st June 2013 to the date of this report unless otherwise stated.

Other changes in directors holding office are as follows:

J. Elsom retired as a director on 7th August 2013 becoming the Club President. The board wish to express their appreciation for his valued service to the club and the fact that he has converted his loan of £50,000 into permanent share capital.

The beneficial interests of the directors holding office at 31st May 2014 in the shares of the company, according to the register of directors' interests, were as follows:

	31.5.14	1.6.13 or date of appointment if later
Ordinary shares of £100 each		
M C Chapman	5	5
P Day - appointed 28.11.13	20	20
J S Fenty	8,055	8,055
D Roberts - appointed 6.8.13	5	5
J Wood - appointed 6.8.13	5	5
Ordinary shares of £50 each		
M C Chapman	-	-
P Day	-	-
J S Fenty	2,822	2,822
D Roberts	-	-
J Wood	-	-
Ordinary shares of £25 each		
M C Chapman	-	-
P Day	-	-
J S Fenty	903	903
D Roberts	-	-
J Wood	-	-
Ordinary shares of £1 each		
M C Chapman	-	-
P Day	-	-
J S Fenty	5,825	5,825
D Roberts	-	-
J Wood	-	-

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST MAY 2014**

DIRECTORS - continued

These directors did not hold any non-beneficial interests in any of the shares of the company.

In accordance with the Articles of Association, P Day having been co-opted as a director will stand for election at the forthcoming Annual General Meeting.

In accordance with the Articles of Association, D Roberts will retire at the forthcoming Annual General Meeting, and being eligible, will stand for re-election.

EMPLOYMENT, HEALTH AND SAFETY AND ENVIRONMENTAL POLICIES

It is the company's policy that there should be no discrimination against any person on the grounds of race, sex, religion or otherwise.

In accordance with the company's equal opportunity policy, disabled people are given the same consideration as others when they apply for a job. Depending on their skills and abilities, they enjoy the same career prospects and scope for realising their potential as other employees. If an existing employee becomes disabled, reasonable steps are taken to retain them in employment.

Within the bounds of commercial confidentiality, staff are kept reasonably informed of matters that affect the progress of the company and are of interest to them as employees.

The company maintains its own health and safety and environmental policies covering its activities. Adherence to these policies is monitored on a regular basis.

SHARE CAPITAL

The following resolution, which shall be proposed as a special resolution, is to be considered, and if thought fit, passed at the forthcoming Annual General Meeting -

"That in accordance with the provisions of the Companies Acts applicable to the Company to unconditionally authorise the Directors generally to allot at any time during the period of five years from the date of adoption of this Resolution any relevant securities of the Company free of any pre-emption rights."

During the year 533 ordinary shares at the value of £100 have been issued. .

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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 are sufficient to show and explain the company's transactions and 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.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST MAY 2014**

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Weaver Wroot, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



I Fleming - Secretary

1st November 2014

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE GRIMSBY TOWN FOOTBALL CLUB PLC

We have audited the financial statements of The Grimsby Town Football Club plc for the year ended 31st May 2014 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement 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).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, 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 and express an opinion on 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 31st May 2014 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.

Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in Note 22 to the financial statements concerning the company's ability to continue as a going concern. The company incurred a net loss of £227,441 during the year ended 31st May 2014 and at that date, the company had net liabilities of £1,001,812. These conditions along with the other matters explained in note 22 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE GRIMSBY TOWN FOOTBALL CLUB PLC**

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.

Mr Scott Nixon (Senior Statutory Auditor)
for and on behalf of Weaver Wroot
Chartered Certified Accountants
Statutory Auditors
28 Dudley Street
Grimsby
N E Lincolnshire
DN31 2AB

1st November 2014

Note:

The maintenance and integrity of the The Grimsby Town Football Club plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

THE GRIMSBY TOWN FOOTBALL CLUB PLC

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MAY 2014**

				2014	2013
	Note	Operations excluding player trading £	Player Trading £	Total £	Total £
TURNOVER	2	1,986,267	-	1,986,267	1,933,821
Operating expenses	4	(2,150,626)	(48,845)	(2,199,471)	(2,374,444)
		<hr/>	<hr/>	<hr/>	<hr/>
OPERATING (LOSS)/PROFIT	4	(164,359)	(48,845)	(213,204)	(440,623)
Loss on disposal of players' contracts		-	-	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
(LOSS)/PROFIT BEFORE INTEREST AND TAXATION		<u>(164,359)</u>	<u>(48,845)</u>	(213,204)	(440,623)
Interest payable and similar charges	5			(14,237)	(12,948)
				<hr/>	<hr/>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4			(227,441)	(453,571)
Taxation	6			-	-
				<hr/>	<hr/>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION				(227,441)	(453,571)
(Accumulated losses) brought forward				(3,884,771)	(3,431,200)
				<hr/>	<hr/>
(ACCUMULATED LOSSES) CARRIED FORWARD				<u>(4,112,212)</u>	<u>(3,884,771)</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

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

NOTE OF HISTORICAL COST PROFITS AND LOSSES

The difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis is not material.

