

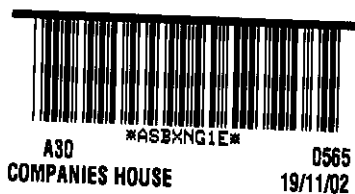
Company Registration Number: 123622

*Register
(to sign & return)*

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

ACCOUNTS FOR THE PERIOD ENDED

30 JUNE 2002



SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

COMPANY REGISTRATION NUMBER: 123622

Registered Office

Glanford Park, Scunthorpe, North Lincolnshire

Directors

J.S. Wharton (Chairman), R. Garton (Vice-Chairman),
J.B. Borrill, B. Collen, J.A.C. Godfrey, C.O. Holland

Vice-Presidents

I.T. Botham O.B.E., G.E. Johnson, Mr. B. Heywood M.B.Ch, B.F.R.C.O.G.
Dr. J. Zacharias B.B.S., R.A. Ashman
N.J. Brownsword, K.R. Waters

Secretary and Chief-Executive

A.D. Rowing

Manager

B. Laws

Auditors

Forrester Boyd, Chartered Accountants,
74 Oswald Road, Scunthorpe, North Lincolnshire

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

NOTICE OF MEETING

Notice is hereby given that the eighty-eighth Annual General Meeting of the Company will be held in the Executive Suite, Glanford Park on Thursday 14 November 2002 at 7.00 p.m. to transact the following business:

1. To receive apologies.
2. To read and adopt the minutes of the previous Annual General Meeting held on Monday 14 January 2002.
3. To receive and consider the Report of the Directors and the Audited Accounts of the Company for the period ended 30 June 2002.
4. To re-elect Mr. J.A.C. Godfrey who retires by rotation as a Director of the Company.
5. To re-elect Mr. C.O. Holland who retires by rotation as a Director of the Company.
6. To re-appoint Forrester Boyd, Chartered Accountants of Scunthorpe, as Auditors of the Company and to authorise the Directors to fix their remuneration.
7. To elect President and Vice-Presidents.

Any other business

8. To transact any other business which may be properly transacted at an Annual General Meeting.

Following the conclusion of the meeting the manager will deliver his report and will be available to answer questions.

BY ORDER OF THE BOARD

A.D. Rowing
Secretary

Registered Office:

Glanford Park, Doncaster Road, Scunthorpe, North Lincolnshire, DN15 8TD

3 October 2002

- NOTES:**
1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and, on a poll, vote in his place. A proxy need not be a Member of the Company. To be valid, Forms of Proxy must be lodged at the registered office of the Company not less than 48 hours before the time appointed for the Meeting. Lodgement of a Form of Proxy will not preclude a member from attending the Meeting and voting in person if so desired.
 2. It would be helpful if questions on any item on the above agenda could be submitted to the secretary forty-eight hours prior to the meeting.

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

CHAIRMAN'S REPORT

I must begin by expressing our deepest sympathy to the family of Albert Harvey who died earlier this year. Albert served as a director of Scunthorpe United from 1971 to 1980 and as a Vice president from 1985 until his death in March. Both Barry Collen and myself were colleagues of Alberts on the Board back in the early seventies and all the directors are most appreciative of his long and valued service to both the company and the club as a whole.

I ended my last years report by saying there may be some exciting times ahead. Of course I meant good times and certainly did not anticipate the demise of ITV Digital. The past six months has been the most difficult I would suggest in the history of the English Football League. It is because of the extremely serious financial situation facing all League Clubs that I deferred my intended retirement from the Board. We at Scunthorpe are in a better position than many 3rd Division clubs having raised over £350,000 from the recent Rights Issue of new shares. However our accounts for last year show another very disappointing performance. A determined effort was made on and off the field to achieve promotion and I, like all our supporters was amazed to find ourselves 8th in the League at the end of the season. With 6 games to play we had every reason to believe the 3rd automatic promotion place was well within our capabilities so to finish 8th after collecting only 5 points from a possible 18 was almost unbelievable. To miss out on the play offs was very costly in terms of lost revenue and despite a good Cup run the receipts were only modest and once again we did not feature in any televised games. The result of a relatively poor season has produced a loss of £81,139 which on the face of it may look quite respectable especially after allowing for £119,294 depreciation. However there is an exceptional item and a timing difference which enhance the figures.

