

Wrexham AFC Limited

Football Conference Forecast (Season 2012/13)

Prepared by Wrexham Supporters' Trust (March 2012)

1 Background

This document outlines Wrexham AFC Limited's ("WAFC") forecasted Football Conference budget for the 2012/13 season, based upon the primary assumption that the business continues to operate in the manner that it has previously and is not re-structured.

The information prepared in this document does not constitute the final budget for the aforementioned season, as this is subject to change before it is presented at the Annual General Meeting of Wrexham Supporters Trust (WST) in June 2012.

The budget is based upon a detailed financial model built by the WST from information that we have gathered since taking ownership of the WAFC on 30th November 2011.

This document describes the Football Conference budget in the following areas:

- Opening position
- Key Assumptions
- Profit and loss account
- Balance sheet
- Cashflow forecast

2 Opening cash position

The opening cash position of £263,000 takes into account the actual performance of WAFC as of February 2012. Due to attendances averaging 3,800 during season 2011/12, reaching the third round of the FA Cup and three player sales, WAFC is in a stronger cash position than initially forecasted in August 2011.

This opening position takes into account revenue from a home semi-final in the Conference play-offs, which was confirmed following our away win at Darlington in March 2012. This forecast anticipates WAFC not reaching the final, receiving no additional revenue and continuing to play in the Football Conference during season 2012/13.

This opening cash position takes into account season ticket sales in the traditional months of May and June 2012 based on anticipated prices for the new season.

3 Key Assumptions

WAFC's forecasted budget for the Football Conference is based on the following key assumptions:

- Average crowds of 3,600 throughout the 2012/13 season. (The average for the 2011/12 season is currently 3,800.)
- Sale of 1,400 season tickets (WAFC sold 1,800 tickets for the 2011/12 season).
- No income from cup matches or transfer fee income
- We are forecasted to sell all match and match ball sponsorships
- We are forecasting to sell six executive boxes for the entire season

- We are forecasting to entertain 100 attendees per game
- We are forecasting to sell the majority of advertising boards and other matchday advertising opportunities
- We are forecasting to have 800 weekly Gold Bond members by the end of the 2012/13 season

4 Profit and Loss account

The profit and loss sheet outlines the forecasted trading performance that WAFC is anticipated to achieve during the 2012/13 season and itemises the income and costs into specific areas.

4.1 Turnover

It is forecast that WAFC will:

- Turnover almost £1,100,000 from match receipts during 2012/13 based upon an average attendance of 3,600 and season ticket sales of 1,400. This includes gate receipts, match and match ball sponsors, programme sales, and hospitality packages
- Receive football income of £223,000 during 2012/13 from the Football Conference distribution (based upon the 2011/12 season), sponsorship/advertising income, live TV games (number based upon the 2011/12 season) and Club Shop
- Raise £37,000 from the sale of Gold Bond lottery tickets, donations and Supporters' Club activities
- Receive £30,000 from donations, including WST
- Raise £126,000 from the Centre for Excellence via confirmed transfer fee income from historical agreements, Football League education funding, sponsorship, and general donations and fundraising by parents.

4.2 Variable costs

WAFC is forecasted to incur the following costs:

- Matchday activities will cost £153,000 in regard of gatemen/stewards, matchday officials, St Johns Ambulance (at each match), police (at selected matches), match filing costs, matchday hospitality costs paid to Glyndŵr and programme costs
- Football costs of £170,000 include kits for the first team, medical costs, player accommodation, travel to away games, scouting expenses and club shop costs
- It will cost £15,000 to pay Blackpool to run the Gold Bond lottery and in sales commission to agents based on projected revenue
- The Centre for Excellence will cost £24,000 to run including administration, facility, technical and health costs. All staff wages are covered in payroll costs.

4.3 Gross profit before overheads and wages

WAFC is forecast to make a gross profit of £1,139,000 before taking account overheads and wages. Gross profit equals total revenue before wages and overhead costs are taken into consideration.

4.4 Operating profit after deducting all overheads and wages

After overheads and wages of £1,570,000 are deducted, WAFC is forecast to make an operating loss of £398,000 based on current costs. This is a more accurate reflection of how profitable Wrexham FC is likely to be when all costs are taken into consideration.

