

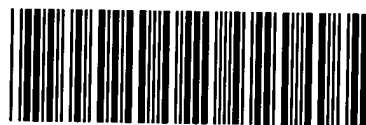
Registered number: 06632170

AFC BOURNEMOUTH LIMITED

ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2014

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AFC BOURNEMOUTH LIMITED

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AFC BOURNEMOUTH LIMITED

COMPANY INFORMATION

DIRECTORS

Mr N Blake
Mr J Mostyn
Mr A Panferov
Mr M Ponomarev
Mr N Rothwell
Mr J O'Neill

REGISTERED NUMBER

06632170

REGISTERED OFFICE

Dean Court
Kings Park
Bournemouth
Dorset
BH7 7AF

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Savannah House
3 Ocean Way
Southampton
SO14 3TJ

AFC BOURNEMOUTH LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2014

The directors present the Strategic Report for AFC Bournemouth Limited (the "company" or the "club") for the year ended 31 July 2014.

BUSINESS REVIEW

2013/2014 was yet another successful year for the club, being its first year within the Championship and finishing 10th at the end of the season, which was our highest ever League finish. The club has enjoyed the challenges and successes that this has brought, with the aim to continue to strengthen the club further into the 2014/15 season.

Several changes have impacted the business during the year. From the 1st February, the company acquired the trade, assets and liabilities of Black Label Events (Bournemouth) Limited, which now operates as the hospitality division within the business. During the year, the company also disposed of its interest in Poole Community Radio Limited and The Bay Interactive Limited. These changes have enabled the company to focus on core business operations and improve internal efficiencies.

The club saw an increase in turnover from £5.18m in 2012/13 to £10.1m in 2013/14. However, football wages continue to be the largest expense for the club, with a 42.8% increase in total staff costs from the previous year. The directors continue to maintain close control over expenditure and have implemented effective policies and procedures to ensure the club is run efficiently and effectively.

Attendance figures were the highest they have been this season, demonstrating both strong and continued support for the club.

The net result of the above has been a loss of £10.34m (2013: £15.32m), which is an improvement of 32.5% on 2012/13.

PRINCIPAL RISKS AND UNCERTAINTIES

The club's strategy continues to be forward-looking, with emphasis on developing sustainability and minimising risk.

Playing success remains a key risk affecting the club in order to sustain its Championship status. This year has seen greater investment in playing staff through utilising advanced sports science methodologies and more developed training techniques.

The club is also aware of the risk associated with reliance upon finance from its parent company to fund operations. However, the directors are confident that this risk is minimal based on the ongoing commitment from its investors and recent positive developments within the business, which demonstrate the successful outputs resulting from the investment.

AFC BOURNEMOUTH LIMITED

**STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2014**

FINANCIAL KEY PERFORMANCE INDICATORS

Given the straight forward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an undertaking of the development, performance or position of the business.

This report was approved by the board and signed on its behalf.

**Mr N Blake
Director**

Date:

13/1/15

AFC BOURNEMOUTH LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2014

The directors present their report and the audited financial statements for AFC Bournemouth Limited (the "company" or the "club") for the year ended 31 July 2014.

PRINCIPAL ACTIVITIES

The principal activity of the company continues to be that of operating a professional football club and related commercial activities.

RESULTS AND DIVIDENDS

The results for the year are set out on page 8.

During the year no dividends have been paid (2013: £Nil). The directors do not recommend the payment of a final dividend.

FUTURE DEVELOPMENTS

The club has continued plans for growth and expansion and is reviewing options to increase stadium capacity. In addition, it is hoped that the playing squad can be developed further to ensure continued playing success.

FINANCIAL RISK MANAGEMENT

Credit risk

Credit risk relates primarily to the recoverability of trade debtors from commercial activities. However, the company monitors this closely and implements effective credit control procedures to reduce exposure to credit risk.

Liquidity risk

The company is dependent on the financial support of its parent company. To develop the company's financial stability, the directors have continued to focus on operational efficiencies and to maximise cash flow inflow. In addition the club has effective procedures for budgeting and reporting, driving accuracy for decision making. It is also one of the company's key priorities to ensure it meets its obligations to its creditors, through the monitoring of payment days and ensuring negotiated credit terms with suppliers are met.

GOING CONCERN

The directors consider it appropriate to adopt the going concern basis in preparing the financial statements. Further details underlying the adoption of this basis is given in note 1.2 to the financial statements.