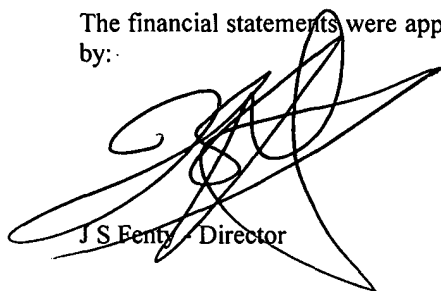
The notes form part of these financial statements

THE GRIMSBY TOWN FOOTBALL CLUB PLC (REGISTERED NUMBER: 00034760)

**BALANCE SHEET
31ST MAY 2014**

	Notes	2014 £	2013 £
FIXED ASSETS			
Intangible assets	7	15,839	55,089
Tangible assets	8	<u>1,385,703</u>	<u>1,391,185</u>
		1,401,542	1,446,274
CURRENT ASSETS			
Stocks	9	37,964	64,172
Debtors	10	175,166	254,453
Cash at bank and in hand		<u>57,735</u>	<u>102,896</u>
		270,865	421,521
CREDITORS			
Amounts falling due within one year	11	<u>276,369</u>	<u>336,851</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(5,504)</u>	<u>84,670</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,396,038	1,530,944
CREDITORS			
Amounts falling due after more than one year	12	<u>2,397,850</u>	<u>2,358,615</u>
NET LIABILITIES		<u>(1,001,812)</u>	<u>(827,671)</u>
CAPITAL AND RESERVES			
Called up share capital	15	2,112,400	2,059,100
Revaluation reserve	16	998,000	998,000
Profit and loss account	16	<u>(4,112,212)</u>	<u>(3,884,771)</u>
SHAREHOLDERS' FUNDS	21	<u>(1,001,812)</u>	<u>(827,671)</u>

The financial statements were approved by the Board of Directors on 1st November 2014 and were signed on its behalf by:



J S Penty - Director

The notes form part of these financial statements

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MAY 2014**

	Notes	2014 £	2013 £
Net cash (outflow)/inflow from operating activities	1	(119,597)	78,368
Returns on investments and servicing of finance	2	(14,237)	(12,948)
Capital expenditure	2	<u>(3,862)</u>	<u>(70,073)</u>
		(137,696)	(4,653)
Financing	2	<u>92,535</u>	<u>(35,182)</u>
Decrease in cash in the period		<u>(45,161)</u>	<u>(39,835)</u>

Reconciliation of net cash flow to movement in net debt

	3		
Decrease in cash in the period		(45,161)	(39,835)
Cash (inflow)/outflow from (increase)/decrease in debt		<u>(39,235)</u>	<u>35,782</u>
Change in net debt resulting from cash flows		<u>(84,396)</u>	<u>(4,053)</u>
Movement in net debt in the period		(84,396)	(4,053)
Net debt at 1st June		<u>(2,305,719)</u>	<u>(2,301,666)</u>
Net debt at 31st May		<u>(2,390,115)</u>	<u>(2,305,719)</u>

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MAY 2014

1. RECONCILIATION OF OPERATING LOSS TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Operating loss	(213,204)	(440,623)
Depreciation charges	48,594	42,836
Decrease/(increase) in stocks	26,208	(19,588)
Decrease in debtors	79,287	394,051
(Decrease)/increase in creditors	<u>(60,482)</u>	<u>101,692</u>
Net cash (outflow)/inflow from operating activities	<u>(119,597)</u>	<u>78,368</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest paid	<u>(14,237)</u>	<u>(12,948)</u>
Net cash outflow for returns on investments and servicing of finance	<u>(14,237)</u>	<u>(12,948)</u>
Capital expenditure		
Purchase of intangible fixed assets	(2,712)	(65,479)
Purchase of tangible fixed assets	<u>(1,150)</u>	<u>(4,594)</u>
Net cash outflow for capital expenditure	<u>(3,862)</u>	<u>(70,073)</u>
Financing		
Loan repayments in year	(35,765)	(35,782)
Movements in directors loans	75,000	-
Share issue	<u>53,300</u>	<u>600</u>
Net cash inflow/(outflow) from financing	<u>92,535</u>	<u>(35,182)</u>