5 Balance Sheet

The balance sheet provides a snapshot of WAFC at each month end date and provides a snapshot of what WAFC owns (assets) and what it owes (liabilities) at each point in time.

5.1 Assets

- Fixed assets represent the assets acquired from Wrexham Football Club (2006) Limited. Goodwill is the difference between the liabilities and the assets we acquired from Wrexham Football Club (2006) Limited above the £1 we actually paid. Assets comprise of player registrations, stock, trade debtors, and cash in hand inherited from Wrexham Football Club (2006) Limited and liabilities comprise of trade creditors, loans, PAYE/NIC, VAT and hire purchase agreements. This is subject to a review as part of our year-end audit following 30th June 2012.
- Club Shop stock is forecasted month-end stock value based on historical information.
- Wet and dry stock is the balance inherited from Wrexham Football Club (2006) Limited and is subject to a year-end review as part of our audit.
- Other Debtors and control accounts relate to timing differences at the month-end from the Gold Bond lottery and ticket sales from card and online transactions.
- Cash at bank is detailed as per the cash flow forecast supplied.

5.2 Liabilities (debts)

- Trade creditors relate to variable cost and overhead purchases that are paid on trade accounts.
- The deferred income refers to season ticket sales, pitch side advertising and hospitality boxes that will be released into turnover when a home match takes place.
- PAYE/NIC liabilities are paid by the 22nd of each month after the payroll. As an employer we incur 13.8% national insurance contributions.
- VAT is paid monthly on the 7th day following the month after the end of the VAT period. For a company the size of WAFC it is common practice to pay VAT quarterly, but due to previous late payment of VAT by Wrexham FC (2006) Ltd, HMRC require WAFC to pay this monthly.
- Corporation tax is the forecasted tax due on operating profit but is subject to review and write-down of fixed assets as part of the year-end audit procedure.

5.3 Financing

WST has invested share capital of £270,000 since the takeover on 30th November 2011 and currently has £210,000 available to invest. We also forecast investing £90,000 of community shares funds into WAFC in February 2013 to help to transform a historically loss-making football club into a sustainable business.

6 Cash Flow Forecast

This key part of the budget outlines the cash that WAFC requires in order to pay its bills each month.

6.1 Receipts

WAFC is forecast to receive over £1.6m during the course of the 2012/13 season from the following primary sources:

- £1,200,000 in gate receipts, hospitality and programme sales
- £257,000 of football-related income, including advertising, sponsorship and the Club Shop
- £37,000 of Gold Bond Lottery income
- £156,000 of other income, including donations and the Centre for Excellence

6.2 Other income

WAFC is forecasted to receive £0.3m in the form of share capital from WST as follows:

- An investment of £200,000 WST share capital in October 2012 (the current confirmed balance of WST funds is £210,000)
- A further investment of £100,000 in WST share capital in February 2013 (made up of an anticipated surplus fund of £30,000 in WST plus £70,000 raised from the community share offer)

6.3 Purchases

WAFC is forecast to require almost £0.7m to makes purchases as follows:

- £384,000 to meet matchday operations, football related costs, Club Shop purchases, Gold Bond administration and Centre for Excellence running costs.
- £310,000 to meet overheads.

6.4 Statutory Payments

WAFC is forecast to pay a total of £557,000 in PAYE and VAT during 2012/13, of which £401,000 will need to be paid in PAYE/NIC (due monthly) and £156,000 in VAT (also due monthly).

6.5 Payroll

The total payroll for all staff is currently forecast to be £875,000 for the 2012/13 season. Players' wages are personally and commercially sensitive and will not be disclosed.

