

Company Registration No. 00232010 (England and Wales)

WORCESTER CITY FOOTBALL CLUB LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2018

WORCESTER CITY FOOTBALL CLUB LIMITED

COMPANY INFORMATION

Directors	Mr C Layland	
	Mr M J Pinches	
	Mr S P Goode	(Appointed 1 August 2018)
	Mr S P Gregory	(Appointed 1 August 2018)
	Mr D R Wood	(Appointed 1 August 2018)
	Mr T C Swan	(Appointed 1 August 2018)

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

CONTENTS

	Page
Directors' report	1 - 2
Directors' responsibilities statement	3
Accountants' report	4
Income statement	5
Statement of financial position	6
Statement of changes in equity	7
Notes to the financial statements	8 - 12

WORCESTER CITY FOOTBALL CLUB LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2018

The directors present their annual report and financial statements for the year ended 31 May 2018.

Review of business

The results for the year ended 31 May 2018 are set out in the financial statements and reflect the fifth year of the company's life away from St George's Lane following the move in June 2013. During the year under review, games were played at the ground of Bromsgrove Sporting FC.

It became evident that the costs of retaining the club status at Step 2 of the non-league pyramid was no longer sustainable and whilst it was recognised that this would mean that significant capital grants towards a new stadium would no longer be available, the decision was made to resign from the National League. As the team was also in a relegation position, the football team commenced 2017/18 season in the Midland Football League, at Step 5 in the pyramid. The income streams from ticket sales were much reduced, however the expenditure, in particular wages costs, were also significantly reduced resulting in an improved trading situation albeit running at a loss.

Directors

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

Mr A W G Hampson	(Resigned 1 August 2018)
Mr J D Murphy	(Resigned 26 June 2017)
Mr C Layland	
Mr M J Pinches	
Mr M Wilcox	(Resigned 24 July 2018)
Mr K Preece	(Appointed 6 November 2017 and resigned 1 March 2018)
Mr S P Goode	(Appointed 1 August 2018)
Mr S P Gregory	(Appointed 1 August 2018)
Mr D R Wood	(Appointed 1 August 2018)
Mr T C Swan	(Appointed 1 August 2018)

Future developments

Since the year end there have been a number of changes within the Board of Directors and the unsatisfactory relationship between the club and the Supporters Trust has been resolved. This has led to a renewed vigour in fundraising activities and match day support and, together with continued action to reduce costs, means that the level of trading losses have been significantly reduced. The directors are confident that they can move towards a break-even position and thereby stop the depletion of the reserves that has been on-going since the move away from St Georges Lane. The directors recognise that the likelihood is that games will continue to be played away from its traditional base for a number of years and that that this places additional strains on the ability to reach a position of financial neutrality on the trading side.

The directors are committed to bringing the home ground back to Worcester. Whilst alternatives to Perdiswell were explored those projects could not be pursued, but the Supporters Trust were successful in their appeal on their planning application for a stadium at Perdiswell and the club will work with the Trust with the aim of bringing that plan to fruition. Capital sums that will need to be raised for the project are significant and several such streams have been identified; consideration will be given to altering the corporate structure of the club in order to facilitate access to external capital not presently available.

WORCESTER CITY FOOTBALL CLUB LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

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

3 December 2018

WORCESTER CITY FOOTBALL CLUB LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MAY 2018

The directors are responsible for preparing the annual 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.

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 2018

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 2018 which comprise the income statement, the statement of financial position 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 3 December 2018. 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

3 December 2018

Chartered Accountants

34 High Street
Aldridge
Walsall
West Midlands
WS9 8LZ

WORCESTER CITY FOOTBALL CLUB LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 MAY 2018

	Notes	2018 £	2017 £
Revenue		114,117	224,436
Administrative expenses		(185,252)	(515,633)
Loss before taxation		<u>(71,135)</u>	<u>(291,197)</u>
Taxation		-	-
Loss for the financial year		<u><u>(71,135)</u></u>	<u><u>(291,197)</u></u>

WORCESTER CITY FOOTBALL CLUB LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MAY 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Property, plant and equipment	3		-		250
Current assets					
Inventories		1,231		908	
Trade and other receivables	4	623		15,003	
Cash and cash equivalents		146,112		213,676	
		<u>147,966</u>		<u>229,587</u>	
Current liabilities	5	(12,384)		(23,120)	
Net current assets			135,582		206,467
Total assets less current liabilities			<u>135,582</u>		<u>206,717</u>
Equity					
Called up share capital	6		156,355		156,355
Retained earnings			(20,773)		50,362
Total equity			<u>135,582</u>		<u>206,717</u>

