

HEREFORD UNITED FOOTBALL CLUB (1982) LIMITED

ANNUAL REPORT

YEAR ENDED 31ST MAY 1995

COMPANY NUMBER : 1617370



HEREFORD UNITED FOOTBALL CLUB (1982) LIMITED

ANNUAL REPORT

YEAR ENDED 31ST MAY 1995

CONTENTS

Page

1/2	DIRECTORS' REPORT
3/4	AUDITORS' REPORT
5	PROFIT AND LOSS ACCOUNT
6	BALANCE SHEET
7 - 12	NOTES AND ACCOUNTING POLICIES
13 - 14	MANAGEMENT INFORMATION SCHEDULES

DIRECTORS' REPORT
YEAR ENDED 31ST MAY 1995

The directors submit their annual report, including the audited financial statements of the company, for the year ended 31st May 1995.

1. PRINCIPAL ACTIVITY

The principal activity of the company continued to be that of managing "The Sportsman's Club".

2. RESULTS AND DIVIDENDS

The loss for the financial year was £(34,104) (1994 loss £(31,278)). The directors recommend that no dividend be paid, giving a retained loss of £(93,323) to be carried forward at the end of the year.

3. REVIEW OF THE BUSINESS

The directors expect the general level of activity to continue over the coming year.

4. FUTURE DEVELOPMENTS, RESEARCH AND DEVELOPMENT

There are unlikely to be any significant changes in the business of the company.

5. DIRECTORS AND DIRECTORS' INTERESTS

The directors of the company at 31st May 1995, none of whom held any interest in the shares of the company, are as set out below. The interests of the directors in the issued share capital of Hereford United Football Club (1939) Limited, the parent company, are as shown below:

	<u>Ordinary Shares of 25p each</u>	
	<u>31st May 1995</u>	<u>1st June 1994</u>
	No.	No.
P.S. Hill	4,357	4,357
M.B. Roberts	5,160	5,160
D.H. Vaughan	2,008	2,008
J.W.T. Duggan	2,420	1,970
R.A. Fry	437	437
F.J. Rutherford	50	50

6. DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Company law requires the 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 results of the company for that period. In preparing those financial statements, 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 to operate.

DIRECTORS' REPORT
YEAR ENDED 31ST MAY 1995

6. DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS (continued)

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.

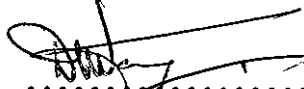
7. FIXED ASSETS

The movements in Fixed Assets are set out in Note 8 to the Accounts.

8. AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution proposing the re-appointment of Messrs. Edwards Little and Co., as auditors of the company will be put to the Annual General Meeting.

BY ORDER OF THE BOARD,


.....
D. H. Vaughan
SECRETARY

Date. 28th February 1996.

REPORT OF THE AUDITORS TO THE SHAREHOLDERS
OF HEREFORD UNITED FOOTBALL CLUB (1982) LIMITED

We have audited the financial statements on pages 5 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on pages 1 and 2 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.

Qualified opinion arising from limitation in audit scope

The majority of the company's recorded turnover comprises cash sales. There was no system of control over such sales on which we could rely for the purpose of our audit and there were no satisfactory audit procedures that we could adopt to confirm independently that all cash sales were properly recorded. In this respect alone we were unable to satisfy ourselves as to the completeness and accuracy of the accounting records.

Qualified opinion arising from application of going concern basis

The financial statements have been prepared on a going concern basis, and assume that the finance made available by the Brewery Loan will not be repayable in the near future. This is dependent on the company continuing to make all repayments by the due dates at the rate of £12,000 per annum. The company is dependent on the continued support of the company's bankers.

A substantial part of the assets of the company is represented by a loan of £99,262 to its parent company, which has no fixed date for repayment. We are uncertain as to the eventual recoverability of this amount.

REPORT OF THE AUDITORS TO THE SHAREHOLDERS
OF HEREFORD UNITED FOOTBALL CLUB (1982) LIMITED

Should the company be unable to continue trading, adjustments would have to be made to reduce the value of assets to their recoverable amount, to provide for any further liabilities which might arise, and to reclassify fixed assets and long term liabilities as current assets and liabilities.

Except for any adjustments that would be necessary if the company became unable to continue to trade and except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning cash sales, in our opinion the financial statements show a true and fair view of the state of the company as at 31st May 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



EDWARDS LITTLE AND CO.,
Registered Auditor,
Chartered Accountants,
Hereford.

29th February 1996.