1. £200,000 prepayment brought forward into this accounting period as a result of ITV Digital liquidation.
2. Approximately £100,000 reduced costs for an 11 month period to June 30th.

For the most part the season was pretty good after a rather slow start but once again we were hit with a serious injury when Richard Kell suffered a broken leg in the home game against Hull City. This on top of Nigel Pepper and Peter Morrisson's breaks were a severe strain on our resources. Peter is unlikely to recover sufficiently to play competitive football again and he leaves the club with our very best wishes. An apparently reckless tackle has ended a very promising career for a fine young man. The final run in was the real disappointment for everyone concerned with the club. I don't for one moment think it was a lack of effort from the players. If anything they tried so hard for success it may possibly have put too much pressure on a relatively young and inexperienced side.

There was speculation during the year that Andy Dawson would move to Norwich City but no serious offer was ever made and by the end of the season the demise of ITV Digital meant that very few clubs had money to spend.

The important thing now is for Scunthorpe United to remain solvent and still try to achieve promotion if at all possible. We were fortunate in having a number of players out of contract at 30th June 2002 and for the most part these players had not really featured the previous season. Only one new player was brought in and in doing so our budget for players wages for 2002/3 has been reduced by almost £400,000. As I write this report we have again had a poor start to the season but I can honestly say the quality of the football has been outstanding and the team spirit is such that I am confident we will progress towards the top of the table. It has to be remembered that we are now operating with a small and relatively young squad so it is very important that we don't suffer too many serious injuries between now and the end of the season.

I would like to thank Brian Laws, Russ Wilcox, Paul Wilson, Nigel Adkins and all the playing staff at the club for all their hard work and support whilst I have had the privilege of being Chairman of Scunthorpe United. Graham Colby and the ground staff are also to be congratulated for continuing to produce an excellent playing surface despite limited funds. I would also like to thank the Chief Executive, Don Rowing and his staff who play a very important part in the operation of a successful football club. After landing the role of Chairman in somewhat strange circumstances I have done my best to move the club forward and hopefully leave it financially secure for those who follow me. It is a very demanding role but extremely rewarding at times. My big disappointment is that I was unable to deliver the success so desired by us all.

Due to the financial constraints brought about by unforeseen events most of the projects outlined in my last report had to be put on hold but I am pleased to be able to report the successful introduction of the Study Support Centre and am optimistic that further expansion of the Centre will be announced prior to the A.G.M.

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED
CHAIRMAN'S REPORT (continued)

My vision for a multi sports facility at Glanford Park rests with the Local Authority but I am not holding my breath!

My thanks also go to the Club's major sponsors Mercedes Benz, Daimler Chrysler and H. & L. Garages Ltd. who are now in their second year of a two year agreement. They have recently confirmed an extension for a third year to take us through to June 30th 2004. We are also extremely grateful to everyone who has sponsored games, match balls, and advertisers, without whom our income would be severely depleted.

I must of course update shareholders on the possible offer for the un-issued shares in your company. So far only a confidential, brief discussion, has taken place, and to date nothing further has been put forward.

In conclusion I hope we can all look forward to a successful season. Please give your full support to Brian and his players. Without exception they are all great to know and work with and they will continue to have my full support .

J.S. Wharton
Chairman.

3rd October 2002

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

Report of the Directors for the Period Ended 30 June 2002

The directors present their report and the financial statements of the company for the 11 month period ended 30 June 2002.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of a Football League Club. The Chairmans statement reviews the activities of the period.

REVIEW OF BUSINESS

The results for the period and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

No dividends will be distributed for the period ended 30 June 2002.

DIRECTORS

The current directors are listed on page 1.

The beneficial interests of the directors holding office at 30 June 2002 in the issued share capital of the company were as follows:

	30.6.02	31.7.01
Ordinary 50p shares		
Mr. J.S. Wharton	80,000	15,340
Mr. R. Garton	50,001	16,094
Mr. J.B. Borrill	31,383	13,717
Mr. B. Collen	65,745	13,149
Mr. J.A.C. Godfrey	217,190	43,438
Mr. C.O. Holland	50,000	10,000

In addition, J. Wharton (Agriculture) Ltd. a company of which Mr. J.S. Wharton is a director and major shareholder holds 300,000 shares. Also Miss A.C. Wharton and Mr. J.W. Wharton who are family members of Mr. J.S. Wharton hold an additional 68,385 shares between them.

