Grant Thornton

Financial statements The Sheffield United Football Club Limited

For the Year Ended 30 June 2009

Company No. 61564

Company information

Company registration number	61564
Registered office	Bramall Lane SHEFFIELD S2 4SU
Directors	K McCabe C Steer D J Green M Dudley J Burnley T Birch
Secretary	S Capper
Bankers	Bank of Scotland plc 3rd Floor 21-23 Hill Street LONDON W1J 5JW
Solicitors	Halliwells LLP City Plaza Pinfold Street SHEFFIELD S1 2GU
Auditor	Grant Thornton UK LLP Chartered Accountants Registered Auditors 2 Broadfield Court SHEFFIELD S8 0XF

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Report of the directors

The directors present their report and the financial statements of the company for the year ended 30 June 2009

Principal activities and business review

The company is principally engaged in the operation of a professional football club

The company's turnover for the year was £27,032,214 (2008 £26,876,004) Sheffield United Football Club Limited ("the Club") generated an operating profit of £9,037,290 (2008 loss of £10,445,077), which is after reaching a settlement with West Ham United Football Club Limited in favour of the Club relating to the Tevez case A settlement, net of legal costs, of £18,092,684 was awarded and is receivable in instalments over four years Profit before tax was £9,790,092 (2008 loss of £2,528,947)

Kevin Blackwell and Sam Ellis built a team during the season which came agonisingly close to promotion The performance of the team in the last few months of the season was outstanding and the Club broke a long standing record on away games undefeated Unfortunately the lottery of the play offs yet again did not work in our favour and a third place finish is little consolation

The Club has been active in the transfer market over the last 12 months as the squad has been rebuilt to challenge for promotion, whilst balancing the need to keep spending to a level which can be financed During the summer a mix of experienced players such as Darius Henderson and Sun Ji Hai joined the Club, along with some exciting young talents such as David Cotterill and Greg Halford The permanent signing of Jamie Ward in January was supplemented by several loan players as the season reached its conclusion To balance the squad several other players including long time servants Michael Tonge, Rob Hulse and Jon Stead left and we wish them all well at their new clubs

Excitingly we were able to bring Kyle Walker and Kyle Naughton, two exceptional new talents through from our academy into the first team Their performances in the year lifted the whole Club with the knowledge that these players were born and bred in Sheffield Their transfer subsequent to the year end was not looked for by the Board, but players of their quality clearly want to maximise their potential in the Premier League We are glad to have kept Kyle Walker on loan for a further year and the funds from these transfers will support the Club's playing budget in the current year We should also remember that academy graduate Stephen Quinn has now become a first team regular and Nick Montgomery who also came through the youth system continues to be an asset to the first team

The Club continued to increase its gates, attracting an average crowd of 26,018 (2008 25,648), making the team the second best supported in the Championship Ticket office contribution rose to £6 7 million from £6 2 million based mainly on the revenue from the play off finals Since relegation the Club has maintained a season ticket holder base of over 19,000 Initiatives such as under 13's free entry, easy payment options and reduced season ticket prices have been a success for the last two seasons and confirm the Club's commitment to make football accessible and affordable for all

Results and dividends

The profit for the year amounted to £9,790,092 The directors have not recommended a dividend

Directors

The directors who served the company durng the year and the present membershp of the board are set out below All directors served throughout the year except where stated

K McCabe	
T Robmson	(resigned 18 December 2009)
C Steer	
D J Green	
J Rockett	(resigned 1 December 2009)
S Capper	(resigned 18 December 2009)
S C McCabe	(resigned 18 December 2009)
S R McCabe	(resigned 18 December 2009)
M Dudley	(appomted 18 December 2009)
J Burnley	(appomted 18 December 2009)
T Birch	(appomted 1 December 2009)

Financial risk management objectives and policies

The company uses financial instruments, other than derivatives, comprising borrowings, cash and other liquid resources and various other items such as trade debtors and creditors that arise directly from its operations The main purpose of these financial instruments is to raise finance for the company's operations The main risks arising from the company financial instruments are interest rate risk, liquidity risk and foreign currency risk The directors review and agree policies for managing each of these risks and they are summarised below The policies have remained unchanged from previous periods

Interest rate risk

The company finances its operations through a mixture of retained profits, inter-company accounts, bank and other borrowings The company's exposure to interest rate fluctuations on its borrowings is managed on a group basis by the use of both fixed and floating facilities

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably Primarily this is achieved through inter-company accounts and bank overdraft facilities

