

COLCHESTER COMMUNITY STADIUM LIMITED
STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

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FOR THE YEAR ENDED 31 MARCH 2019

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COLCHESTER COMMUNITY STADIUM LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2019**

DIRECTORS:

C M Gilham
G P Leaf
D C Murthwaite
R A Cowling
I W Vipond
N J Barlow

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
Chartered Accountants
3 North Hill
Colchester
Essex
CO1 1DZ

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2019**

The directors present their strategic report for the year ended 31 March 2019.

REVIEW OF BUSINESS

After ten years sponsored by Weston Homes, in June 2018 the official name of the Community Stadium changed to the JobServe Community Stadium following a tender process. The directors continue to be pleased with the overall diversity, range and scale of usage of the JobServe Community Stadium ("the Community Stadium") throughout this financial year.

Colchester United Football Club ("the Club"), our tenant, played their professional football matches here at the Community Stadium in front of crowds totalling almost 100,000 fans. Importantly the Club also manages and operates the whole Community Stadium on our behalf on all non-match days too, through a long-term service agreement, and this generated additional commercial income to us of £44,097 this financial year. This increase was partly due to organic growth and partly due to the application of IFRS15 which means that we now recognise revenue on current service performance as we go along and so now include a catch-up of £25,000 revenue for the most recent six months. The underlying trend was one of growth reflecting higher hospitality revenues primarily through more conferencing activity and yield. The directors currently anticipate that this commercial income will increase again in underlying terms in the current year. Organic events created by the Club to provide local entertainment has continued to enjoy growth and further success is expected for the coming and future years.

The Community Benefit Panel measures and assesses the community benefit generated from the Community Stadium in the form of a published Community Yield. In essence every single activity and event provided at the Community Stadium is a benefit to someone - the user. The Community Yield measurement process scores every single event and activity according to their community benefit as well as reflecting the actual number of people attending. The Community Stadium has experienced an increasingly wide range of events and activities throughout 2018-19 and has served a diverse group of local people. Overall we have seen very high levels of the more community benefit orientated events and activities. As such, the Community Yield achieved this year has increased to 405,878 Points (356,044 Points last year). Of this total Yield, the Little Mix concert in July was another tremendous occasion drawing a crowd of around 20,000 - and indeed a very different younger crowd from our previous three large public concerts.

The directors continue to consider the Community Stadium to be an excellent asset for the benefit of all residents of Colchester and its wider community. In addition, the directors are optimistic that the Community Stadium will benefit enormously over the medium term from the continuing construction of substantial numbers of new homes around North Colchester as well as the local development of the new Sports Gateway as well as other planned new leisure outlets due to arrive nearby in due course.

PRINCIPAL RISKS AND UNCERTAINTIES

There are a number of risks and uncertainties facing the business at any given time and as such, the directors review these on an ongoing basis and, where possible, take appropriate action to mitigate the impact of these risks.

The general economic outlook remains uncertain and whilst the directors have seen a steady growth in the activities levels and income at the stadium, which they expect to continue and have plans in place to achieve, it is difficult to predict the future in these volatile times with any level of certainty.

The Weston Homes Community Stadium has one key tenant, Colchester United Football Club, which operates within its own challenging and unique market. The directors have limited control and/or influence over the future success of its key tenant other than through its service agreement for non-match day activities.

POST-BALANCE SHEET EVENTS

There are no post-balance sheet events that have occurred or need to be reported.

FUTURE DEVELOPMENTS

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.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2019**

IMPACT OF THE EURO

The company only trades within the UK and is not affected by the Euro or the events within the European Union at this time.

ON BEHALF OF THE BOARD:

C M Gilham - Director

25 April 2019

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2019**

The directors present their report with the financial statements of the company for the year ended 31st March 2019.

The company has chosen to set out in the strategic report information concerning post-balance sheet events, likely future developments of the business and the impact of the Euro on the company.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2019.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2018 to the date of this report.