6.6 Creditors Unwind

This is a hire purchase agreement on a company vehicle inherited from Wrexham Football Club (2006) Limited

WREXHAM AFC LIMITED BUSINESS PLAN: Profit and Loss Account

Conference 2012/13

Financial Year 2012/13

Month Period	Jul-12 1	Aug-12 2	Sep-12 3	Oct-12 4	Nov-12 5	Dec-12 6	Jan-13 7	Feb-13 8	Mar-13 9	Apr-13 10	May-13 11	Jun-13 12	ANNUAL TOTAL	% of Turnover
Turnover														
Matchday	19,419	143,561	128,113	134,055	134,055	103,155	92,685	92,685	92,685	144,750	-	-	1,085,161	72%
Football Income	4,237	43,781	51,735	15,193	17,235	31,694	13,947	16,863	9,745	14,346	2,542	2,542	223,860	15%
Gold Bond	2,600	2,600	2,600	2,600	3,033	3,033	3,467	3,467	3,467	3,467	3,467	3,467	37,267	2%
Donations	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000	2%
Centre for Excellence	36,192	12,192	8,692	7,692	7,692	7,692	7,692	7,692	7,692	7,692	7,692	7,692	126,304	8%
	64,949	204,634	193,640	162,040	164,515	148,074	120,290	123,207	116,088	172,754	16,201	16,201	1,502,592	100%
Variable Costs														
Matchday	5,600	15,571	12,675	14,016	14,016	16,581	19,126	10,392	15,775	23,111	4,890	1,090	152,842	10%
Football Costs	27,000	12,950	8,850	8,350	8,350	7,700	8,200	8,200	7,700	8,350	5,900	10,900	122,450	8%
Football Income Costs	2,119	10,593	4,237	2,966	4,237	10,593	3,178	3,178	2,119	2,542	1,271	1,271	48,305	3%
Commercial	1,300	1,300	1,300	1,300	1,517	1,726	1,854	1,083	1,083	1,083	1,083	1,083	15,713	1%
Centre for Excellence	2,013	2,013	2,013	2,013	2,013	2,013	2,013	2,013	2,013	2,013	2,013	2,013	24,150	2%
	38,031	42,427	29,075	28,644	30,132	38,613	34,370	24,866	28,689	37,099	15,157	16,357	363,460	24%
Gross Profit	26,918	162,207	164,566	133,395	134,383	109,461	85,920	98,340	87,399	135,655	1,044	156	1,139,132	76%
Gross Profit %	41%	79%	85%	82%	82%	74%	71%	80%	75%	79%	6%	-1%	76%	
Overheads and Wages	137,764	141,070	141,070	142,070	141,070	139,040	140,040	139,040	139,040	142,070	67,616	67,616	1,537,502	102%
Operating Profit (EBITDA)	- 110,846	21,137	23,496	- 8,674	- 6,686	- 29,579	- 54,119	- 40,699	- 51,641	- 6,415	- 66,571	- 67,772	- 398,370	-27%
Operating Profit (EBITDA) %	-171%	10%	12%	-5%	-4%	-20%	-45%	-33%	-44%	-4%	-411%	-418%	-27%	
Release of Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exceptional Items	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restructuring Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	670	-	-	776	-	-	365	-	-	1,811	
Profit before Taxation	- 110,846	21,137	23,496	- 8,005	- 6,686	- 29,579	- 53,343	- 40,699	- 51,641	- 6,050	- 66,571	- 67,772	- 396,559	
Corporation Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit after Taxation	- 110,846	21,137	23,496	- 8,005	- 6,686	- 29,579	- 53,343	- 40,699	- 51,641	- 6,050	- 66,571	- 67,772	- 396,559	
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit	- 110,846	21,137	23,496	- 8,005	- 6,686	- 29,579	- 53,343	- 40,699	- 51,641	- 6,050	- 66,571	- 67,772	- 396,559	
Reserves B/Forward	77,972	- 32,874	- 11,737	11,759	3,755	- 2,932	- 32,511	- 85,854	- 126,553	- 178,194	- 184,244	- 250,815	77,972	
Reserves C/Forward	- 32,874	- 11,737	11,759	3,755	- 2,932	- 32,511	- 85,854	- 126,553	- 178,194	- 184,244	- 250,815	- 318,587	- 318,587	

