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**Report of the Directors and
Financial Statements
for the Year Ended 31 December 2010
for
Llanelli AFC Ltd**

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for the Year Ended 31 December 2010**

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Llanelli AFC Ltd

**Company Information
for the Year Ended 31 December 2010**

DIRECTORS:

Mr C G Mason
Mr B Weaver
Mr N B Parekh

SECRETARY:

Mr A R Jones

REGISTERED OFFICE:

Football Ground
Stebonheath Park
Llanelli
Carmarthenshire
SA15 1EY

REGISTERED NUMBER:

03268184 (England and Wales)

AUDITORS

Rothman Pantall LLP
Registered auditors
10 Landport Terrace
Portsmouth
Hampshire
PO1 2RG

Llanelli AFC Ltd

Report of the Directors for the Year Ended 31 December 2010

The directors present their report with the financial statements of the company for the year ended 31 December 2010

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a football club and social club

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2010 to the date of this report

Mr C G Mason
Mr B Weaver
Mr N B Parekh

Other changes in directors holding office are as follows

Mr W F C Mead - resigned 13 May 2010

The company is a 90% owned subsidiary of Jesco Group Ltd. Mr N Parekh and Mr W F C Mead are directors of that company and their beneficial interests in the share capital of that company are shown in that company's Directors' Report

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 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.

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.

AUDITORS

The auditors, Rothman Pantall LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Llanelli AFC Ltd

**Report of the Directors
for the Year Ended 31 December 2010**

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:



Mr N B Parekh - Director

Date

18/3/2011

Report of the Independent Auditors to the Shareholders of Llanelli AFC Ltd

We have audited the financial statements of Llanelli AFC Ltd for the year ended 31 December 2010 on pages five to twelve. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 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.

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 December 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, 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.



Mr A J Bolger (Senior Statutory Auditor)
For and on behalf of Rothman Pantall LLP
Registered Auditors
10 Landport Terrace
Portsmouth
Hampshire
PO1 2RG

Date 23/3/2011

Llanelli AFC Ltd

**Profit and Loss Account
for the Year Ended 31 December 2010**

	Notes	2010 £	2009 £
TURNOVER		337,485	491,543
Cost of sales		<u>704,707</u>	<u>877,253</u>
GROSS LOSS		(367,222)	(385,710)
Administrative expenses		<u>129,129</u>	<u>142,601</u>
OPERATING LOSS	3	(496,351)	(528,311)
Interest receivable and similar income		<u>-</u>	<u>1</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(496,351)	(528,310)
Tax on loss on ordinary activities	4	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		<u>(496,351)</u>	<u>(528,310)</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the losses for the current year or previous year

The notes form part of these financial statements

Llanelli AFC Ltd

**Balance Sheet
31 December 2010**

	Notes	2010 £	2009 £
FIXED ASSETS			
Tangible assets	5	185,806	189,799
CURRENT ASSETS			
Stocks	6	2,940	4,913
Debtors	7	9,871	57,529
Cash at bank and in hand		<u>14,080</u>	<u>31,451</u>
		26,891	93,893
CREDITORS			
Amounts falling due within one year	8	<u>49,948</u>	<u>70,679</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(23,057)</u>	<u>23,214</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>162,749</u>	<u>213,013</u>
CREDITORS			
Amounts falling due after more than one year	9	2,530,095	2,084,008
CAPITAL AND RESERVES			
Called up share capital	11	3,500	3,500
Share premium	12	138,000	138,000
Revaluation reserve	12	136,122	136,122
Profit and loss account	12	<u>(2,644,968)</u>	<u>(2,148,617)</u>
SHAREHOLDERS' FUNDS	15	<u>(2,367,346)</u>	<u>(1,870,995)</u>
		<u>162,749</u>	<u>213,013</u>

The financial statements were approved by the Board of Directors on its behalf by

18/3/2011

and were signed on



Mr N B Parekh - Director

The notes form part of these financial statements

Llanelli AFC Ltd

**Cash Flow Statement
for the Year Ended 31 December 2010**

	Notes	2010 £	2009 £
Net cash outflow from operating activities	1	(441,804)	(500,233)
Returns on investments and servicing of finance	2	-	1
Capital expenditure	2	(16 638)	(17 500)
Financing	2	<u>446,087</u>	<u>517 017</u>
Increase / (Decrease) in cash in the period		<u>(12,355)</u>	<u>(715)</u>

