

CLUB REGISTRATION NUMBER 29159R

**CHESTER CITY SUPPORTERS' SOCIETY LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**28 MAY 2017**

**HARGREAVES AND WOODS**

Chartered Accountants  
Cholmondeley House  
Dee Hills Park  
Chester  
Cheshire  
UK  
CH3 5AR

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# **CHESTER CITY SUPPORTERS' SOCIETY LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 28 MAY 2017**

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# CHESTER CITY SUPPORTERS' SOCIETY LIMITED

## CLUB INFORMATION

<b>Registered office</b>	Deva Stadium Bumpers Lane Chester CH1 4LT
<b>Independent chartered accountant</b>	Hargreaves and Woods Cholmondeley House Dee Hills Park Chester Cheshire UK CH3 5AR
<b>Bankers</b>	Co-operative bank plc 4th Floor 9 Prescot Street London SE1 0SW  Unity Trust bank plc Nine Brindley Place Birmingham B1 2HB
<b>Trustees</b>	Mr N Bellis Mr B Burns Mr M Day Mr J Hughes Mr E Jones - Retired 7 October 2016 Mr L Kirby Mrs M Needham Mr S Olorenshaw - Retired 31 October 2016 Mr A Povey - Retired 18 April 2017 Mr J Reddy – Retired 7 October 2016 Mrs A Salmon Mr A Morris - Appointed 1 June 2017 Mr D Harrington-Wright - Appointed 1 June 2017 Mr S Swash - Appointed 1 June 2017 Mr D O'Toole – Appointed 1 April 2017

# CHESTER CITY SUPPORTERS' SOCIETY LIMITED

## THE REPORT OF THE MANAGEMENT COMMITTEE

YEAR ENDED 28 MAY 2017

The Management Committee has pleasure in presenting its report and the unaudited financial statements of the club for the year ended 28 May 2017.

### PRINCIPAL ACTIVITIES AND OPERATIONAL REVIEW

The principal activity of the club during the year was the operation of a football club.

After a very promising first half, the 2017-2018 playing season ended in disappointing fashion with a 19th place finish in the National League and an early FA Cup exit. The uncertainties in income streams that derive from on-field performance have resulted in an operating loss of £19,532. The sale of Academy graduate Sam Hughes to Leicester City FC at the end of the season is a testament to the progress that the Club continues to make in establishing itself in the professional football pyramid.

Off the field, the operational and commercial arms of the Club continue to make good progress. 2017-2018 sees new stadium and stand sponsors as we welcome Swansway Chester and Red Insure. Player recruitment for the new season has also gone well with a number of high profile signings adding both strength and experience to the playing squad. The management team of Jon McCarthy and Tom Shaw are confident of improved performances for the forthcoming season.

As ever, the board recognises the risks present in football and will continue to exercise strict financial control over all operations. The reported loss is balanced with a non-repayable loan as detailed in the note 11 enabling the club to maintain its strong balance sheet and healthy cash flows. The special reserve of £100k remains intact.

Mr D O'Toole was appointed as a director on 1 April 2017

Mr D Harrington-Wright was appointed as a director on 1 June 2017

Mr A Morris was appointed as director on 1 June 2017

Mr S Swash was appointed as director on 1 June 2017

Mr S Olorenshaw retired as a director on 31 October 2016.

Mr J Reddy retired as a director on 7 October 2016.

Mr E Jones retired as a director on 7 October 2016.

Mr A Povey retired as a director on 18 April 2017.

Registered office:  
Deva Stadium  
Bumpers Lane  
Chester  
CH1 4LT

Signed on behalf of the officers

*Manm Needham*

M Needham  
Secretary

Approved by the Management Committee on 24 August 2017.