In accordance with the Articles of Association, Mr. J.A.C. Godfrey and Mr. C.O. Holland will retire at the forthcoming Annual General Meeting, and being eligible, will stand for re-election.

CHARITABLE CONTRIBUTIONS

During the period the Club made various charitable contributions totalling £495.

FIXED ASSETS

Changes in fixed assets during the period are set out in notes 8 and 9.

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

Report of the Directors for the Period Ended 30 June 2002

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial period which 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 those financial statements the directors are required to:

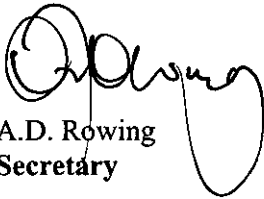
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

AUDITORS

The auditors, Forrester Boyd, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD



A.D. Rowing
Secretary

3 October 2002

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

Report of the Auditors to the Shareholders of SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

We have audited the financial statements on pages 8 to 19 which have been prepared under the historical cost convention and the accounting policies set out on pages 11 and 12.

Respective responsibilities of directors and auditors

As described on page 6 the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

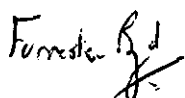
Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2002 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



FORRESTER BOYD

Registered Auditors
Chartered Accountants
74 Oswald Road
SCUNTHORPE
North Lincolnshire
DN15 7PG

3 October 2002

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

Profit and Loss Account for the Period Ended 30 June 2002

	Notes	2002 £	2001 £
TURNOVER	2	2,117,995	1,772,087
Cost of sales		(2,081,821)	(2,032,752)
GROSS PROFIT/(LOSS)		36,174	(260,665)
Net operating expenses	3	(24,117)	(40,193)
Operating profit/(loss) before transfers		12,057	(300,858)
Amortisation of transfer fees		(72,928)	(96,217)
Profit on transfer of players' contracts		8,010	115,625
OPERATING LOSS	5	(52,861)	(281,450)
Interest payable and similar charges	6	(28,278)	(31,759)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(81,139)	(313,209)
Tax on loss on ordinary activities	7	-	-
LOSS FOR THE FINANCIAL PERIOD/YEAR AFTER TAXATION		(81,139)	(313,209)
Retained profit brought forward		451,513	764,722
		370,374	451,513
Transfer from revaluation reserve		44,842	-
RETAINED PROFIT CARRIED FORWARD		£415,216	£451,513

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current period and previous years.

Statement of Total Recognised Gains and Losses For the Period Ended 30 June 2002

	2002 £	2001 £
LOSS FOR THE FINANCIAL PERIOD/YEAR	(81,139)	(313,209)
Revaluation reserve	-	3,793,875
TOTAL RECOGNISED (LOSSES) AND GAINS RELATING TO THE PERIOD/YEAR	£(81,139)	£3,480,666


The notes form part of these financial statements

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

Balance Sheet 30 June 2002

	Notes	£	2002 £	£	2001 £
FIXED ASSETS					
Intangible assets	8		90,095		163,023
Tangible assets	9		5,519,588		5,613,899
			<u>5,609,683</u>		<u>5,776,922</u>
CURRENT ASSETS					
Stocks	10	19,420		21,923	
Debtors	11	205,823		306,129	
Cash at bank and in hand		35,314		21,926	
			<u>260,557</u>	<u>349,978</u>	
CREDITORS					
Amounts falling due within one year	12	1,083,380		1,392,583	
			<u>(822,823)</u>		<u>(1,042,605)</u>
NET CURRENT LIABILITIES					
TOTAL ASSETS LESS CURRENT LIABILITIES					
			4,786,860		4,734,317
CREDITORS					
Amounts falling due after more than one year	13		(64,804)		(288,929)
			<u>£4,722,056</u>		<u>£4,445,388</u>
CAPITAL AND RESERVES					
Called up share capital	16		557,807		200,000
Revaluation Reserve	19		3,749,033		3,793,875
Profit and loss account			415,216		451,513
			<u>£4,722,056</u>		<u>£4,445,388</u>
Shareholders' funds	20				

ON BEHALF OF THE BOARD:



Mr. J.S. Wharton - DIRECTOR



Mr. R. Garton - DIRECTOR

Approved by the Board on 3 October 2002.