AFC BOURNEMOUTH LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2014

DIRECTORS

The directors who served during the year and up to the date of the signing of the financial statements, unless otherwise stated, were:

Mr N Blake
Mr R Mitchell (resigned 15 September 2014)
Mr T Mitchell (resigned 12 September 2014)
Mr J Mostyn
Mr A Murry (resigned 8 May 2014)
Mr A Panferov
Mr M Ponomarev
Mr N Rothwell
Mr E Mitchell (resigned 30 August 2013)
Mr J Mitchell (resigned 30 August 2013)
Mr J O'Neill (appointed 17 September 2013)

EMPLOYEE INVOLVEMENT

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

DISABLED EMPLOYEES

The company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

AFC BOURNEMOUTH LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2014

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, the Directors' Report 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 prepared 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 UK 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.

INDEPENDENT AUDITORS

During the year Morris Lane resigned as auditors of the company. PricewaterhouseCoopers LLP were appointed in accordance with section 485 of the Companies Act 2006.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report was approved by the board and signed on its behalf by:

**Mr N Blake
Director**

Date:

13/1/15

AFC BOURNEMOUTH LIMITED

INDEPENDENT AUDITORS' REPORT TO AFC BOURNEMOUTH LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006

Our opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated financial statements have been properly prepared in accordance with the regulations made under that section.

This opinion is to be read in the context of what we say in the remainder of this report.

Other matter

On 28 November 2014 we reported as auditor to the members of the company on the financial statements prepared under section 396 of the Companies Act 2006 and our report included the following paragraph:

Emphasis of matter - Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1.2 to the financial statements concerning the company's ability to continue as a going concern. The company is dependent on its immediate parent company and ultimate controlling party to provide finance in order to fund the company's operations.

This indicates 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.

What we have examined

We have examined the abbreviated financial statements set out on pages 8 - 28, together with the financial statements of AFC Bournemouth Limited for the year ended 31 July 2014 prepared under section 396 of the Companies Act 2006.

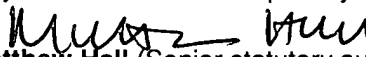
The scope of our work for the purposes of this report does not include examining events occurring after 28 November 2014, the date of our auditors' report on the full financial statements.

Our responsibilities and those of the directors

The directors are responsible for preparing the abbreviated financial statements in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements to the Registrar of Companies and whether the abbreviated financial statements have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4, 'The special auditor's report on abbreviated accounts in the United Kingdom', issued by the Auditing Practices Board. In accordance with that Bulletin, we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements are properly prepared.

This report, including the opinion, has been prepared for and only for the company for the purpose of section 449 of the Companies Act 2006 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.


Matthew Hall (Senior statutory auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Southampton

Date: 16/1/15

AFC BOURNEMOUTH LIMITED

**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2014**

	Note	2014 £	Restated 2013 £
TURNOVER		10,092,155	5,183,122
Other operating income and expenses		199,908	159,270
Staff costs	5	(17,347,352)	(12,146,752)
Depreciation and other amounts written off tangible and intangible fixed assets	2	(2,973,788)	(1,400,810)
Other operating charges excluding exceptional other operating charges	2	(5,973,997)	(5,787,202)
Exceptional other operating charges	3	(1,057,198)	(607,706)
Other operating charges		(7,031,195)	(6,394,908)
OPERATING LOSS	2	(17,060,272)	(14,600,078)
Profit/(loss) on disposal of intangible fixed assets	7	6,854,294	(266,089)
LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST		(10,205,978)	(14,866,167)
Interest receivable and similar income	8	168	2,495
Interest payable and similar charges	9	(131,258)	(460,193)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(10,337,068)	(15,323,865)
Tax on loss on ordinary activities	10	-	-
LOSS FOR THE FINANCIAL YEAR	22	(10,337,068)	(15,323,865)

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account.

There are no material differences between the loss on ordinary activities before taxation and the retained loss for the financial year stated above and their historical cost equivalents.

The comparative figures in the Profit and Loss Account above have been re-presented to use an alternative format provided by the Companies Act 2006. Further details of this re-presentation can be found in note 1.1.

The notes on pages 11 to 28 form part of these financial statements.

