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COMPANY NUMBER 189754

**YEOVIL FOOTBALL AND
ATHLETIC CLUB LIMITED**

ACCOUNTS

**FOR THE YEAR ENDED
31 MAY 1999**



DIRECTORS' REPORT**FOR THE YEAR ENDED 31 MAY 1999**

The directors present their report and audited accounts of the company for the year ended 31 May 1999.

PRINCIPAL ACTIVITIES

The principal activities of the company continue to be those of providing the practice and playing of football.

DIRECTORS AND THEIR INTERESTS

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

	Ordinary shares		Preference shares		Debenture loans	
	1999	1998	1999	1998	1999	1998
	£	£	£	£	£	£
Mr J R Fry	15,000	15,000	14,045	14,045	19,024	19,024
Mr P J Hill	5,000	5,000	916	916	1,584	1,584
Mr A K Williams (Resigned 31 July 1998)	-	-	-	-	-	-
Mr G R Smith	5,000	5,000	1,169	1,169	1,586	1,586
Mr B W Moore	5,000	5,000	4,575	4,575	7,925	7,925
Mr D H Fisher	5,000	5,000	914	914	1,586	1,586
Mr D J Sloggett	5,000	5,000	-	-	-	-
Mr A M Rossiter	5,000	5,000	3,829	3,829	3,171	3,171
Mr M J Stroud	5,000	5,000	-	-	-	-
Mr N Hayward	75,000	75,000	68,035	68,035	-	-
Mrs P Lock	12,500	12,500	14,048	14,048	19,024	19,024
Mr S Allinson (Appointed 13 March 1999)	-	-	-	-	-	-
Mr J Goddard-Watts (Appointed 27 September 1998)	5,000	-	-	-	-	-

At 27 September 1998 Mr J Goddard-Watts held 5,000 ordinary shares.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of 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:

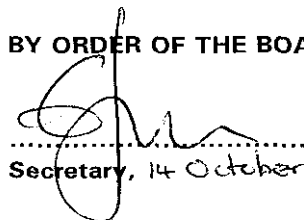
- *select suitable accounting policies and apply them consistently;*
- *make judgements and estimates that are reasonable and prudent;*
- *prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.*

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.

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 small companies.

BY ORDER OF THE BOARD


Secretary, 14 October 1999

AUDITORS' REPORT TO THE SHAREHOLDERS OF YEOVIL FOOTBALL AND ATHLETIC CLUB LIMITED

We have audited the financial statements on pages 3 to 10 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

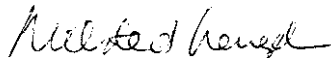
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 May 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



MILSTED LANGDON

CHARTERED ACCOUNTANTS AND REGISTERED AUDITORS

TAUNTON, 27 October 1999

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MAY 1999

		1999	1998
	Notes	£	£
TURNOVER	2	359,974	249,124
<i>Cost of sales</i>		(819,794)	(698,495)
GROSS LOSS		(459,820)	(449,371)
<i>Administrative expenses</i>		(158,620)	(130,407)
<i>Other operating income</i>		583,189	539,568
OPERATING LOSS	3	(35,251)	(40,210)
<i>Interest receivable and similar income</i>		770	396
<i>Interest payable and similar charges</i>		(10,494)	(20,881)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(44,975)	(60,695)
<i>Taxation</i>	4	(2,229)	(1,890)
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(47,204)	(62,585)
<i>Dividends</i>	5	(8,918)	(7,465)
LOSS FOR THE YEAR		(56,122)	(70,050)

Statement of total recognised gains and losses

Loss on ordinary activities after taxation		(47,204)	(62,585)
<i>Unrealised movement on revaluation of property</i>		-	236,176
<i>Total recognised losses/gains relating to the year</i>		(47,204)	173,591
<i>Prior year adjustment</i>	12	9,202	-
Total recognised losses/gains since last annual report		(38,002)	173,591

The notes on pages 5 to 10 form part of these accounts.