WREXHAM AFC LIMITED BUSINESS PLAN: Balance Sheet

Conference 2012/13

Financial Year 2012/13

Month Period	Jul-12 1	Aug-12 2	Sep-12 3	Oct-12 4	Nov-12 5	Dec-12 6	Jan-13 7	Feb-13 8	Mar-13 9	Apr-13 10	May-13 11	Jun-13 12
Fixed Assets												
Plant & Machinery	14,354	14,354	14,354	14,354	14,354	14,354	14,354	14,354	14,354	14,354	14,354	14,354
Fixtures and Fittings	-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-	-	-	-
Motor Vehicles	32,219	32,219	32,219	32,219	32,219	32,219	32,219	32,219	32,219	32,219	32,219	32,219
Land & Buildings	-	-	-	-	-	-	-	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-	-	-	-	-	-	-	-
Player Registrations	7,424	7,424	7,424	7,424	7,424	7,424	7,424	7,424	7,424	7,424	7,424	7,424
Goodwill	361,311	361,311	361,311	361,311	361,311	361,311	361,311	361,311	361,311	361,311	361,311	361,311
	415,308	415,308	415,308	415,308	415,308	415,308	415,308	415,308	415,308	415,308	415,308	415,308
Current Assets												
Club Shop Stock	15,495	9,732	8,876	10,741	18,580	12,817	11,088	8,393	6,758	4,698	3,910	3,122
Wet & Dry Stock	8,140	8,140	8,140	8,140	8,140	8,140	8,140	8,140	8,140	8,140	8,140	8,140
Debtors	-	-	-	-	-	-	-	-	-	-	-	-
Other Debtors	1,760	1,760	1,760	1,760	1,760	1,760	1,760	1,760	1,760	1,760	1,760	1,760
Control Accounts	2,440	2,440	2,440	2,440	2,440	2,440	2,440	2,440	2,440	2,440	2,440	2,440
Prepayments/Acc Income	4,178	4,178	4,178	4,178	4,178	4,178	4,178	4,178	4,178	4,178	4,178	4,178
Cash at Bank	309,079	267,978	226,539	370,070	311,303	250,072	160,866	178,749	98,248	57,233	137,878	97,361
	341,092	294,228	251,933	397,329	346,400	279,407	188,472	203,660	121,523	78,449	158,306	117,001
Current Liabilities												
Creditors	61,100	39,045	29,490	33,169	40,664	36,258	36,545	25,453	30,235	37,047	17,352	22,312
Other Creditors	-	-	-	-	-	-	-	-	-	-	-	-
Accruals	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Income	385,217	334,971	284,725	234,480	184,234	150,737	117,240	83,743	50,246	0	172,554	219,562
PAYE/NIC	34,569	35,627	35,627	35,627	35,627	35,274	35,274	35,274	35,274	35,627	13,686	13,686
VAT	13,463	17,205	11,715	12,181	11,189	12,531	8,650	9,627	8,345	14,902	30,912	5,843
Corporation Tax	19,493	19,493	19,493	19,493	19,493	19,493	19,493	19,493	19,493	19,493	19,493	19,493
Wages accounts	0	0	0	0	0	0	0	0	0	0	0	0
	513,842	446,340	381,050	334,950	291,208	254,293	217,202	173,589	143,593	107,069	253,997	280,896
Working Capital	- 172,750	- 152,113	- 129,117	62,379	55,192	25,113	- 28,730	30,071	- 22,070	- 28,620	- 95,691	- 163,895
Long Term Liabilities												
Grants	-	-	-	-	-	-	-	-	-	-	-	-
Bank Loans	-	-	-	-	-	-	-	-	-	-	-	-
Hire Purchase	5,432	4,932	4,432	3,932	3,432	2,932	2,432	1,932	1,432	932	432	-
	5,432	4,932	4,432	3,932	3,432	2,932	2,432	1,932	1,432	932	432	-
Net Assets	237,126	258,263	281,759	473,755	467,068	437,489	384,146	443,447	391,806	385,756	319,185	251,413
Financed By												
Share Capital	270,000	270,000	270,000	470,000	470,000	470,000	470,000	570,000	570,000	570,000	570,000	570,000
Reserves	- 32,874	- 11,737	11,759	3,755	- 2,932	- 32,511	- 85,854	- 126,553	- 178,194	- 184,244	- 250,815	- 318,587
Shareholders Funds	237,126	258,263	281,759	473,755	467,068	437,489	384,146	443,447	391,806	385,756	319,185	251,413