AFC BOURNEMOUTH LIMITED
REGISTERED NUMBER: 06632170

ABBREVIATED BALANCE SHEET
AS AT 31 JULY 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Intangible assets	11		7,925,754		4,066,480
Tangible assets	12		3,687,573		2,678,799
Investments	13		-		-
			<u>11,613,327</u>		<u>6,745,279</u>
CURRENT ASSETS					
Stocks	14	310,580		168,069	
Debtors: amounts falling due after more than one year	15	-		328,125	
Debtors: amounts falling due within one year	15	3,627,718		2,542,038	
Cash at bank and in hand		3,494,181		1,128,593	
		<u>7,432,479</u>		<u>4,166,825</u>	
CREDITORS: amounts falling due within one year	16	<u>(8,978,471)</u>		<u>(5,499,724)</u>	
NET CURRENT LIABILITIES			<u>(1,545,992)</u>		<u>(1,332,899)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>10,067,335</u>		<u>5,412,380</u>
CREDITORS: amounts falling due after more than one year	17		<u>(24,997,288)</u>		<u>(16,651,153)</u>
PROVISIONS FOR LIABILITIES	18		<u>(173,341)</u>		<u>(827,453)</u>
NET LIABILITIES			<u><u>(15,103,294)</u></u>		<u><u>(12,066,226)</u></u>
CAPITAL AND RESERVES					
Called up share capital	21		14,960,004		7,660,004
Profit and loss account	22		<u>(30,063,298)</u>		<u>(19,726,230)</u>
TOTAL SHAREHOLDERS' DEFICIT	23		<u><u>(15,103,294)</u></u>		<u><u>(12,066,226)</u></u>

The abbreviated financial statements, which have been prepared in accordance with the special provisions of section 445(3) of the Companies Act 2006 relating to medium-sized companies, were approved and authorised for issue by the board and were signed on its behalf on 13/1/15 by:

Mr N Blake
 Director

The notes on pages 11 to 28 form part of these financial statements.

AFC BOURNEMOUTH LIMITED

**ABBREVIATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2014**

	Note	2014 £	2013 £
Net cash flow from operating activities	24	(11,266,328)	(11,414,517)
Returns on investments and servicing of finance	25	(131,090)	(444,942)
Capital expenditure and financial investment	25	(1,975,226)	(3,790,916)
Acquisitions and disposals	25	95,618	-
CASH OUTFLOW BEFORE FINANCING		(13,277,026)	(15,650,375)
Financing	25	15,642,614	16,672,321
INCREASE IN CASH IN THE YEAR		2,365,588	1,021,946

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT
FOR THE YEAR ENDED 31 JULY 2014**

	2014 £	2013 £
Increase in cash in the year	2,365,588	1,021,946
Cash inflow from increase in debt and lease financing	(8,342,614)	(9,262,321)
MOVEMENT IN NET DEBT IN THE YEAR	(5,977,026)	(8,240,375)
Net debt at 1 August 2013	(15,550,216)	(7,309,841)
NET DEBT AT 31 JULY 2014	(21,527,242)	(15,550,216)

The notes on pages 11 to 28 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2014**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated financial statements have been extracted, have been prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The board of directors has elected to use an alternative format provided by the Companies Act 2006 to present the Profit and Loss Account as they consider that this more appropriately discloses the performance of the company. This has resulted in the re-presentation of the comparatives. There has been no impact on the reported loss for the financial year ended 31 July 2013.

The prior year Profit and Loss Account has been further re-presented to reclassify charges for (i) the write off of loans to subsidiary companies of £132,130; (ii) amounts written off investments of £125,576 and (iii) an exceptional charge to non-playing staff of £350,000 to above the operating loss line. These amounts are now shown as exceptional operating charges in 2013. As a result of these changes the operating loss for 2013 has increased by £607,706 from £13,992,372 to £14,600,078. There is no change to the loss on ordinary activities before taxation or the reported loss for the year ended 31 July 2014 or 31 July 2013 as a result of these changes.

The company's full financial statements were signed on 28 November 2014.

1.2 Going concern

The company is dependent on continued financial support from its parent company and ultimate controlling party in order to remain a going concern. The company's parent and ultimate controlling party has committed to provide financial support to the company for at least 12 months from the date of the signing of the company's full financial statements, in order for the company to be able to meet its liabilities as they fall due and to realise the value of its assets. The directors have considered the company's financial position, forecast cash flows and the availability of financial support from its parent company and ultimate controlling party and consider that it is appropriate to prepare the financial statements on a going concern basis. These circumstances nonetheless represent a material uncertainty which may cast doubt on the company's ability to continue as a going concern. Should the company be unable to obtain the necessary support from its parent and its ultimate controlling party and no longer be a going concern, adjustments may be required to reduce balance sheet values of assets to their recoverable amounts, to provide for further liabilities that may arise, and to reclassify fixed assets as current assets.

1.3 Consolidated financial statements

The company has taken advantage of the exemption provided under section 405 of the Companies Act 2006 to not consolidate subsidiary companies that are collectively not material to the group. As such, these financial statements present information about the company as an individual and not about its group.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2014**

1. ACCOUNTING POLICIES (continued)

1.4 Turnover

Turnover represents income receivable net of VAT, from football and related commercial activities.

