

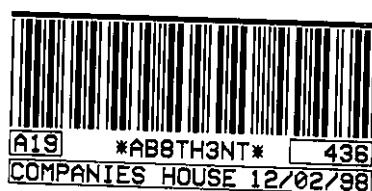
Co. 1111

COMPANY NUMBER :189754

**YEOVIL FOOTBALL AND ATHLETIC
CLUB LIMITED**

ACCOUNTS

**FOR THE YEAR ENDED
31 MAY 1997**



REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 MAY 1997

The directors present herewith their report and the audited accounts of the company for the year ended 31 May 1997.

PRINCIPAL ACTIVITIES

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

DIRECTORS

The directors of the company at 31 May 1997, all of whom have been directors throughout the whole of the year, are detailed below together with their registered interests in the company both at the beginning and end of the year:

	Ordinary shares of £1 each		10% Preference shares of £1 each		Convertible debenture loans of £1 each	
	1997	1996	1997	1996	1997	1996
<i>J Fry (Chairman)</i>	10,000	10,000	10,976	10,976	19,024	19,024
<i>P J Hill</i>	5,000	5,000	458	458	792	792
<i>A K Williams</i>	5,000	5,000	-	-	-	-
<i>G R Smith</i>	5,000	5,000	914	914	1,586	1,586
<i>B W Moore</i>	5,000	5,000	916	916	1,584	1,584
<i>D H Fisher</i>	5,000	5,000	914	914	1,586	1,586
<i>D J Sloggett</i>	5,000	5,000	10,976	10,976	19,024	19,024
<i>A M Rossiter</i>	5,000	5,000	3,829	3,829	3,171	3,171
<i>M J Stroud</i>	5,000	5,000	-	-	-	-

AUDITORS

A resolution to reappoint the auditors, Milsted Langdon, will be proposed at the annual general meeting.

This report has been 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, 21 October 1997

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF THE COMPANY

We have audited the financial statements on pages 3 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 6 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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 have 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 1997 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

**MILSTED LANGDON****CHARTERED ACCOUNTANTS AND REGISTERED AUDITORS****YEOVIL, 21 October 1997**

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MAY 1997

	Notes	1997 £	1996 £
TURNOVER	1(b)	345,896	150,862
<i>Cost of sales</i>		(624,907)	(530,843)
GROSS LOSS		(279,011)	(379,981)
<i>Administrative expenses</i>		(101,202)	(87,177)
<i>Other operating income</i>		420,472	410,085
OPERATING PROFIT/(LOSS)	3	40,259	(57,073)
<i>Interest receivable</i>		104	-
<i>Interest payable and similar charges</i>	4	(15,191)	(34,400)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		25,172	(91,473)
<i>Taxation</i>	5	(1,473)	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		23,699	(91,473)
<i>Dividends</i>	6	(5,890)	-
PROFIT/(LOSS) FOR THE YEAR		17,809	(91,473)

STATEMENT OF RETAINED PROFIT

<i>Retained profit at 1 June 1996</i>	130,241	221,714
<i>Profit/(loss) for the year</i>	17,809	(91,473)
<i>Retained profit at 31 May 1997</i>	148,050	130,241

Both the turnover and operating profit shown above are entirely in respect of continuing operations. There were no recognised gains and losses other than those included in the profit and loss account above.

The notes on pages 5 to 9 form part of these accounts

Auditors' report - page 2.

BALANCE SHEET - 31 MAY 1997

	Notes	£	1997 £	£	1996 £
FIXED ASSETS					
<i>Tangible assets</i>	7		1,064,590		1,071,297
CURRENT ASSETS					
<i>Stock</i>		10,275		9,626	
<i>Debtors</i>	8	149,293		43,431	
<i>Cash at bank and in hand</i>		4,681		2,889	
			164,249		55,946
CREDITORS: amounts falling due within one year	9	(305,002)		(301,532)	
NET CURRENT LIABILITIES			(140,753)		(245,586)
TOTAL ASSETS LESS CURRENT LIABILITIES			923,837		825,711
CREDITORS: amounts falling due after more than one year	10		(148,501)		(151,970)
NET ASSETS			775,336		673,741
<i>Represented by:</i>					
CAPITAL AND RESERVES					
<i>Called up share capital</i>	12		317,933		234,147
<i>Revaluation reserve</i>	13		18,173		18,173
<i>Profit and loss account</i>			148,050		130,241
<i>Other reserve</i>	14		291,180		291,180
SHAREHOLDERS' FUNDS	15		775,336		673,741

The company's accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the board on 21 October 1997.