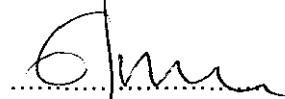
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BALANCE SHEET - 31 MAY 1999

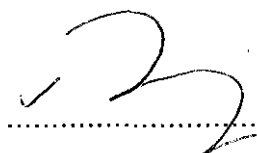
	Notes	£	1999	£	1998	£
FIXED ASSETS						
<i>Intangible assets</i>	6		23,598		-	
<i>Tangible assets</i>	7		1,300,095		1,298,935	
			<u>1,323,693</u>		<u>1,298,935</u>	
CURRENT ASSETS						
<i>Stocks</i>		8,294		17,201		
<i>Debtors</i>	8	145,233		66,819		
<i>Cash at bank and in hand</i>		3,279		9,110		
		<u>156,806</u>		<u>93,130</u>		
CREDITORS: amounts falling due within one year	9	(274,494)		(240,505)		
NET CURRENT LIABILITIES			(117,688)		(147,375)	
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,206,005</u>		<u>1,151,560</u>	
CREDITORS: amounts falling due after more than one year	10		(254,729)		(158,659)	
NET ASSETS			<u>951,276</u>		<u>992,901</u>	
CAPITAL AND RESERVES						
<i>Called up share capital</i>	11		374,667		369,372	
<i>Revaluation reserve</i>	12		254,349		254,349	
<i>Other reserves</i>	12		291,180		291,180	
<i>Profit and loss account</i>	12		31,080		78,000	
SHAREHOLDERS' FUNDS			<u>951,276</u>		<u>992,901</u>	

The company's accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 1999).

Approved by the Board on 14th October, 1999



Director



Director

The notes on pages 5 to 10 form part of these accounts.

Auditors' report - page 2.

NOTES TO THE ACCOUNTS - 31 MAY 1999

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 Other intangible assets

The directors wish to apply the provisions of Financial Reporting Standard 10 to the cost of acquiring players where transfer fees have been paid. The initial transfer fee is capitalised and written off over the duration of the contract of the relevant player.

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:

<i>Freehold property</i>	-	<i>Nil</i>
<i>Plant and machinery</i>	-	<i>15% reducing balance</i>

Freehold land and buildings are not depreciated as the directors feel that the property is maintained in a continual state of sound repair and that any provision for depreciation would be negligible.

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.

2. TURNOVER

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

3. OPERATING LOSS

	1999	1998
	£	£
<i>Operating loss is stated after charging:</i>		
<i>Amortisation of intangible assets</i>	15,104	-
<i>Depreciation of tangible assets</i>	7,715	8,636
<i>Auditors' remuneration</i>	4,000	3,941
	<hr/>	<hr/>

NOTES TO THE ACCOUNTS - 31 MAY 1999
(CONTINUED)

4. TAXATION	1999	1998
	£	£
UK current year taxation		
<i>Irrecoverable ACT</i>	2,229	1,866
Prior years		
<i>UK Corporation Tax</i>	-	24
	<u>2,229</u>	<u>1,890</u>
5. DIVIDENDS	1999	1998
	£	£
<i>Preference shares - Interim paid</i>	8,918	7,465
6. INTANGIBLE FIXED ASSETS	Other Intangible Assets	Total
	£	£
Cost		
<i>At 1 June 1998 as restated</i>	9,202	9,202
<i>Additions</i>	39,500	39,500
<i>Disposals</i>	(10,000)	(10,000)
<i>At 31 May 1999</i>	<u>38,702</u>	<u>38,702</u>
Provision for diminution in value		
<i>Charge for year</i>	15,104	15,104
<i>At 31 May 1999</i>	<u>15,104</u>	<u>15,104</u>
Net book values		
<i>At 31 May 1999</i>	<u>23,598</u>	<u>23,598</u>

**NOTES TO THE ACCOUNTS - 31 MAY 1999
(CONTINUED)**

7. TANGIBLE FIXED ASSETS

	Freehold land and buildings	Plant and machinery	Total
	£	£	£
Cost/revaluation			
<i>At 1 June 1998</i>	1,258,519	160,977	1,419,496
<i>Additions</i>	-	10,000	10,000
<i>At 31 May 1999</i>	1,258,519	170,977	1,429,496
Depreciation			
<i>At 1 June 1998</i>	8,519	112,042	120,561
<i>Charge for the year</i>	-	8,840	8,840
<i>At 31 May 1999</i>	8,519	120,882	129,401
Net book values			
<i>At 31 May 1999</i>	1,250,000	50,095	1,300,095
<i>At 31 May 1998</i>	1,250,000	48,935	1,298,935

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. A full copy of the valuation may be inspected at the office of the Company Secretary.

