

Company Registration No. 06632170 (England and Wales)

**AFC BOURNEMOUTH LIMITED**  
**ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 31 JULY 2013**

THURSDAY



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COMPANIES HOUSE

# AFC BOURNEMOUTH LIMITED

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# **AFC BOURNEMOUTH LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 JULY 2013**

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The directors present their report and financial statements for the year ended 31 July 2013.

#### **Principal activities and review of the business**

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

2012/2013 was undoubtedly a significant year for the Club, following promotion to the Championship from League One. We were also privileged to host Real Madrid in a pre-season friendly in July, which was an exciting and unprecedented opportunity for all involved.

In addition, the team benefited from the first season using the new training pitches; and the Club from the use of the newly developed car park, providing additional parking for matchdays. During the season, there was further significant investment in the club in the form of a new South Stand and the extension to the Club Shop. We are sure that our supporters will agree, that both these additions have contributed to the overall improved image and facilities at the Club.

The Company saw an increase in turnover from £4.17m in 11/12 to £5.18m in 12/13. However, there was a reported decrease in profit margin from 85.4% to 69.1% due to an increased cost of sale. Football wages continue to be the highest expense for the Club, being the main contributing factor to the significant increase in administrative expenses for the year.

Since the end of the financial year, the Club has seen a change in ownership, which also resulted in a newly appointed Chairman. Both of these significant events occurred with minimal disruption to the Club and with the view to further develop the Company. It is hoped that this will take the form of continued playing success and commercial activity.

The Club's future strategy is to become sustainable and forward-looking, implementing strategy that minimises both risk and exposure.

One of the key risks affecting the Company is the achievement of playing success in order to maintain the Club's Championship status. The Company seeks to reduce this risk through continued focus on playing staff and team management. Similarly, serious injury of key players continues to be a risk to team performance. The Directors aim to minimise this risk through further investment in sports science and improved training techniques.

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

To develop the Club's financial stability, the Directors have focussed on operational efficiencies to maximise cash flow and investment. In addition, improvements have been made through the implementation of new procedures and reporting, driving accuracy for decision making. It is also one of the Club's key priorities to ensure it meets its obligations to its creditors, with improved monitoring of payment days and ensuring negotiated credit terms with suppliers are met.

In addition, the Company has introduced improved budgeting techniques for the forthcoming season to further its plans to become less reliant on external financing. As the Club moves into the Championship for the forthcoming season, the Directors hope to continue with the success of 2012/2013.

#### **Results and dividends**

The results for the year are set out on page 6.

# **AFC BOURNEMOUTH LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 JULY 2013**

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### **Directors**

The following directors have held office since 1 August 2012:

Mr N Blake	
Mr E Mitchell	(Resigned 30 August 2013)
Mr J Mitchell	(Resigned 30 August 2013)
Mr R Mitchell	
Mr T Mitchell	
Mr J Mostyn	
Mr A Murry	(Appointed 27 November 2012)
Mr A Panferov	(Appointed 27 November 2012)
Mr M Ponomarev	(Appointed 27 November 2012)
Mr N Rothwell	
Mr S Sly	(Resigned 29 November 2012)

### **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.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

### **Disabled persons**

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 plan 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.

### **Auditors**

Morris Lane were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

# AFC BOURNEMOUTH LIMITED

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2013

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### Statement of directors' responsibilities

The directors are responsible for preparing 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 elected to prepare 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;
- 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.

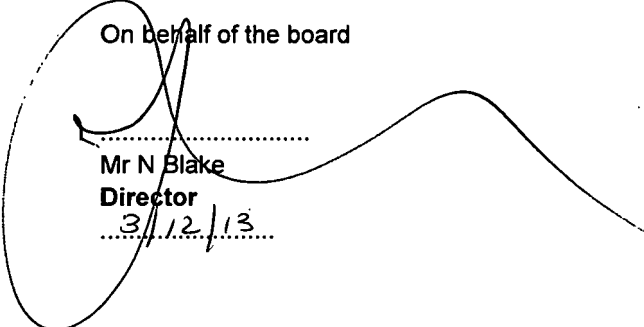
### Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

.....  
Mr N Blake  
Director

3/12/13  
.....