Directors

The notes on pages 5 to 9 form part of these accounts.

Auditors' report - page 2.

NOTES TO THE ACCOUNTS - 31 MAY 1997

1. ACCOUNTING POLICIES

The accounts have been prepared in accordance with generally accepted accounting standards in the United Kingdom. A summary of the accounting policies adopted, which have been applied consistently, is set out below:

a) Accounting convention

The accounts have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets.

b) Turnover

Turnover, which excludes value added tax and discount, represents the invoiced value of goods and services supplied. Turnover consists entirely of sales made in the United Kingdom.

c) Fixed assets

Fixed assets are stated at their purchase price, together with any incidental expenses of acquisition.

Depreciation is calculated so as to write off the cost of fixed assets over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

<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.

d) Fixed assets subject to finance leases and hire purchase contracts

Assets acquired under finance leases and hire purchase contracts are capitalised and the corresponding obligations treated as creditors of the company. Repayments under such contracts are treated as consisting of capital and interest and the interest is charged to the profit and loss account using the sum of the digits method. Operating lease rentals are charged to the profit and loss account in the period in which they are incurred. Assets held under finance leases are depreciated over their expected useful economic lives or the lease term, whichever is shorter. Those held under hire purchase contracts are depreciated over their expected useful economic lives.

e) Stocks

Stocks are stated at the lower of cost and net realisable value on an item by item basis.

Cost has been determined on a first in first out basis with goods for resale being valued at purchase price plus incidental costs of acquisition.

f) Taxation

The charge for taxation is based on the profit for the year as adjusted for disallowable items. Provision is made for deferred taxation using the liability method in respect of all material timing differences, to the extent that it is probable that a liability will crystallise. Timing differences arise because certain items are allocated to different periods for taxation and accountancy purposes.

g) Pension costs

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge represents contributions payable by the company to the scheme.

NOTES TO THE ACCOUNTS - 31 MAY 1997 *(continued)***2. DIRECTORS' RESPONSIBILITIES**

Company law requires directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those, directors are required to:

*Select suitable accounting policies and then apply them consistently;
Make judgments and estimates that are reasonable and prudent;
Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.*

Directors are responsible for maintaining 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.

	1997	1996
3. OPERATING PROFIT/(LOSS)	£	£
<i>Operating profit/(loss) is stated after charging:</i>		
<i>Auditors' remuneration</i>	2,689	2,309
<i>Depreciation</i>	8,959	10,142
<i>Profit on sale of assets</i>	-	(585)
	-----	-----
4. INTEREST PAYABLE AND SIMILAR CHARGES	£	£
<i>Interest payable on:</i>		
<i>Finance leases and hire purchase contracts</i>	743	1,358
<i>Bank loans due in less than five years</i>	1,406	31,820
<i>Other interest</i>	1,127	1,222
<i>Debenture loan interest</i>	11,915	-
	-----	-----
	15,191	34,400
	-----	-----
5. TAXATION	£	£
<i>Irrecoverable advance corporation tax</i>	1,473	-
	-----	-----
6. DIVIDENDS	£	£
<i>Dividends on preference shares:</i>		
<i>Paid interim dividend of £0.08 per share (1996 : £Nil)</i>	5,890	-
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NOTES TO THE ACCOUNTS - 31 MAY 1997 *(continued)*

7. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery etc £	Total £
Cost or valuation			
<i>At 1 June 1996</i>	1,022,343	151,920	1,174,263
<i>Additions</i>	-	2,252	2,252
	-----	-----	-----
<i>At 31 May 1997</i>	1,022,343	154,172	1,176,515
	-----	-----	-----
Depreciation			
<i>At 1 June 1996</i>	8,519	94,447	102,966
<i>Charge for year</i>	-	8,959	8,959
	-----	-----	-----
<i>At 31 May 1997</i>	8,519	103,406	111,925
	-----	-----	-----
Net book value			
<i>At 31 May 1997</i>	1,013,824	50,766	1,064,590
	-----	-----	-----
<i>At 31 May 1996</i>	1,013,824	57,473	1,071,297
	-----	-----	-----

