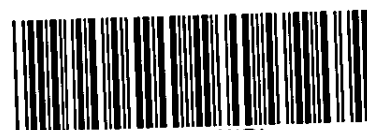


REGISTERED NUMBER 123622 (England and Wales)

**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**  
**REPORT OF THE DIRECTORS AND**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**30 JUNE 2007**

THURSDAY



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**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),  
S Elliott, K Wagstaff

**Associate Directors**

J Oxenforth, M Blackbourne

**President**

J A C Godfrey C B E

**Vice-Presidents**

I T Botham O B E , N J Brownsword,  
Mr B Heywood M B Ch, B F R C O G  
K R Waters, Dr J Zacharias B B S, G Taylor O B E , T Jacklin O B E  
R Clemence M B E

**Secretary and General Manager**

J Hammond

**Manager**

N Adkins

**Auditors**

Forrester Boyd, Chartered Accountants,  
66-68 Oswald Road, Scunthorpe, North Lincolnshire, DN15 7PG

## **SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

### **NOTICE OF MEETING**

Notice is hereby given that the 93rd Annual General Meeting of the Company will be held in the Executive Suite, Glanford Park on 17 December 2007 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 10 December 2006
- 3 To receive and consider the Report of the Directors and the Audited Accounts of the Company for the year ended 30 June 2007
- 4 To re-elect Mr S Elliott as a Director of the Company
- 5 To re-appoint Forrester Boyd, Chartered Accountants of Scunthorpe, as Auditors of the Company and to authorise the Directors to fix their remuneration
- 6 To consider and if thought fit to pass the following resolution as an Ordinary Resolution

"That the directors be and are generally and unconditionally authorised for the purposes of section 80 of the Companies Act 1985 to allot, or to grant any right to subscribe for or to convert any security into, shares in the company up to a maximum nominal amount of £1,000,000 at any time or times up to and including five years from the date of this resolution when this authority shall expire and this authority shall allow the company to make an offer or agreement before the expiry of the authority which would or might require shares to be allotted, or rights to subscribe for or to convert any security into shares to be granted, after expiry of the authority "

- 7 To elect President and Vice-Presidents
- 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**

J Hammond  
**Secretary**

#### **Registered Office:**

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

**31 October 2007**

- 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 48 hours prior to the meeting.

# SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

## CHAIRMAN'S REPORT

2006 – 2007

The 2006/7 season just has to be one of the most memorable in the history of our football club. Who would have believed that in just over 3 years we could climb from 22<sup>nd</sup> in the basement Division to Champions of League 1?

Great credit for our transformation must go to the Football Management team and a terrific squad of players who possess great self belief and a remarkable team spirit. During the season we had to replace the Manager when Brian Laws accepted a position with Sheffield Wednesday, and Russ Wilcox his assistant. I was able to persuade Nigel Adkins to assume temporary control at least until Christmas to ensure stability and hopefully keep our push for promotion on track. This appointment was nowhere near as risky as many feared as Nigel had for some years played an important role beyond that of Physio, within our management team. The Board had every confidence in his ability and with Andy Crosby and Ian Baraclough, without a moments hesitation, accepting the added responsibility of Assistant Managers, not only did we maintain our position, we went on to become League Champions.

Brian Laws and Russ Wilcox left after the Huddersfield game. We were lying 3<sup>rd</sup> in the League table with only 4 games lost and an average points tally of 1.71 having played 17 games. Nigel Adkins proved to be an inspired choice and with the support of Andy Crosby and Ian Baraclough the team went on to add a further 62 points in 29 games with only 3 defeats and an average points tally of 2.14, a remarkable achievement by any standards. This despite the sale of Andy Keogh in the January transfer window for a record £600,000 to Wolverhampton Wanderers, £100,000 of which had to be paid to Leeds United under the terms of his original transfer.