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MAY 2014

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.6.13 £	Cash flow £	At 31.5.14 £
Net cash:			
Cash at bank and in hand	<u>102,896</u>	<u>(45,161)</u>	<u>57,735</u>
	<u>102,896</u>	<u>(45,161)</u>	<u>57,735</u>
Debt:			
Debts falling due within one year	(50,000)	-	(50,000)
Debts falling due after one year	<u>(2,358,615)</u>	<u>(39,235)</u>	<u>(2,397,850)</u>
	<u>(2,408,615)</u>	<u>(39,235)</u>	<u>(2,447,850)</u>
Total	<u>(2,305,719)</u>	<u>(84,396)</u>	<u>(2,390,115)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2014

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the company's financial statements.

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold property and in accordance with applicable accounting standards.

Turnover

Turnover represents all income arising from the ordinary activities of the company and excludes transfer fees receivable and Value Added Tax. Match receipts are shown after deduction of League and Football Association levies and amounts due to visiting clubs.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation net of depreciation and provisions for impairment. No depreciation has been provided on freehold property, as Blundell Park continues to be valued in the financial statements at an amount at least equivalent to the likely net disposal proceeds. Depreciation in respect of other tangible fixed assets is provided for at the following rates on a straight line basis calculated to write-off the cost or valuation, less any estimated residual value, of each asset over its useful economic life.

Motor vehicles	25%
Computer equipment	33%
Fixtures, fittings and equipment	15%

Stocks

Stocks are valued at the lower of cost or net realisable value after making due allowance for obsolete and slow moving items.

Grants

Grants received in respect of expenditure on safety work which is charged to the profit and loss account are dealt with in the profit and loss account in the year of receipt. Grants received in respect of safety work of a capital nature are treated as deferred income and released to the profit and loss account by instalments over the expected useful economic life of the related assets.

Taxation

The charge for taxation is based upon the results for the year and takes into account taxation deferred through timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised without discounting in respect of these timing differences which have arisen but not reversed by the balance sheet date except as otherwise required by FRS 19.

Leases

Assets held under finance leases are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful economic life. The capital element of obligations are recorded as liabilities, the interest element being charged to the profit and loss account evenly over the period of the lease.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Player trading

The costs associated with the acquisition of players' registrations are capitalised as intangible fixed assets. These costs are fully amortised in equal annual instalments over the period of the players' contracts including any agreed extensions. Players' registrations are written down for impairment when the amortised value exceeds the amount recoverable through use or sale. Future costs which may become due are recognised within the original cost of acquisition if, in the opinion of the directors, it is probable that these costs will be incurred. Where similar circumstances arise from the disposal of players' registrations, these future receipts are not recognised as part of the proceeds of disposal until such time as the events upon which these receipts are dependent, are known to have occurred. No value is recognised in the financial statements for players developed within the company.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MAY 2014

1. ACCOUNTING POLICIES - continued

Signing on fees

Signing on fees are charged to the profit and loss account in the accounting period when they become due under the terms of the players' initial contract. Instalments due in the future are not provided for but are noted as contingent liabilities. Signing on fees paid as a consequence of the transfer of a players' registration are included in the profit and loss on disposal of players' registrations.

Deferred income

Deferred income comprises amounts received from sponsorship, season tickets and other income, which is released to the profit and loss account on a straight line basis over the period to which it relates.

2. TURNOVER

Turnover all of which arises from the company's principal activity can be analysed into its main components as follows:

	2014 £	2013 £
Match receipts	999,159	1,048,720
Television and broadcasting	<u>180,301</u>	<u>184,518</u>
Football	<u>1,179,460</u>	<u>1,233,238</u>
Sponsorship	327,900	277,680
Retailing and merchandise	187,814	172,692
Catering	<u>291,093</u>	<u>250,211</u>
Commercial	<u>806,807</u>	<u>700,583</u>
Total	<u>1,986,267</u>	<u>1,933,821</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MAY 2014

3. STAFF COSTS

The directors are reimbursed for expenses but receive no remuneration in their capacity as directors.