Currency risk

The company is exposed to transaction and translation foreign exchange risk In relation to translation risk the proportion of assets held in the foreign currency are matched to an appropriate level of borrowings in the same currency Transaction exposures are hedged when known, mainly using the forward hedge market

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 judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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

In so far as the directors are aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

Donations

Donations to charitable organisations amounted to £33,450 (2008 £30,135)

Auditor

A resolution to re-appoint Grant Thornton UK LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 489 of the Companies Act 2006

BY ORDER OF THE BOARD

S Capper
Secretary
29th March 2010

Company number 61564

Report of the independent auditor to the members of The Sheffield United Football Club Limited

We have audited the financial statements of Sheffield United Football Club Limited for the year ended 30 June 2009 which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 33 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 an auditor's 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 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 Directors' Responsibilities Statement on page 5, 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 (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www frc org uk/apb/scope/UKNP

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 30 June 2009 and of its profit 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Grant Thornton

Report of the independent auditor to the members of The Sheffield United Football Club Limited (continued)

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

Grant Thornton UK LLP

Craig Burton
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
SHEFFIELD
29 March 2010

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and in accordance with applicable accounting standards

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards and under the historical cost convention except that certain freehold properties are shown at their revalued amounts (see policy below regarding FRS 15)

The principal accounting policies of the company as set out below, have remained unchanged from the previous year

Consolidation

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the EEA and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement

Turnover

Turnover comprises net gate and ticket receipts, sports contracts, television and sponsorship revenue, shop, programme and rental income, excluding VAT Season ticket and sponsorship income received prior to the year end in respect of the following football season is treated as deferred income

Transfer fees paid for player registrations

The costs of acquired player registrations, including agents fees, are capitalised as intangible assets and amortised over the period of the players' contracts, with appropriate adjustments for any impairments assessed to have taken place

Intangible fixed assets

For intangible assets other than player registrations, 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	-	10 years

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment

Finance costs on fixed asset additions are capitalised during the period of construction and written off as part of the total cost No depreciation is charged during the period of construction

Following the implementation of FRS 15 "Tangible Fixed Assets" the company has adopted a policy of not revaluing fixed assets The carrying amount of tangible fixed assets previously revalued have been retained at their book amount in accordance with the transitional provisions of FRS 15

Investments

Investments are included at cost less amounts written off

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

Freehold land and buildings	-	2%
Equipment and vehicles	-	20-25%

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve

Stocks

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

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies Future instalments under such leases, net of finance charges, are included within creditors Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments

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

Pension costs

The company operates defined contribution schemes for certain employees The company funds its pension liabilities through externally managed pension schemes Contributions are charged against profits in the year in which payments are due

The defined benefit scheme participated in by the company is a multi employer pension scheme The company is unable to identify its share of the underlying assets and liabilities of the scheme Accordingly the company has taken advantage of the exemption in FRS17 to assess the liabilities of the scheme at 30 June 2009 Accordingly the pension cost in respect of the defined benefit scheme represent the amount of contributions payable in respect of the accounting period

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities Financial liabilities are presented as such on the balance sheet Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account Finance costs are calculated so as to produce a constant rate of return on the outstanding liability An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities Dividends and distributions relating to equity instruments are debited direct to equity

Grants

Grants received from the Football Trust and Government in respect of capital expenditure are credited to a deferred income account and are released to the profit and loss account by equal annual instalments over the expected useful lives of the relevant assets

Profit and loss account

	Note	2009 £	2008 £
Turnover	1	**27,032,214**	26,876,004
Cost of sales		**(23,007,997)**	(23,930,183)
Gross profit		**4,024,217**	2,945,821
Other operating charges	2	**(13,576,254)**	(13,742,409)
Other operating income	3	**18,589,327**	351,511
Operating profit/(loss)	4	**9,037,290**	(10,445,077)
Profit on disposal of tangible fixed assets	7	**99,920**	1,379,062
Profit on sale of player registrations	8	**3,801,000**	7,405,500
Amounts written off investments	9	**(2,495,556)**	–
Interest payable and similar charges	10	**(652,562)**	(868,432)
Profit/(loss) on ordinary activities before taxation		**9,790,092**	(2,528,947)
Tax on profit/(loss) on ordinary activities	11	**–**	(269,943)
Profit/(loss) for the financial year	28	**9,790,092**	(2,798,890)