# AFC BOURNEMOUTH LIMITED

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

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We have examined the abbreviated accounts set out on pages 4 to 21, together with the financial statements of AFC Bournemouth Limited for the year ended 31 July 2013 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 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 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 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

### Other information

On 13/12/13 we reported, as auditors of AFC Bournemouth Limited, to the members on the financial statements prepared under section 396 of the Companies Act 2006 for the year ended 31 July 2013, and our report included the following paragraph:

### Emphasis of matter

Without qualifying our opinion, we draw attention to Note 26 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.

### Note 26 - Going concern

As at 31 July 2013 there were doubts over the company's ability to meet its liabilities as they occurred without the support of its parent company. The directors consider that this continued support and investment supports the company's ability to continue as a going concern. As a result the directors have adopted the going concern basis of accounting.



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

13 December 2013

Chartered Accountants  
Statutory Auditor

31/33 Commercial Road  
Poole  
Dorset  
BH14 0HU

# AFC BOURNEMOUTH LIMITED

## ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 2013

	Notes	2013 £	2012 £
Turnover		5,183,122	4,173,282
Other operating income less cost of sales		(1,442,720)	(543,387)
Administrative expenses		(17,732,774)	(8,346,496)
<b>Operating loss</b>	<b>2</b>	<b>(13,992,372)</b>	<b>(4,716,601)</b>
Profit (loss) on disposal of player registrations	<b>2</b>	(266,089)	1,479,185
Loans to subsidiaries written off		(132,130)	-
Contingency payment - non playing staff		(350,000)	-
<b>Loss on ordinary activities before interest</b>		<b>(14,740,591)</b>	<b>(3,237,416)</b>
Other interest receivable and similar income		2,495	35
Amounts written off investments	<b>4</b>	(125,576)	-
Interest payable and similar charges	<b>5</b>	(460,193)	(211,881)
<b>Loss on ordinary activities before taxation</b>		<b>(15,323,865)</b>	<b>(3,449,262)</b>
Tax on loss on ordinary activities	<b>6</b>	-	-
<b>Loss for the year</b>	<b>17</b>	<b>(15,323,865)</b>	<b>(3,449,262)</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

# AFC BOURNEMOUTH LIMITED

## ABBREVIATED BALANCE SHEET

AS AT 31 JULY 2013

	Notes	2013		2012	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	7	4,066,480		3,036,820	
Tangible assets	8	2,678,799		1,590,585	
Investments	9	-		125,576	
			<u>6,745,279</u>		<u>4,752,981</u>
<b>Current assets</b>					
Stocks	10	168,069		94,161	
Debtors: amounts falling due within one year	11	2,542,038		1,918,896	
Debtors: amounts falling due after more than one year	11	328,125		546,875	
Cash at bank and in hand		1,128,593		106,648	
			<u>4,166,825</u>		<u>2,666,580</u>
<b>Creditors: amounts falling due within one year</b>	12	(5,499,724)		(3,688,204)	
<b>Net current liabilities</b>			<u>(1,332,899)</u>		<u>(1,021,624)</u>
<b>Total assets less current liabilities</b>			<u>5,412,380</u>		<u>3,731,357</u>
<b>Creditors: amounts falling due after more than one year</b>	13		(16,651,153)		(7,396,265)
<b>Provisions for liabilities</b>	14		(827,453)		(487,453)
			<u>(12,066,226)</u>		<u>(4,152,361)</u>
<b>Capital and reserves</b>					
Called up share capital	16	7,660,004		250,004	
Profit and loss account	17	(19,726,230)		(4,402,365)	
<b>Shareholders' funds</b>	18		<u>(12,066,226)</u>		<u>(4,152,361)</u>

