

**BROMSGROVE ROVERS FOOTBALL CLUB LIMITED**

**Company number: 0989465**

**REPORT AND FINANCIAL STATEMENTS (ABBREVIATED)**

**FOR THE YEAR ENDED 31 MAY 1997**



**CROMPTON, WARD & COMPANY**

**ACCOUNTANTS**

# AUDITORS REPORT TO THE DIRECTORS OF BROMSGROVE ROVERS FOOTBALL CLUB LIMITED

## UNDER PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages two to four, together with the full accounts of the Company. The scope of our work for the purpose of this report was limited to confirming the opinion as set out in the following paragraph.

In our opinion the Company is entitled to the exemptions as set out in the Directors' statement on page two and the abbreviated accounts have been properly prepared in accordance with Part III of Schedule 8 to the Companies Act 1985.

On 27 January 1998 we reported as reporting auditors to the shareholders on the statutory accounts of the Company for the year ended 31 May 1997, prepared under Section 226 of the Companies Act 1985 as modified by the exemptions provided by Part 1 of Schedule 8. Our report under Section 249 of the Companies Act 1985 was as follows:

"We have audited the financial statements on pages three to nine which have been prepared under the historical cost convention and the accounting policies set out on page five.

### Respective responsibilities of Directors and Auditors

As described on page one, the Company's Directors are responsible for the preparation of the 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 an 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 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 that 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 the information in the financial statements.


### Fundamental Uncertainty

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the outcome of negotiations to restructure the Company's bank facilities. The financial statements have been prepared on a going concern basis, the validity of which depends upon the continued support of the Company's bankers and the directors and supporters who have loaned money to the Company.

The financial statements do not include any adjustments that would result from a withdrawal of this support. Details of the circumstances relating to this fundamental uncertainty are described in Note 1. Our opinion is not qualified in this respect.

### Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 31 May 1997 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies".

  
Crompton, Ward & Company  
Registered Auditor  
182 Worcester Road  
Bromsgrove  
Worcs  
B61 7AZ

..... 27 January 1998  
DATE

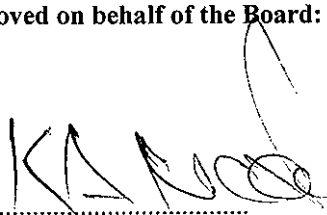
**BROMSGROVE ROVERS FOOTBALL CLUB LIMITED**

**ABBREVIATED BALANCE SHEET**

			<u>1997</u>	<u>31 MAY 1997</u>
	<u>Notes</u>	£	£	1996 £
<b><u>FIXED ASSETS</u></b>				
Tangible assets				
Ground improvements	2		19,279	22,462
Floodlights	2		4,260	4,960
Social Club buildings	2		23,063	24,709
Fixtures, fittings and furniture	2		10,596	12,466
Ground and sports equipment	2		173	204
Dressing rooms, Boardroom and Executive Suite	2		32,546	35,561
			<hr/>	<hr/>
TOTAL FIXED ASSETS			89,917	100,362
<b><u>CURRENT ASSETS</u></b>				
Stock		3,386		2,460
Debtors		4,900		17,308
Cash at bank and in hand		1,212		1,277
		<hr/>		<hr/>
		9,498		21,045
<b><u>CREDITORS: amounts falling due within one year</u></b>				
Bank overdraft/loans		59,712		9,273
Other loans		7,752		7,534
Other taxes and social security		13,684		16,105
Accruals and deferred income		32,609		13,997
		<hr/>		<hr/>
		113,757		46,909
NET CURRENT LIABILITIES			(104,259)	(25,864)
TOTAL ASSETS LESS CURRENT LIABILITIES			<hr/>	<hr/>
			(14,342)	74,498
Financed by:-				
<b><u>CREDITORS: amounts falling due after more than one year</u></b>				
	3		43,130	135,078
<b><u>CAPITAL AND RESERVES</u></b>				
Called up share capital	4		163,604	53,604
Profit and loss account			(221,076)	(114,184)
			<hr/>	<hr/>
			(14,342)	74,498
			<hr/>	<hr/>

In preparing these abbreviated accounts we have relied upon Sections 247 and 248 of the Companies Act 1985 on the grounds that the Company is entitled to the benefit of those sections as a small Company.