The notes form part of these financial statements

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

**Cash Flow Statement
For The Period Ended 30 June 2002**

	Note	£	2002 £	£	2001 £
NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES	22		(126,011)		(253,657)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Interest paid on bank overdraft, bank and other loans			(20,571)		(61,363)
CAPITAL EXPENDITURE					
Purchase of intangible fixed assets		(2,083)		(124,947)	
Purchase of tangible fixed assets		(25,418)		(13,760)	
Sale of intangible fixed assets		38,010		235,625	
Net cash inflow from investing activities			10,509		96,918
FINANCING					
Issue of ordinary share capital			357,807		-
Increase/(Decrease) in cash in the period			221,734		(218,102)

Reconciliation of net cashflow to movement in net debt

	£	2002 £	£	2001 £
Increase/(Decrease) in cash in the period		221,734		(218,102)
Amortisation of grants		14,484		15,993
Net debt at 31 July 2001		236,218 (867,135)		(202,109) (665,026)
Net debt at 30 June 2002		(630,917)		(867,135)

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

Notes to the Financial Statements for the Period Ended 30 June 2002

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of the freehold property.

Turnover

Turnover comprises the amounts charged to customers for tickets, net receipts from away games, Football Association and football league distributions, league sponsorship and broadcasting fees, lottery income, programme sales, sponsorship, advertising, matchday catering, shop sales, donations and income from the restaurant and bar.

Intangible fixed assets

The transfer fees and costs associated with the acquisition of players' registrations are capitalised as intangible fixed assets and amortised evenly over the contract period. Permanent diminutions in values below the amortised value, such as through injury or loss of form, are provided for when management become aware that the diminution is permanent.

Transfers fees receivable in excess of the costs not written off are included in the calculation of profit or loss on disposal of players contracts.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Buildings	- 2% on valuation
Fixtures and fittings	- 10%-33% on cost

Stocks

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

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Pensions

The company contributes to The Football League Limited Pension and Life Assurance Scheme, a defined contribution pension scheme operated on behalf of all league clubs. Contributions payable for the year are charged to the profit and loss account.

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

Notes to the Financial Statements for the Period Ended 30 June 2002

1. ACCOUNTING POLICIES (continued)

Signing on fees

Contractual amounts of fees payable to players are recognised as prepayments and spread evenly over the contract period. The net balance of signing on fees relating to players sold is included within the calculation of profit or loss on disposal of players' contracts.

Grants Receivable

Asset related grants are credited to the profit and loss account over the expected useful life of the assets to which they relate. Revenue related grants are credited to the profit and loss account over the period to which they relate.

2. TURNOVER

	2002 £	2001 £
League, F.A. Cup and Other Cups	730,187	689,907
League central distribution	661,100	234,996
Friendlies	21,604	35,677
Broadcasting and internet	61,510	174,902
Car park	11,492	11,786
Lottery/cash line	65,327	67,754
Programme sales and advertising	79,578	81,338
Sponsorship	85,208	84,957
Matchday Catering	69,905	69,506
Shop	99,103	96,456
Donations	10,663	2,391
Miscellaneous income	17,751	20,354
Iron Bar	41,084	57,467
Restaurant	163,483	144,596
Total	2,117,995	1,772,087

3. NET OPERATING EXPENSES

	2002 £	2001 £
Administrative expenses	187,018	204,603
Youth development grant	(138,000)	(138,000)
Grants received	(24,901)	(26,410)
	24,117	40,193

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

Notes to the Financial Statements for the Period Ended 30 June 2002

4. STAFF COSTS

	2002 £	2001 £
Wages and salaries	1,410,944	1,339,829
Social security costs	118,580	123,522
Other pension costs	8,048	11,341
Exceptional pension costs	-	39,672
	<u>1,537,572</u>	<u>1,514,364</u>

The average number of employees during the period/year was as follows:

	Full time	Part time	2002 Total	2001 Total
Football	40	-	40	40
Ground staff	2	3	5	5
Administration	2	3	5	6
Matchday casuals	-	105	105	110
Restaurant	1	17	18	20
School of Excellence	2	7	9	8
Commercial	2	4	6	5
	<u>49</u>	<u>139</u>	<u>188</u>	<u>194</u>

In the previous year, the Club received notification from The Football League Limited Pension and Life Assurance Scheme of the required contribution to be made by the Club towards the deficit in the Scheme. This totalled £39,672 and was provided in full in 2001 accounts. In the year £11,315 was paid, this included interest costs of £2,075. There are 57 payments still outstanding.