Gate and other match/event day revenue is recognised over the period of the football season as games are played and events are staged. Sponsorship and similar commercial income is recognised over the duration of the respective contracts. The fixed element of broadcasting revenues is recognised over the duration of the football season whilst facility fees for live coverage or highlights are taken when earned. Merit awards, including those from The Football League, are accounted for only when known at the end of the financial period. Fees receivable in respect of the loan of players are included in turnover over the period of the loan.

1.5 Goodwill

Goodwill, representing the excess of the purchase consideration over the fair value of the net separable assets acquired, is capitalised and amortised through the Profit and Loss Account over its useful economic life being the period that the directors estimate that the value of the underlying businesses are expected to exceed the value of underlying assets. Should the directors consider goodwill to be permanently impaired below its net book value, a write down is recorded at the point at which the impairment is identified.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at their purchase cost, together with any incidental costs of acquisition, less accumulated depreciation. Depreciation of the full cost of tangible fixed assets, less any estimated residual value, is provided for on a straight line basis over the expected useful lives of each category of tangible fixed assets at the following rates:

Land and buildings leasehold improvements	-	Between 5% and 10% per annum
Fixtures and fittings	-	Between 15% and 20% per annum
Plant and machinery	-	Between 15% and 33% per annum

1.7 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and Loss Account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.8 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

Impairment reviews are performed by the directors when there has been an indication of potential impairment.

1.9 Stocks

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2014**

1. ACCOUNTING POLICIES (continued)

1.10 Pensions

Defined contribution pension schemes operated by the company

The company operates a number of defined contribution schemes for the benefit of its employees.

Multi-employee defined benefit pension schemes

The company participates, along with other football clubs, in the Football League Pension and Life Assurance Scheme (the "Scheme"). A provision has been established for the company's estimated share of the actuarial technical deficit of this scheme, as notified by the Football League Pension and Life Assurance Scheme.

Under the provisions of FRS 17 'Retirement Benefits' the Scheme is treated as a defined benefit multi-employer scheme as the Scheme's actuary has advised the participating employers that their share of the underlying assets and liabilities cannot be identified on a reasonable and consistent basis and, accordingly, no further disclosures are made under the provisions of FRS 17.

1.11 Current and deferred taxation

Corporation tax payable is provided for on taxable profits at the current rate.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet dates where transactions or events that result in an obligation to pay more, or a right to pay less, tax in the future have occurred. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted. Deferred tax is measured on a non-discounted basis at the average tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1.12 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. All differences are taken to Profit and Loss Account.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2014**
1. ACCOUNTING POLICIES (continued)
1.13 Cost of player registrations

The costs associated with players' registrations or extending their contracts, including agents' fees, are capitalised and amortised, in equal instalments, over the period of the respective players' contracts. Where a contract life is renegotiated the unamortised costs, together with the new costs relating to the contract extension, are amortised over the new contract. Where the acquisition of a player registration involves a non-cash consideration, such as an exchange for another player registration, the transaction is accounted for using an estimate of the market value for the non-cash consideration. Player registrations are written down for impairment, for example, following a career threatening injury, when the carrying amount exceeds the amount recoverable through use or sale.

Under the conditions of certain transfer agreements or contract renegotiations, further fees will be payable in the event of the players concerned making a certain number of First Team appearances or on the occurrence of certain other specified future events. Liabilities in respect of these additional fees are accounted for, as provisions, when it becomes probable that the number of appearances will be achieved or the specified future events will occur. Profits or losses on the sale of players represent the transfer fee receivable, net of any transaction costs, less the unamortised cost of the player's registration.

1.14 Player remuneration

Remuneration of players is charged in accordance with the terms of the applicable contractual agreements and any discretionary bonus when there is a legal or contractual obligation.

Player sign-on fees are expensed in full in the period in which they become payable in accordance with the contractual terms with the player.

Liabilities in respect of player loyalty fees are provided for, as part of operating expenses, when payment becomes probable as the player is contracted to the club and the loyalty fee is payable prior to the next transfer window at the date the financial statements are signed.

1.15 Provisions

Provisions are recognised when the company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made. Provisions are not discounted.

2. OPERATING LOSS

The operating loss is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the company	338,576	143,683
- held under finance leases	13,946	18,419
Operating lease rentals:		
- plant and machinery	341,703	33,829
- other operating leases	449,823	404,242
Difference on foreign exchange	-	798
Amortisation of intangible fixed assets	2,621,266	1,238,708
Exceptional operating charges (note 3)	1,057,198	607,706
Loss on disposal of tangible fixed assets	28,875	6,143
	<u> </u>	<u> </u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2014**

3. EXCEPTIONAL OPERATING CHARGES

	2014 £	2013 £
Goodwill impairment charge (see note 11)	848,942	-
Related party loan written off	208,256	132,130
Contingency payments non playing staff	-	350,000
Amounts written off investments	-	125,576
	<u>1,057,198</u>	<u>607,706</u>

Loans of £208,256 due from related parties were written off in the year. In the prior year £350,000 was charged in respect of an agreement with former shareholders on the football club achieving promotion to the Championship. Also in the prior year a loan of £132,130 with the company's subsidiary Poole Community Radio Limited was written off, together with an investment cost of £125,576.

