

COLCHESTER COMMUNITY STADIUM LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

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FOR THE YEAR ENDED 31 MARCH 2013

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COLCHESTER COMMUNITY STADIUM LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2013**

DIRECTORS:

C M Gilham
G P Leaf
D C Murthwaite
A R Pritchard
Cllr A Turrell
R A Cowling
Cllr C M C Hunt

REGISTERED OFFICE:

PO Box 885 Town Hall
High Street
Colchester
Essex
CO1 1ZE

REGISTERED NUMBER:

06867951 (England and Wales)

AUDITORS:

Baker Chapman & Bussey
Statutory Auditor
3 North Hill
Colchester
Essex
CO1 1DZ

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2013**

The directors present their report with the financial statements of the company for the year ended 31 March 2013.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of providing strategic management oversight and overall management of the Weston Homes Community Stadium. The company also acted as landlord to the two principle tenants, Colchester United Football Club and Colchester United Community Sports Trust.

The company is managed by its board of directors who meet regularly throughout the financial year. The board of directors consists of five representatives from key stakeholders in the community stadium together with three independents, including the Chair and Chief Executive. Specifically, the stakeholders represented are from Colchester Borough Council (CBC) and Colchester United Football Club ("the Club").

REVIEW OF BUSINESS

The directors are pleased with the continued development of the Weston Homes Community Stadium which has been used throughout the year for a wide variety of community activities and commercial events in addition to providing an excellent 10,000 seat football stadium for the Club.

The stadium also provided office accommodation for the Club and Sports Trust including a separate dedicated community space and two 5-a-side football pitches.

The directors are constantly working towards improving the activity levels and utilisation of the stadium and, as such, are currently reviewing a number of community and business opportunities to further enhance the stadium's use.

The directors consider the stadium to be an excellent facility for the residents of Colchester and the wider community.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2012 to the date of this report.

C M Gilham
G P Leaf
D C Murthwaite
A R Pritchard
Cllr A Turrell
R A Cowling
Cllr C M C Hunt

Other changes in directors holding office are as follows:

Mrs L E Bamford - resigned 20 December 2012

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 International Financial Reporting Standards as adopted by the European Union. 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.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2013**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

C M Gilham - Director

9 May 2013

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF COLCHESTER COMMUNITY STADIUM LIMITED

We have audited the financial statements of Colchester Community Stadium Limited for the year ended 31 March 2013 on pages five to sixteen. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Report of the Directors.

Jacqueline Frost (Senior Statutory Auditor)
for and on behalf of Baker Chapman & Bussey
Statutory Auditor
3 North Hill
Colchester
Essex
CO1 1DZ

16 May 2013

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2013

	Notes	2013 £	2012 £
CONTINUING OPERATIONS			
Revenue	3	362,256	363,750
Administrative expenses		<u>(342,960)</u>	<u>(340,489)</u>
OPERATING PROFIT		19,296	23,261
Finance costs	5	<u>(4,847)</u>	<u>(4,964)</u>
PROFIT BEFORE INCOME TAX	6	14,449	18,297
Income tax	7	<u>(5,291)</u>	<u>(5,659)</u>
PROFIT FOR THE YEAR		9,158	12,638
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>9,158</u>	<u>12,638</u>

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
31 MARCH 2013

	Notes	2013 £	2012 £
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	<u>98,000</u>	<u>110,000</u>
CURRENT ASSETS			
Trade and other receivables	9	<u>179,105</u>	175,803
Cash and cash equivalents	10	<u>53,472</u>	<u>53,207</u>
		<u>232,577</u>	<u>229,010</u>
TOTAL ASSETS		<u>330,577</u>	<u>339,010</u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	11	<u>1</u>	1
Retained earnings	12	<u>30,656</u>	<u>21,498</u>
TOTAL EQUITY		<u>30,657</u>	<u>21,499</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities - borrowings			
Interest bearing loans and borrowings	14	<u>97,133</u>	<u>115,011</u>
CURRENT LIABILITIES			
Trade and other payables	13	<u>179,615</u>	179,331
Financial liabilities - borrowings			
Interest bearing loans and borrowings	14	<u>17,882</u>	17,510
Tax payable		<u>5,290</u>	<u>5,659</u>
		<u>202,787</u>	<u>202,500</u>
TOTAL LIABILITIES		<u>299,920</u>	<u>317,511</u>
TOTAL EQUITY AND LIABILITIES		<u>330,577</u>	<u>339,010</u>