# CHESTER CITY SUPPORTERS' SOCIETY LIMITED

## INDEPENDENT CHARTERED ACCOUNTANTS' REPORT TO THE MEMBERS ON THE UNAUDITED ACCOUNTS OF CHESTER CITY SUPPORTERS' SOCIETY LIMITED

YEAR ENDED 28 MAY 2017

We report to the members on the unaudited accounts for the year ended 28 May 2017 set out on pages 5 to 12.

### RESPECTIVE RESPONSIBILITIES OF OFFICERS AND REPORTING ACCOUNTANTS

The society's officers are responsible for the preparation of the accounts, and they consider that the society is entitled to opt out of an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

This report is made to the society's members, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the accounts that we have been engaged to compile, report to the society's members that we have done so, and state those matters that we have agreed to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the society and the society's members, as a body, for our work or for this report.

### BASIS OF OPINION

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the society, and making such limited enquiries of the officers of the society as we considered necessary for the purposes of this report. These procedures provide the only assurance expressed in our opinion.

### OPINION

In our opinion:

- (a) The accounts, including the revenue account and balance sheet, are in agreement with the accounting records kept by the society under s75 of the Co-operative and Community Benefit Societies Act 2014;
- (b) Having regard only to, and on the basis of, the information contained in those accounting records the revenue account and balance sheet comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- (c) For the preceding year of account, the financial criteria for the exercise of the power conferred by section 84 were met in relation to the year.



HARGREAVES AND WOODS  
Chartered Accountants

Cholmondeley House  
Dee Hills Park  
Chester  
Cheshire  
UK  
CH3 5AR

Date 25 August 2017

# CHESTER CITY SUPPORTERS' SOCIETY LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 28 MAY 2017

	Note	2017 £	2016 £
<b>REVENUE</b>		<b>1,127,740</b>	1,224,907
Cost of sales		<u>154,056</u>	<u>215,780</u>
<b>GROSS PROFIT</b>		<b>973,684</b>	1,009,127
Administrative expenses		<u>993,270</u>	<u>1,018,160</u>
<b>OPERATING LOSS</b>	4	<b>(19,586)</b>	(9,033)
Interest receivable		54	376
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u><b>(19,532)</b></u>	<u>(8,657)</u>
Tax on loss on ordinary activities		<u>(3,257)</u>	<u>(1,280)</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>		<u><b>(16,275)</b></u>	<u>(7,377)</u>
Balance brought forward		<u>18,479</u>	<u>25,856</u>
Balance carried forward		<u><u>2,204</u></u>	<u><u>18,479</u></u>

# CHESTER CITY SUPPORTERS' SOCIETY LIMITED

## STATEMENT OF FINANCIAL POSITION

28 MAY 2017

	Note	2017 £	2016 £
<b>FIXED ASSETS</b>			
Intangible assets	6	–	–
Tangible assets	7	<u>44,528</u>	<u>49,958</u>
		<u>44,528</u>	<u>49,958</u>
<b>CURRENT ASSETS</b>			
Stocks	8	16,163	15,461
Debtors	9	108,026	81,975
Cash at bank and in hand		<u>150,304</u>	<u>232,805</u>
		274,493	330,241
<b>CREDITORS: Amounts falling due within one year</b>	10	<u>152,789</u>	<u>214,668</u>
<b>NET CURRENT ASSETS</b>		<u>121,704</u>	<u>115,573</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>166,232</u>	<u>165,531</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	11	56,760	36,700
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred taxation	12	<u>6,217</u>	<u>9,151</u>
		<u>103,255</u>	<u>119,680</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital		1,051	1,201
Other reserves		100,000	100,000
Profit and loss account		<u>2,204</u>	<u>18,479</u>
<b>MEMBERS' FUNDS</b>		<u>103,255</u>	<u>119,680</u>

The officers of the Management Committee acknowledge their responsibilities for:

