

Company Registration No. 00232010 (England and Wales)

WORCESTER CITY FOOTBALL CLUB LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020

WORCESTER CITY FOOTBALL CLUB LIMITED

COMPANY INFORMATION

Directors
Mr C Layland
Mr M J Pinches
Mr S P Goode
Mr D R Wood
Mr M J Davis
Mr L P Cox

Secretary Mr A N Jones

Company number 00232010

Registered office
34 High Street
Aldridge
Walsall
West Midlands
WS9 8LZ

Accountants
Edwards
34 High Street
Aldridge
Walsall
West Midlands
WS9 8LZ

WORCESTER CITY FOOTBALL CLUB LIMITED

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WORCESTER CITY FOOTBALL CLUB LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2020

The directors present their annual report and financial statements for the year ended 31 May 2020.

Review of business

The results for year ended 31 May 2020 are set out in the financial statements and reflect the seventh year of the company's life away from St Georges Lane following the move in June 2013. During the year under review, games were played at the ground of Bromsgrove Sporting FC.

A good run in the FA Vase did bring additional income, but the continued "exile" from Worcester meant the trend of reduced attendances and difficulties in raising sponsorship also continued to be an issue. A major reduction was seen in our Goldbond scheme income, particularly reflecting reduced community interest without a base in Worcester, but mainly due to the effects of the Covid-19 lockdown. The inability to make cash collections, the predominant method of receiving funds for the scheme, for the final three months of the financial period had a significant impact on the overall revenue for the football club. The curtailed finish to the season did also see reductions in spend for those weeks but whilst costs were reduced compared to 2018/19, these were not as great as the loss in income and the operating loss subsequently increased.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr C Layland
Mr M J Pinches
Mr S P Goode
Mr D R Wood
Mr M J Davis
Mr L P Cox

Future developments

The directors continue to work to find a way forward for the company to operate within a sustainable framework and from a local base. Discussions were held with numerous parties in respect of finding a suitable ground in Worcester and during the close season a long term arrangement was made for the club to play its football from the new facilities within the Worcestershire FC campus at Claines Lane. Whilst the directors would have preferred to have our own owned ground, this facility allows the club to return to Worcester and re-establish itself in its home city. The football club has therefore been able to start the 2020/21 campaign back in Worcester after 7 years away.

The restrictions caused by the Covid-19 induced rules have impacted on full use of the facilities, but the interest from the community in terms of both attendance and sponsorship/fund raising have vindicated the positive arguments for the return. The directors are confident that the return will allow the club to return to a break-even situation and solidify its status in the English football pyramid system, as a Community owned football club.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



Mr S P Goode
Director

30 November 2020

WORCESTER CITY FOOTBALL CLUB LIMITED

ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF WORCESTER CITY FOOTBALL CLUB LIMITED FOR THE YEAR ENDED 31 MAY 2020

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Worcester City Football Club Limited for the year ended 31 May 2020 which comprise the income statement, the statement of financial position, the statement of changes in equity and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance>.

This report is made solely to the Board of Directors of Worcester City Football Club Limited, as a body, in accordance with the terms of our engagement letter dated 9 November 2020. Our work has been undertaken solely to prepare for your approval the financial statements of Worcester City Football Club Limited and state those matters that we have agreed to state to the Board of Directors of Worcester City Football Club Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Worcester City Football Club Limited and its Board of Directors as a body, for our work or for this report.

It is your duty to ensure that Worcester City Football Club Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of Worcester City Football Club Limited. You consider that Worcester City Football Club Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Worcester City Football Club Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Edwards

30 November 2020

Chartered Accountants

34 High Street
Aldridge
Walsall
West Midlands
WS9 8LZ

WORCESTER CITY FOOTBALL CLUB LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 MAY 2020

	Notes	2020 £	2019 £
Revenue		94,451	105,619
Administrative expenses		(122,429)	(126,341)
		<hr/>	<hr/>
Loss before taxation		(27,978)	(20,722)
Taxation		-	-
		<hr/>	<hr/>
Loss for the financial year		(27,978)	(20,722)
		<hr/> <hr/>	<hr/> <hr/>

WORCESTER CITY FOOTBALL CLUB LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MAY 2020

	Notes	2020 £	£	2019 £	£
Current assets					
Inventories		97		622	
Trade and other receivables	3	470		1,587	
Cash and cash equivalents		93,189		119,827	
		<u>93,756</u>		<u>122,036</u>	
Current liabilities	4	(5,614)		(5,916)	
Net current assets			<u>88,142</u>		<u>116,120</u>
Equity					
Called up share capital	5	157,615		157,615	
Retained earnings		(69,473)		(41,495)	
Total equity			<u>88,142</u>		<u>116,120</u>

For the financial year ended 31 May 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 30 November 2020 and are signed on its behalf by:


Mr S P Goode
Director

Company Registration No. 00232010

WORCESTER CITY FOOTBALL CLUB LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAY 2020

	Notes	Share capital £	Retained earnings £	Total £
Balance at 1 June 2018		156,355	(20,773)	135,582
Year ended 31 May 2019:				
Loss and total comprehensive income for the year		-	(20,722)	(20,722)
Issue of share capital	5	1,260	-	1,260
Balance at 31 May 2019		157,615	(41,495)	116,120
Year ended 31 May 2020:				
Loss and total comprehensive income for the year		-	(27,978)	(27,978)
Balance at 31 May 2020		157,615	(69,473)	88,142

WORCESTER CITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2020

1 Accounting policies

Company information

Worcester City Football Club Limited is a private company limited by shares incorporated in England and Wales. The registered office is 34 High Street, Aldridge, Walsall, West Midlands, WS9 8LZ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

In June 2013, the company moved out of its ground in Worcester following its sale, and spent a number of years playing its home matches under a groundshare arrangement some distance away from its traditional base. From September 2020, the company began the new football season back in Worcester, at the new facilities within the Worcestershire FC campus at Claines Lane. The directors are confident that this move back will allow the club to return to a break-even position in the coming years.

The company has sustained a loss on its operations during the year under review and whilst further losses are expected to be incurred in the current year, the situation is then predicted to stabilise to break-even. The company has significant cash reserves, principally derived from the ground disposal, and whilst these have been depleted quite rapidly, that rate has decreased in recent seasons. The directors have taken steps to reduce the losses and the move back to Worcester has opened up new sources of sponsorship and other revenue flows. Nevertheless, these factors represent material uncertainties which cast doubt on the company's ability to continue as a going concern in the years to come, but after making full enquiries and considering these uncertainties, the directors consider it appropriate to prepare the financial statements on a going concern basis for this year. Further information in respect of this is set out in the directors' report.

1.3 Revenue

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. Generally, income is recognised in the accounting period to which it relates.

1.4 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

WORCESTER CITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2020

1 Accounting policies

(Continued)

1.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.8 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

WORCESTER CITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2020

1 Accounting policies

(Continued)

1.9 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020 Number	2019 Number
Total	21	21

3 Trade and other receivables

	2020 £	2019 £
Amounts falling due within one year:		
Other receivables	470	1,587

4 Current liabilities

	2020 £	2019 £
Trade payables	42	536
Taxation and social security	192	212
Other payables	5,380	5,168
	5,614	5,916

5 Called up share capital

	2020 £	2019 £
Ordinary share capital Issued and fully paid		
157,615 (2019 - 157,615) Ordinary shares of £1 each	157,615	157,615
	157,615	157,615

6 Controlling party

There was no individual controlling party during the current or previous financial years.