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

Balance sheet

	Note	2009 £	2008 £
Fixed assets			
Intangible assets	12	**5,658,239**	10,056,602
Tangible assets	13	**28,546,054**	32,717,228
Investments	14	**1**	1
		34,204,294	42,773,831
Current assets			
Stocks	15	**183,079**	288,426
Debtors due within one year	16	**16,558,477**	12,698,788
Debtors due after one year	16	**16,500,000**	–
		33,241,556	12,987,214
Creditors amounts falling due within one year	17	**(30,671,726)**	(33,897,366)
Net current assets/(liabilities)		**2,569,830**	(20,910,152)
Total assets less current liabilities		**36,774,124**	21,863,679
Creditors. amounts falling due after more than one year	18	**(38,642,994)**	(33,578,489)
		(1,868,870)	(11,714,810)
Deferred income	23	**(8,823,848)**	(8,768,000)
		(10,692,718)	(20,482,810)
Capital and reserves			
Called-up equity share capital	27	**1,489,202**	1,489,202
Revaluation reserve	28	**4,560,524**	4,711,396
Profit and loss account	28	**(16,742,444)**	(26,683,408)
Deficit	29	**(10,692,718)**	(20,482,810)

These financial statements were approved by the directors and authorised for issue on 29 March 2010, and are signed on their behalf by

T Birch

Other primary statements

Note of historical cost profits and losses

	2009	2008
	£	£
Profit/(loss) on ordinary activities before taxation	**9,790,092**	(2,528,947)
Difference between a historical cost depreciation charge and the actual charge calculated on the revalued amount	**150,872**	150,872
Historical cost profit/(loss) on ordinary activities after taxation	**9,940,964**	(2,378,075)

Notes to the financial statements

1 Turnover

The turnover and profit before tax are attributable to the one principal activity of the company. An analysis of turnover is given below

	2009	2008
	£	£
United Kingdom	**27,032,214**	26,876,004

2 Other operating charges

	2009	2008
	£	£
Impairment of player registrations	**193,580**	596,000
Amortisation of player registrations	**3,559,200**	5,691,000
Administrative expenses	**9,823,474**	7,455,409
	13,576,254	13,742,409

3 Other operating income

	2009	2008
	£	£
Rent receivable	**496,643**	351,511
Other operating income	**18,092,684**	–
	18,589,327	351,511

During the year a settlement was reached with West Ham United Football Club Limited in favour of Sheffield United Football Club Limited relating to the Tevez case A settlement, net of legal costs, of £18,092,684 was awarded and is receivable in instalments over 4 years The related debtor is included within other debtors

4 Operating profit/(loss)

Operating profit/(loss) is stated after charging/(crediting)

	2009 £	2008 £
Amortisation of deferred income re fixed assets	**(106,163)**	(124,782)
Amortisation of player registrations	**3,559,200**	5,691,000
Depreciation of owned fixed assets	**1,007,195**	1,055,900
Depreciation of assets held under hire purchase agreements	**111,310**	25,507
Operating lease costs		
Plant and equipment	**–**	75
Auditor's remuneration - audit of the financial statements	**14,000**	14,000
Auditor's remuneration - taxation services	**–**	2,488

5 Directors and employees

The average number of staff employed by the company during the financial year amounted to

	2009 No	2008 No
Football	**131**	124
Non-football	**90**	76
	221	200

The aggregate payroll costs of the above were

	2009 £	2008 £
Wages and salaries	**18,336,426**	19,330,899
Social security costs	**2,110,897**	2,158,573
Other pension costs	**272,930**	46,188
	20,720,253	21,535,660

Included within other pension costs is a special contribution of £182,323 to the Football League Limited Pension and Life Assurance Scheme

6 Directors

Remuneration in respect of directors was as follows

	2009 £	2008 £
Emoluments receivable	**146,875**	150,684

7 Profit on disposal of fixed assets

	2009	2008
	£	£
Profit on disposal of fixed assets	**99,920**	1,379,062

8 Profit on disposal of player registrations

	2009	2008
	£	£
Profit on sale of player registrations	**3,801,000**	7,405,500

9 Amounts written off investments

	2009	2008
	£	£
Write down of inter-company loans	**2,495,556**	–

10 Interest payable and similar charges

	2009	2008
	£	£
Interest payable on bank borrowing	**272,600**	848,768
Finance charges payable under hire purchase agreements	**21,000**	17,372
Other similar charges payable	**358,962**	2,292
	652,562	868,432

Interest paid to group undertakings amounted to £358,962 (2008 £2,292)