Approved by the Board and authorised for issue on 3/12/13

Mr N Blake  
Director

Company Registration No. 06632170



# AFC BOURNEMOUTH LIMITED

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 2013

	2013	2012
	£	£
<b>Net cash outflow from operating activities</b>	(11,414,518)	(4,928,957)
<b>Returns on investments and servicing of finance</b>		
Interest received	2,495	35
Interest paid	(447,437)	(211,881)
<b>Net cash outflow for returns on investments and servicing of finance</b>	(444,942)	(211,846)
<b>Capital expenditure</b>		
Payments to acquire intangible assets	(2,568,670)	(2,515,508)
Payments to acquire tangible assets	(1,256,459)	(1,212,206)
Payments to acquire investments	-	(125,576)
Receipts from sales of intangible assets	34,213	1,664,164
<b>Net cash inflow for capital expenditure</b>	(3,790,916)	(2,189,126)
<b>Net cash outflow before management of liquid resources and financing</b>	(15,650,376)	(7,329,929)
<b>Financing</b>		
Issue of ordinary share capital	-	1
Issue of preference share capital	7,410,000	-
<b>Issue of shares</b>	7,410,000	1
Other new long term loans	9,272,220	7,342,000
Capital element of hire purchase contracts	(9,899)	49,898
<b>Net cash inflow from financing</b>	16,672,321	7,391,899
<b>Increase in cash in the year</b>	1,021,945	61,970

# AFC BOURNEMOUTH LIMITED

## NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 2013

1 Reconciliation of operating loss to net cash inflow from operating activities	2013	2012
	£	£
Operating loss	(13,992,372)	(4,716,601)
Depreciation of tangible assets	162,102	100,362
Amortisation of intangible assets	1,238,708	516,705
Loss on disposal of tangible assets	6,143	2,818
Increase in stocks	(73,908)	(22,224)
Increase in debtors	(404,392)	(1,160,531)
Increase/(decrease) in creditors within one year	1,791,331	(43,125)
Increase in pension provision	-	113,639
Other reserve movement	340,000	280,000
Exceptional items non-cash movement	(482,130)	
<b>Net cash outflow from operating activities</b>	<b>(11,414,518)</b>	<b>(4,928,957)</b>

2 Analysis of net debt	1 August 2012	Cash flow	Other non- cash changes	31 July 2013
	£	£	£	£
Net cash:				
Cash at bank and in hand	106,648	1,021,945	-	1,128,593
Bank deposits	-	-	-	-
Debt:				
Finance leases	(74,488)	9,899	-	(64,589)
Debts falling due after one year	(7,342,000)	(9,272,220)	-	(16,614,220)
	(7,416,488)	(9,262,321)	-	(16,678,809)
<b>Net debt</b>	<b>(7,309,840)</b>	<b>(8,240,376)</b>	<b>-</b>	<b>(15,550,216)</b>

3 Reconciliation of net cash flow to movement in net debt	2013	2012
	£	£
Increase in cash in the year	1,021,945	61,970
Cash inflow from increase in debt and lease financing	(9,262,321)	(7,391,898)
<b>Movement in net debt in the year</b>	<b>(8,240,376)</b>	<b>(7,329,928)</b>
Opening net (debt)/funds	(7,309,840)	20,088
<b>Closing net debt</b>	<b>(15,550,216)</b>	<b>(7,309,840)</b>

# AFC BOURNEMOUTH LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 JULY 2013

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

#### 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 2013

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### 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 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