The financial statements were approved by the Board of Directors on 9 May 2013 and were signed on its behalf by:

G P Leaf - Director

C M Gilham - Director

The notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2013

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2011	1	8,860	8,861
Changes in equity			
Total comprehensive income	<u>-</u>	<u>12,638</u>	<u>12,638</u>
Balance at 31 March 2012	<u>1</u>	<u>21,498</u>	<u>21,499</u>
Changes in equity			
Total comprehensive income	<u>-</u>	<u>9,158</u>	<u>9,158</u>
Balance at 31 March 2013	<u><u>1</u></u>	<u><u>30,656</u></u>	<u><u>30,657</u></u>

The notes form part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2013

		2013 £	2012 £
Cash flows from operating activities			
Cash generated from operations	1	28,278	47,920
Interest paid		(4,847)	(4,964)
Tax paid		<u>(5,660)</u>	<u>(2,355)</u>
Net cash from operating activities		<u>17,771</u>	<u>40,601</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		<u>-</u>	<u>(120,000)</u>
Net cash from investing activities		<u>-</u>	<u>(120,000)</u>
Cash flows from financing activities			
New loans in year		-	120,000
Loan repayments in year		<u>(17,506)</u>	<u>(15,479)</u>
Net cash from financing activities		<u>(17,506)</u>	<u>104,521</u>
Increase in cash and cash equivalents			
Cash and cash equivalents at beginning of year	2	<u>53,207</u>	<u>28,085</u>
Cash and cash equivalents at end of year	2	<u>53,472</u>	<u>53,207</u>

The notes form part of these financial statements

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2013**

1. RECONCILIATION OF PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	2013	2012
	£	£
Profit before income tax	14,449	18,297
Depreciation charges	12,000	10,000
Finance costs	<u>4,847</u>	<u>4,964</u>
	31,296	33,261
(Increase)/decrease in trade and other receivables	(3,302)	14,433
Increase in trade and other payables	<u>284</u>	<u>226</u>
Cash generated from operations	<u><u>28,278</u></u>	<u><u>47,920</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the statement of cash flow in respect of cash and cash equivalents are in respect of these statement of financial position amounts:

Year ended 31 March 2013

	31.3.13	1.4.12
	£	£
Cash and cash equivalents	<u>53,472</u>	<u>53,207</u>

Year ended 31 March 2012

	31.3.12	1.4.11
	£	£
Cash and cash equivalents	<u>53,207</u>	<u>28,085</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

1. AUTHORISATION OF FINANCIAL STATEMENTS

The company's financial statements for the year were authorised for issue on 9th May 2013 and the statement of financial position signed on the board's behalf by Graham Leaf and Clive Gilham.

Colchester Community Stadium Limited is a limited company incorporated and domiciled in England & Wales.

2. ACCOUNTING POLICIES

Basis of preparation & statement of compliance with IFRSs.

The company's financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006.

The financial statements are presented in sterling, not rounded and are prepared under the historical cost convention.

Revenue recognition

Revenue represents net invoiced rents, excluding value added tax and net of discounts. Rents are taken to revenue for the period to which they relate.

Property, plant and equipment

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property - 10% on cost

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the period of the lease.

Interest expense & borrowing costs

All borrowing costs are recognised in the profit or loss in the period in which they are incurred.

Interest expense is recognised as interest accrues, using the effective interest rate method, to the net carrying amount of the financial liability.

Effective interest method

The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability to that asset or liability's net carrying amount.

Loan and other receivables

Loans and other receivables (including trade and other receivables, and bank balances) are initially recognised at original invoice amount (subsequently measured at amortised cost using the effective interest method) less any allowances for any uncollectible or impaired amounts.

Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

3. SEGMENTAL REPORTING

The company has one main business segment, that of providing strategic management oversight and overall management of Weston Homes Community Stadium, including acting as landlord to the two principle tenants. As a result, no additional business segment information is required to be provided. It operates in one geographical segment, and accordingly no geographical segment information is required to be provided.