5. OPERATING LOSS

The operating loss is stated after charging/(crediting):

	2002 £	2001 £
Hire of plant and machinery	1,250	1,272
Depreciation - owned assets	119,294	82,022
Profit on transfer of players' contracts	(8,010)	(115,625)
Loss on disposal of tangible fixed assets	435	-
Cost of players' registrations written off	72,928	96,217
Audit and Accountancy	6,610	6,240
Capital grants amortised	(14,484)	(15,993)
Vehicle operating leases	3,005	2,803
Directors' emoluments	-	-
Pension costs	8,048	11,341

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

Notes to the Financial Statements for the Period Ended 30 June 2002

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2002 £	2001 £
Bank interest	15,458	21,390
Loan interest	10,091	10,369
Pension deficit interest	2,075	-
Interest on VAT	654	-
	<u>28,278</u>	<u>31,759</u>

7. TAXATION

No liability to UK Corporation tax arose on ordinary activities for the period 30 June 2002 nor for the year ended 31 July 2001.

8. INTANGIBLE FIXED ASSETS

	Cost of players' registrations £
COST:	
At 1 August 2001	328,456
Disposal	(73,113)
	<u>255,343</u>
At 30 June 2002	
AMORTISATION:	
At 1 August 2001	165,433
Charge for period	72,928
Elimination on disposal	(73,113)
	<u>165,248</u>
At 30 June 2002	
NET BOOK VALUE:	
At 30 June 2002	<u>90,095</u>
At 31 July 2001	<u>163,023</u>

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

Notes to the Financial Statements for the Period Ended 30 June 2002

9. TANGIBLE FIXED ASSETS

	Land and Buildings £	Fixtures and fittings £	Totals £
COST OR VALUATION:			
At 1 August 2001	5,500,000	406,652	5,906,652
Additions	-	25,418	25,418
Disposal	-	(25,364)	(25,364)
At 30 June 2002	5,500,000	406,706	5,906,706
DEPRECIATION:			
At 1 August 2001	-	292,753	292,753
Charge for period	84,333	34,961	119,294
Elimination on disposal	-	(24,929)	(24,929)
At 30 June 2002	84,333	302,785	387,118
NET BOOK VALUE			
At 30 June 2002	5,415,667	103,921	5,519,588
At 31 July 2001	5,500,000	113,899	5,613,899

Included in land and buildings is freehold land at valuation of £900,000 (Cost £85,990) which is not depreciated.

In accordance with Financial Reporting Standard number 15 the freehold land and buildings known as Glanford Park with an historical cost of £2,240,034 were revalued at £5,500,000 on a depreciated replacement cost basis on the 29 August 2001 by Clark Weightman Chartered Surveyors and included in the accounts as at the 31 July 2001.

10. STOCKS

	2002 £	2001 £
Goods for resale	19,420	21,923

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2001 £
Trade debtors	17,840	71,842
Prepayments and accrued income	187,983	234,287
	205,823	306,129

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

Notes to the Financial Statements for the Period Ended 30 June 2002

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002	2001
	£	£
Bank loans and overdrafts (see note 14)	428,992	332,661
Trade creditors	73,609	102,219
Directors current accounts	116,489	240,895
Other loans	184,100	194,933
Other creditors	23,483	20,947
Social security and other taxes	46,046	100,396
Accruals and deferred income	201,621	390,434
Pension deficit	9,040	10,098
	<hr/> 1,083,380 <hr/>	<hr/> 1,392,583 <hr/>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2002	2001
	£	£
Deferred grants	27,812	242,875
Pension deficit	21,392	25,328
	<hr/> 49,204 <hr/>	<hr/> 268,203 <hr/>

CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN FIVE YEARS

	2002	2001
	£	£
Deferred grants	15,600	16,480
Pension deficit	-	4,246
	<hr/> 15,600 <hr/>	<hr/> 20,726 <hr/>

14. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	2002	2001
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<hr/> 428,992 <hr/>	<hr/> 332,661 <hr/>

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

Notes to the Financial Statements for the Period Ended 30 June 2002

15. SECURED DEBTS

The following secured debts are included within creditors:

	2002 £	2001 £
Bank overdrafts	428,992	332,661
Other loan	180,000	180,000
	<u>608,992</u>	<u>512,661</u>

The other loan is secured by a first charge over part of the freehold land of the company. Interest to be charged at 1.5% over bank base rate. The bank overdraft is secured by a fixed and floating charge over the assets of the company.