#### 1.11 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

#### 1.12 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 2013

<b>2</b>	<b>Operating loss</b>	<b>2013</b>	<b>2012</b>
		£	£
	Operating loss is stated after charging:		
	Amortisation of intangible assets -	1,238,708	516,705
	Depreciation of tangible assets	162,102	100,362
	Loss on foreign exchange transactions	798	-
	Operating lease rentals	443,560	544,166
		<u>          </u>	<u>          </u>
	<b>Auditors' remuneration</b>		
	Audit	16,035	15,000
	Tax services	1,445	1,500
	All other services	5,701	4,353
		<u>          </u>	<u>          </u>
		23,181	20,853
		<u>          </u>	<u>          </u>
<b>3</b>	<b>Investment income</b>	<b>2013</b>	<b>2012</b>
		£	£
	Bank interest	2,495	35
		<u>          </u>	<u>          </u>
		2,495	35
		<u>          </u>	<u>          </u>
<b>4</b>	<b>Amounts written off investments</b>	<b>2013</b>	<b>2012</b>
		£	£
	Amounts written off fixed asset investments:		
	- permanent diminution in value	125,576	-
		<u>          </u>	<u>          </u>
<b>5</b>	<b>Interest payable</b>	<b>2013</b>	<b>2012</b>
		£	£
	On amounts payable to group companies	105,374	-
	On bank loans and overdrafts	-	349
	Hire purchase interest	12,756	12,519
	Other interest	342,063	199,013
		<u>          </u>	<u>          </u>
		460,193	211,881
		<u>          </u>	<u>          </u>

# AFC BOURNEMOUTH LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2013

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6 Taxation	2013	2012
Total current tax	-	-
	<u>                    </u>	<u>                    </u>
<b>Factors affecting the tax charge for the year</b>		
Loss on ordinary activities before taxation	(15,323,865)	(3,449,262)
	<u>                    </u>	<u>                    </u>
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2012 - 20.00%)	(3,064,773)	(689,852)
	<u>                    </u>	<u>                    </u>
Effects of:		
Non deductible expenses	11,379	2,660
Depreciation add back	32,420	20,072
Capital allowances	(31,592)	(33,960)
Tax losses utilised	2,970,584	938,419
Chargeable disposals	-	(295,836)
Other tax adjustments	81,982	58,497
	<u>                    </u>	<u>                    </u>
	3,064,773	689,852
	<u>                    </u>	<u>                    </u>
<b>Current tax charge for the year</b>	-	-
	<u>                    </u>	<u>                    </u>

# AFC BOURNEMOUTH LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2013

### 7 Intangible fixed assets

	Player registration costs £	Goodwill £	Total £
<b>Cost</b>			
At 1 August 2012	2,577,155	1,205,629	3,782,784
Additions	2,568,670	-	2,568,670
Disposals	(364,469)	-	(364,469)
At 31 July 2013	<u>4,781,356</u>	<u>1,205,629</u>	<u>5,986,985</u>
<b>Amortisation</b>			
At 1 August 2012	509,840	236,125	745,965
Amortisation on disposals	(64,168)	-	(64,168)
Charge for the year	<u>1,178,427</u>	<u>60,281</u>	<u>1,238,708</u>
At 31 July 2013	<u>1,624,099</u>	<u>296,406</u>	<u>1,920,505</u>
<b>Net book value</b>			
At 31 July 2013	<u>3,157,257</u>	<u>909,223</u>	<u>4,066,480</u>
At 31 July 2012	<u>2,067,315</u>	<u>969,505</u>	<u>3,036,820</u>

The figures for 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.

# AFC BOURNEMOUTH LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2013

### 8 Tangible fixed assets

	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>				
At 1 August 2012	955,584	152,452	669,001	1,777,037
Additions	1,106,272	14,924	135,263	1,256,459
Disposals	-	-	(8,190)	(8,190)
At 31 July 2013	2,061,856	167,376	796,074	3,025,306
<b>Depreciation</b>				
At 1 August 2012	10,533	28,767	147,152	186,452
On disposals	-	-	(2,047)	(2,047)
Charge for the year	36,322	28,756	97,024	162,102
At 31 July 2013	46,855	57,523	242,129	346,507
<b>Net book value</b>				
At 31 July 2013	2,015,001	109,853	553,945	2,678,799
At 31 July 2012	945,051	123,685	521,849	1,590,585