4. EMPLOYEES AND DIRECTORS

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2013

Included with in the profit/(loss) before income tax is:

	Year ended 31.3.11 £	Period 2.4.09 to 31.3.10 £
Directors' remuneration and other benefits etc	<u>35,250</u>	<u>29,250</u>

Other than the above costs the company had no wages and salaries.

5. NET FINANCE COSTS

	2013 £	2012 £
Finance costs:		
Other loan interest	<u>4,847</u>	<u>4,964</u>

6. PROFIT BEFORE INCOME TAX

The profit before income tax is stated after charging:

	Year Ended 31.3.13 £	Year ended 31.3.12 £
Auditors' remuneration	<u>1,460</u>	<u>1,700</u>

7. INCOME TAX

Analysis of tax expense

	2013 £	2012 £
Current tax:		
Tax	5,290	5,659
Under provision prior year	<u>1</u>	<u>-</u>
Total tax expense in statement of comprehensive income	<u>5,291</u>	<u>5,659</u>

Factors affecting the tax expense

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2013 £	2012 £
Profit on ordinary activities before income tax	<u>14,449</u>	<u>18,297</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2012 - 20%)	2,890	3,659
Effects of:		
Depreciation in excess of capital allowances	2,400	2,000
Under provision prior year	<u>1</u>	<u>-</u>
Tax expense	<u>5,291</u>	<u>5,659</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2013

8. PROPERTY, PLANT AND EQUIPMENT

	Improvements to property £
COST	
At 1 April 2012 and 31 March 2013	<u>120,000</u>
DEPRECIATION	
At 1 April 2012	10,000
Charge for year	<u>12,000</u>
At 31 March 2013	<u>22,000</u>
NET BOOK VALUE	
At 31 March 2013	<u>98,000</u>
At 31 March 2012	<u>110,000</u>

9. TRADE AND OTHER RECEIVABLES

	2013 £	2012 £
Current:		
Trade debtors	109,049	105,747
Called up share capital not paid	1	1
Prepayments	<u>70,055</u>	<u>70,055</u>
	<u>179,105</u>	<u>175,803</u>

10. CASH AND CASH EQUIVALENTS

	2013 £	2012 £
Bank deposit account	1,002	1,002
Bank accounts	<u>52,470</u>	<u>52,205</u>
	<u>53,472</u>	<u>53,207</u>

11. CALLED UP SHARE CAPITAL

Allotted and issued:			2013	2012
Number:	Class:	Nominal value:	£	£
1	Ordinary	£1	<u>1</u>	<u>1</u>

12. RESERVES

	Retained earnings £
At 1 April 2012	21,498
Profit for the year	<u>9,158</u>
At 31 March 2013	<u>30,656</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2013

13. TRADE AND OTHER PAYABLES

	2013 £	2012 £
Current:		
Trade creditors	91,200	91,200
Accruals and deferred income	86,072	85,544
VAT	<u>2,343</u>	<u>2,587</u>
	<u>179,615</u>	<u>179,331</u>

14. FINANCIAL LIABILITIES - BORROWINGS

	2013 £	2012 £
Current:		
Other loans	<u>17,882</u>	<u>17,510</u>
Non-current:		
Other loans	<u>97,133</u>	<u>115,011</u>

Terms and debt repayment schedule

	1 year or less £	1-2 years £	2-5 years £	More than 5 years £	Totals £
Other loans	<u>17,882</u>	<u>18,269</u>	<u>36,270</u>	<u>42,594</u>	<u>115,015</u>

Included in other loans is a loan in respect of an agreement dated 1 July 2009 and repayable over 5 years. The initial interest rate was 6% until 29 January 2010, to be reviewed annually thereafter. The current interest rate is 6%.

Also included in other loans are two loans in respect of agreements dated 16 May 2011 and repayable over ten years. Interest is chargeable on the loan at 3% above UK base rates.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2013

15. OTHER FINANCIAL COMMITMENTS

Commitments under operating leases the company as lessee:

	Year ended 31.3.13 £	Year ended 31.03.12 £
Minimum lease payments under operating leases recognised as an expenses during the year	<u>300,000</u>	<u>300,000</u>

The agreement above is in respect of a 125 year lease initially at £300,000 per annum. The lease is drafted but currently unsigned, however, the stadium is currently being operated under license on the same terms as the draft leases.