After many years of successful Cup runs it was disappointing to go out 0-2 to Wrexham at home in the 2<sup>nd</sup> round after beating Cheltenham away in a 1<sup>st</sup> round replay. We did however beat Lincoln at home in the 1<sup>st</sup> round of the League Cup and gave a very good account of ourselves in the 2<sup>nd</sup> round at home to Aston Villa, losing 1-2. This game was televised and was the day the new owner, Randy Lerner took over at Aston Villa. After beating Bradford City away in the Johnstone's Paint Trophy we lost at home to Port Vale on penalties.

The players really do warrant a special mention in my Annual Report. They were truly magnificent throughout the season, every single one of them. Billy Sharp once again received most of the accolades and his 32 goals which beat Barrie Thomas's long standing record, was a tremendous achievement. We were very disappointed to lose the services of Steve Foster and Richard Hinds at the end of the season, both players were a great credit to this club and we wish them well at Darlington and Sheffield Wednesday respectively. Steve Torpey and Lee Ridley left the club after many years extremely loyal service and I would like to express my personal thanks for their valuable contribution to our recent successes. Andy Keogh of course left in the January transfer window and whilst we were disappointed that he wanted to leave our club, he had served us extremely well and proved to have been a very profitable investment.

During the year we managed to persuade the Local Authority that we should be permitted to retain our indoor training facilities and furthermore, be allowed to develop an 11 acres outdoor training area, albeit on a temporary 3 year agreement. We have recently taken the decision to fully irrigate this new training area. The main pitch at Glanford Park was completely re-laid and re-seeded during the close season due to a deterioration of it's quality in the past 2 years. Some £30,000 was also spent on new ground maintenance equipment in order to maintain a high quality playing surface. To date this action appears to be paying dividends and hopefully we will have a very good pitch for the entire season.

The supporters continue to play a huge part in our success. For a small club to be successful in the higher divisions, we need every possible element to be in our favour and our fans are one of our biggest assets. We continue to try and make the off field experience at Glanford Park a more pleasurable one. With this in mind we have upgraded all the catering points and will do our level best to improve the quality of the food we serve. Some seating has already been replaced and the remainder will be replaced over the next two years.

The proposed new North Stand is now progressing towards the planning approval stage whilst at the same time we are considering the possibility of extending the East Stand and the Executive areas within the West Stand. We do however still believe an entirely new stadium may be possible and before spending any significant sums on Glanford Park we will explore every avenue to see if this can become a reality. For this to be a viable proposition the club would have to move without any excessive debt.

# **SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

## **CHAIRMAN'S REPORT (continued)**

**2006 – 2007**

Looking at the financial results for the year to 30<sup>th</sup> June 2007 I have to say they are a little below our forecast but realistically they are very good bearing in mind our poor Cup run and the high cost of promotion bonuses. The sale of Andy Keogh just about balanced the books even after depreciation of £143,966 and player amortisation of £90,827. The cost of any players purchased, is written off over the period of their contract and our policy is to purchase players who we believe will appreciate in value before the age of 24. One such player is Billy Sharp who was sold post year end for a club record, a net £1.525 million after the deduction of the 25% Sell-On to which Sheffield United were entitled.

We now have a club, virtually debt free, playing in The Championship League for the first time in almost 50 years. Season ticket sales are at a record level of over 4,000 double the 06-07 season and revenue from the Football League will increase by at least £1.3 million. It is your directors' intention to increase the Players' budget by a further £1 million pounds and to support Nigel as much as is prudently possible to strengthen his squad in the January transfer window.

Last season was the last year of a six year sponsorship deal with Daimler Chrysler, the final year in the name of JEEP. I would like to express my gratitude for their very valuable support over the six year period which has seen us progress to League 2 runners up and last year to Champions of League 1 and on to the Championship League for the forthcoming season. We are fortunate that a replacement Sponsor quickly took their place and we are proud and privileged to have the name of RAINHAM STEEL, who recently opened one of the country's largest steel stockholding premises in Scunthorpe, on our shirts for our first year in the Championship.