The average number of persons employed by the company during the year was as follows:

	2014	2013
Full-time	51	54
Part-time	18	20
Match day staff	<u>226</u>	<u>213</u>
	<u>295</u>	<u>287</u>

Aggregate cost of employment being as follows:

	2014 £	2013 £
Wages and salaries	1,401,152	1,500,084
Social Security costs	121,748	120,716
Other pension costs	20,137	57,637
Expenses and other costs	<u>8,982</u>	<u>22,448</u>
	<u>1,552,019</u>	<u>1,700,885</u>

Outstanding pension contributions at 31st May 2014 amounted to £527 (2013 £426)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MAY 2014**

4. OPERATING LOSS

Profit (loss) on ordinary activities before taxation

	2014	2013
	£	£
Analysis of operating expenses:-		
Staff costs (Note 3)	1,552,019	1,700,885
Amortisation of players contracts	41,962	36,158
Depreciation of tangible fixed assets		
Owned	6,632	6,677
Profit on disposal	-	-
Other operating charges	726,396	832,070
Other operating income	<u>(127,538)</u>	<u>(201,346)</u>
	<u>2,199,471</u>	<u>2,374,444</u>

Profit (loss) on ordinary activities before taxation is stated after charging:

	2014	2013
	£	£
Auditors' remuneration:		
Audit	5,000	4,000
Other services	3,000	1,000
Operating lease costs	<u>14,931</u>	<u>20,592</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2014	2013
	£	£
Bank interest	<u>14,237</u>	<u>12,948</u>

6. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31st May 2014 nor for the year ended 31st May 2013.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MAY 2014

6. TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2014 £	2013 £
Loss on ordinary activities before tax	<u>(227,441)</u>	<u>(453,571)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24% (2013 - 24%)	(54,586)	(108,857)
Effects of:		
Expenses not deductible for tax purposes	1,259	5,456
Income not chargeable to tax	(9,037)	(37,185)
Capital allowances etc. for the year in excess of depreciation	10,193	7,721
Tax losses incurred (utilised) in the year	<u>52,171</u>	<u>132,865</u>
Current tax charge	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

The company has unrecognised deferred tax assets in respect of tax losses and accelerated capital allowances. The assets have not been recognised as the likelihood of the company recovering these assets in the foreseeable future is considered to be remote. Unrelieved Corporation tax losses at 31st May 2014 amounted to £6.1m.

7. INTANGIBLE FIXED ASSETS

	Players Contracts £
COST	
At 1st June 2013	106,131
Additions	<u>2,712</u>
At 31st May 2014	<u>108,843</u>
AMORTISATION	
At 1st June 2013	51,042
Amortisation for year	<u>41,962</u>
At 31st May 2014	<u>93,004</u>
NET BOOK VALUE	
At 31st May 2014	<u>15,839</u>
At 31st May 2013	<u>55,089</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MAY 2014**

8. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION				
At 1st June 2013	2,344,146	442,835	15,001	2,801,982
Additions	-	1,150	-	1,150
At 31st May 2014	<u>2,344,146</u>	<u>443,985</u>	<u>15,001</u>	<u>2,803,132</u>
DEPRECIATION				
At 1st June 2013	969,146	426,650	15,001	1,410,797
Charge for year	-	6,632	-	6,632
At 31st May 2014	<u>969,146</u>	<u>433,282</u>	<u>15,001</u>	<u>1,417,429</u>
NET BOOK VALUE				
At 31st May 2014	<u>1,375,000</u>	<u>10,703</u>	<u>-</u>	<u>1,385,703</u>
At 31st May 2013	<u>1,375,000</u>	<u>16,185</u>	<u>-</u>	<u>1,391,185</u>

The net book value of tangible fixed assets includes £nil (2013 £nil) in respect of assets held under finance agreements.

Cost or valuation at 31st May 2014 is represented by:

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2011	2,344,146	-	-	2,344,146
Cost	-	443,985	15,001	458,986
	<u>2,344,146</u>	<u>443,985</u>	<u>15,001</u>	<u>2,803,132</u>

If freehold property had not been revalued it would have been included at the following historical cost:

	2014 £	2013 £
Cost	<u>1,346,146</u>	<u>1,346,146</u>
Aggregate depreciation	<u>969,146</u>	<u>969,146</u>
Value of land in freehold land and buildings	<u>377,000</u>	<u>377,000</u>

Freehold property was valued on a vacant possession basis on 27th June 2011 by Clark Weightman Limited.