C M Gilham
G P Leaf
D C Murthwaite
R A Cowling
I W Vipond

Other changes in directors holding office are as follows:

D C Graham - resigned 15 June 2018
N J Barlow - appointed 15 June 2018

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, 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.

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 ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:

C M Gilham - Director

25 April 2019

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

Opinion

We have audited the financial statements of Colchester Community Stadium Limited (the 'company') for the year ended 31 March 2019 which comprise the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. 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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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.

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

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.

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

26 April 2019

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	2018 £
CONTINUING OPERATIONS			
Revenue	4	276,964	393,122
Administrative expenses		(264,480)	(381,165)
OPERATING PROFIT		12,484	11,957
Finance costs	6	(2,814)	(3,255)
Finance income	6	3	-
PROFIT BEFORE INCOME TAX	7	9,673	8,702
Income tax	8	(6,128)	(5,887)
PROFIT FOR THE YEAR		3,545	2,815
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		3,545	2,815

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
31 MARCH 2019

	Notes	2019 £	2018 £
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9	<u>95,533</u>	<u>118,113</u>
CURRENT ASSETS			
Trade and other receivables	10	<u>112,584</u>	<u>182,085</u>
Cash and cash equivalents	11	<u>27,860</u>	<u>47,589</u>
		<u>140,444</u>	<u>229,674</u>
TOTAL ASSETS		<u><u>235,977</u></u>	<u><u>347,787</u></u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	12	<u>1</u>	<u>1</u>
Retained earnings	13	<u>84,628</u>	<u>75,413</u>
TOTAL EQUITY		<u><u>84,629</u></u>	<u><u>75,414</u></u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities - borrowings			
Interest bearing loans and borrowings	15	<u>39,829</u>	<u>77,521</u>
CURRENT LIABILITIES			
Trade and other payables	14	<u>79,518</u>	<u>178,823</u>
Financial liabilities - borrowings			
Interest bearing loans and borrowings	15	<u>24,542</u>	<u>10,142</u>
Tax payable		<u>7,459</u>	<u>5,887</u>
		<u>111,519</u>	<u>194,852</u>
TOTAL LIABILITIES		<u><u>151,348</u></u>	<u><u>272,373</u></u>
TOTAL EQUITY AND LIABILITIES		<u><u>235,977</u></u>	<u><u>347,787</u></u>

The financial statements were approved by the Board of Directors on 25 April 2019 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 2019

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2017	1	72,598	72,599
Changes in equity			
Total comprehensive income	-	2,815	2,815
Balance at 31 March 2018	<u>1</u>	<u>75,413</u>	<u>75,414</u>
Changes in equity			
Total comprehensive income	-	3,545	3,545
Effect of adoption of IFRS 15	-	5,670	5,670
Balance at 31 March 2019	<u><u>1</u></u>	<u><u>84,628</u></u>	<u><u>84,629</u></u>

The notes form part of these financial statements

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019**

	Notes	2019 £	2018 £
Cash flows from operating activities			
Cash generated from operations	1	12,260	35,627
Interest paid		(2,695)	(3,255)
Tax paid		(5,886)	(6,440)
Net cash from operating activities		<u>3,679</u>	<u>25,932</u>
Cash flows from investing activities			
Interest received		3	-
Net cash from investing activities		<u>3</u>	<u>-</u>
Cash flows from financing activities			
Loan repayments in year		(23,411)	(9,796)
Net cash from financing activities		<u>(23,411)</u>	<u>(9,796)</u>
(Decrease)/increase in cash and cash equivalents		<u>(19,729)</u>	<u>16,136</u>
Cash and cash equivalents at beginning of year	2	47,589	31,453
Cash and cash equivalents at end of year	2	<u>27,860</u>	<u>47,589</u>