The net book value of tangible fixed assets includes £34,308 (1996 : £40,362) in respect of assets held under finance leases and hire purchase contracts

The company's freehold property is stated at open market valuation based on a professional valuation obtained in the period to 21 May 1992. The freehold property comprises the land and buildings at Huish Park, Lufton Way, Yeovil.

	1997 £	1996 £
8. DEBTORS		
<i>Trade debtors</i>	56,470	27,683
<i>Other debtors</i>	92,823	15,748
	-----	-----
	149,293	43,431
	-----	-----

The above debtors without exception fall due within one year.

	£	£
9. CREDITORS: amounts falling due within one year		
<i>Bank loan and overdrafts</i>	9,024	39,653
<i>Trade creditors</i>	50,376	40,642
<i>Other creditors</i>	245,602	221,237
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	305,002	301,532
	-----	-----

The bank loan is secured.

NOTES TO THE ACCOUNTS - 31 MAY 1997 (continued)

	1997	1996
10. CREDITORS: amounts falling due after more than one year	£	£
Convertible stock - loan stock	122,704	122,704
Bank loan	17,110	16,500
Other creditors	8,687	12,766
	-----	-----
	148,501	151,970
	-----	-----

The 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. FINANCE LEASES AND HIRE PURCHASE CONTRACTS

Included within other creditors are the following obligations under finance leases and hire purchase contracts:

	£	£
Payable in the year ending 31 May 1998	2,220	4,440
Payable in the four years ending 31 May 2002	-	1,477
	-----	-----
	2,220	5,917
	-----	-----

12. CALLED UP SHARE CAPITAL*Authorised:*

Ordinary shares of £1 each	250,000	250,000
10% Preference shares of £1 each	205,000	205,000
	-----	-----
	455,000	455,000
	-----	-----

Allotted, called up and fully paid:

Ordinary shares of £1 each	237,466	161,351
10% Preference shares of £1 each	80,467	72,796
	-----	-----
	317,933	234,147
	-----	-----

During the year, 7,671 Preference shares of £1 were issued at par, each carrying two votes and ranking *pari-passu* with each Ordinary share. These Preference shares are redeemable 5 years after issue and shareholders are entitled to interest at 10% cumulative. During the year, 76,115 Ordinary shares of £1 each were issued at par.

NOTES TO THE ACCOUNTS - 31 MAY 1997 (continued)

	1997	1996
	£	£
13. REVALUATION RESERVE		
<i>At 1 June 1996 and 31 May 1997</i>	<i>18,173</i>	<i>18,173</i>
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The revaluation reserve arises as a consequence of a revaluation of the freehold property in the year ended 21 May 1992.

14. OTHER RESERVE

This represents loans written off in the year to 31 May 1996.

	£	£
<i>National Westminster Bank plc (see note 16 below)</i>	<i>285,870</i>	<i>285,870</i>
<i>Other loans</i>	<i>5,310</i>	<i>5,310</i>
	-----	-----
	<i>291,180</i>	<i>291,180</i>
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15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	£	£
<i>Profit/(loss) for financial year</i>	<i>23,699</i>	<i>(91,473)</i>
<i>Dividends</i>	<i>(5,890)</i>	<i>-</i>
<i>Shares issued</i>	<i>83,786</i>	<i>80,581</i>
<i>Loans written off</i>	<i>-</i>	<i>291,180</i>
<i>Opening shareholders' funds</i>	<i>673,741</i>	<i>393,453</i>
	-----	-----
<i>Closing shareholders' funds</i>	<i>775,336</i>	<i>673,741</i>
	-----	-----
<i>Equity interests</i>	<i>694,869</i>	<i>600,945</i>
<i>Non-equity interests</i>	<i>80,467</i>	<i>72,796</i>
	-----	-----
	<i>775,336</i>	<i>673,741</i>
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16. CONTINGENT LIABILITY

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.