

Draft Financial Statements at 20 November 2018 at 18:13:39

Company Registration No. 06749160 (England and Wales)

HARBOROUGH TOWN TRADING LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2018

COMPANY INFORMATION

Directors Mr L C Jones
Mr A K Winston
Mr M S Dougan (Appointed 6 October 2017)

Secretary Mr M S Dougan

Company number 06749160

Registered office Bowden House
36 Northampton Road
Market Harborough
Leicestershire
LE16 9HE

Accountants Berry Accountants Ltd
Bowden House
36 Northampton Road
Market Harborough
Leicestershire
LE16 9HE

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2018

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

Principal activities

The principal activity of the company continued to be that of a football club. Profits generated by the company from its bar and hire activities are donated to its parent charity company.

Directors

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

Mr L C Jones

Mr A K Winston

Mr C Murrant

Mr M S Dougan

(Resigned 11 September 2017)

(Appointed 6 October 2017)

Results and dividends

Sales increased significantly in the period to £167,543 (2017 - £126,747) a direct result of increased commercial activities. The commercial arm of the club saw increased income from function room hire, sponsorship and bar and catering. The income from the existing all weather pitch remained consistent. Gross profit also increased to £102,300 (2017 - £88,911) however the overall margin fell from 70% to 61%. The gross profit margin on the hire of the all weather pitch at 97% (2017 - 96%) is significantly higher than the margin achieved on any of the other income streams.

The vast majority of sponsorship income relates to the cost of providing kit and uniforms for the teams, the increase in sponsorship income is very welcome, the effect of the increasing sponsorship income depresses the margins achieved overall.

The bar and catering margins improved in the current year from 22% in the previous year to 35% in 2018. The overall margin has fallen because of the increased turnover in sales at lower margins. 2018 was the first full year that the bar and catering operated within the company. Bar and catering sales increased by 76% whilst purchases increased by 70%. Casual staffing costs to run the bar and catering facility increased £12,163 reflecting the increased demand. Staff numbers increased to an average of 12 (2017 - 6), This is welcome as the club generates work for existing members of the club and the general community.

Administration expenses increased by £21,627 due to the larger donation of £43,000 (2017- £26,800) to the charity.

Stripping the donation figure out the administration expenses only increased by £5,427 or 10% demonstrating good control of costs when compared to the increased sales of 32%.

Profit before donations was £48,065 (2017 - £40,412) a welcome increase of 19%.

Turning to the balance sheet we are happy to report that the stock relating to the small amounts of beer, wines and spirits held has remained at a consistent level reducing any potential wastage. Debtors have increased as the business model moves towards monthly billing for the hire of the facilities rather than dealing in weekly cash payments, these are well managed with no bad debts. Cash remains at a similar level to the previous year £22,584 (2017- £25,195). Trade creditors fell by some £3,653 as the board was able to commence payments to Berry Accountants Limited who had kindly held over their fees from the previous years.

As stated in the previous year, the Directors are working hard to maintain the standard of the facilities now that the company is operating in a stable financial environment. We will continue to assess the list of capital spend that is required to maintain and improve our club, ensuring health and safety matters are prioritised.

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 L C Jones
Director
Date:

CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF HARBOROUGH TOWN TRADING 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 Harborough Town Trading Limited for the year ended 31 May 2018 set out on pages 4 to 9 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 Harborough Town Trading Limited, as a body, in accordance with the terms of our engagement letter dated 25 September 2015. Our work has been undertaken solely to prepare for your approval the financial statements of Harborough Town Trading Limited and state those matters that we have agreed to state to the Board of Directors of Harborough Town Trading 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 Harborough Town Trading Limited and its Board of Directors as a body, for our work or for this report.

It is your duty to ensure that Harborough Town Trading 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 profit of Harborough Town Trading Limited. You consider that Harborough Town Trading 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 Harborough Town Trading 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.

Berry Accountants Ltd

Chartered Accountants

.....

Bowden House
36 Northampton Road
Market Harborough
Leicestershire
LE16 9HE

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 2018

	Notes	2018 £	2017 £
Turnover		167,543	126,747
Cost of sales		(65,243)	(37,836)
Gross profit		<u>102,300</u>	<u>88,911</u>
Administrative expenses		(100,872)	(79,245)
Other operating income		3,637	3,946
Operating profit		<u>5,065</u>	<u>13,612</u>
Interest receivable and similar income		2	2
Profit before taxation		<u>5,067</u>	<u>13,614</u>
Tax on profit		(676)	(920)
Profit for the financial year		<u><u>4,391</u></u>	<u><u>12,694</u></u>

