AFCW PLC

MANAGEMENT ACCOUNTS FOR THE 6 MONTHS TO 31 DECEMBER 2007

The results to 31 December 2007 are a profit before depreciation of £78,026 compared to last season's half year profit of £95,351, a fall of £17,325. The two periods are not truly comparable because there were nine home league games in the six months to 31 December 2007 and ten in the same period in the previous year. In broad terms, this half year's profit would be higher by about £15,000 if a tenth game had been played before 31 December:

The main features of the accounts for the six month period are as follows:

- Football losses are £114,118, compared to last year's profit of £4,921. This movement has been caused by a combination of a £40,000 drop in income from cup competitions and a total of £85,000 additional spending on management's and players' wages, and transfer fees – less some areas of lower spending
- The additional spending on wages and this transfer were paid for by additional donations of over £70,000, with more received in 2008 to see us through the season
- The most significant issue is that if we had not received the donations we would have had to spend less on wages overall this season than we did last season. An issue of critical importance, therefore, is establishing our budgeted profits and other sources of funds for next season, before making any further commitments to players
- Merchandise profits are substantially down, mainly due to lower sales in a year when there is only one new replica short for sale
- Sponsorship and advertising income is substantially up, mainly due to two substantial new sponsors
- CFS has achieved break even for the six months, which is a good step forward after last year's poor performance. Action is needed to increase sales as the second half of the year is usually poorer than the first
- The net cost of YDP is substantially lower than at this stage last year, although part of this may be due to earlier collection of income and we are monitoring costs carefully
- Overheads remain under control and are lower than last year, with the exception of repairs and maintenance, where we had planned a number of essential pieces of work

➢ Detailed profit and loss account for the 6m to 31 December 2007

Income/profits	**Six months to 31/12/07**	**Six months to 31/12/06**
Football profits	(114118)	4921
Merchandise	28218	38951
Programmes	424	1826
Sponsorship and advertising	64142	44740
Bar and tea bar	58370	60886
Functions	10527	13543
CFS	160	(7830)
Donations	156206	87733
Licence fee & sundry income	5055	5385
Gross profit	208984	250155
Youth development programme costs	(6521)	(13193)
	202463	236962
Administrative overheads		
Salaries	26573	41560
Office running costs	60504	64738
Repairs and maintenance	11877	5111
Legal and professional (including accounting)	7627	12525
Finance charges	4431	11177
Total overheads	111012	135111
Profit before depreciation & interest	91451	101851
Net interest	13425	6500
Profit before depreciation	78026	95351