

Exeter City AFC Supporters' Society Limited

**Annual Report
Year Ended 31 May 2014**

DRAFT

Exeter City AFC Supporters' Society Limited

Financial Statements

Year Ended 31 May 2014

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Exeter City Supporters' Society Limited

Report of the Trust Board

Year Ended 31 May 2014

The Board of Exeter City AFC Supporters' Society Limited have pleasure in presenting their tenth annual report and audited financial statements for the year ended 31 May 2014.

Status

The Society is registered as an Industrial and Provident Society. It was incorporated on 21 January 2002 and took over the activities of the previously unincorporated Supporters' Trust on that date.

Principal Activity And Objectives

The aims of the Trust on incorporation were to strengthen the bonds between Exeter City Football Club and the community which it serves, to represent the interests of the community in the running of the Club in all aspects of the game and to provide and maintain facilities for the enjoyment of professional football in the area. These remain the key objectives.

On 22 March 2003 the Trust adopted as its prime objective "To prepare itself for shared or full ownership of Exeter City Football Club". This objective was achieved on 4 September 2003 when the Trust acquired a majority holding in Exeter City AFC Limited.

Trust Board

The membership of the Board of Society at 31 May 2014 was as follows:

(Elected Members) Laurence Overend (Chairman), Andy Bratt, Bernadette Coates, Roger Conway, Paul Farley, Peter Holding, Richard Clutterbuck, Martin Weiler, Neil Le Milliere

(Co-opted Members) Elaine Davis (Fundraising coordinator)

(Officers) Nick Hawker (Company Secretary), Anthony Smith (Finance), Alice Cooke (Press and Media Manager), Andy Beer (IT, Web and Social Media Manager)

In addition during the year Nigel Banks and Jay Milling served on the Trust Board.

Review Of The Year

The Trust are disappointed that on the footballing front our Club did not reach the League 2 play-offs at the end of last season after a promising start. We continue to hope for a quick return to League 1. A promotion into League 1 is a primary focus.

The Trust Board has continued to meet at least every two months and has considered many different matters relevant to the interests of our members, the objectives of the Trust and its role as the majority shareholder of Exeter City AFC Limited.

The bulk of the regular work is carried out within the three standing working groups

- **Finance & Governance**
- **Ownership & Membership**
- **Community**

These groups comprise of Trustees and invited others who have specialist knowledge and skills to help drive forward the objectives of the Trust.

Exeter City Supporters' Society Limited

Report of the Trust Board

Year Ended 31 May 2014

- **Finance & Governance WG** is responsible for financial matters relating to both the Trust and the Club. Two nominated members meet with the Club as part of the Finance Committee on a regular basis to review and monitor the Club Budgets and Management Accounts including cash flow. Over the last year, the F&GWG has been working with the Club Company Secretary to develop new Articles of Association which will formalise the Supporters Trust majority shareholder's powers and a Shareholders Agreement & Governance Manual that set out levels and methods of management of the Club.
- **Ownership & Membership WG** has been working on a number of new initiatives to increase the membership of the Trust. They have continued to organise stadium tours, open forums and a successful family funday. The group has also updated and revised the Trust Constitution and rules and these have been accepted by the FCA & Supporters Direct. They are currently finalising plans for a series of events to mark the 10th Anniversary of Trust ownership of the Club.
- **Community WG** have the mandate to engage with all the community groups, both internal and external in order to promote our key objective of being the premier community Club in the region. The group has been working hard to make the Grecian Groups meetings a success where all of the many groups are represented. The group also strongly promotes the One Game, One Community group to ensure that this outreach is seen and felt across the city. This year included the 100th Anniversary of the Brazil game. The grant from the Heritage Lottery Fund was fully utilised for an exhibition and website as well as a community play around the event.

The membership of the Trust Board working groups is intended to be much wider than simply the elected Trustees and anyone who thinks they may have something to offer will be more than welcome to join.

In addition to these working groups:-

- Four members of the Trust Board meet as required with four Directors from the Club Board in an open forum where essential aspects of joint policy and governance are debated frankly and openly.
- The Trust Board is directly represented at Club Board level by the Trust Chairman and one other member nominated by the Trustees, and for this year it was Laurence Overend and Roger Conway who fulfilled these roles. The Trust is the only shareholder on the current board. The Club remains Trust majority owned but delegates day to day management to the Club Board, all of whom are Trust members themselves.
- Over the past year the relationship between the Trust and the Club has continued to evolve. The Club chairman and chief executive were invited to attend Trust Board meetings so that the Board could ask them difficult questions directly.
- The Trust appoints two members to the **Club Board Appointments Committee** to ensure the views of their members are always taken into account before the appointment of a new director.