4. AUDITORS' REMUNERATION

	2014 £	2013 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	24,500	16,035
Fees payable to the company's auditor and its associates in respect of:		
Tax compliant services	1,500	1,445
Tax advisory services	98,100	-
All other services	6,500	5,701
	<u>17,666</u>	<u>-</u>
Fees payable to the company's previous auditors and associates in respect of:		
All other services	<u>17,666</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2014**

5. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2014 £	2013 £
Wages and salaries	14,862,440	10,996,137
Social security costs	2,319,249	1,095,465
Other pension costs	165,663	55,150
	<u>17,347,352</u>	<u>12,146,752</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2014 Number	2013 Number
Playing staff and administration	96	80
School of excellence	53	29
Match day and hospitality	240	265
	<u>389</u>	<u>374</u>

6. DIRECTORS' REMUNERATION

	2014 £	2013 £
Remuneration	<u>673,305</u>	<u>386,664</u>
Company pension contributions to defined contribution pension schemes	<u>14,733</u>	<u>9,183</u>

During the year retirement benefits were accruing to 3 directors (2013 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £306,428 (2013 - £191,334).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £nil (2013 - £4,000).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2014**

7. PROFIT/(LOSS) ON DISPOSAL OF INTANGIBLE FIXED ASSETS

	2014 £	2013 £
Profit/(loss) on disposal of player registrations	<u>6,854,294</u>	<u>(266,089)</u>

The profit or loss on the disposal of player registrations is the difference between the book value of player registrations at the time of disposal and the consideration received at the time. Consideration that is contingent on future events is only recognised when its receipt is virtually certain.

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	2014 £	2013 £
Bank interest	<u>168</u>	<u>2,495</u>

9. INTEREST PAYABLE AND SIMILAR CHARGES

	2014 £	2013 £
On finance leases and hire purchase contracts	7,249	12,756
On loans from group undertakings	124,009	105,374
Other interest payable	-	342,063
	<u>131,258</u>	<u>460,193</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2014**

10. TAX ON LOSS ON ORDINARY ACTIVITIES

	2014 £	2013 £
UK corporation tax charge on loss for the year	-	-

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2013 - higher than) the standard rate of corporation tax in the UK of 20% (2013 - 20%). The differences are explained below:

	2014 £	2013 £
Loss on ordinary activities before tax	(10,337,068)	(15,323,865)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2013 - 20%)	(2,067,414)	(3,064,773)
Effects of:		
Expenses not deductible for tax purposes	41,651	11,379
Depreciation in excess of capital allowances	38,462	828
Non-recognition of tax losses	1,987,301	2,970,584
Other timing differences	-	81,982
Current tax charge for the year	-	-

Unrecognised deferred tax asset

The company has an unrecognised deferred tax asset of £5,900,170 (2013 unrecognised: £3,933,372). This deferred tax asset is made up of taxable losses of £5,992,173 (2013: £4,004,873) offset by deferred tax liabilities for other timing differences of £92,003 (2013: £71,502). The company's deferred tax asset has not been recognised at the balance sheet date at 31 July 2014 and 31 July 2013 as the company does not have a history of making taxable profits and is not forecast to make taxable profits in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2014

11. INTANGIBLE FIXED ASSETS

	Player registration costs £	Goodwill £	Total £
Cost			
At 1 August 2013	4,781,356	1,205,629	5,986,985
Additions	7,174,167	427,180	7,601,347
Disposals	(802,181)	-	(802,181)
At 31 July 2014	11,153,342	1,632,809	12,786,151
Accumulated amortisation			
At 1 August 2013	1,624,099	296,406	1,920,505
Charge for the year	2,498,443	122,823	2,621,266
Disposals	(530,316)	-	(530,316)
Impairment charge	-	848,942	848,942
At 31 July 2014	3,592,226	1,268,171	4,860,397
Net book value			
At 31 July 2014	7,561,116	364,638	7,925,754
At 31 July 2013	3,157,257	909,223	4,066,480

The figures for the cost of player registrations are historic cost figures for purchased players only. Accordingly, the net book amount of player registrations will not reflect, nor is it intended to, the current market value of these players nor does it take any account of players developed through the youth system.