BALANCE SHEET
AS AT 31 MAY 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	3		14,115		14,305
Current assets					
Stocks		750		750	
Debtors	4	4,845		373	
Cash at bank and in hand		22,584		25,195	
		<u>28,179</u>		<u>26,318</u>	
Creditors: amounts falling due within one year	5	<u>(35,887)</u>		<u>(39,540)</u>	
Net current liabilities			<u>(7,708)</u>		<u>(13,222)</u>
Total assets less current liabilities			6,407		1,083
Provisions for liabilities			<u>(1,596)</u>		<u>(920)</u>
Net assets			<u>4,811</u>		<u>163</u>
Capital and reserves					
Called up share capital	6		1		1
Profit and loss reserves			4,810		162
Total equity			<u>4,811</u>		<u>163</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 member has 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
and are signed on its behalf by:

.....
Mr L C Jones
Director

Company Registration No. 06749160

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2018

1 Accounting policies

Company information

Harborough Town Trading Limited is a private company limited by shares incorporated in England and Wales. The registered office is Bowden House, 36 Northampton Road, Market Harborough, Leicestershire, LE16 9HE.

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.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Harborough Town Trading Limited is a wholly owned subsidiary of Harborough Town Community Trust and the results of Harborough Town Trading Limited are included in the financial statements of Harborough Town Community Trust.

1.2 Turnover

Turnover 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. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.3 Tangible fixed assets

Tangible fixed assets 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:

Plant and machinery	25% 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.

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

1 Accounting policies **(Continued)**

1.4 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price . Cost comprises direct purchase cost of goods purchased for resale.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks 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.

1.6 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand and deposits held at call with banks.

1.7 Equity instruments

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 12 (2017 - 6).

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

3 Tangible fixed assets

Plant and machinery etc
£

Cost

At 1 June 2017	21,522
Additions	4,514
At 31 May 2018	26,036

Depreciation and impairment

At 1 June 2017	7,217
Depreciation charged in the year	4,704
At 31 May 2018	11,921

Carrying amount

At 31 May 2018	14,115
At 31 May 2017	14,305

4 Debtors

	2018	2017
	£	£
Amounts falling due within one year:		
Trade debtors	1,375	345
Other debtors	3,470	28
	<u>4,845</u>	<u>373</u>

5 Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	16,544	4,859
Amounts due to group undertakings	14,643	21,967
Other taxation and social security	318	1,809
Other creditors	4,382	10,905
	<u>35,887</u>	<u>39,540</u>

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

6 Called up share capital

	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
1 Ordinary of £1 each	1	1
	<u>1</u>	<u>1</u>
	<u><u>1</u></u>	<u><u>1</u></u>

7 Related party transactions

Transactions with related parties

During the year the company donated £43,000 (2017 - £26,800) to Harborough Town Community Trust its parent company.

The following amounts were outstanding at the reporting end date:

	2018	2017
	£	£
Amounts owed to related parties		
Harborough Town Community Trust	14,643	21,967
	<u>14,643</u>	<u>21,967</u>

8 Parent company

The company is controlled by Harborough Town Community Trust.

HARBOROUGH TOWN TRADING LIMITED
DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 MAY 2018
THE FOLLOWING PAGES
DO NOT FORM PART OF THE STATUTORY ACCOUNTS

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 2018

	£	2018 £	£	2017 £
Turnover				
Income from hire of function rooms		8,919		4,127
Income from hire of AWP		71,464		71,803
Sponsorship income		16,934		10,954
Income from franchise, bars & catering		70,226		39,863
Cost of sales				
AWP Maintenance	2,022		2,518	
Opening stock of raw materials	750		-	
Beers, wines and spirits	31,859		18,673	
Sundries for functions	2,350		1,832	
Staff wages (Bar)	15,700		3,537	
Kit and uniforms	13,312		12,026	
Closing stock Bar and Catering	(750)		(750)	
		(65,243)		(37,836)
Gross profit	61.06%	102,300	70.15%	88,911
Other operating income				
Sundry income		3,637		3,946
Administrative expenses		(100,872)		(79,245)
Operating profit		5,065		13,612
Investment revenues				
Bank interest received	2		2	
		2		2
Profit before taxation	3.02%	5,067	10.74%	13,614

SCHEDULE OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED 31 MAY 2018

	2018	2017
	£	£
Administrative expenses		
Rates	1,614	866
Power, light and heat	16,535	13,902
Property repairs and maintenance	23,201	22,501
Travelling expenses	331	-
Legal and professional fees	5,548	5,354
Charitable donations	43,000	26,800
Bank charges	1,062	605
Printing, stationery and telephone	1,245	601
Advertising	2,770	728
Entertaining	463	-
Sundry expenses	437	-
Disallowed input VAT	(38)	4,288
Depreciation	4,704	3,600
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	100,872	79,245
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