

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

COMPANY REGISTRATION NUMBER: 123622

Registered Office

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

Directors

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

Vice-Presidents

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

Secretary and Chief-Executive

A.D. Rowing

Manager

B. Laws

Auditors

Forrester Boyd, Chartered Accountants,
74 Oswald Road, Scunthorpe, North Lincolnshire, DN15 7PG



SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

NOTICE OF MEETING

Notice is hereby given that the eighty-ninth Annual General Meeting of the Company will be held in the Executive Suite, Glanford Park on Monday 20 October 2003 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 Thursday 14 November 2002.
3. To receive and consider the Report of the Directors and the Audited Accounts of the Company for the year ended 30 June 2003.
4. To re-elect Mr. J.B. Borrill who retires by rotation as a Director of the Company.
5. To re-elect Mr. B. Collen 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

6 September 2003

- 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

In preparing this my last Chairman's Review I am pleased to be able to say the club is in good shape financially and has every prospect for a successful season.

Last year may not quite have lived up to everyone's expectations but being realistic we did extremely well to reach the play-offs after making a considerable reduction in our player costs. We also reached the 3rd round of the FA Cup culminating in a "Sell Out" home game against Leeds United. A 2-0 defeat was not a fair reflection of the game and had we managed a draw, the financial rewards would have been enormous. As it was we gave a good account of ourselves and all could feel justifiably proud of Scunthorpe United. Many lessons were learned regarding ticket allocation, which hopefully will not be forgotten.

Despite losing the Sky TV money from the Carlisle replay we have still managed to be in profit before depreciation and after provision for a further £12k shortfall in the Pension Fund. With this small profit, the introduction of a further £60k Share Capital and tight monetary control we have managed to reduce our borrowings by over £200k. Depreciation is high following the Stadium revaluation and the Company has produced a loss of £163k after depreciation and player amortisation. There is still no room for complacency but this is certainly an acceptable performance and I would suggest creditable given the current circumstances.

Immediately after the end of last season, we installed an automatic pitch irrigation system, which has already proved invaluable during the recent drought conditions. Also during the year we embarked on a very ambitious project to build a "Study Support Centre" and additional office accommodation. The former has just been completed and has been recognised as one of the finest in the Country. The offices are running a little behind schedule but should be completed by the end of this month. During this extended building period the office and restaurant staff have worked in extremely dirty and noisy conditions. I would like to put on record my appreciation of their extreme tolerance and above all their hard work and good humour.

As a result of the lessons learned from the Leeds game I put forward proposals, which were endorsed by the Board for a ticketing policy based on Season Ticket Holders, and Loyalty Card Holders. This appears to have been well received as we currently have almost 900 Season Ticket Holders, an increase of 280 on last season and almost 1400 Loyalty Card Holders. We also have many more shareholders who take advantage of the over 200 share discounts. This all bodes well for the future and I hope the ticketing policy will be administered in strict accordance with the rules and improved upon as and where appropriate.

Football is of course our prime function and I really do feel we have an enviable set up at Scunthorpe. Brian Laws is one of the best Managers in the Football League and in his 6 years he has never become complacent and is always striving for ways to improve every aspect of the club. Russ Wilcox, Paul Wilson, Nigel Adkins and Paul Longdon make up a very competent team and all are dedicated to raising this club to a higher level. Recently Peter Beagrie has added his unquestionable skill to the training side as well as continuing to torment defenders throughout the 3rd division. To me he looks even younger and fitter than last year! I have enjoyed working with them all especially Brian. I always know I can rely on him 100%. When I step down at the AGM, I will miss the close involvement with the management and the players. Not only do they provide the football skills but they also create a vibrant and exciting atmosphere in and around the club. Whilst we incorporate no value on our balance sheet for home produced players I am confident we have a number of youngsters who have the ability to play at a much higher level and are a valuable hidden asset. I wish them well and hope they can go on to earn the maximum their potential will allow.

As always I am most appreciative of the support we have received from our sponsors H & L Garages Limited and Mercedes Benz together with all the companies and individuals who have supported us in so many ways.

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

CHAIRMAN'S REPORT (continued)

To my successor, Chris Holland and the Board, I wish them continued success and thank them most sincerely for the support they have given me over the past two years. I have every confidence that they will continue to improve the club whilst keeping careful control of the finances. It is no easy task, but Scunthorpe United is that bit special and deserves to progress while others may lose ground under the present difficult conditions.

In conclusion I would like to thank everyone, both full time, part time, all those involved with Football In The Community and The Study Support Centre, who have helped Scunthorpe United to progress over the past two years. You have made my job so much easier. It has been a pleasure to work with you and to serve as your Chairman. You can be assured that Scunthorpe United will always be close to my heart.

Finally of course my thanks to all our fans who are the life and sole of this Football Club.