The notes form part of these financial statements

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019**
1. RECONCILIATION OF PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	2019	2018
	£	£
Profit before income tax	9,673	8,702
Depreciation charges	22,580	22,280
Effect of adoption of IFRS 15	7,000	-
Finance costs	2,814	3,255
Finance income	(3)	-
	<u>42,064</u>	<u>34,237</u>
Decrease/(increase) in trade and other receivables	69,501	(1,403)
(Decrease)/increase in trade and other payables	(99,305)	2,793
Cash generated from operations	<u><u>12,260</u></u>	<u><u>35,627</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 March 2019

	31.3.19	1.4.18
	£	£
Cash and cash equivalents	<u>27,860</u>	<u>47,589</u>

Year ended 31 March 2018

	31.3.18	1.4.17
	£	£
Cash and cash equivalents	<u>47,589</u>	<u>31,453</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

1. AUTHORISATION OF FINANCIAL STATEMENTS

The company's financial statements for the year were authorised for issue on 25 April 2019 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. STATUTORY INFORMATION

Colchester Community Stadium Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

3. 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.

Critical accounting judgements and key sources of estimation uncertainty

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.

Revenue

Stadium rent - from 15 July 2018 this is calculated based on match day ticket revenues. The final figures for these are not known until after the end of the football season and are therefore estimated based on the previous years figures.

Variable non-match day income is calculated based on hospitality revenues. These figures are not finalised until after the company's financial statements are approved and are estimated in the interim based on unaudited data.

Establishment costs

Stadium rent - from 15 July 2018 this is calculated based on match day ticket revenues. The final figures for these are not known until after the end of the football season and are therefore estimated based on the previous years figures.

Enacted ifrs not applied

The company has not early adopted International Financial Reporting Standard 16 which was enacted at the balance sheet date.

IFRS 16 "Leases" will first apply to the company's financial statements for the year ending 31st March 2020. The directors do not anticipate that the application of the standard will affect the financial statements.

Changes in accounting policies

The company has adopted IFRS 15 "Income recognition" and this has changed the way that the company recognizes variable non match day income. Previously, the company only recognized such income when its share of the income was agreed and paid. Following the adoption of IFRS 15 the income is recognized at the value the company expects to be entitled to for the services supplied. Related costs to the income have been recognized accordingly.

The company has chosen not to restate the prior periods for this change, and has instead opted to recognise the cumulative effect of the change by adjusting opening equity in the current year's account. The cumulative effect of the change in accounting policy was to increase the opening net equity of the company by £5,670. Therefore, the comparative information was not restated and continues to be reported under IAS 11, IAS 18 and related interpretations.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2019

3. ACCOUNTING POLICIES - continued

Set out below, are the amounts by which each financial line item is affected as at and for the year ended 31 March 2019 as a result of the adoption of IFRS 15.

	IFRS15 £	Previous IFRS £	Increase/(decrease) £
Statement of profit and loss			
Revenue	276,964	251,964	25,000
Administration expenses	(264,480)	(247,730)	16,750
Operating Profit	12,484	4,234	8,250
Finance costs	(2,814)	(2,814)	-
Finance income	3	3	-
Profit before income tax	9,673	1,423	8,250
Income tax	(6,128)	(4,561)	1,567
Total comprehensive income	3,545	(3,138)	6,683
Statement of financial position			
Assets			
Non-current assets	95,533	95,533	-
Trade and receivables	112,584	82,584	30,000
Cash and cash equivalents	27,860	27,860	-
Total assets	235,977	205,977	30,000
Equity			
Called up share capital	1	1	-
Retained earnings	84,628	77,945	6,683
Total equity	84,629	77,946	6,683
Non-current liabilities	39,829	39,829	-
Current liabilities:			
Trade and other payables	79,518	59,418	20,100
Financial liabilities	24,542	22,892	1,650
Tax payable	7,459	5,892	1,567
	111,519	88,202	23,317
Total liabilities	151,348	128,031	23,317
Total equity and liabilities	235,977	205,977	30,000

Revenue recognition

Revenue is recognised in accordance with IFRS 15 in which the company recognises revenue to depict the transfer of promised services to the customer in an amount that reflects the consideration to which the company expects to be entitled in exchange for those services. Revenue represents net invoiced income, excluding value added tax and net of discounts.