The directors consider the net realisable value of player registration costs to be significantly greater than their book value.

The addition to goodwill is further disclosed in note 28 to the financial statements. The useful economic life of this goodwill addition is five years from 1 February 2014.

Brought forward goodwill has been fully impaired at the year-end as a result of the uncertainty over the company's future profitability given its history of recent losses and net cash out flows from operating activities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2014

12. TANGIBLE FIXED ASSETS

	Land and buildings leasehold improvements £	Plant and machinery £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 August 2013	2,061,856	167,376	796,074	3,025,306
Additions	839,899	79,103	378,877	1,297,879
Disposals	-	(7,866)	(35,112)	(42,978)
On acquisition of business (note 28)	-	11,780	80,512	92,292
At 31 July 2014	<u>2,901,755</u>	<u>250,393</u>	<u>1,220,351</u>	<u>4,372,499</u>
Accumulated depreciation				
At 1 August 2013	46,855	57,523	242,129	346,507
Charge for the year	141,613	41,721	169,188	352,522
Disposals	-	(3,114)	(10,989)	(14,103)
At 31 July 2014	<u>188,468</u>	<u>96,130</u>	<u>400,328</u>	<u>684,926</u>
Net book value				
At 31 July 2014	<u>2,713,287</u>	<u>154,263</u>	<u>820,023</u>	<u>3,687,573</u>
At 31 July 2013	<u>2,015,001</u>	<u>109,853</u>	<u>553,945</u>	<u>2,678,799</u>

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery £
Net book values	
At 31 July 2014	<u>41,329</u>
At 31 July 2013	<u>78,955</u>

AFC BOURNEMOUTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2014

13. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
Cost or valuation	
At 1 August 2013	125,576
Additions	104
Disposals	(125,576)
At 31 July 2014	104
Impairment	
At 1 August 2013	125,576
Charge for the year	104
Disposals	(125,576)
At 31 July 2014	104
Net book value	
At 31 July 2014	-
At 31 July 2013	-
Subsidiary undertakings	

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
The Bay Interactive Limited	Ordinary	100%
Black Label Events (Bournemouth) Limited	Ordinary	100%

Name	Country of registration or incorporation
------	---

The Bay Interactive Limited	United Kingdom
Black Label Events (Bournemouth) Limited	United Kingdom

During the year the company acquired the ordinary share capital of Black Label Events (Bournemouth) Limited for consideration of £104. At the same time the company acquired substantially all the assets and liabilities of that company as described in note 28 to the financial statements.

On 11 February 2014 the company sold its investment in Poole Radio Community Radio Limited for consideration of £13,001.

On 1 August 2014 the company sold its investment in The Bay Interactive Limited.

AFC BOURNEMOUTH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2014**

14. STOCKS

	2014 £	2013 £
Finished goods and goods for resale	<u>310,580</u>	<u>168,069</u>

The difference between purchase price of stocks and their replacement cost is not material.

15. DEBTORS

	2014 £	2013 £
Due after more than one year		
Trade debtors	<u>-</u>	<u>328,125</u>

	2014 £	2013 £
Due within one year		
Trade debtors	2,568,553	722,081
Other debtors	691,797	1,420,242
Prepayments and accrued income	<u>367,368</u>	<u>399,715</u>
	<u>3,627,718</u>	<u>2,542,038</u>

16. CREDITORS:

Amounts falling due within one year

	2014 £	2013 £
Net obligations under finance leases and hire purchase contracts	24,135	27,656
Trade creditors	2,221,898	1,111,774
Other taxation and social security	2,299,129	665,111
Other creditors	140,855	153,739
Accruals and deferred income	4,292,454	3,541,444
	<u>8,978,471</u>	<u>5,499,724</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2014**

**17. CREDITORS:
Amounts falling due after more than one year**

	2014 £	2013 £
Other loans	24,989,276	16,614,220
Net obligations under finance leases and hire purchase contracts	8,012	36,933
	<u>24,997,288</u>	<u>16,651,153</u>

Included within the above are amounts falling due as follows:

	2014 £	2013 £
Between two and five years		
Other loans	<u>24,989,276</u>	<u>16,614,220</u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2014 £	2013 £
Between one and five years	<u>8,012</u>	<u>36,933</u>

Other loans include £17,124,276 (2013: £8,749,167) related to a non-interest bearing loan repayable to AFC Bournemouth Enterprises Limited, the company's parent, and is repayable on 13 February 2018.