J.S. Wharton Chairman

6 September 2003

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

Report of the Directors for the Year Ended 30 June 2003

The directors present their report and the financial statements of the company for the year ended 30 June 2003.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a Football League Club. The Chairman's statement reviews the activities of the year.

REVIEW OF BUSINESS

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

DIVIDENDS

No dividends will be distributed for the year ended 30 June 2003.

DIRECTORS

The current directors are listed on page 1.

The beneficial interests of the directors holding office at 30 June 2003 in the issued share capital of the company were as follows:

	30.6.03	30.6.02
Ordinary 50p shares		
Mr. J.S. Wharton	100,000	80,000
Mr. R. Garton	50,001	50,001
Mr. J.B. Borrill	51,383	31,383
Mr. B. Collen	65,745	65,745
Mr. J.A.C. Godfrey	217,190	217,190
Mr. C.O. Holland	50,000	50,000

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 140,000 shares between them.

In accordance with the Articles of Association, Mr. J.B. Borrill and Mr. B. Collen will retire at the forthcoming Annual General Meeting, and being eligible, will stand for re-election. Mr. J.S. Wharton will resign as a director.

CHARITABLE CONTRIBUTIONS

During the year the Club made various charitable contributions totalling £500.

FIXED ASSETS

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

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

Report of the Directors for the Year Ended 30 June 2003

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year 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 year. In preparing those financial statements the directors are required to:

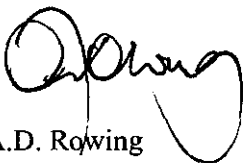
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

6 September 2003

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

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

We have audited the financial statements of SCUNTHORPE UNITED FOOTBALL CLUB LIMITED for the year ended 30 June 2003 on pages 8 to 19. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 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.

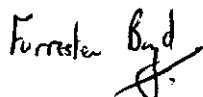
Basis of opinion

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 2003 and of its loss for the year 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

6 September 2003

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

**Profit and Loss Account
for the Year Ended 30 June 2003**

	Notes	2003 £	2002 £
TURNOVER	2	2,003,686	2,104,734
Cost of sales		<u>(2,063,507)</u>	<u>(2,068,560)</u>
GROSS (LOSS)/PROFIT		(59,821)	36,174
Net operating expenses	3	<u>(24,278)</u>	<u>(24,117)</u>
Operating (loss)/profit before transfers		(84,099)	12,057
Amortisation of transfer fees		(50,172)	(72,928)
Profit on transfer of players' contracts		-	8,010
OPERATING LOSS	5	<u>(134,271)</u>	<u>(52,861)</u>
Interest payable and similar charges	6	<u>(28,937)</u>	<u>(28,278)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(163,208)	(81,139)
Tax on loss on ordinary activities	7	-	-
LOSS FOR THE FINANCIAL YEAR/PERIOD AFTER TAXATION		<u>(163,208)</u>	<u>(81,139)</u>
Retained profit brought forward		<u>415,216</u>	<u>451,513</u>
		252,008	370,374
Transfer from revaluation reserve		48,919	44,842
RETAINED PROFIT CARRIED FORWARD		<u>£300,927</u>	<u>£415,216</u>

CONTINUING OPERATIONS


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

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

Balance Sheet 30 June 2003

	Notes	£	2003 £	£	2002 £
FIXED ASSETS					
Intangible assets	8		39,923		90,095
Tangible assets	9		5,431,321		5,519,588
			<u>5,471,244</u>		<u>5,609,683</u>
CURRENT ASSETS					
Stocks	10	17,080		19,420	
Debtors	11	132,239		205,823	
Cash at bank and in hand		37,617		35,314	
			<u>186,936</u>	<u>260,557</u>	
CREDITORS					
Amounts falling due within one year	12	978,932		1,083,380	
			<u>(791,996)</u>		<u>(822,823)</u>
NET CURRENT LIABILITIES					
TOTAL ASSETS LESS CURRENT LIABILITIES					
			4,679,248		4,786,860
CREDITORS					
Amounts falling due after more than one year	13		(58,700)		(64,804)
			<u>£4,620,548</u>		<u>£4,722,056</u>
CAPITAL AND RESERVES					
Called up share capital	16		619,507		557,807
Revaluation Reserve	19		3,700,114		3,749,033
Profit and loss account			300,927		415,216
			<u>£4,620,548</u>		<u>£4,722,056</u>
Shareholders' funds	20				

ON BEHALF OF THE BOARD:


Mr. J.S. Wharton - DIRECTOR


Mr. R. Garton - DIRECTOR

Approved by the Board on 6 September 2003.