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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2019

3. ACCOUNTING POLICIES - continued

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.

4. REVENUE

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 tenant. 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.

Revenue from contracts with customers

The company's entire revenue is from Colchester United Football Club in respect of the sub-letting of the stadium. This revenue is then paid to Colchester Borough Council under the terms of the lease.

5. EMPLOYEES AND DIRECTORS

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

	Year ended 31.3.19	Year ended 31.3.18
	£	£
Directors' remuneration and other benefits etc	<u>36,000</u>	<u>36,000</u>

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

6. NET FINANCE COSTS

	2019 £	2018 £
Finance income:		
Deposit account interest	<u>3</u>	<u>-</u>
Finance costs:		
Other loan interest	<u>2,814</u>	<u>3,255</u>
Net finance costs	<u>2,811</u>	<u>3,255</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2019

7. PROFIT BEFORE INCOME TAX

The profit before income tax is stated after charging:

	Year Ended 31.3.19 £	Year ended 31.3.18 £
Auditors' remuneration	<u>1,525</u>	<u>1,605</u>

8. INCOME TAX

Analysis of tax expense

	2019 £	2018 £
Current tax: Tax	<u>6,128</u>	<u>5,887</u>
Total tax expense in statement of profit or loss and other comprehensive income	<u>6,128</u>	<u>5,887</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:

	2019 £	2018 £
Profit before income tax	<u>9,673</u>	<u>8,702</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	1,838	1,653
Effects of: Depreciation in excess of capital allowances	<u>4,290</u>	<u>4,234</u>
Tax expense	<u>6,128</u>	<u>5,887</u>

9. PROPERTY, PLANT AND EQUIPMENT

	Improvements to property £
COST	
At 1 April 2018 and 31 March 2019	<u>224,300</u>
DEPRECIATION	
At 1 April 2018	106,187
Charge for year	<u>22,580</u>
At 31 March 2019	<u>128,767</u>
NET BOOK VALUE	
At 31 March 2019	<u>95,533</u>
At 31 March 2018	<u>118,113</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2019

10. TRADE AND OTHER RECEIVABLES

	2019 £	2018 £
Current:		
Trade debtors	86,241	109,697
VAT	1,886	2,332
Called up share capital not paid	1	1
Prepayments	24,456	70,055
	<u>112,584</u>	<u>182,085</u>

11. CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Bank deposit account	1,008	1,005
Bank accounts	26,852	46,584
	<u>27,860</u>	<u>47,589</u>

12. CALLED UP SHARE CAPITAL

Allotted and issued:			2019	2018
Number:	Class:	Nominal value:	£	£
1	Ordinary	£1	<u>1</u>	<u>1</u>

13. RESERVES

	Retained earnings £
At 1 April 2018	75,413
Profit for the year	3,545
Effect of adoption of IFRS 15	5,670
	<u>84,628</u>
At 31 March 2019	<u>84,628</u>

14. TRADE AND OTHER PAYABLES

	2019 £	2018 £
Current:		
Trade creditors	40,147	94,147
Accruals and deferred income	39,371	84,676
	<u>79,518</u>	<u>178,823</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2019

15. FINANCIAL LIABILITIES - BORROWINGS

	2019 £	2018 £
Current:		
Other loans	<u>24,542</u>	<u>10,142</u>
Non-current:		
Other loans	<u>39,829</u>	<u>77,521</u>

Terms and debt repayment schedule

	1 year or less £	1-2 years £	2-5 years £	Totals £
Other loans	<u>24,542</u>	<u>11,849</u>	<u>27,980</u>	<u>64,371</u>

Included in other loans is a loan in respect of an agreement dated 16 May 2011 and repayable over ten years. Interest is chargeable on the loan at 3% above UK base rates. During the year the company repaid 2 years worth of loan repayments.