11 Taxation on ordinary activities

(a) Analysis of charge in the year

	2009 £	2008 £
Current tax		
Corporation tax	-	-
(Over)/under provision in prior year	-	269,943
Total current tax	-	269,943

Unrelieved tax losses of approximately £14,000,000 (2008 £29,000,000) remain available to offset against future taxable trading profits

No provision has been made for deferred tax on trading losses carried forward The total amount unprovided for is approximately £4,000,000 (2008 £8,120,000) At present it is not envisaged that future taxable profits will be sufficient for these timing differences to be reversed

No provision has been made for deferred tax on accelerated capital allowances and other short term timing differences The total amount unprovided for is approximately £nil (2008 asset £65,000) At present it is not envisaged that future taxable profits will be sufficient for these timing differences to be reversed

(b) Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28% (2008 - 29 5%)

	2009 £	2008 £
Profit/(loss) on ordinary activities before taxation	**9,790,092**	(2,528,947)
Profit/(loss) on ordinary activities by rate of tax	**2,741,226**	(746,039)
Expenses not deductible for tax purposes	**1,241,718**	41,256
Capital allowances for the period in excess of depreciation	**131,646**	319,018
Short term timing differences	**44,562**	-
Surrender of group relief	-	(18,272)
Unused tax losses carried forward	-	810,860
Utilisation of tax losses	**(4,159,152)**	-
Capital gain	-	(406,823)
Adjustment in respect of prior periods	-	269,943
Total current tax (note 11(a))	-	269,943

12 Intangible fixed assets

	Trademarks	Player Registrations	Total
	£	£	£
Cost			
At 1 July 2008	–	18,841,114	18,841,114
Additions	100,000	4,453,417	4,553,417
Disposals	–	(12,855,000)	(12,855,000)
At 30 June 2009	100,000	10,439,531	10,539,531
Amortisation			
At 1 July 2008	–	8,784,512	8,784,512
Charge for the year	–	3,559,200	3,559,200
Impairment	–	193,580	193,580
Disposals	–	(7,656,000)	(7,656,000)
At 30 June 2009	–	4,881,292	4,881,292
Net book value			
At 30 June 2009	**100,000**	**5,558,239**	**5,658,239**
At 30 June 2008	–	10,056,602	10,056,602

The costs of acquired player registrations, including agent's fees, are capitalised as intangible assets and amortised over the period of the players' contracts, with appropriate adjustments for any diminutions in value assessed to have taken place

13 Tangible fixed assets

	Freehold land and buildings	**Equipment and vehicles**	**Total**
	£	**£**	**£**
Cost or valuation			
At 1 July 2008	34,504,467	3,414,869	37,919,336
Additions	405,882	339,430	745,312
Disposals	(3,993,995)	–	(3,993,995)
At 30 June 2009	30,916,354	3,754,299	34,670,653
Depreciation			
At 1 July 2008	3,642,437	1,559,671	5,202,108
Charge for the year	547,718	570,787	1,118,505
On disposals	(196,014)	–	(196,014)
At 30 June 2009	3,994,141	2,130,458	6,124,599
Net book value			
At 30 June 2009	**26,922,213**	**1,623,841**	**28,546,054**
At 30 June 2008	30,862,030	1,855,198	32,717,228

13 Tangible fixed assets (continued)

The total cost of finance costs included in the cost of tangible fixed assets is £99,467 (2008 £99,467)

No provision has been made for the deferred taxation in respect of estimated corporation tax that would be payable on disposal of the land and buildings at the valuation because, in the opinion of the directors, those assets are unlikely to be disposed of in the foreseeable future

The figures stated above for cost or valuation include valuations as follows

	Freehold land and buildings	
	2009	2008
	£	£
At cost	**14,916,354**	18,504,467
Valuation - 30 June 1997	**16,000,000**	16,000,000
	30,916,354	34,504,467

If certain fixed assets had not been revalued they would have been included on the historical cost basis at the following amounts

	Freehold land and buildings
	£
Cost	22,370,980
Accumulated Depreciation	(2,504,030)
Net book amount at 30 June 2009	**19,866,950**
Net book amount at 1 July 2008	23,851,390

Included within the net book value of £28,546,054 is £290,758 (2008 £402,067) relating to assets held under hire purchase agreements The depreciation charged to the financial statements in the year in respect of such assets amounted to £111,310 (2008 £25,507)