WREXHAM AFC LIMITED BUSINESS PLAN: Cash Flow Forecast

Conference 2012/13

Financial Year 2012/13

Month Period	Jul-12 1	Aug-12 2	Sep-12 3	Oct-12 4	Nov-12 5	Dec-12 6	Jan-13 7	Feb-13 8	Mar-13 9	Apr-13 10	May-13 11	Jun-13 12	ANNUAL TOTAL	
Opening Balance	262,974	309,079	267,978	226,539	370,070	311,303	250,072	160,866	178,749	98,248	57,233	137,878	262,974	
Receipts														
Matchpay	70,630	119,951	101,608	108,663	108,663	89,196	76,722	76,722	76,722	121,362	207,065	56,410	1,213,716	
Football Income	81,000	40,750	45,000	8,200	10,500	30,000	10,000	13,500	5,000	7,200	3,000	3,000	257,150	
Gold Bond	2,600	2,600	2,600	2,600	3,033	3,033	3,467	3,467	3,467	3,467	3,467	3,467	37,267	
Donations	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000	
Centre for Excellence	36,192	12,192	8,692	7,692	7,692	7,692	7,692	7,692	7,692	7,692	7,692	7,692	126,304	
	192,922	177,993	160,400	129,655	132,389	132,421	100,381	103,881	95,381	142,221	223,724	73,069	1,664,437	
Other Income														
Share Capital	-	-	-	200,000	-	-	-	100,000	-	-	-	-	-	300,000
Other Debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debtors Unwind	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exceptional Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	200,000	-	-	-	100,000	-	-	-	-	-	300,000
Total Income	192,922	177,993	160,400	329,655	132,389	132,421	100,381	203,881	95,381	142,221	223,724	73,069	1,964,437	
Purchases														
Variable Costs	14,827	60,540	39,685	30,130	32,826	39,190	34,912	33,228	23,336	30,658	33,540	11,246	384,118	
Overheads	24,195	27,470	26,270	26,270	27,470	25,378	25,378	26,578	25,378	26,270	24,794	23,594	309,045	
Capital Expenpiture	-	-	-	-	-	-	-	-	-	-	-	-	-	
	39,021	88,010	65,955	56,400	60,296	64,568	60,290	59,806	48,714	56,928	58,334	34,840	693,163	
Statutory Payments														
PAYE/NIC	22,787	35,577	36,636	36,636	36,636	36,636	36,283	36,283	36,283	36,283	36,636	14,694	401,369	
VAT	5,319	13,463	17,205	11,715	12,181	11,189	12,531	8,650	9,627	8,345	14,902	30,912	156,038	
Corporation Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	
	28,106	49,041	53,840	48,351	48,816	47,825	48,814	44,933	45,910	44,628	51,537	45,606	557,408	
Other Payments														
Payroll	79,188	81,544	81,544	81,544	81,544	80,759	80,759	80,759	80,759	81,544	32,707	32,707	875,357	
Creditors Unwind	500	500	500	500	500	500	500	500	500	500	500	432	5,932	
Bank Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	
Finance Agreements	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	
Exceptional Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	
Restructuring Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share Redeemed	-	-	-	-	-	-	-	-	-	-	-	-	-	
	79,688	82,044	82,044	82,044	82,044	81,259	81,259	81,259	81,259	82,044	33,207	33,139	881,289	
Total Payments	146,816	219,095	201,839	186,794	191,156	193,652	190,362	185,998	175,882	183,601	143,079	113,585	2,131,860	
Quarterly Interest	-	-	-	670	-	-	776	-	-	365	-	-	1,811	
Net Cash Movement	46,106	41,102	41,439	143,531	58,768	61,231	89,205	17,883	80,502	41,015	80,645	40,516	165,612	
Closing Balance	309,079	267,978	226,539	370,070	311,303	250,072	160,866	178,749	98,248	57,233	137,878	97,361	97,361	