The notes form part of these financial statements

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

**Cash Flow Statement
For The Year Ended 30 June 2003**

	Note	2003 £	2002 £
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	22	171,997	(126,011)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest paid on bank overdraft, bank and other loans		(18,718)	(20,571)
CAPITAL EXPENDITURE			
Purchase of intangible fixed assets		(2,083)	
Purchase of tangible fixed assets	(25,376)	(25,418)	
Sale of intangible fixed assets		38,010	
Sale of tangible fixed assets	6,624	-	
Net cash (outflow)/inflow from investing activities		(18,752)	10,509
FINANCING			
Issue of ordinary share capital		61,700	357,807
Increase in cash in the year/period		196,227	221,734

Reconciliation of net cashflow to movement in net debt

	2003 £	2002 £
Increase in cash in the year/period	196,227	221,734
Amortisation of grants	13,830	14,484
Net debt at 30 June 2002	210,057 (630,917)	236,218 (867,135)
Net debt at 30 June 2003	(420,860)	(630,917)

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2003

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, these are all excluding VAT.

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 year. 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 Year Ended 30 June 2003

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

	2003 £	2002 £
League, F.A. Cup and Other Cups	868,959	730,187
League central distribution	354,751	661,100
Friendlies	26,671	21,604
Broadcasting and internet	73,441	61,510
Car park	17,918	11,492
Lottery/cash line	52,704	52,066
Programme sales and advertising	100,831	79,578
Sponsorship	95,206	85,208
Matchday Catering	74,871	69,905
Shop	88,720	99,103
Donations	13,317	10,663
Miscellaneous income	25,955	17,751
Iron Bar	44,219	41,084
Restaurant	166,123	163,483
Total	2,003,686	2,104,734

3. NET OPERATING EXPENSES

	2003 £	2002 £
Administrative expenses	191,525	187,018
Youth development grant	(138,000)	(138,000)
Grants received	(29,247)	(24,901)
	24,278	24,117

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2003

4. STAFF COSTS

	2003 £	2002 £
Wages and salaries	1,355,135	1,410,944
Social security costs	117,765	118,580
Other pension costs	8,833	8,048
Exceptional pension costs	12,862	-
	<u>1,494,595</u>	<u>1,537,572</u>

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

	Full time	Part time	2003 Total	2002 Total
Football	38	-	38	40
Ground staff	2	3	5	5
Administration	2	2	4	5
Matchday casuals	-	105	105	105
Restaurant	1	13	14	18
School of Excellence	3	6	9	9
Commercial	2	4	6	6
	<u>48</u>	<u>133</u>	<u>181</u>	<u>188</u>

During the year, the Club received notification from The Football League Limited Pension and Life Assurance Scheme, that a further deficit had occurred in the scheme. At the 1 April 2003 Scunthorpe United's share was £35,465. The additional deficit of £12,862 has been included in full in these accounts. The amount with interest is being paid by 121 monthly instalments.

5. OPERATING LOSS

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

	2003 £	2002 £
Hire of plant and machinery	4,097	1,250
Depreciation - owned assets	118,264	119,294
Profit on transfer of players' contracts	-	(8,010)
(Profit)/Loss on disposal of tangible fixed assets	(3,744)	435
Cost of players' registrations written off	50,172	72,928
Audit and Accountancy	7,300	6,610
Capital grants amortised	(13,830)	(14,484)
Vehicle operating leases	4,476	3,005
Directors' emoluments	-	-
Pension costs	8,833	8,048

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2003

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2003 £	2002 £
Bank interest	15,823	15,458
Loan interest	10,972	10,091
Pension deficit interest	2,142	2,075
Interest on VAT	-	654
	<u>28,937</u>	<u>28,278</u>

7. TAXATION

No liability to UK Corporation tax arose on ordinary activities for the year 30 June 2003 nor for the period ended 30 June 2002.

8. INTANGIBLE FIXED ASSETS

	Cost of players' registrations £
COST:	
At 1 July 2002	255,343
Disposal	(73,500)
At 30 June 2003	<u>181,843</u>
AMORTISATION:	
At 1 July 2002	165,248
Charge for year	50,172
Elimination on disposal	(73,500)
At 30 June 2003	<u>141,920</u>
NET BOOK VALUE:	
At 30 June 2003	<u>39,923</u>
At 30 June 2002	<u>90,095</u>

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2003

9. TANGIBLE FIXED ASSETS

	Land and Buildings £	Fixtures and fittings £	Totals £
COST OR VALUATION:			
At 1 July 2002	5,500,000	406,706	5,906,706
Additions	-	32,877	32,877
Disposal	-	(61,413)	(61,413)
At 30 June 2003	5,500,000	378,170	5,878,170
DEPRECIATION:			
At 1 July 2002	84,333	302,785	387,118
Charge for year	92,000	26,264	118,264
Elimination on disposal	-	(58,533)	(58,533)
At 30 June 2003	176,333	270,516	446,849
NET BOOK VALUE			
At 30 June 2003	5,323,667	107,654	5,431,321
At 30 June 2002	5,415,667	103,921	5,519,588

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.