HEREFORD UNITED FOOTBALL CLUB (1982) LIMITED

PROFIT AND LOSS ACCOUNT
YEAR ENDED 31ST MAY 1995

	Notes	1995 £	1994 £
CONTINUING OPERATIONS:-			
TURNOVER		151,326	158,764
COST OF SALES		(119,989)	(131,256)
GROSS PROFIT		31,337	27,508
ADMINISTRATIVE EXPENSES	2	(56,673)	(52,605)
OPERATING LOSS		(25,336)	(25,097)
INTEREST RECEIVABLE AND SIMILAR INCOME	3	-	263
INTEREST PAYABLE AND SIMILAR CHARGES	4	(8,768)	(6,444)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	5	(34,104)	(31,278)
TAX ON LOSS ON ORDINARY ACTIVITIES	6	-	-
RETAINED LOSS FOR THE YEAR		(34,104)	(31,278)
RETAINED LOSS, beginning of year		(59,219)	(27,941)
RETAINED LOSS end of year		£(93,323)	£(59,219)

There were no other recognised gains or losses during either year other than the losses as stated above.

The notes on pages 7 to 12 form part of these financial statements.

BALANCE SHEET AS AT 31ST MAY 1995

	Notes	1995	1994
		£	£
FIXED ASSETS			
Tangible assets	8	99,066	95,673
Investments	9	99,262	99,262
		<u>198,328</u>	<u>194,935</u>
CURRENT ASSETS			
Stocks	10	1,814	4,414
Debtors	11	10,445	7,940
Cash at bank and in hand		148	148
		<u>12,407</u>	<u>12,502</u>
CREDITORS - Amounts falling due within one year	12	(157,693)	(111,331)
NET CURRENT LIABILITIES		<u>(145,286)</u>	<u>(98,829)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		53,042	96,106
CREDITORS - Amounts falling due after more than one year	12	(87,000)	(95,000)
ACCRUALS AND DEFERRED INCOME	13	(59,363)	(60,323)
NET LIABILITIES		<u>£(93,321)</u>	<u>£(59,217)</u>
CAPITAL AND RESERVES			
Called-up share capital	14	2	2
Profit and loss account		(93,323)	(59,219)
Shareholders Funds	15	<u>£(93,321)</u>	<u>£(59,217)</u>

Approved by the board of directors on 28th February 1996

[Signature]
) Directors
[Signature]
)

The notes on pages 7 to 12 form part of these financial statements.

NOTES AND ACCOUNTING POLICIES
YEAR ENDED 31ST MAY 1995

1. ACCOUNTING POLICIES

The principal accounting policies of the company are as follows:

a) Basis of accounting

The financial statements have been prepared under the historical cost convention on a going concern basis.

b) Turnover

Turnover represents sales, less allowances, trade discounts and value added tax.

c) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided to write off the cost of tangible fixed assets over their estimated useful lives at the following annual rates and methods:

Leasehold Improvements	- over the unexpired period of the lease
Fixtures, Fittings, Tools and Equipment	- 10% straight line on cost

The Leasehold Improvements are situated on land leased from Hereford City Council. The leasehold expires on 12th August 2057.

d) Investments

Investments are stated at cost.

e) Stocks

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

f) Deferred taxation

Provision is made for deferred taxation, using the liability method, at the rate of corporation tax ruling at the end of the year, except where there is reasonable probability that such taxation will not become payable as far as can reasonably be foreseen.

g) Deferred credits

Grants and donations received towards specific capital expenditure are credited to the deferred credit account. Credits are released to the profit and loss account annually over the expected useful life of the asset to which they relate.

h) Assets held on Operating Leases

The rentals of assets held on operating leases are charged to the profit and loss on a straight-line basis over the lease term.

NOTES AND ACCOUNTING POLICIES
YEAR ENDED 31ST MAY 1995

2. OTHER OPERATING EXPENSES

Other operating expenses comprised:

	1995	1994
	£	£
Administrative expenses	56,673	52,605
	=====	=====

3. INTEREST RECEIVABLE AND SIMILAR INCOME

Interest receivable and similar income comprised:

	1995	1994
	£	£
Deposit account interest	-	263
	=====	=====

4. INTEREST PAYABLE AND SIMILAR CHARGES

Interest payable and similar charges comprised:

	1995	1994
	£	£
Bank overdraft interest and interest on loans repayable within five years	3,094	2,427
Interest on loans repayable wholly or in part after five years	5,674	4,017
	-----	-----
	8,768	6,444
	=====	=====

5. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Loss on ordinary activities before taxation is stated after charging the following:

	1995	1994
	£	£
Depreciation of tangible fixed assets	3,831	3,108
Auditors' remuneration	1,700	1,700
Directors' remuneration	-	-
Staff costs (note 7)	50,529	38,768
Hire of plant and machinery	2,830	2,550
Operating lease rentals	4,000	4,000
	=====	=====

6. TAXATION

The taxation charge in the profit and loss account is as follows:

	1995	1994
	£	£
Corporation Tax @ 25%	-	-
	=====	=====

NOTES AND ACCOUNTING POLICIES
YEAR ENDED 31ST MAY 1995

7. STAFF COSTS

a) Staff costs comprised:	1995	1994
	£	£
Wages and salaries	48,169	36,992
Social security costs	2,360	1,776
	-----	-----
	50,529	38,768
	=====	=====