14 Investments

	£
Cost	
At 1 July 2008 and 30 June 2009	1
Net book value	
At 30 June 2009	1
At 30 June 2008	1

At 30 June 2009 the company held 100% of the ordinary share capital of Blades Club Limited (formerly Thames Club Limited), a company incorporated in England and Wales which operated a health club until 14 July 2008, when the trading business was sold and the company accordingly ceased trading Under the provisions of section 400 of the Companies Act 2006 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity

15 Stocks

	2009 £	2008 £
Goods available for resale	**183,079**	288,426

16 Debtors

	2009 £	2008 £
Trade debtors	**3,714,721**	1,128,249
Amounts owed by group undertakings	**9,301,725**	7,083,501
Other debtors	**19,859,555**	3,729,876
Prepayments and accrued income	**182,476**	757,162
	33,058,477	12,698,788

The debtors above include the following amounts falling due after more than one year

	2009 £	2008 £
Other debtors	**16,500,000**	–

17 Creditors: amounts falling due within one year

	2009 £	2008 £
Bank loans and overdrafts	**8,410,918**	14,484,086
Trade creditors	**1,309,512**	1,673,582
Amounts owed to group undertakings	**18,180,674**	15,263,782
Other taxation and social security	**808,711**	1,531,267
Amounts due under hire purchase agreements	**158,576**	152,554
Other creditors	**92,881**	23,904
Accruals and deferred income	**1,710,454**	768,191
	30,671,726	33,897,366

The bank loan and overdraft are secured by a fixed and floating charge over all the assets of the company

The bank loan facility is secured by a fixed charge over the Blades Enterprise Centre and the Kop Corner

18 Creditors: amounts falling due after more than one year

	2009 £	2008 £
Bank loans	**5,755,744**	452,756
Amounts owed to group undertakings	**32,564,964**	32,757,646
Amounts due under hire purchase agreements	**80,208**	239,032
Preference Shares of £10 each	**9,130**	9,130
Other creditors	**232,948**	119,925
	38,642,994	33,578,489
Preference Shares of £10 each		
Share capital	**9,130**	9,130

The bank loan and overdraft are secured by a fixed and floating charge over all the assets of the company

The bank loan facility is secured by a fixed charge over the Blades Enterprise Centre and the Kop Corner

19 Borrowings

Creditors include finance capital which is due for repayment as follows

	2009 £	2008 £
Amounts repayable		
In one year or less or on demand	**6,398,436**	14,484,086
In more than one year but not more than two years	**5,755,744**	452,756
	12,154,180	14,936,842

20 Commitments under hire purchase agreements

Future commitments under hire purchase agreements net of future finance lease charges are as follows

	2009 £	2008 £
Amounts payable within 1 year	**158,576**	152,554
Amounts payable between 1 and 2 years	**48,890**	158,574
Amounts payable between 3 and 5 years	**31,318**	80,458
	238,784	391,586

21 Pensions

Pension commitments

Certain of the company's employees and ex-employees are members of the Football League Limited Pension and Life Assurance Scheme (FLLPLAS), a defined benefit scheme As the company is one of a number of participating employers in FLLPLAS, it is not possible to accrue any actuarial surplus or deficit on a meaningful basis The assets of the scheme are held separately from those of the company, being invested with insurance companies Under the provisions of FRS 17 the scheme is treated as a defined benefit multi-employer scheme

The scheme's actuary has advised that the participating employer's share of the underlying assets and liabilities cannot be identified on a reasonable and consistent basis and, accordingly, no disclosures are made under the provisions of FRS 17 At 31 August 2008 an updated actuarial valuation was performed and caused the trustees to amend the outstanding deficit they agreed to be allocated to the Sheffield United plc Group to £275,548 The actuary has taken into account that, with people generally living longer, pensions will be payable over a longer term, and as a result, whilst there is no increase in the annual payment, these payments are over a longer term The contribution level for the Group is therefore £42,000 per annum for the period from September 2009 to August 2019 As the scheme is no longer accruing benefits in respect of employees, the directors have decided to make a provision for the fair value of future contributions to be paid

22 Derivatives

There were no derivatives held by the company at 30 June 2009 or 30 June 2008 not recognised in the financial statements

23 Deferred Income

	2009	2008
	£	£
Advance Ticket Sales	**3,452,347**	3,533,902
Sponsorship	**1,082,533**	838,966
Deferred Grant Income	**4,288,968**	4,395,132
	8,823,848	8,768,000