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

	Plant and machinery £
<b>Net book values</b>	
At 31 July 2013	78,955
At 31 July 2012	89,316
<b>Depreciation charge for the year</b>	
At 31 July 2013	18,419
At 31 July 2012	6,555



# AFC BOURNEMOUTH LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2013

### 9 Fixed asset investments

	Unlisted investments £
<b>Cost</b>	
At 1 August 2012 & at 31 July 2013	125,576
<b>Provisions for diminution in value</b>	
At 1 August 2012	-
Charge for the year	125,576
At 31 July 2013	125,576
<b>Net book value</b>	
At 31 July 2013	-
At 31 July 2012	125,576

### 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 %
<b>Subsidiary undertakings</b>			
Poole Community Radio Limited	United Kingdom	Company limited by guarantee - sole member	100.00
The Bay Interactive Limited	United Kingdom	Ordinary	100.00

10 Stocks	2013 £	2012 £
Finished goods and goods for resale	168,069	94,161

# AFC BOURNEMOUTH LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2013

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<b>11 Debtors</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Trade debtors	1,050,206	1,071,131
Other debtors	1,420,242	1,236,465
Prepayments and accrued income	399,715	158,175
	<u>2,870,163</u>	<u>2,465,771</u>

Amounts falling due after more than one year and included in the debtors above are:

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Trade debtors	<u>328,125</u>	<u>546,875</u>

<b>12 Creditors: amounts falling due within one year</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Net obligations under hire purchase contracts	27,656	20,223
Trade creditors	1,111,774	1,219,176
Taxes and social security costs	665,111	160,223
Directors' current accounts	-	428,803
Other creditors	153,739	115,263
Accruals and deferred income	3,541,444	1,744,516
	<u>5,499,724</u>	<u>3,688,204</u>

# AFC BOURNEMOUTH LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2013

<b>13 Creditors: amounts falling due after more than one year</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Other loans	16,614,220	7,342,000
Net obligations under hire purchase contracts	36,933	54,265
	<u>16,651,153</u>	<u>7,396,265</u>
<b>Analysis of loans</b>		
Wholly repayable within five years	16,614,220	7,342,000
	<u>16,614,220</u>	<u>7,342,000</u>
<b>Loan maturity analysis</b>		
In more than two years but not more than five years	16,614,220	7,342,000
	<u>16,614,220</u>	<u>7,342,000</u>
<p>Included within other loans is an amount of £6,000,000 (2012: £6,000,000) that is secured by way of a fixed and floating legal charge and debenture over the assets of the company.</p>		
<b>Net obligations under hire purchase contracts</b>		
Repayable within one year	27,656	20,223
Repayable between one and five years	36,933	54,265
	<u>64,589</u>	<u>74,488</u>
Included in liabilities falling due within one year	(27,656)	(20,223)
	<u>36,933</u>	<u>54,265</u>

# AFC BOURNEMOUTH LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2013

### 14 Provisions for liabilities

	Pension obligations (see note 16) £	Other £	Total £
Balance at 1 August 2012	207,453	280,000	487,453
Profit and loss account	-	340,000	340,000
Balance at 31 July 2013	<u>207,453</u>	<u>620,000</u>	<u>827,453</u>

The most recent valuation of the defined benefit pension scheme that the company operates was at 1 September 2012. Contributions in the year totalled £28,369 (2012: £14,508). The agreed annual contribution for future years is £30,372. The company's share of the deficit of the scheme is £207,453 (2012: £207,453).

Other provisions includes £350,000 regarding an agreement to former shareholders on the football club achieving promotion. This has been settled and agreed after the year end on 29 August 2013. It also includes £270,000 of staff compensation costs agreed after the year end on 10 September 2013.