During the year expenditure of £45,563 was incurred in connection with the construction of the Study Support Centre which will be completed next year. All this expenditure was covered by a contribution from the DfES, Football League Foundation and Local Education Authority.

10. STOCKS

	2003 £	2002 £
Goods for resale	17,080	19,420

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £	2002 £
Trade debtors	35,090	17,840
Prepayments and accrued income	97,149	187,983
	132,239	205,823

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

**Notes to the Financial Statements
for the Year Ended 30 June 2003**

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003	2002
	£	£
Bank loans and overdrafts (see note 14)	235,068	428,992
Trade creditors	118,581	73,609
Directors current accounts	75,000	116,489
Other loans	184,100	184,100
Other creditors	102,620	23,483
Social security and other taxes	78,810	46,046
Accruals and deferred income	178,728	201,621
Pension deficit	6,025	9,040
	<hr/> 978,932 <hr/>	<hr/> 1,083,380 <hr/>

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

	2003	2002
	£	£
Deferred grants	17,420	27,812
Pension deficit	15,304	21,392
	<hr/> 32,724 <hr/>	<hr/> 49,204 <hr/>

CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN FIVE YEARS

	2003	2002
	£	£
Deferred grants	13,300	15,600
Pension deficit	12,676	-
	<hr/> 25,976 <hr/>	<hr/> 15,600 <hr/>

14. LOANS AND OVERDRAFTS

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

	2003	2002
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	235,068	428,992
	<hr/>	<hr/>

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2003

15. SECURED DEBTS

The following secured debts are included within creditors:

	2003 £	2002 £
Bank overdrafts	235,068	428,992
Other loan	180,000	180,000
	<u>415,068</u>	<u>608,992</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:	2003 £	2002 £
2,000,000	Ordinary	50p	<u>1,000,000</u>	<u>1,000,000</u>
Authorised, issued and fully paid Number:	Class:	Nominal value:	2003 £	2002 £
1,239,014	Ordinary	50p	<u>619,507</u>	<u>557,807</u>

123,400 ordinary shares of 50 pence each were allotted and fully paid in the year.

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 £8,833 (2002: £8,048).

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 Year Ended 30 June 2003

19 REVALUATION RESERVE

	2003 £	2002 £
Brought forward	3,749,033	3,793,875
Transfer to profit & loss account	(48,919)	(44,842)
	<u>3,700,114</u>	<u>3,749,033</u>

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003 £	2002 £
Loss for the financial year/period - Net reduction of shareholders funds	(163,208)	(81,139)
Share issue in year	61,700	357,807
Opening shareholders' funds	<u>4,722,056</u>	<u>4,445,388</u>
CLOSING SHAREHOLDERS' FUNDS	<u>4,620,548</u>	<u>4,722,056</u>
Equity interests	<u>4,620,548</u>	<u>4,722,056</u>

21. PROVISIONS FOR LIABILITIES AND CHARGES

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

	Provided £	2003 Potential £	Provided £	2002 Potential £
The accumulated excess of capital allowances over corresponding depreciation	20,379	20,379	19,736	19,736
Postponed chargeable gains on sale of tangible fixed assets	-	568,000	-	568,000
	<u>20,379</u>	<u>588,379</u>	<u>19,736</u>	<u>587,736</u>
less:				
Unrelieved losses available to carry forward against future trading profit	(20,379)	(20,379)	(19,736)	(19,736)
	<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 Year Ended 30 June 2003

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

	2003 £	2002 £
Operating loss	(134,271)	(52,861)
Add/(Deduct):		
Depreciation	168,436	192,222
(Profit)/Loss on disposal of tangible fixed assets	(3,744)	435
Profit on disposal of players' contracts	-	(8,010)
Amortisation of grants	(13,830)	(14,484)
Decrease in stock	2,340	2,503
Decrease in debtors (excluding fees)	73,584	59,986
Increase/(Decrease) in creditors (excluding transfer fees payable, deferred grants, bank overdraft and loans)	79,482	(305,802)
Net Cash inflow/(outflow) from operating activities	171,997	(126,011)

23. ANALYSIS OF CHANGES IN NET DEBT

	At 30.06.02 £	Cash Flows £	Other Changes £	At 30.06.03 £
Net cash:				
Cash in hand, at bank	35,314	2,303		37,617
Overdrafts	(428,992)	193,924		(235,068)
	<u>(393,678)</u>	<u>196,227</u>		<u>(197,451)</u>
Debt:				
Debt due within 1 year	(180,000)	-		(180,000)
Deferred grants	(57,239)	13,830		(43,409)
	<u>(237,239)</u>	<u>13,830</u>		<u>(223,409)</u>
Total	(630,917)	210,057		(420,860)