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

	<u>Number</u>	
	1995	1994
Selling and marketing	9	9
Administration	1	-
	-----	-----
	10	9
	=====	=====

8. TANGIBLE FIXED ASSETS

a) The movement on these accounts during the year was as follows:

	<u>Long Leasehold Improvements</u>	<u>Fixtures, Fittings, Tools and Equipment</u>	<u>Total</u>
	£	£	£
COST			
Beginning of year	108,537	16,474	125,011
Additions	-	7,224	7,224
	-----	-----	-----
End of year	108,537	23,698	132,235
	=====	=====	=====
ACCUMULATED DEPRECIATION			
Beginning of year	16,263	13,075	29,338
Charge	1,461	2,370	3,831
	-----	-----	-----
End of year	17,724	15,445	33,169
	=====	=====	=====
NET BOOK VALUE			
End of year	£90,813	£8,253	£99,066
	=====	=====	=====
Beginning of year	£92,274	£3,399	£95,673
	=====	=====	=====

b) Capital commitments at 31st May 1995 comprised:

	£
Authorised but not contracted for	Nil
Contracted for	Nil

	Nil
	=====

c) The company leases certain land and buildings on a long term lease. The annual rental on this lease was £4,000 (1994 - £4,000). The company pays all insurance, maintenance and repairs on these properties.

NOTES AND ACCOUNTING POLICIES
YEAR ENDED 31ST MAY 1995

9. INVESTMENTS

Investments comprised:	1995	1994
	£	£
Loan to parent undertaking (Note 16)	99,262	99,262
	=====	=====

10. STOCKS

Stocks comprised:	1995	1994
	£	£
Finished goods and goods for resale	1,814	4,414
	=====	=====

11. DEBTORS

Debtors comprised amounts falling due within one year as follows:

	1995	1994
	£	£
Trade debtors	-	-
Other debtors	2,140	282
Prepayments and accrued income	8,305	7,658
	-----	-----
	10,445	7,940
	=====	=====

12. CREDITORS

a) Creditors comprised:

	Amounts falling due within one year		Amounts falling due after more than one year	
	1995	1994	1995	1994
	£	£	£	£
Bank overdraft	33,104	26,363	-	-
Other loans	12,000	12,000	87,000	95,000
Trade creditors	58,074	56,361	-	-
Other taxation and social security costs	10,904	6,415	-	-
Other creditors	2,217	820	-	-
Loan from parent undertaking (Note 16)	26,271	-	-	-
Accruals and deferred income	15,123	9,372	-	-
	-----	-----	-----	-----
	157,693	111,331	87,000	95,000
	=====	=====	=====	=====

NOTES AND ACCOUNTING POLICIES
YEAR ENDED 31ST MAY 1995

12. CREDITORS (continued)

b) Other loans comprised:

	1995	1994
	£	£
Amounts repayable by instalments:		
Brewery Loan	99,000	107,000
Less amounts repayable within twelve months of year-end	(12,000)	(12,000)
	-----	-----
	87,000	95,000
	=====	=====

The Bass Brewery Loan is secured by way of a legal mortgage over the Property and the licences, goodwill, fixtures and fittings of the Hereford United Sportmans Club.

c) The aggregate amount of instalments due after more than five years was as follows:

	1995	1994
	£	£
Other loans - Brewery Loan	28,000	36,000
	=====	=====

The Brewery loan is repayable by monthly instalments over a ten-year period and carries interest at the rate of 2% above the base rate of Lloyds Bank plc if yearly beer trade with Bass is less than the minimum barrelage of 390 Composite Barrels of Beer per annum. Should trade levels per annum be above the minimum barrelage the interest charged is reduced to a Concessionary Rate of 5% per annum.

13. ACCRUALS AND DEFERRED INCOME

	1995	1994
	£	£
Balance at beginning of year	60,323	61,283
Release to profit and loss account	(960)	(960)
	-----	-----
	59,363	60,323
	=====	=====

NOTES AND ACCOUNTING POLICIES
YEAR ENDED 31ST MAY 1995

14. CALLED-UP SHARE CAPITAL

Share capital comprised:	Ordinary Shares of £1 each
Authorised	2
	=====
Allotted, called-up and fully paid	2
	=====

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1995	1994
	£	£
Loss for the financial year	(34,104)	(31,278)
Opening shareholders funds	(59,217)	(27,939)
	-----	-----
Closing shareholders funds	(93,321)	(59,217)
	=====	=====

16. PARENT COMPANY

The company is a wholly-owned subsidiary of Hereford United Football Club (1939) Limited which is registered in England and Wales.

17. OPERATING LEASES

The company has the following commitments on assets held under operating leases:

	1995	1994
Commitments due within one year on leases expiring:-		
After five years	£4,000	£4,000
	=====	=====