Other loans include £7,865,000 (2013: £7,527,000) related to a loan repayable to Wintel Petrochemicals Limited, a related party of the company. Interest on the loan is charged at 3%, it is unsecured and is repayable in October 2017.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2014**
18. PROVISIONS

	Pension obligations £	Other £	Total £
At 1 August 2013	207,453	620,000	827,453
Charged/(credited) to the Profit and Loss Account	75,930	(120,000)	(44,070)
Utilised in the year	(80,992)	(500,000)	(580,992)
Utilisation in the year relating to prior period contributions previously expensed	(29,050)	-	(29,050)
At 31 July 2014	<u>173,341</u>	<u>-</u>	<u>173,341</u>

Pension obligations

The company is advised only of its share of the deficit in the defined benefit section of the The Football League Pension and Life Assurance Scheme ("the Scheme"). The most recent valuation of the Scheme was at 31 August 2011 and indicated that the contributions required from the company towards making good this deficit was £207,453 at that date. The schedule of annual contributions agreed for the year and for each year until August 2019 is £30,372. After that annual contributions are forecast to fall to £17,964. A further contribution of £75,930 was requested by the Scheme in the year, of which £50,620 was paid in the year and £25,310 was accrued at the balance sheet date.

Other

At the start of the year other provisions included £350,000 in respect of an agreed payment to former shareholders of the football club on the club achieving promotion to the Championship. This was agreed and settled on 29 August 2013. Other provisions at the start of the year also included £270,000 of staff compensation costs for which the related matter has now been settled.

19. PENSION COMMITMENTS**Defined contribution**

The company participates in a number of defined contribution pension schemes on behalf of certain employees. The assets of these schemes are held separately from those of the company in independently administered funds. The charge for the year for schemes accounted for as defined contribution schemes was £165,663 (2013: £55,150).

The company had unpaid pension contributions at the balance sheet date of £14,727 (2013: £2,968).

20. OPERATING LEASE COMMITMENTS

At 31 July the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2014	2013	2014	2013
	£	£	£	£
Expiry date:				
Within 1 year	-	-	188,000	-
Between 2 and 5 years	-	-	46,812	13,608
After more than 5 years	370,746	370,746	-	-
	<u>370,746</u>	<u>370,746</u>	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2014**

21. CALLED UP SHARE CAPITAL

	2014 £	2013 £
Allotted, called up and fully paid		
14,710 (2013 - 7,410) Preference shares of £1,000 (2013 - £1,000) each	14,710,000	7,410,000
125,002 (2013 - 125,002) Ordinary A shares of £1 (2013 - £1) each	125,002	125,002
125,002 (2013 - 125,002) Ordinary B shares of £1 (2013 - £1) each	125,002	125,002
	<u>14,960,004</u>	<u>7,660,004</u>

On 21 January 2014 the company issued 750 Preference shares of £1,000 each for consideration of £750,000. Consideration was settled in cash.

On 30 January 2014 the company issued 1,000 Preference shares of £1,000 each for consideration of £1,000,000. Consideration was settled in cash.

On 17 February 2014 the company issued 1,400 Preference shares of £1,000 each for consideration of £1,400,000. Consideration was settled in cash.

On 14 March 2014 the company issued 1,500 Preference shares of £1,000 each for consideration of £1,500,000. Consideration was settled in cash.

On 16 April 2014 the company issued 1,150 Preference shares of £1,000 each for consideration of £1,150,000. Consideration was settled in cash.

On 16 May 2014 the company issued 1,500 Preference shares of £1,000 each for consideration of £1,500,000. Consideration was settled in cash.

All preference shares were issued to the company's parent.

The following preference shares were issued after the year-end:

On 19 September 2014 the company issued 1,600 Preference shares of £1,000 each for consideration of £1,600,000. Consideration was settled in cash.

On 17 October 2014 the company issued 1,800 Preference shares of £1,000 each for consideration of £1,800,000. Consideration was settled in cash.

On 11 November 2014 the company issued 1,000 Preference shares of £1,000 each for consideration of £1,000,000. Consideration was settled in cash.

Share rights

The Ordinary A shares and Ordinary B shares rank pari passu in all respects.

The Preference shares entitle the holders to receive notice of all general meetings but do not entitle the holders to attend or vote at any general meeting or to participation in the profits or assets of the company. On winding up or repayment of capital, holders of the Preference shares shall be entitled to repayment of the capital paid up in those shares. This payment will be made in priority to holders of Ordinary A shares or Ordinary B shares.