Turning now to the financial statements we are pleased to announce that due to sterling work from the Membership Secretary, Frank Sealey, the membership register is completely up to date and that membership numbers at 31 May 2014 stood at 2961 (2006 - 2240; 2007 - 2306, 2008 - 2403, 2009 -2838, 2010 - 2777, 2011 – 3344, 2012 – 4168, 2013 – 2991; *although this was before the full audit of the register was carried out*). The intention to review and revise the register was reported in last year's report and we can confirm that it is now fully reconciled. Total income from membership subscriptions and donations for the year was £125k compared with £132k for 2012/13.

The total funds raised in the year to 31 May 2014 were £159k (2013 £146k). Expenses totalled £17k (2013 - £13k). Overheads therefore accounted for 12% (2013 - 11%) of total funds.

Exeter City Supporters' Society Limited

Report of the Trust Board

Year Ended 31 May 2014

Overall this year has not been as successful as we would have liked both on and off the pitch. It is the Trust's hope that our stay in League 2 is as short as possible. I would like to publicly thank all those members who work tirelessly for the Trust behind the scenes and in particular this year Nigel Banks who stood down as Trust Finance Officer after a significant period.

Statement of the Trust Board's Responsibilities

The Trust Board is responsible for preparing the Trust Board's Report and the financial statements in accordance with applicable law and regulations.

The Trust Board is required to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the society and of its excess of income over expenditure for that period.

In preparing these financial statements, the Trust Board 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 society will continue in business.

The Trust Board is responsible for keeping adequate accounting records that are sufficient to show and explain the society's transactions and disclose with reasonable accuracy at any time the financial position of the society and enable them to ensure that the financial statements comply with Co-operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement As To Disclosure Of Information To The Auditor

So far as the trustees are aware, there is no relevant audit information of which the Society's auditor is unaware, and they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, Stephen J Bright, has expressed his willingness to continue in office and a resolution for his reappointment will be proposed at the forthcoming Annual General Meeting.

Approved by the Trust Board
and signed on its behalf by:

.....
N Hawker
Secretary

Exeter City Supporters' Society Limited

Independent Auditor's Report to the Members of Exeter City Supporters' Society Limited

Year Ended 31 May 2014

DRAFT REPORT

I have audited the financial statements of Exeter City AFC Supporters' Society Limited for the year ended 31 May 2014 which comprise the Revenue Account, the Balance Sheet, Accounting Policies and related Notes numbered 1 to 8 on pages 8 to 10. These financial statements have been prepared under the historical cost convention, the accounting policies set out therein and in accordance with the requirements of the Financial Reporting Standard for Smaller Entities (effective April 2008).

This report is made solely to the Society's members, as a body, in accordance with the requirements of the Co-Operative and Community Benefit Societies Act 2014. My work has been undertaken so that I might state to the Society's members those matters I am required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Society and the Society's members as a body, for my audit work, for this report, and for the opinions I have formed.

Respective responsibilities of directors and auditors

As described in the Statement of the Trust Board's Responsibilities the Trust Board is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards and for being satisfied that they give a true and fair view.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). These standards require me 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 my opinion the financial statements:

- * give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the Society's affairs as at 31 May 2014 and of its surplus for the year then ended,
- * have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- * have been properly prepared in accordance with the requirements of the Co-Operative and Community Benefit Societies Act 2014.

...../cont.

Exeter City Supporters' Society Limited

Independent Auditor's Report to the Members of Exeter City Supporters' Society Limited

Year Ended 31 May 2014

Opinion on other matters

In my opinion the information given in the Report of the Trust Board for the financial year for which the financial statements have been prepared is consistent with the financial statements.

As explained in note 1(b) to the financial statements the Society has not prepared group accounts incorporating the affairs of its subsidiary company as required by Section 98 of the Co-Operative and Community Benefit Societies Act 2014. Approval for this course of action has been received from the Financial Services Authority in accordance with the provisions of Section 99(3) of that Act.

Matters on which I am required to report by exception

I have nothing to report in respect of the following matters where the Companies Act 2006 requires me to report to you if, in my 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 trustees' remuneration specified by law are not made; or
- * we have not received all the information and explanation we require for our audit; or
- * the trustees were not entitled to prepare the financial statements and Report of the Trust Board in accordance with the small companies regime.

NOT YET SIGNED

STEPHEN J BRIGHT

STATUTORY AUDITOR

CHARTERED ACCOUNTANT

10 HIGH CROFT

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Exeter City AFC Supporters' Society Limited

Income and Expenditure Account

Year Ended 31 May 2014

		2014	2013
	Note	£	£
Income	2	159,359	146,454
Cost of Producing Income		(15,102)	-
Gross surplus		144,257	146,454
Administration and other expenses		(124,609)	(135,717)
Operating Surplus	3	19,648	10,737
Interest receivable and other income		-	-
Surplus on ordinary activities before taxation		19,648	10,737
Tax on surplus on ordinary activities	4	-	74
Surplus for the financial year		19,648	10,663

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The notes on pages 9 to 10 form part of these financial statements.