For the financial year ended 31 May 2018 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 3 December 2018 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 2018

	Notes	Share capital £	Own shares £	Retained earnings £	Total £
Balance at 1 June 2016		155,155	143,130	198,429	496,714
Year ended 31 May 2017:					
Loss and total comprehensive income for the year		-	-	(291,197)	(291,197)
Issue of share capital	6	1,200	-	-	1,200
Transfers		-	-	143,130	143,130
Other movements		-	(143,130)	-	(143,130)
Balance at 31 May 2017		<u>156,355</u>	<u>-</u>	<u>50,362</u>	<u>206,717</u>
Year ended 31 May 2018:					
Loss and total comprehensive income for the year		-	-	(71,135)	(71,135)
Balance at 31 May 2018		<u><u>156,355</u></u>	<u><u>-</u></u>	<u><u>(20,773)</u></u>	<u><u>135,582</u></u>

WORCESTER CITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2018

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 is at present playing its home matches under a groundshare arrangement some distance away from its traditional base. There can therefore be no guarantee that attendances will continue at sustainable levels and furthermore, factors such as team performance and poor weather in the future may have a more detrimental effect on the number of people attending games than might be the case if they were played locally. The directors are committed to bringing the home ground back to Worcester. However, at the present time, there is no firm indication of when this is likely to happen.

The company has sustained a loss on its operations during the year under review and further losses are expected to be incurred in the current and future years. The company received the balance of sale monies from the disposal of its ground in 2014 but these have been depleted quite rapidly as they provide the only means of covering ongoing losses year on year, in the absence of new sources of sponsorship or other income. The directors have taken steps to reduce the losses but 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 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably.

WORCESTER CITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

1 Accounting policies

(Continued)

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Development costs	Written off in the period to which it relates
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1.5 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Motor vehicles	50% reducing balance
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Impairment of non-current assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.7 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.

1.8 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.

1.9 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.

WORCESTER CITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

1 Accounting policies

(Continued)

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.

1.10 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.

1.11 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.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 20 (2017 - 27).

WORCESTER CITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2018

3	Property, plant and equipment	Plant and machinery etc	
		£	
	Cost		
	At 1 June 2017 and 31 May 2018		500

	Depreciation and impairment		
	At 1 June 2017		250
	Depreciation charged in the year		250

	At 31 May 2018		500

	Carrying amount		
	At 31 May 2018		-

	At 31 May 2017		250
			=====
4	Trade and other receivables	2018	2017
		£	£
	Amounts falling due within one year:		
	Trade receivables	-	1,540
	Other receivables	623	13,463
		-----	-----
		623	15,003
		=====	=====
5	Current liabilities	2018	2017
		£	£
	Trade payables	3,537	1
	Taxation and social security	1,256	3,345
	Other payables	7,591	19,774
		-----	-----
		12,384	23,120
		=====	=====
6	Called up share capital	2018	2017
		£	£
	Ordinary share capital		
	Issued and fully paid		
	156,355 (2017 - 156,355) Ordinary shares of £1 each	156,355	156,355
		-----	-----
		156,355	156,355
		=====	=====

WORCESTER CITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

7 Operating lease commitments

Lessee

The company has entered into a licence agreement for the use of the Victoria Ground in Bromsgrove on match days. The licence covers the period from 1 June 2018 to 31 May 2019, with an option to extend the term for a further year after that. It involves the annual cost of £10,500 excluding VAT each. These amounts exclude the costs of stewarding and other support on match days.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2018	2017
£	£
10,500	17,500
<u>10,500</u>	<u>17,500</u>

8 Related party transactions

Staff costs include the payment of a salary totalling £676 (2017 - £8,983) to Mr J D Murphy in his capacity of football secretary. Mr J D Murphy was also a director of the company until his resignation on the 26 June 2017.

Staff costs also include the payment of a salary to Mr K Preece in his capacity of team manager. For the period between 6 November 2017 to 1 March 2018 when he was a director, this amounted to £1,919 (2017 - £Nil).

9 Controlling party

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