16. CALLED UP SHARE CAPITAL

Authorised Number:	Class:	Nominal value:	2002 £	2001 £
2,000,000	Ordinary	50p	<u>1,000,000</u>	<u>200,000</u>

On 14 January 2002, a resolution was passed increasing the authorised share capital by 1,600,000 ordinary shares of 50 pence each.

Authorised, issued and fully paid Number:	Class:	Nominal value:	2002 £	2001 £
1,115,614	Ordinary	50p	<u>557,807</u>	<u>200,000</u>

715,614 ordinary shares of 50 pence each were allotted and fully paid in the period.

17. PENSION COSTS

The company operates a defined contribution pension scheme. The scheme is funded by contributions from the company and from employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension costs charge represents contributions payable by the company to the fund and amounted to £8,048 (2001: £11,341).

18. RELATED PARTY DISCLOSURES

At the balance sheet date a loan to Scunthorpe United Football Club of £180,000 from J. Wharton (Agriculture) Limited was outstanding. Mr. J.S. Wharton is a director and major shareholder of J. Wharton (Agriculture) Limited.

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

Notes to the Financial Statements for the Period Ended 30 June 2002

19 REVALUATION RESERVE

	2002 £	2001 £
Brought forward	3,793,875	-
Property revaluation	-	3,793,875
Transfer to profit & loss account	(44,842)	-
	<u>3,749,033</u>	<u>3,793,875</u>

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
Loss for the financial period/year - Net reduction of shareholders funds	(81,139)	(313,209)
Revaluation reserve	-	3,793,875
Share issue in year	357,807	-
Opening shareholders' funds	<u>4,445,388</u>	<u>964,722</u>
CLOSING SHAREHOLDERS' FUNDS	<u>4,722,056</u>	<u>4,445,388</u>

Equity interests	<u>4,722,056</u>	<u>4,445,388</u>
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21. PROVISIONS FOR LIABILITIES AND CHARGES

The amount provided and the potential liability for deferred taxation is as follows:

	Provided £	2002 Potential £	Provided £	2001 Potential £
The accumulated excess of capital allowances over corresponding depreciation	19,736	19,736	21,392	21,392
Postponed chargeable gains on sale of tangible fixed assets	-	568,000	-	568,000
	<u>19,736</u>	<u>587,736</u>	<u>21,392</u>	<u>589,392</u>
less:				
Unrelieved losses available to carry forward against future trading profit	(19,736)	(19,736)	(21,392)	(21,392)
	<u>-</u>	<u>568,000</u>	<u>-</u>	<u>568,000</u>

On the sale of the Old Showground in 1988 £1,892,000 of the gain chargeable to corporation tax was deferred by rollover relief. This gain is not expected to crystallise in the foreseeable future and therefore has not been provided for in the accounts. The potential corporation tax payable, should Glanford Park be sold and not replaced, is £568,000.

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

Notes to the Financial Statements for the Period Ended 30 June 2002

22. RECONCILIATION OF OPERATING LOSS TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2002 £	2001 £
Operating loss	(52,861)	(281,450)
Add/(Deduct):		
Depreciation	192,222	178,239
Loss on disposal of tangible fixed assets	435	-
Profit on disposal of players' contracts	(8,010)	(115,625)
Amortisation of grants	(14,484)	(15,993)
Decrease/(increase) in stock	2,503	(1,084)
Decrease/(increase) in debtors (excluding fees)	59,986	(101,490)
(Decrease)/increase in creditors (excluding transfer fees payable, deferred grants, bank overdraft and loans)	(305,802)	83,746
Net Cash outflow from operating activities	(126,011)	(253,657)

23. ANALYSIS OF CHANGES IN NET DEBT

	At 31.07.01 £	Cash Flows £	Other Changes £	At 30.06.02 £
Net cash:				
Cash in hand, at bank	21,926	13,388	-	35,314
Overdrafts	(332,661)	(96,331)	-	(428,992)
	<u>(310,735)</u>	<u>(82,943)</u>	<u>-</u>	<u>(393,678)</u>
Debt:				
Debt due within 1 year	(190,833)	-	10,833	(180,000)
Deferred grants	(365,567)	308,328	-	(57,239)
	<u>(556,400)</u>	<u>308,328</u>	<u>10,833</u>	<u>(237,239)</u>
Total	(867,135)	225,385	10,833	(630,917)