Commitments under operating leases the company as lessor:

	Year ended 31.3.13 £	Year ended 31.3.12 £
Minimum lease receipts under operating leases recognised as revenue during the year	<u>323,881</u>	<u>363,750</u>

All the leases are currently drafted but unsigned, however, the stadium is currently being operated under license on the same terms as the draft leases. The draft lease commitments are as follows:

	Term	InitialAnnual rent
Colchester United Football Club	125 years	£300,000

On 20th December 2012 the board agreed that Colchester United Community Sports Trust should be allowed to withdraw from the Community Stadium with effect from 31st December 2012. Colchester Borough Council rented the premises previously occupied the Trust until 31st March 2013, at which point Colchester United Football Club took over the premises under a six month agreement.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2013

16. RELATED PARTY DISCLOSURES

During the period the company paid £12,000 (2012: £12,000) to Straight Bat (UK) Limited, a company controlled by Clive Gilham, in respect of the supply of services of the Chief Executive. At the period end the company owed Straight Bat (UK) Ltd £1,200 (2012: £1,200).

The other independent directors, Graham Leaf and David Murthwaite, have been paid fees of £6,000 and £7,500 (2012: £6,000 and £7,500) respectively.

Included in other creditors is a working capital loan of £14,000 (2012: £21,000) from Colchester Borough Council. The loan is interest bearing and is repayable in instalments of £7,000. Interest of £1,111 (2012: £1,575) has been charged in the year.

Also included in other creditors is a loan of £50,507 (2012: £55,760) from Colchester Borough Council. The loan is interest bearing at 3% above UK base rate and is repayable in instalments of £594. Interest of £1,868 (2012: £1,694) has been charged in the year.

During the year the company charged Colchester Borough Council £6,375 for rent of premises and community space. In addition, Colchester Borough Council charged the company rent of £300,000 (2012: £300,000). At the year end the company owed Colchester Borough Council £90,000 (2012: £90,000).

During the period the company charged Colchester United Football Club, an entity controlled by Robbie Cowling, rent of £300,000 (2012: £300,000) and non match day income of £30,000 (2012: £30,000). At the year end the company was owed £109,050 (2012: £99,000) by Colchester United Football Club.

Included in other creditors is a loan of £50,507 (2012: £55,760) from Colchester United Football Club. The loan is interest bearing at 3% above base rate and is repayable in instalments of £594. Interest of £1,868 (2012: £1,694) has been charged in the year.

In addition, during the period the company charged Colchester United Community Sports Trust, a company whose directors include Linda Bamford, £13,378 and £12,503 (2012: £18,750 and £15,000) for hire of community space and premises respectively. At the period end the company was owed £3,072 (2012: £6,747) by Colchester United Community Sports Trust. A provision of £3,072 has been made against this debt.

17. ULTIMATE CONTROLLING PARTY

The company's ultimate controlling party is Colchester Borough Council.

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013	2012
	£	£
Profit for the financial year	<u>9,158</u>	<u>12,638</u>
Net addition to shareholders' funds	9,158	12,638
Opening shareholders' funds	<u>21,499</u>	<u>8,861</u>
Closing shareholders' funds	<u>30,657</u>	<u>21,499</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2013**

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company is exposed through its operations to the following risks:

Credit risk

Credit risk arises principally from the company's trade and other receivables and cash at bank. The company uses a reputable bank and trades only with recognised, credit worthy customers. Balances are regularly checked to ensure risk of exposure to bad debts is minimised.

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The only risks are in respect of the loans from Colchester Borough Council and Colchester United Football Club and any risks are considered immaterial.

Liquidity risk

Liquidity risk arises from the company's management of working capital and repayments of its liabilities. Management of risks is managed by monitoring budgets and actual cash flows.

Capital management

The objective of the company's capital management is to safeguard the entity's ability to continue as a going concern.

20. FAIR VALUES

The fair values of the financial assets and liabilities as at 31 March 2013 and 31 March 2012 are not materially different from their book values.

21. ACCOUNTING ESTIMATES AND JUDGEMENTS

Certain critical accounting judgements made in applying the company's accounting policies are described below:

Useful life of property, plant and equipment

Property, plant and equipment are amortised or depreciated over their useful lives. Useful lives are based on management estimates that the assets will generate revenue, which are periodically reviewed for continued appropriateness.