24 Leasing commitments

At 30 June 2009 the company had annual commitments under non-cancellable operating leases as set out below

	Assets other than land & buildings	
	2009	2008
	£	£
Operating leases which expire		
Within 1 year	-	5,000
Within 2 to 5 years	-	17,000
	-	22,000

25 Contingent liabilities

The company has entered into cross guarantee arrangements regarding the bank facilities of certain other group subsidiaries The amount guaranteed at 30 June 2009 amounted to £22,736,429 (2008 £25,095,371)

26 Related party transactions

During the year the company entered into loan transactions with members of the Scarborough Group International Limited group of companies Included within borrowings is £2,544,411 (£2 5m loan plus £44,411 loan interest) due to Scarborough Group Developments Limited and £6,277,462 due to Scarborough Ventures Limited

Also included within borrowings is £1,487,463 due to Kevin McCabe, a director of the company

As a wholly owned subsidiary of Sheffield United plc, the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by Sheffield United plc

27 Share capital

Authorised share capital

	2009 £	2008 £
477 Deferred shares of £100 each	**47,700**	47,700
2,883 Ordinary shares of £500 each	**1,441,500**	1,441,500
204 Deferred shares of £0 01 each	**2**	2
1,046 Preference shares of £10 each	**10,460**	10,460
	1,499,662	1,499,662

Allotted and called up

	2009 No	2009 £	2008 No	2008 £
Deferred shares of £100 each	**477**	**47,700**	477	47,700
Ordinary shares of £500 each	**2,883**	**1,441,500**	2,883	1,441,500
Deferred shares of £0 01 each	**204**	**2**	204	2
	3,564	**1,489,202**	3,564	1,489,202

Deferred shares

On 11 October 1999 the 477 Original Shares of £100 each and the 204 Deferred Shares of £0 01 each were re-designated as Deferred Shares 2022 and 2019 respectively The rights attaching to those shares were amended so that they no longer carry any right to participate in dividends, or to receive notice of, or to vote at general meetings

Holders of Deferred Shares 2022 and 2019 have the right on winding up to receive a nominal value of their shares after the holders of Preference Shares and Ordinary Shares have received the nominal value of their shares

28 Reserves

	Revaluation reserve £	Profit and loss account £
At 1 July 2008	4,711,396	(26,683,408)
Profit for the year	–	9,790,092
Other movements		
- transfer to/from revaluation reserve	(150,872)	150,872
At 30 June 2009	**4,560,524**	**(16,742,444)**

29 Reconciliation of movements in shareholders' funds

	2009 £	2008 £
Profit/(Loss) for the financial year	**9,790,092**	(2,798,890)
Transfer from revaluation reserve	**150,872**	150,872
Transfer to profit and loss account	**(150,872)**	(150,872)
Net addition/(reduction) to shareholders' deficit	**9,790,092**	(2,798,890)
Opening shareholders' deficit	**(20,482,810)**	(17,683,920)
Closing shareholders' deficit	**(10,692,718)**	(20,482,810)

30 Capital commitments

There were no amounts contracted for but not provided in the financial statements amounted at 30 June 2009 (2008 £nil)

31 Post balance sheet events

Since 30 June 2009 the club has purchased players for a total consideration of £3 4m and sold players for a total consideration of £11 1m

32 Signing-on and transfer fees payable

Commitments in respect of deferred signing-on fees due to players under contract at the year end and not provided in the financial statements amounted to £397,000 (2008 £616,000) Such fees are charged to the profit and loss account in the period in which they are paid

Under the terms of certain contracts with other football clubs in respect of player transfers, certain additional amounts would be payable by the company if conditions as to future team selection or performance are met The maximum that could be repayable is £631,000 (2008 £676,000) This amount is not provided in the financial statements as it is not expected to be payable Under the terms of certain player contracts, certain additional amounts would be payable if the club reaches the play-offs or wins promotion to the FA Premier League No amounts relating to this have been provided

33 Ultimate parent company

The immediate parent undertaking of the company is Sheffield United Plc

The ultimate parent undertaking of this company is Scarborough Group International Limited incorporated in Scotland Group accounts for Scarborough Group International Limited are available from Companies House By virtue of shareholdings in Scarborough Group International Limited, the McCabe family is considered to be the company's controlling related party

The financial statements have been drawn up on a going concern basis which assumes the continuing financial support of the ultimate parent undertaking Sheffield United plc has confirmed that it is its present intention to provide financial support to Sheffield United Football Club Limited for the foreseeable future