### 15 Pension and other post-retirement benefit commitments

#### Defined contribution

The company operates a defined contribution pension scheme on behalf of certain employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The annual pension commitment under this scheme is for contributions of £70,959 (2012: £30,988).

	2013 £	2012 £
Contributions payable by the company for the year	<u>55,150</u>	<u>35,285</u>

### 16 Share capital

	2013 £	2012 £
<b>Allotted, called up and fully paid</b>		
125,002 Ordinary A shares of £1 each	125,002	125,002
125,002 Ordinary B shares of £1 each	125,002	125,002
7,410 Preference shares of £1000 each	7,410,000	-
	<u>7,660,004</u>	<u>250,004</u>

During the year the company allotted 7,410 Preference shares of £1,000 each for cash at par value.

# AFC BOURNEMOUTH LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2013

### 17 Statement of movements on profit and loss account

	Profit and loss account
	£
Balance at 1 August 2012	(4,402,365)
Loss for the year	(15,323,865)
Balance at 31 July 2013	<u>(19,726,230)</u>

### 18 Reconciliation of movements in shareholders' funds

	2013 £	2012 £
Loss for the financial year	(15,323,865)	(3,449,262)
Proceeds from issue of shares	7,410,000	1
Net depletion in shareholders' funds	<u>(7,913,865)</u>	<u>(3,449,261)</u>
Opening shareholders' funds	(4,152,361)	(703,100)
Closing shareholders' funds	<u>(12,066,226)</u>	<u>(4,152,361)</u>

### 19 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 £540,500 (2012: £696,810).

# AFC BOURNEMOUTH LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2013

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### 20 Financial commitments

At 31 July 2013 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 July 2014:

	Land and buildings		Other	
	2013 £	2012 £	2013 £	2012 £
Operating leases which expire:				
Between two and five years	-	-	13,608	2,808
In over five years	252,535	343,082	-	-
	<u>252,535</u>	<u>343,082</u>	<u>13,608</u>	<u>2,808</u>
	<u><u>252,535</u></u>	<u><u>343,082</u></u>	<u><u>13,608</u></u>	<u><u>2,808</u></u>

### 21 Directors' remuneration

	2013 £	2012 £
Remuneration for qualifying services	386,664	240,552
Company pension contributions to defined contribution schemes	9,183	9,139
	<u>395,847</u>	<u>249,691</u>
	<u><u>395,847</u></u>	<u><u>249,691</u></u>
Remuneration disclosed above include the following amounts paid to the highest paid director:		
Remuneration for qualifying services	191,334	137,522
Company pension contributions to defined contribution schemes	4,000	5,391
	<u>195,334</u>	<u>142,913</u>
	<u><u>195,334</u></u>	<u><u>142,913</u></u>

# AFC BOURNEMOUTH LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2013

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### 22 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

	2013 Number	2012 Number
Full time and Playing Staff	80	71
School of Excellence	29	45
Matchday Staff	265	279
	<u>374</u>	<u>395</u>

#### Employment costs

	2013 £	2012 £
Wages and salaries	10,996,137	3,957,915
Social security costs	1,095,465	436,403
Other pension costs	55,150	35,285
	<u>12,146,752</u>	<u>4,429,603</u>

### 23 Post balance sheet events

#### Player transactions

Since the end of the financial year the company has contracted for the purchase of various players. Expenditure resulting from these transfers, taking into account the applicable levies and costs, is £3,240,109. These transfers will be accounted for in the year ending 31 July 2014.

#### Purchase of assets

Since the end of the financial year the company has incurred expenditure amounting to approximately £83,000 in respect of erecting a temporary South Stand at the Goldsands Stadium.

#### Interest on loans and Preference Shares

Since the end of the financial year it was resolved by the company's parent company to write off accrued interest on its loan to it totalling £215,707 at 30 September 2013 and the proposed dividends on its 6% Preference Shares totalling £401,704 at 30 September 2013. The interest rates on both the loan and the Preference Shares have been adjusted to 0% from 30 September 2013.