- (i) ensuring that the club keeps proper accounting records which comply with sections 75 and 76 of the Co-operative and Community Benefit Societies Act 2014 (the Act),
- (ii) establishing and maintaining a satisfactory system of its books of accounts, its cash holdings and all its receipts and remittances in order to comply with sections 75 and 76 of the Act, and
- (iii) preparing financial statements which give a true and fair view of the state of affairs of the club as at the end of the financial year and of its profit for the financial year in accordance with the requirements of section 80, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the club.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

**The statement of financial position continues on the following page**

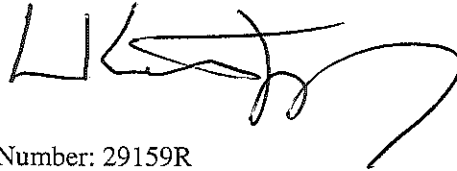
**CHESTER CITY SUPPORTERS' SOCIETY LIMITED**

**STATEMENT OF FINANCIAL POSITION**

**28 MAY 2017**

These financial statements were approved by the Management Committee and authorised for issue on the 24 August 2017 and are signed on their behalf by:

L Kirby  
Director

A handwritten signature in black ink, appearing to be 'L Kirby', written over a horizontal line.

Club Registration Number: 29159R



# CHESTER CITY SUPPORTERS' SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 MAY 2017

### 1. GENERAL INFORMATION

The company is registered in England under the Co-operative and Community Benefit Societies Act 2014. The address of the registered office is Deva Stadium, Bumpers Lane, Chester, CH1 4LT.

### 2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with the provisions of FRS 102, Section 1A, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

### 3. ACCOUNTING POLICIES

#### **Basis of Preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### **Transition to FRS102**

The entity transitioned from previous UK GAAP to FRS 102 as at 28 May 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 12

#### **Turnover**

Turnover represents monies received (excluding value added tax) from bar sales and other activities.

Revenue is generally recognised as monies are received i.e. on matchdays, and sales invoices are raised i.e. commercial revenue. In terms of membership income, although some of this income will relate to the following year, dependent on when memberships were renewed, as these amounts are not material, it is not felt practical to defer this income.

#### **Amortisation**

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Trademarks - equal annual instalments over 5 years

#### **Tangible assets**

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

# CHESTER CITY SUPPORTERS' SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 MAY 2017

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in capital and reserves, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation, gains accumulated in capital and reserves in respect of that asset, the excess shall be recognised in profit or loss.

### Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	-	10% and 25% straight line
Fixtures & Fittings	-	15% straight line
Motor Vehicles	-	20% straight line
Ground Equipment	-	10% straight line
Computer Equipment	-	25% straight line
Bar Equipment	-	20% straight line

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

### Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that include the asset and generates cash inflows that are largely independent of cash inflows from other assets or groups of assets.

### Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit and loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

# CHESTER CITY SUPPORTERS' SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 MAY 2017

### **Taxation**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

### **Stocks**

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

### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor, are charged against profits on a straight line basis over the period of the lease.

### **Financial instruments**

A finance asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship. Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, and impairment loss is recognised in profit or loss immediately.

# CHESTER CITY SUPPORTERS' SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 28 MAY 2017

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in the profit or loss immediately, to the extent that the reversal does not result in carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Loan notes are issued at par with no date for redemption and are not secured.

#### Staff Costs

The average number of persons employed by the company during the year, including the directors was 72 (2016: 70).

#### 4. OPERATING LOSS

Operating loss is stated after charging:

	2017	2016
	£	£
Officers' remuneration	—	—
Depreciation of owned fixed assets	<u>18,866</u>	<u>18,107</u>

#### 5. PARTICULARS OF EMPLOYEES

The aggregate payroll costs of the above were:

	2017	2016
	£	£
Wages and salaries	<u>566,452</u>	<u>568,773</u>
Social security costs	<u>38,880</u>	<u>42,184</u>
	<u>605,332</u>	<u>610,957</u>