AFC BOURNEMOUTH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2014**

22. PROFIT AND LOSS ACCOUNT

	Profit and loss account £
At 1 August 2013	(19,726,230)
Loss for the financial year	(10,337,068)
	<u>(30,063,298)</u>
At 31 July 2014	<u>(30,063,298)</u>

23. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	2014 £	2013 £
Opening shareholders' deficit	(12,066,226)	(4,152,361)
Loss for the financial year	(10,337,068)	(15,323,865)
Shares issued during the year	7,300,000	7,410,000
	<u>(15,103,294)</u>	<u>(12,066,226)</u>
Closing shareholders' deficit	<u>(15,103,294)</u>	<u>(12,066,226)</u>

24. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Operating loss	(17,060,272)	(14,600,078)
Amortisation of intangible fixed assets	2,621,266	1,238,708
Depreciation of tangible fixed assets	352,522	162,102
Impairments of goodwill	848,942	-
Amounts written off investments	-	125,577
Loss on disposal of tangible fixed assets	28,875	6,143
Increase in stocks	(90,871)	(73,908)
Decrease/(increase) in debtors	1,031,773	(404,392)
Increase in creditors	1,655,549	1,791,331
(Decrease)/increase in provisions	(654,112)	340,000
	<u>(11,266,328)</u>	<u>(11,414,517)</u>
Net cash outflow from operating activities	<u>(11,266,328)</u>	<u>(11,414,517)</u>

25. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	168	2,495
Interest paid	(124,009)	(447,437)
Hire purchase interest	(7,249)	-
	<u>(131,090)</u>	<u>(444,942)</u>
Net cash outflow from returns on investments and servicing of finance	<u>(131,090)</u>	<u>(444,942)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2014**

25. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2014 £	2013 £
Capital expenditure and financial investment		
Purchase of intangible fixed assets	(6,276,347)	(2,568,670)
Sale of intangible fixed assets	5,599,000	34,213
Purchase of tangible fixed assets	(1,297,879)	(1,256,459)
	<u>(1,975,226)</u>	<u>(3,790,916)</u>
Net cash outflow from capital expenditure		
	2014 £	2013 £
Acquisitions and disposals		
Cash acquired on acquisition of business	82,617	-
Sale of fixed asset investments	13,001	-
	<u>95,618</u>	<u>-</u>
Net cash inflow from acquisitions and disposals		
	2014 £	2013 £
Financing		
Issue of new preference shares	7,300,000	7,410,000
Other new loans	8,375,056	9,272,220
Repayment of finance leases	(32,442)	(9,899)
	<u>15,642,614</u>	<u>16,672,321</u>
Net cash inflow from financing		

26. ANALYSIS OF CHANGES IN NET DEBT

	1 August 2013 £	Cash flow £	Other non-cash changes £	31 July 2014 £
Cash at bank and in hand	1,128,593	2,365,588	-	3,494,181
Debt:				
Finance leases	(64,589)	32,442	-	(32,147)
Debts falling due after more than one year	(16,614,220)	(8,375,056)	-	(24,989,276)
Net debt	<u>(15,550,216)</u>	<u>(5,977,026)</u>	<u>-</u>	<u>(21,527,242)</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2014

27. CONTINGENT LIABILITIES

Under the condition of certain transfer agreements in respect of players purchased, further transfer fees will be payable to the vendors in the event of players concerned making a certain number of First Team appearances or in the event of certain other future events specified in the transfer agreements. In accordance with the company's accounting policy for transfer fees, any additional fees which may be payable under these agreements will be accounted for in the year that it becomes probable that the number of appearances will be achieved or the specified future events will occur. The company's contingent liability for this is estimated to be £325,000 (2013: £540,500).

28. ACQUISITIONS

On 1 February 2014 the company acquired substantially all the net liabilities of Black Label Events (Bournemouth) Limited, a company engaged in the provision of hospitality services at Dean Court. Consideration was in the form of the forgiveness of a loan due to the company from Black Label Events (Bournemouth) Limited.

The directors have concluded that there is no difference between the book value and the provisional fair values of the assets and liabilities acquired.

	£
Tangible fixed assets	92,292
Inventory	51,640
Trade debtors	28,123
Other debtors and prepayments	11,204
Cash	82,617
Trade creditors	(140,007)
Accruals and other creditors	(56,037)
Other taxation and social security	(81,407)
Other creditors	(17,253)
Net liabilities acquired	(28,828)
Consideration being funded by inter-company loan forgiveness	398,352
Goodwill arising on acquisition	427,180

29. POST BALANCE SHEET EVENTS

As described in note 21 to the financial statements, the company issued 4,400 Preference shares of £1,000 each for total consideration of £4,400,000 to its parent.

30. CONTROLLING PARTY

The immediate parent company of the company is AFC Bournemouth Enterprises Limited, a company registered in The British Virgin Islands.

The ultimate controlling party is Mr M Demin.