Freehold land and buildings are not depreciated as the directors feel that the property is maintained in a continual state of sound repair and that any provision for depreciation would be negligible.

8. DEBTORS

	1999 £	1998 £
<i>Trade debtors</i>	104,986	59,045
<i>Other debtors</i>	40,247	7,774
	145,233	66,819

NOTES TO THE ACCOUNTS - 31 MAY 1999
(CONTINUED)

9. CREDITORS: amounts falling due within one year	1999 £	1998 £
<i>Bank overdraft</i>	36,827	35,586
<i>Trade creditors</i>	110,553	102,859
<i>Other taxes and social security costs</i>	39,017	29,623
<i>Other creditors</i>	88,097	72,437
	<u>274,494</u>	<u>240,505</u>

10. CREDITORS: amounts falling due after more than one year	1999 £	1998 £
<i>Other creditors</i>	254,729	158,659

The debenture loan stock may be redeemed within five years of issue. This stock can be converted into preference shares on the basis of one £1 preference share carrying two votes for each £1 of debenture loan.

11. SHARE CAPITAL	1999 £	1998 £
Authorised		
<i>250,000 Ordinary shares of £1 each</i>	250,000	250,000
<i>205,000 Preference shares of £1 each</i>	205,000	205,000
	<u>455,000</u>	<u>455,000</u>
Allotted, called up and fully paid		
<i>247,981 Ordinary shares of £1 each</i>	247,981	242,686
<i>126,686 Preference shares of £1 each</i>	126,686	126,686
	<u>374,667</u>	<u>369,372</u>

During the year, 5,295 Ordinary shares of £1 were issued at par. The preference shares of £1 each carry two votes and rank pari-passu with each Ordinary share. These Preference shares are redeemable 5 years after issue and shareholders are entitled to interest at 10% per annum cumulative.

**NOTES TO THE ACCOUNTS - 31 MAY 1999
(CONTINUED)**

12. RESERVES

	Revaluation reserve	Profit and loss account	Other reserves	Total
	£	£	£	£
<i>At 31 May 1998</i>				
<i>as previously stated</i>	254,349	78,000	291,180	623,529
<i>Prior year adjustment</i>	-	9,202	-	9,202
<i>At 1 June 1998</i>	254,349	87,202	291,180	632,731
<i>Loss for the year</i>	-	(56,122)	-	(56,122)
<i>At 31 May 1999</i>	254,349	31,080	291,180	576,609

Prior year adjustment relates to transfer fees paid in previous year that were for players under current contracts. Therefore there has been a change in accounting policy.

13. CONTINGENT LIABILITIES

During 1996 the board negotiated terms with the National Westminster Bank plc whereby the bank agreed to defer payment of £285,870 amount of debt for an indeterminate period and at least until and if the freehold property at Huish Park is sold. In the meantime this debt shall not attract interest. In the event of the club selling any part of the freehold property, National Westminster Bank plc are entitled to crystallise the deferment of bank loans. The directors do not envisage a disposal of any part of the freehold property in the foreseeable future. In these circumstances the board have taken the view that this amount of borrowing can be released and credited to reserves.

14. RELATED PARTY TRANSACTIONS

	1999	1998
	£	£
<i>At 31 May 1999 the following directors had made loans to the company of:</i>		
<i>Mr J R Fry</i>	41,000	41,000
<i>Mr N Hayward</i>	30,000	20,000
<i>Mr J Goddard-Watts</i>	50,000	-

At 31 May 1999, no interest is due on the loans but the directors reserve the right to charge interest in the future.

NOTES TO THE ACCOUNTS - 31 MAY 1999
(CONTINUED)

15. POST BALANCE SHEET EVENTS

Since the year end, the company has received £10,000 and £14,750 in respect of G Gill and H Forinton, players previously sold to Birmingham City Football Club as part of the contractual agreements at the time of the transfers. Subsequently, H Forinton has been transferred to Peterborough Football Club from Birmingham City Football Club and the company is due an additional amount of £27,000 as its share of this transfer payable at £750 per month over 3 years.