#### 6. INTANGIBLE ASSETS

	Patents & trademarks
	£
<b>COST</b>	
At 29 May 2016 and 28 May 2017	<u>570</u>
<b>AMORTISATION</b>	
At 29 May 2016	<u>570</u>
At 28 May 2017	<u>570</u>
<b>NET BOOK VALUE</b>	
At 28 May 2017	—
At 28 May 2016	—

# CHESTER CITY SUPPORTERS' SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 MAY 2017

### 7. TANGIBLE ASSETS

	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Ground Equipment £	Other Assets £	Total £
<b>COST</b>						
At 29 May 2016	38,017	32,986	-	18,704	40,064	129,771
Additions	291	349	12,400	-	396	13,436
<b>At 28 May 2017</b>	<u><u>38,308</u></u>	<u><u>33,335</u></u>	<u><u>12,400</u></u>	<u><u>18,704</u></u>	<u><u>40,460</u></u>	<u><u>143,207</u></u>
<b>DEPRECIATION</b>						
At 29 May 2016	20,357	18,414	-	8,401	32,641	79,813
Charge for the year	5,311	4,755	1,653	1,870	5,277	18,866
<b>At 28 May 2017</b>	<u><u>25,668</u></u>	<u><u>23,169</u></u>	<u><u>1,653</u></u>	<u><u>10,271</u></u>	<u><u>37,918</u></u>	<u><u>98,679</u></u>
<b>NET BOOK VALUE</b>						
<b>At 28 May 2017</b>	<u><u>12,640</u></u>	<u><u>10,166</u></u>	<u><u>10,747</u></u>	<u><u>8,433</u></u>	<u><u>2,542</u></u>	<u><u>44,528</u></u>
At 28 May 2016	<u><u>17,660</u></u>	<u><u>14,572</u></u>	<u><u>-</u></u>	<u><u>10,303</u></u>	<u><u>7,423</u></u>	<u><u>49,958</u></u>

### 8. STOCKS

	2017	2016
	£	£
Raw materials	<u><u>16,163</u></u>	<u><u>15,461</u></u>

### 9. DEBTORS

	2017	2016
	£	£
Trade debtors	20,751	43,754
Corporation tax repayable	323	-
Other debtors	1,593	800
Prepayments and accrued income	85,359	37,421
	<u><u>108,026</u></u>	<u><u>81,975</u></u>

# CHESTER CITY SUPPORTERS' SOCIETY LIMITED

## DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 28 MAY 2017

### 10. CREDITORS: Amounts falling due within one year

	2017	2016
	£	£
Trade creditors	51,286	63,425
Other creditors including taxation and social security:		
Corporation tax	-	323
PAYE and social security	13,490	11,966
VAT	16,110	19,588
Other creditors	30,009	41,305
Accruals and deferred income	41,894	78,061
	<u>101,503</u>	<u>151,243</u>
	<u>152,789</u>	<u>214,668</u>

### 11. CREDITORS: Amounts falling due after more than one year

	2017	2016
	£	£
Loan Notes	<u>56,760</u>	<u>36,700</u>

The Loan Notes represent loans made by members. They are issued at par, are unsecured and interest free. They are not repayable except on dissolution of the Society, and then only if there are available assets.

The movement in the year includes a loan of £20,000 to cover specific items of operating expenditure.

### 12. DEFERRED TAXATION

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2017	2016
	£	£
Excess of taxation allowances over depreciation on fixed assets	7,806	9,151
Tax losses available	<u>(1,589)</u>	<u>-</u>
	<u>6,217</u>	<u>9,151</u>

### 13. RELATED PARTY TRANSACTIONS

No transactions with related parties were undertaken such as are required to be disclosed under the FRS 102.

Many members attend matches, and an adjustment is made to profits when calculating corporation tax to account for mutual trading.

### 14. TRANSITION TO FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 28 May 2015.

#### Reconciliation of equity

No transitional adjustments were required.

#### Reconciliation of profit or loss for the year

No transitional adjustments were required.