Exeter City AFC Supporters' Society Limited

Balance Sheet

31 May 2014

	Note	£	2014 £	£	2013 £
Investments	5		<u>20,100</u>		<u>20,100</u>
Current Assets					
Debtors	6	65,990		34,951	
Cash at bank and in hand		<u>23,995</u>		<u>39,821</u>	
		<u>89,985</u>		<u>74,772</u>	
Creditors: Amounts falling due within one year	7	<u>8,459</u>		<u>12,864</u>	
Net Current Assets			<u>81,526</u>		61,908
Total Assets Less Current Liabilities			<u>101,626</u>		<u>82,008</u>
Capital and Reserves					
Share Capital	8		2,961		2,991
General reserve	8		91,974		79,017
Light Up The Park Reserve	8		<u>6,691</u>		-
Members' funds			<u>101,626</u>		<u>82,008</u>

These accounts have been prepared in accordance with the financial Reporting Standard for Smaller Entities (effective April 2008).

These accounts were approved by the Board and authorised for issue on, and are signed on their behalf by:

.....
Chairman

.....
Trustee

.....
Trustee

The notes on pages 9 to 10 form part of these financial statements.

Exeter City AFC Supporters' Society Limited

Notes and Accounting Policies

Year Ended 31 May 2014

1. Accounting Policies

(a) Basis of Accounting

The Society is a registered society under the Co-operative and Community Benefit Societies Act 2014. The financial statements have been prepared under the historical cost convention and in accordance with applicable Financial Reporting Standards for Smaller Entities (effective April 2008).

(b) Basis of Consolidation

The Society has one active subsidiary undertaking (See Note 5). These financial statements however comprise only the results of the parent undertaking, Exeter City AFC Supporters Society Limited ("The Trust") ("the Society").

In the opinion of the Trustees the businesses of the Society and that of its subsidiary Exeter City AFC Limited ("ECFC", "the Club") Limited are so different that they cannot reasonably be treated as a single undertaking. Approval has been obtained from the Financial Services Authority for this course of action.

(c) Income Recognition

Subscription income including associated donations is accounted for upon receipt.

Voluntary income received by way of donations and gifts is included in the Revenue Account when received. Gifts in kind are valued and brought in as income and the appropriate expenditure.

Fund raising income from events organised by the Trust is included in the Revenue Account when raised. Fundraising proceeds not yet received by the Trust at the year end have also been taken to income at the Trustees' estimate of their likely receivable amount.

(d) Grants Received

Grants received are credited to the profit and loss account over the period during which the expenditure to which the grant relates is incurred. Any unexpended grants at the Balance Sheet Date are carried forward in the accounts as deferred income.

2 Income

The entire income is derived from activities in the United Kingdom and is made up as follows:

	2014	2013
	£	£
Membership subscriptions and donations	125,282	131,509
Appeals and donations	12,168	13,394
Trading activities	1,637	901
Other sources	1,845	-
Fundraising income	9,110	-
Heritage Lottery Grant	9,317	650
	<u>159,359</u>	<u>146,454</u>

Exeter City AFC Supporters' Society Limited

Notes and Accounting Policies

Year Ended 31 May 2014

3. Operating Surplus

Operating surplus is stated after charging:

	2014	2013
	£	£
Donations to and items purchased for the Club	99,996	108,411
Provision against Loans to ECFC	6,000	13,000
Auditor's remuneration	1,150	1,150
	<u><u> </u></u>	<u><u> </u></u>

In accordance with its objectives the Society has advanced loans to Exeter City AFC Limited, its subsidiary in which it has a controlling interest. Since the Trustees consider it doubtful that loans advanced in past years can be repaid they have been provided against in full in these financial statements. At the Balance Sheet date the amount provided for in this way amounted to £829,968 (2013 - £829,968).

4. Taxation on Ordinary Activities

Current Tax

	2014	2013
	£	£
UK corporation tax based on the results for the year at 20%	-	74
	<u> </u>	<u> </u>
Total current tax	<u><u> </u></u>	<u><u> </u></u>

5. Investments

Cost

At 1 June 2013 and 31 May 2014

2014
£
20,100

Net Book Value

At 31 May 2013 and 31 May 2014

20,100

At the balance sheet date the Society held the following investments in the share capital of unlisted companies:-

Exeter City AFC Limited

Investment at cost 20,100

The Trust holds 20,703 £1 Ordinary Shares and 577 Non Cumulative 5% Preference Shares of £1 each in Exeter City AFC Limited which is registered in England and Wales and whose principal activity is that of a professional football club. This comprises 53.625% of the issued share capital of the company.