**Reconciliation of net cash flow
to movement in net funds**

	3		
Increase / (Decrease) in cash in the period		(12 355)	(715)
Cash outflow from decrease in debt		<u>-</u>	<u>1 105</u>
Change in net funds resulting from cash flows		<u>(12,355)</u>	<u>390</u>
Movement in net funds in the period		(12,355)	390
Net funds / (Debt) at 1 January		<u>16 121</u>	<u>15 731</u>
Net funds / (Debt) at 31 December		<u>3 766</u>	<u>16 121</u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement
for the Year Ended 31 December 2010**

1 NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2010	2009
	£	£
Cash receipts from gate receipts	20,895	37,340
Cash receipts from sponsorship and advertising	34,807	69,071
Cash receipts from broadcasting rights	783	10,500
Cash receipts from commercial activities	-	-
Cash receipts from other operating activities	151,988	130,011
Cash receipts from social club activities	<u>129,013</u>	<u>244,621</u>
	337,486	491,543
Cash payments in relation to other operating expenses	(5,742)	(8,178)
Cash payments to suppliers for goods and services	(370,268)	(443,674)
Cash payments to and on behalf of employees	<u>(445,558)</u>	<u>(547,172)</u>
	(484,082)	(507,481)
(Profit) / Loss on disposal of fixed assets	-	-
(Increase) / Decrease in stocks	1,974	4,942
(Increase) / Decrease in debtors	52,630	(25,751)
(Decrease) / Increase in creditors	<u>(12,326)</u>	<u>28,057</u>
Net cash outflow from operating activities	<u>(441,804)</u>	<u>(500,233)</u>

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2010	2009
	£	£
Returns on investments and servicing of finance		
Interest received	-	1
Interest paid	<u>-</u>	<u>-</u>
Net cash inflow for returns on investments and servicing of finance	<u>-</u>	<u>1</u>
Capital expenditure		
Purchase of intangible fixed assets	-	-
Purchase of tangible fixed assets	(16,638)	(17,500)
Purchase of investment property	-	-
Sale of intangible fixed assets	<u>-</u>	<u>-</u>
Net cash outflow for capital expenditure	<u>(16,638)</u>	<u>(17,500)</u>
Financing		
New loans in year	-	-
Loan repayments in year	-	-
Amounts introduced by directors	<u>446,087</u>	<u>517,017</u>
Net cash inflow from financing	<u>446,087</u>	<u>517,017</u>

The notes form part of these financial statements

Llanelli AFC Ltd

**Notes to the Cash Flow Statement
for the Year Ended 31 December 2010**

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 1 10 £	Cash flow £	At 31 12 10 £
Net cash			
Cash at bank and in hand	31 451	(17,371)	14 080
Bank overdraft	<u>(15 330)</u>	<u>5,016</u>	<u>(10,314)</u>
	<u>16,121</u>	<u>(12,355)</u>	<u>3,766</u>
 Total	 <u>16,121</u>	 <u>(12,355)</u>	 <u>3,766</u>

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 December 2010**

1 ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared on a going concern basis. The controlling director has confirmed that he will not seek repayment of his loan of £2,530,095 if to do so would prevent the company being able to meet its other liabilities as they fall due. He has confirmed that he will provide further funds to enable the company to continue to trade and to meet its liabilities as they fall due.

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is the amounts derived from ordinary activities, and stated after trade discounts, other sales taxes and net of VAT.

Tangible fixed assets

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

Short leasehold	- 2% on cost
Plant and machinery	- 25% on reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

2 STAFF COSTS

	2010	2009
	£	£
Wages and salaries	<u>445,558</u>	<u>547,172</u>

The average monthly number of employees during the year was as follows:

2010	2009
<u>30</u>	<u>45</u>

3 OPERATING LOSS

The operating loss is stated after charging:

	2010	2009
	£	£
Other operating leases	7,563	7,782
Depreciation - owned assets	20,632	20,830
Auditors' remuneration	4,700	4,600
Auditors' remuneration for non audit work	<u>1,500</u>	<u>150</u>
Directors' remuneration	<u>-</u>	<u>-</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2010

4 TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2010 nor for the year ended 31 December 2009

5 TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Totals £
COST			
At 1 January 2010	170,000	189,943	359,943
Additions	-	16,638	16,638
At 31 December 2010	<u>170,000</u>	<u>206,581</u>	<u>376,581</u>
DEPRECIATION			
At 1 January 2010	32,490	137,653	170,143
Charge for year	3,400	17,232	20,632
At 31 December 2010	<u>35,890</u>	<u>154,885</u>	<u>190,775</u>
NET BOOK VALUE			
At 31 December 2010	<u>134,110</u>	<u>51,696</u>	<u>185,806</u>
At 31 December 2009	<u>137,510</u>	<u>52,290</u>	<u>189,800</u>

