

Company Registration No. 06632170 (England and Wales)

AFC BOURNEMOUTH LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2012

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AFC BOURNEMOUTH LIMITED

CONTENTS

	Page
Independent auditors' report	1
Abbreviated balance sheet	2
Notes to the abbreviated accounts	3 - 6

AFC BOURNEMOUTH LIMITED

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

We have examined the abbreviated accounts set out on pages 2 to 6, together with the financial statements of AFC Bournemouth Limited for the year ended 31 July 2012 prepared under section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Chapter 10 of Part 15 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts 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 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 accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 7 in the financial statements, which indicates the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern.



Mr C Tullett (Senior Statutory Auditor)
for and on behalf of Morris Lane

26 April 2013

Chartered Accountants
Statutory Auditor

31/33 Commercial Road
Poole
Dorset
BH14 0HU

AFC BOURNEMOUTH LIMITED

ABBREVIATED BALANCE SHEET

AS AT 31 JULY 2012

	Notes	£	2012 £	£	2011 £
Fixed assets					
Intangible assets	2		3,036,820		1,222,996
Tangible assets	2		1,590,585		481,559
Investments	2		125,576		-
			<u>4,752,981</u>		<u>1,704,555</u>
Current assets					
Stocks		94,161		71,937	
Debtors	3	2,465,771		1,305,240	
Cash at bank and in hand		106,648		44,678	
		<u>2,666,580</u>		<u>1,421,855</u>	
Creditors amounts falling due within one year		<u>(3,688,204)</u>		<u>(3,719,354)</u>	
Net current liabilities			<u>(1,021,624)</u>		<u>(2,297,499)</u>
Total assets less current liabilities			3,731,357		(592,944)
Creditors amounts falling due after more than one year	4		(7,396,265)		(16,342)
Provisions for liabilities			<u>(487,453)</u>		<u>(93,814)</u>
			<u>(4,152,361)</u>		<u>(703,100)</u>
Capital and reserves					
Called up share capital	6		250,004		250,003
Profit and loss account			(4,402,365)		(953,103)
Shareholders' funds			<u>(4,152,361)</u>		<u>(703,100)</u>

These abbreviated accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006

Approved by the Board for issue on 26.4.13

Mr E Mitchell
Director

Company Registration No. 06632170

AFC BOURNEMOUTH LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2012

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 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 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.

1.4 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 20 years

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Land and buildings Leasehold	5% straight line for car park and 15% for training pitches
Plant and machinery	15% reducing balance and 20% straight line
Fixtures, fittings & equipment	36 months straight line for IT equipment and 15% reducing balance for all other

1.6 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.

1.7 Investments

Fixed asset investments are stated at cost less provision for diminution in value

1.8 Stock

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items

AFC BOURNEMOUTH LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2012

1 Accounting policies

(Continued)

1.9 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

The company operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company.

The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

1.10 Cost of player registrations

The costs associated with acquiring 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 term of 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. Provision is made for any impairment and player registrations are written down for impairment 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. Remuneration of players is charged in accordance with the terms of the applicable contractual arrangements and any discretionary bonuses when there is a legal or constructive obligation.

AFC BOURNEMOUTH LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2012

2 Fixed assets

	Intangible assets £	Tangible assets £	Investments £	Total £
Cost				
At 1 August 2011	1,459,969	568,731	-	2,028,700
Additions	2,515,508	1,212,206	125,576	3,853,290
Disposals	(192,693)	(3,900)	-	(196,593)
At 31 July 2012	<u>3,782,784</u>	<u>1,777,037</u>	<u>125,576</u>	<u>5,685,397</u>
Depreciation				
At 1 August 2011	236,973	87,172	-	324,145
On disposals	(7,714)	(1,082)	-	(8,796)
Charge for the year	516,705	100,362	-	617,067
At 31 July 2012	<u>745,964</u>	<u>186,452</u>	<u>-</u>	<u>932,416</u>
Net book value				
At 31 July 2012	<u>3,036,820</u>	<u>1,590,585</u>	<u>125,576</u>	<u>4,752,981</u>
At 31 July 2011	<u>1,222,996</u>	<u>481,559</u>	<u>-</u>	<u>1,704,555</u>

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Class	Shares held	%
Subsidiary undertakings				
Poole Community Radio Ltd	England and Wales	Membership		100 00
The Bay Interactive Ltd	England and Wales	Ordinary		100 00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

	Principal activity	Capital and reserves 2012 £	Profit/(loss) for the year 2012 £
Poole Community Radio Ltd	Community radio broadcasting	(54,783)	(24,521)
The Bay Interactive Ltd	Sale of advertising	<u>2,696</u>	<u>10,390</u>

AFC BOURNEMOUTH LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2012

3 Debtors

Debtors include an amount of £546,875 (2011 - £656,250) which is due after more than one year

4 Creditors: amounts falling due after more than one year

The aggregate amount of creditors for which security has been given amounted to £6,000,000 (2011 £nil)

5 Contingent liabilities

Under the conditions 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 maximum potential liability is £696,810 (2011 £186,500)

The company has been served with a claim amounting to £355,000 plus costs (estimated at £200,000) from a former employee in respect of breach of contract arising out of termination of employment. The directors have obtained legal advice and are contesting the claim which they consider is without foundation. No provision has been made in the accounts in respect of the claim.

6 Share capital	2012 £	2011 £
Allotted, called up and fully paid		
125,002 Ordinary A shares of £1 each	125,002	250,003
125,002 Ordinary B shares of £1 each	125,002	-
	<u>250,004</u>	<u>250,003</u>

During the year the company allotted 1 Ordinary B share of £1 at par value

7 Going concern

As at 31 July 2012 there were doubts over the company's ability to pay some of its trade creditors and meet its other liabilities as they occurred. However, the directors consider that significant investment from a new shareholder has reduced the effect of this on the company's ability to continue as a going concern. As a result the directors have adopted the going concern basis of accounting.