However in view of the number of shares in issue whose owners can no longer be traced it is believed this would increase to approximately 67% in the event of a vote.

Financial Statements for Exeter City AFC Limited for the accounting period ended 31 May 2014 are not yet available.

Exeter City AFC Limited in turn owns 100% of the issued share capital of the The Pride of Devon Limited, a dormant company incorporated in England and Wales.

Exeter City AFC Supporters' Society Limited

Notes and Accounting Policies

Year Ended 31 May 2014

6. Debtors

	2014	2013
	£	£
Amount due from subsidiary undertaking	895,528	863,948
Less: Provision	(829,968)	(829,968)
Sundry Debtors	-	564
Prepayments	430	407
	<u>65,990</u>	<u>34,951</u>

Of the amount due from the subsidiary undertaking at the Balance Sheet Date £nil (2013 - £560) was repayable after more than one year.

7 Creditors: Amounts falling due within one year

	2014	2013
	£	£
Corporation Tax	-	74
Accruals and Deferred Income	7,225	11,839
Other Creditors	1,234	951
	<u>8,459</u>	<u>12,864</u>

Deferred income includes £nil (2013 – £9,316) of grants received for the HLF All Our Stories project.

Included above are amounts of £3,075 received in advance for the purchase of books entitled 'Have you ever played Brazil?' which were printed and released post 31 May 2014.

8 Reconciliation of movements in Members' Funds

	Share Capital	General Reserve	Light Up The Park Reserve	Total
	£	£	£	£
Balance at 1 June 2013	2,991	79,017	-	82,008
Share issued	-	-	-	-
Shares cancelled	(30)	-	-	(30)
Surplus for the year	-	19,648	-	19,648
Movement in Reserves	-	(6,691)	6,691	-
Balance at 31 May 2014	<u>2,961</u>	<u>91,974</u>	<u>6,691</u>	<u>101,626</u>

Light Up The Park Reserve

The Light Up The Park Reserve was set up in December 2013 to raise £35k funds to meet the FA's new regulations for league floodlights. By mid-August 2014 £11,500 had been raised and negotiations were well underway with Southampton FC to purchase their old lights, greatly reducing the target funds. The movement in the funds over the year were:-

At 1 June 2013	£
Add:	-
Donations received	6,691
At 31 May 2014	<u>6,691</u>

Exeter City AFC Supporters' Society Limited

Detailed Income and Expenditure Account

Year Ended 31 May 2014

	2014 £	2013 £
Income		
Membership subscriptions	71,064	67,124
Membership donations	54,218	64,385
Gifts and donations	12,168	13,394
Other Income	1,845	650
Retail commission	1,637	105
Fund raising income	9,110	796
Heritage Lottery Funding	9,317	-
	<u>159,359</u>	<u>146,454</u>
Costs of producing income		
Fund raising expenses	4,673	-
Heritage Lottery Fund Project	10,429	-
	<u>15,102</u>	<u>-</u>
Administration and other expenses		
AGM expenses	1,167	1,251
Advertising	-	294
Printing and postage	1,224	1,258
Annual return fee	110	110
Insurance	599	564
Membership secretary	5,368	5,287
Membership administration	2,022	603
Trustees expenses	631	-
Legal and professional	214	1,570
Accountancy	3,000	-
Auditor's remuneration	1,150	1,150
Bank and credit card charges	386	508
Sundry expenses	1,492	344
Subscriptions	-	250
	<u>17,363</u>	<u>13,189</u>
Other Costs		
Provision against loans to ECFC	6,000	13,000
Donations to and items purchased for the Club	99,996	108,411
Other donations and sponsorship	1,250	1,117
	<u>107,246</u>	<u>122,528</u>
Net Surplus for the Year	<u>19,648</u>	<u>10,737</u>

Exeter City AFC Supporters' Society Limited

Notes to the Detailed Revenue Account

Year Ended 31 May 2014

	2014 £	2013 £
Donations to and items purchased for the Club		
Contribution to general running costs	99,996	99,996
Contribution to cost of auditing Club accounts	-	2,500
Ticket printers for new Glitner system	-	3,000
Superstructure for Flybe hoarding	-	2,915
	<u>99,996</u>	<u>108,411</u>
Other Donations and Sponsorship		
Purchase of trophies for Trust annual awards	-	177
Hire of Grecian Lounge for Volunteer's Party	-	840
One Game One Community tournament	650	100
ECFC Ladies Team sponsorship	600	-
	<u>1,250</u>	<u>1,117</u>

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