### 24 Going concern

As at 31 July 2013 there were doubts over the company's ability to meet its liabilities as they occurred without the support of its parent company. The directors consider that the continued support and investment supports the company's ability to continue as a going concern. As a result the directors have adopted the going concern basis of accounting.

# **AFC BOURNEMOUTH LIMITED**

## **NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 JULY 2013**

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### **25 Group accounts**

These accounts present information about the company as an individual and not abouts its group. Group accounts are not required in accordance with Companies Act 2006 s405 (2) which permits exclusion of a subsidiary if its inclusion is not material for giving a true and fair view. It is also dealt with and permitted by paragraph 78(a) of FRS 2. Therefore the results of Poole Community Radio Limited and The Bay Interactive Limited have been excluded on this basis.



# AFC BOURNEMOUTH LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2013

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#### 26 Related party relationships and transactions

As at 31 July 2013 the company owed Mr E Mitchell, a director, £338,053 (2012: £338,553). There was no fixed term for repayment of the loan. Interest is being charged at a rate of 6% per annum. During the year interest totalling £40,599 (2012: £20,543) was charged on the loan.

As at 31 July 2013 the company owed Mr J Mostyn, a director, £nil (2012: £90,250).

As at 31 July 2013 the company was owed by Seven Developments Limited, a company of which Mr E Mitchell is a director and shareholder, £145,572 (2012: £145,294). The loan is interest free and there was no fixed term for repayment.

As at 31 July 2013 the company was owed by Black Label Events (Bournemouth) Limited, a company of which Mr E Mitchell, Mr J Mostyn, Mr N Blake and Mr N Rothwell were directors, £522,307 (2012: £410,026). The loan is interest free and repayable on demand.

As at 31 July 2013 the company owed Wintel Petrochemicals Limited, a company which is controlled by Mr M Demin, £7,527,000 (2012: £7,342,000). Interest is payable at a rate of 3% per annum. During the year interest totalling £320,047 (2012: £180,442) was charged on the loan. The term of the loan is for three years from 5 October 2011.

As at 31 July 2013 the company owed its parent company AFCB Enterprises Limited, £8,749,167 (2012: £nil). Interest was payable at a rate of 6% per annum until 29 September 2013. The loan is interest free from 30 September 2013. During the year interest totalling £105,374 (2012: £nil) was charged on the loan. The term of the loan is for five years from 13 February 2013.

As at 31 July 2013 the company was owed by its subsidiary The Bay Interactive Limited £18,962 (2012: £17,283). The loan is interest free with no fixed term for repayment.

As at 31 July 2013 the company was owed by its subsidiary Poole Community Radio Limited £nil (2012: £41,622). An amount loaned of £132,130 was written off during the year.

The following related party transactions were all invoiced on normal commercial terms:-

During the year the company was charged (inclusive of VAT) by Seven Developments Limited £596,310 (2012: £1,041,031) and owed £nil (2012: £2,946) in this respect at the end of the year. The amounts charged were in respect of the cost of constructing the training pitches, and improvements to the car and lorry park, club shop and South Stand for the club, plus various overheads and recharged administrative expenses.

During the year the company was invoiced (inclusive of VAT) by Black Label Events (Bournemouth) Limited £410,048 (2012: £368,755) and owed £18,221 (2012: £32) in this respect at the end of the year. The amounts invoiced were in respect of the provision of catering and hospitality services.

During the year the company invoiced Poole Community Radio Limited £2,011 (2012: £nil) in respect of overheads recharged.

During the year the company invoiced Energy Consulting/Corporate IT Solutions, a company of which Mr M Ponomarev is a director, £200,000 (2012: £250,000) in respect of shirt sponsorship.

The company's ultimate parent company is AFCB Enterprises Limited, and the ultimate controlling party is Mr M Demin.