The freehold property was valued at between £1.1m and £1.5m and it is therefore the opinion of the directors that the valuation shown in the financial statements continues to be at least equivalent to the likely net disposal proceeds.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MAY 2014**

9. STOCKS

	2014	2013
	£	£
Goods for resale	<u>37,964</u>	<u>64,172</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£	£
Trade debtors	65,588	167,045
Other debtors	95,829	72,493
Prepayments	<u>13,749</u>	<u>14,915</u>
	<u>175,166</u>	<u>254,453</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£	£
Bank loan (see note 13)	50,000	50,000
Trade creditors	96,389	130,863
Social security and other taxes	64,542	56,154
Other creditors	11,230	1,056
Accrued expenses	36,427	67,187
Deferred income	<u>17,781</u>	<u>31,591</u>
	<u>276,369</u>	<u>336,851</u>

Bank loan is secured by way of an unlimited debenture creating a fixed and floating charge over all of the company's assets and undertakings.

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2014	2013
	£	£
Bank loans	338,150	373,915
Directors loans	<u>2,059,700</u>	<u>1,984,700</u>
	<u>2,397,850</u>	<u>2,358,615</u>

Mr J S Fenty has provided financial guarantees amounting to £325,000. These guarantees, together with his loans, are secured by way of a debenture, dated 6th July 2007, creating a fixed and floating charge over all of the company's assets.

There are no set repayment terms for any loans advanced to the company by its directors. No interest is being charged on the loans.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MAY 2014

13. **LOANS**

An analysis of the maturity of loans is given below:

	2014 £	2013 £
Amounts falling due within one year or on demand:		
Bank loan	<u>50,000</u>	<u>50,000</u>
Amounts falling due between one and two years:		
Bank loan - 1-2 years	<u>100,000</u>	<u>100,000</u>
Amounts falling due between two and five years:		
Bank loan - 2-5 years	<u>238,150</u>	<u>273,915</u>
Amounts falling due in more than five years:		
Repayable otherwise than by instalments		
Directors loans	<u>2,059,700</u>	<u>1,984,700</u>

14. **OPERATING LEASE COMMITMENTS**

The following operating lease payments are committed to be paid within one year:

	Other operating leases	
	2014 £	2013 £
Expiring:		
Within one year	<u>8,500</u>	<u>11,370</u>

15. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2014 £	2013 £
17,974	Ordinary	£100	1,797,400	1,744,100
5,100	Ordinary	£50	255,000	255,000
1,600	Ordinary	£25	40,000	40,000
20,000	Ordinary	£1	<u>20,000</u>	<u>20,000</u>
			<u>2,112,400</u>	<u>2,059,100</u>

The following shares were issued during the year for cash at par:

533 Ordinary shares of £100

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MAY 2014

16. RESERVES

	Profit and loss account £	Revaluation reserve £	Totals £
At 1st June 2013	(3,884,771)	998,000	(2,886,771)
Deficit for the year	<u>(227,441)</u>		<u>(227,441)</u>
At 31st May 2014	<u>(4,112,212)</u>	<u>998,000</u>	<u>(3,114,212)</u>

17. CONTINGENT LIABILITIES

There are potential liabilities and assets in respect of the company's player trading. Due to the variable nature of these amounts it is not possible to calculate the maximum potential liability or asset.

18. CAPITAL COMMITMENTS

The board will continue to assess the treatment of costs incurred in respect of the new stadium development, excluding those in respect of the planning process, as to whether these should be classed as capital or revenue expenditure. There are no known capital commitments authorised by the board.

19. RELATED PARTY DISCLOSURES

Loans from directors are disclosed in Note 12. The maximum liability during the year amounted to £2,059,700 (2013 £1,984,700).

All transactions with related parties are disclosed on an aggregate basis.

During the year pension contributions of £12,500 relating to the contingent liability in respect of Mr J S Fenty have been paid, the outstanding amount being £NIL (2013 £12,500).

20. ULTIMATE CONTROLLING PARTY

The company is considered to be controlled by Mr J S Fenty by reason of his shareholdings and financial commitment to the company.

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014 £	2013 £
Loss for the financial year	(227,441)	(453,571)
Shares issued during year	<u>53,300</u>	<u>600</u>
Net reduction of shareholders' funds	(174,141)	(452,971)
Opening shareholders' funds	<u>(827,671)</u>	<u>(374,700)</u>
Closing shareholders' funds	<u>(1,001,812)</u>	<u>(827,671)</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MAY 2014**

22. GOING CONCERN

The Directors are not at present in a position to provide the necessary assurances that the company will have sufficient facilities to finance its operations and other obligations for at least twelve months from the date of approval of these financial statements, but they continue to seek the necessary funding to provide the company with financial security.

However, as it is unlikely that any adjustments that would be required to the financial statements from an inability to prepare these on a going concern basis, would materially effect the company's balance sheet no such adjustments are included in these financial statements.