Approved on behalf of the Board:

  
.....  
DIRECTOR

27-1-98  
.....  
Date

# BROMSGROVE ROVERS FOOTBALL CLUB LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

31 MAY 1997

### 1 Accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently is set out below:

#### **Basis of accounting**

The Company meets its day to day working capital requirements through an overdraft facility which is repayable on demand. The Company also has in place loans from the Directors which are interest free and are not due for repayment until 1 June 2006.

The Directors have considered the future cash flow requirements of the Company and in negotiations with their bankers have agreed to convert part of the overdraft to a medium term loan. On the basis of their consideration of the Company's cash flow and the agreement with their bankers, the Directors consider that the Company will continue to operate within the facility currently agreed. However, the margin of facilities over requirements is not large and, inherently there can be no certainty in relation to these matters. On this basis, the Directors consider it appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of bank support.

#### **Depreciation**

Depreciation is calculated to write down the cost or valuations of all assets over their expected lives. The rates and methods used are:

<u>Category</u>	<u>Method</u>	<u>Rate</u>
Ground improvements	straight line	10% pa
Floodlights	straight line	£700 pa
Social Club buildings	straight line	5% pa
Fixtures, fittings and furniture	reducing balance	15% pa
Ground and sports equipment	reducing balance	15% pa
Dressing rooms, boardroom & executive suite	straight line	5% pa

#### **Stock**

Stock is stated at the lower of cost and net realisable value.

### 2 Fixed assets

	<u>Floodlights</u>	<u>Fixtures</u>	<u>Ground Equipment</u>
	£	£	£
<u>COST</u>			
At start of year	14,560	33,690	4,678
Additions in year	-	-	-
<b>At end of year</b>	<b>14,560</b>	<b>33,690</b>	<b>4,678</b>
<u>DEPRECIATION</u>			
At start of year	9,600	21,224	4,474
Charge for the year	700	1,870	31
<b>At end of year</b>	<b>10,300</b>	<b>23,094</b>	<b>4,505</b>
<u>NET BOOK VALUE</u>			
At start of year	4,960	12,466	204
<b>At end of year</b>	<b>4,260</b>	<b>10,596</b>	<b>173</b>

# BROMSGROVE ROVERS FOOTBALL CLUB LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (Continued)

31 MAY 1997

### 2 Fixed Assets (Continued)

	<u>Social Club Buildings</u> £	<u>Dressing rooms, Boardroom and Executive Suite</u> £	<u>Ground Improvements</u> £
<u>COST</u>			
At start of year	32,939	60,321	35,235
Additions in year	-	-	-
<b>At end of year</b>	<b><u>32,939</u></b>	<b><u>60,321</u></b>	<b><u>35,235</u></b>
<u>DEPRECIATION</u>			
At start of year	8,230	24,760	12,773
Charge for the year	1,646	3,015	3,183
<b>At end of year</b>	<b><u>9,876</u></b>	<b><u>27,775</u></b>	<b><u>15,956</u></b>
<u>NET BOOK VALUE</u>			
At start of year	<u>24,709</u>	<u>35,561</u>	<u>22,462</u>
<b>At end of year</b>	<b><u>23,063</u></b>	<b><u>32,546</u></b>	<b><u>19,279</u></b>

### 3 Creditors: amounts falling due after more than one year

	<u>1997</u> £	<u>1996</u> £
Bromsgrove District Council	176	312
Bass Mitchells & Butler Limited	17,954	24,766
Directors and supporters	25,000	110,000
	<u>43,130</u>	<u>135,078</u>

The Bromsgrove District Council loan is repayable at the rate of £130 per year including interest at 3% on the reducing balance.

The loans from Bass Mitchells & Butler Limited are repayable in instalments over more than five years and interest at the rate of 5% is charged.

The loans from Directors and supporters are interest free and are not due for repayment until 1 June 2006.

**BROMSGROVE ROVERS FOOTBALL CLUB LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS** (Continued)

**31 MAY 1997**

4      **Share capital** comprises:

Ordinary shares of £1 each		
Authorised	240,000	61,000
	<u>          </u>	<u>          </u>
Issued and fully paid	163,604	53,604
	<u>          </u>	<u>          </u>

At an Extraordinary General Meeting of Members held on 21 May 1997 the following Ordinary Resolution was passed:-

That the authorised share capital of the Company be increased to £240,000 by the creation of 179,000 ordinary shares to rank pari passu with the existing ordinary shares of the Company.

On the 21 May 1997 it was approved at an Extraordinary Meeting of the Company that loans made to the Company by Directors and supporters totalling £110,000 were capitalised and distributed to such Directors and supporters in the proportion of one £1 ordinary share for each £1 loaned to the Company.