16. OTHER FINANCIAL COMMITMENTS

On 24th October 2013 the company signed a lease with Colchester Borough Council in respect of the Community Stadium. On the same date the company signed a lease with Colchester United Football Club to sub-let the stadium for the same period. The company is required to pay the rents collected from Colchester United Football Club to Colchester Borough Council.

On 15th July 2018 the initial rent payable under the operating lease from Colchester United Football Club and paid to Colchester Borough Council changed from being a fixed sum of £300,000 per annum to an agreed percentage of the Match Day Ticket Revenue. Under this new arrangement, the ticket revenue becomes variable and therefore, it is not possible to calculate the minimum lease payments to be received or paid under the leases.

17. RELATED PARTY DISCLOSURES

During the period the company paid £18,000 (2018: £18,000) 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 £1,800 (2018: £1,800).

The other independent directors, Graham Leaf and David Murthwaite, have been paid fees of £9,000 and £9,000 (2018: £9,000 and £9,000) respectively.

Also included in other creditors is a loan of £32,186 (2018: £43,832) from Colchester Borough Council. The loan is interest bearing at 3% above UK base rate and is repayable in instalments of £544. Interest of £1,466 (2018: £1,628) has been charged in the year.

During the year Colchester Borough Council invoiced the company rent of £172,037 (2018: £300,000), £46,000 (2018: £20,000) for the services of Council officers, and £2,347 (£2,347) for insurance. At the year end the company owed Colchester Borough Council £38,437 (2018: £92,347).

During the year the company invoiced Colchester United Football Club, an entity controlled by Robbie Cowling, stadium rent of £172,037 (2018: £300,000), rent for community, retail and office space of £24,765 (2018: £23,950) and non match day income of £69,097 (2018: £69,172). At the year end the company was owed £86,241 (2018: £109,695) by Colchester United Football Club.

Also included in other creditors is loan of £32,186 (2018: £43,832) from Colchester United Football Club. The loan is interest bearing at 3% above UK base rate and is repayable in instalments of £544. Interest of £1,466 (2018: £1,628) has been charged in the year.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 201918. **ULTIMATE CONTROLLING PARTY**

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

19. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2019	2018
	£	£
Profit for the financial year	3,545	2,815
Effect of adoption of IFRS 15	5,670	-
	<u>9,215</u>	<u>2,815</u>
Net addition to shareholders' funds	9,215	2,815
Opening shareholders' funds	75,414	72,599
	<u>84,629</u>	<u>75,414</u>
Closing shareholders' funds	84,629	75,414

20. **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.

21. **FAIR VALUES**

The fair values of the financial assets and liabilities as at 31 March 2019 and 31 March 2018 are not materially different from their book values.

22. **SINKING FUND**

The company holds monies on behalf of Colchester United Football Club to pay for future repairs and maintenance to the Community Stadium. The balance held at the year end was £100,200 (2018: £80,000). These monies are not included in the accounts of Colchester Community Stadium Ltd.

**INCOME STATEMENT SUMMARIES
FOR THE YEAR ENDED 31 MARCH 2019**

	2019 £	2018 £
REVENUE		
Stadium rent	172,037	300,000
Community, retail & office space rent	24,765	23,950
Fixed non-match day income	33,065	31,983
Variable non-match day income	47,097	37,189
	<u>276,964</u>	<u>393,122</u>
ADMINISTRATIVE EXPENSES		
Establishment costs		
Rent	172,037	300,000
Administrative expenses		
Directors' fees	36,000	36,000
Insurance	1,179	1,180
Sundry expenses	53	12
Management fee	31,000	20,000
Auditors' remuneration	1,525	1,605
Depreciation of tangible fixed assets		
Improvements to property	22,580	22,280
Finance costs		
Bank charges	106	88
	<u>264,480</u>	<u>381,165</u>
FINANCE COSTS		
Other loan interest	2,814	3,255
	<u>2,814</u>	<u>3,255</u>
FINANCE INCOME		
Deposit account interest	3	-
	<u>3</u>	<u>-</u>