6 STOCKS

	2010 £	2009 £
Inventories	<u>2,940</u>	<u>4,913</u>

7 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £	2009 £
Accounts receivable - others	1,971	49,624
Other debtors	40	5,017
VAT	<u>7,860</u>	<u>2,888</u>
	<u>9,871</u>	<u>57,529</u>

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £	2009 £
Bank loans and overdrafts (see note 10)	10,314	15,330
Trade creditors	19,168	32,345
Social security and other taxes	15,016	18,404
Accrued expenses	<u>5,450</u>	<u>4,600</u>
	<u>49,948</u>	<u>70,679</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2010

9 **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2010 £	2009 £
Accounts payable to group entities and related parties	<u>2,530,095</u>	<u>2,084,008</u>

10 **LOANS**

An analysis of the maturity of loans is given below

	2010 £	2009 £
Amounts falling due within one year or on demand		
Bank overdrafts	<u>10,314</u>	<u>15,330</u>

11 **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid Number	Class	Nominal value £1	2010 £	2009 £
3,500	Ordinary		<u>3,500</u>	<u>3,500</u>

12 **RESERVES**

	Profit and loss account £	Share premium £	Revaluation reserve £	Totals £
At 1 January 2010	(2,148,617)	138,000	136,122	(1,874,495)
Deficit for the year	<u>(496,351)</u>			<u>(496,351)</u>
At 31 December 2010	<u>(2,644,968)</u>	<u>138,000</u>	<u>136,122</u>	<u>(2,370,846)</u>

13 **ULTIMATE PARENT COMPANY**

The ultimate parent company is Jesco Group Limited

14 **RELATED PARTY DISCLOSURES**

The director Mr Nitin Parekh owns 100% of the ultimate parent company Jesco Group Limited. During the year Mr Parekh has lent money to the company, the amount outstanding as at the 31st December 2010 amounts to £2,530,095 (2009: £2,084,008).

15 **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2010 £	2009 £
Loss for the financial year	<u>(496,351)</u>	<u>(528,310)</u>
Net reduction of shareholders' funds	(496,351)	(528,310)
Opening shareholders' funds	<u>(1,870,995)</u>	<u>(1,342,685)</u>
Closing shareholders' funds	<u>(2,367,346)</u>	<u>(1,870,995)</u>

Llanelli AFC Ltd

**Trading and Profit and Loss Account
for the Year Ended 31 December 2010**

	2010		2009
	£	£	£
Turnover			
Social Club Income	129,013		244,621
Sponsorship & Advertising	34,807		69,071
Academy Income	9,895		12,244
Prize Money	100,828		99,747
Gate Receipts	20,895		37,340
Broadcasting Rights	783		10,500
Other Operating Income	<u>41,264</u>		<u>18,020</u>
		337,485	491,543
Cost of sales			
Social Club Purchases	91,410		145,030
Academy Costs	20,554		21,364
Football Club Costs	147,080		163,382
Lottery Costs	105		305
Wages	<u>445,558</u>		<u>547,172</u>
		<u>704,707</u>	<u>877,253</u>
GROSS LOSS		(367,222)	(385,710)
Other income			
Deposit account interest		<u>-</u>	<u>1</u>
		(367,222)	(385,709)
Expenditure			
Rent	7,563		7,782
Rates and water	9,065		9,450
Light and heat	5,623		10,233
Telephone	4,414		4,924
Post and stationery	4,453		6,135
Advertising	3,837		6,012
Travelling	17,901		15,575
Licences and insurance	10,945		10,805
Repairs and renewals	29,725		34,914
Sundry expenses	312		17
Professional Fees	2,717		2,496
Auditors' remuneration	4,700		4,600
Auditors' remuneration for non audit work	1,500		150
Donations	<u>-</u>		<u>500</u>
		<u>102,755</u>	<u>113,593</u>
		(469,977)	(499,302)
Finance costs			
Bank charges		<u>5,742</u>	<u>8,178</u>
Carried forward		(475,719)	(507,480)

This page does not form part of the statutory financial statements

Llanelli AFC Ltd

**Trading and Profit and Loss Account
for the Year Ended 31 December 2010**

	2010		2009	
	£	£	£	£
Brought forward		(475,719)		(507,480)
Depreciation				
Short leasehold	3,400		3 400	
Plant and machinery	<u>17,232</u>		<u>17,430</u>	
		<u>20,632</u>		<u>20,830</u>
NET LOSS		<u>(496,351)</u>		<u>(528,310)</u>

This page does not form part of the statutory financial statements