In my report last year I said we had put the pride back into Scunthorpe United and could go a long way to achieving our goal if we continued to work for each other. I think I can confidently say we are still on track and as I write this report, we are currently lying 9<sup>th</sup> in the League. For us, survival is our main aim in our first year in the Championship and Nigel and the players are to be congratulated for such a magnificent start to the season. It will almost certainly get a lot harder as the season progresses but with our exceptional team spirit, I can be confident that we will give a good account of ourselves.

To all our staff, who all play such an important part within our club, a very sincere thank you, I am immensely proud to be your Chairman.

Steve Wharton

**Chairman**

31 October 2007

# SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

## Report of the Directors for the Year Ended 30 June 2007

The directors present their report and the financial statements of the company for the year ended 30 June 2007

### DIRECTORS

The current directors are listed on page 1

The beneficial interests of the directors holding office at 30 June 2007 in the issued share capital of the company were as follows

	30 6.07	30.6.06
<b>Ordinary 50p shares</b>		
Mr J S Wharton	100,000	100,000
Mr R Garton	55,005	52,004
Mr S Elliott	100,000	100,000
Mr K Wagstaff	16,361	16 361

G P Community Sports Ltd of which Mr J S Wharton is a director and major shareholder held 660,000 shares at 30 June 2007 (660,000 – 2006) Furthermore, 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 (140,000 – 2006)

In accordance with the Articles of Association, Mr S Elliott will retire at the forthcoming Annual General Meeting, and being eligible, will stand for re-election

### PRINCIPLE ACTIVITIES AND REVIEW OF THE BUSINESS

The principle activity of the company continued to be that of a Football League Club

Turnover for the year has continued to increase, but with costs also increasing, there is an "Operating loss before transfers" of £394,261 However due to the successful transfer activities the loss for the year has been reduced to £16,620

Having gained promotion to the Coca-Cola Championship, the club is now looking forward to the challenges of the season ahead The club seeks to continue to develop its playing staff whilst always being aware of its financial position

### DIVIDENDS

No dividends will be distributed for the year ended 30 June 2007

### FIXED ASSETS

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

### STATEMENT OF DISCLOSURE TO AUDITOR

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

# **SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

## **Report of the Directors for the Year Ended 30 June 2007**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the financial statements in accordance with the 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). The financial statements are required by law to 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

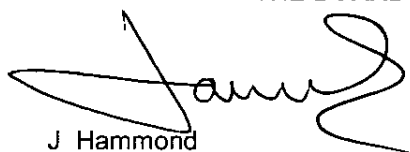
- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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**



J Hammond  
**Secretary**

31 October 2007

## SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

### Report of the Auditors to the Members of SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

We have audited the financial statements of SCUNTHORPE UNITED FOOTBALL CLUB LIMITED for the year ended 30 June 2007 on pages 8 to 20. 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page six.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition, we report to you if, in our opinion, 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 other transactions 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 audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

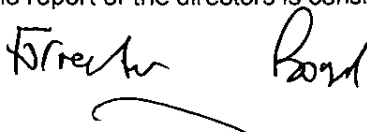
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2007 and of its loss for the year then ended, and
- the financial statements have been properly prepared in accordance with the Companies Act 1985
- the information given in the report of the directors is consistent with the financial statements

**FORRESTER BOYD**  
Registered Auditors  
Chartered Accountants  
66-68 Oswald Road  
**SCUNTHORPE**  
North Lincolnshire  
DN15 7PG



31 October 2007



**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

**Profit and Loss Account  
for the Year Ended 30 June 2007**

	Notes	2006 £	2005 £
<b>TURNOVER</b>	2	<b>2,813,747</b>	2,481,156
Cost of sales		<u>(3,055,998)</u>	<u>(2,859,600)</u>
<b>GROSS LOSS</b>		<b>(242,251)</b>	(378,444)
Net operating expenses	3	<u>(152,010)</u>	<u>(127,080)</u>
Operating loss before transfers		<b>(394,261)</b>	(505,524)
Amortisation of transfer fees		<b>(90,827)</b>	(67,458)
Profit on disposal of players registrations		<b>474,665</b>	63,750
<b>OPERATING LOSS</b>	5	<b>(10,423)</b>	(509,232)
Interest receivable and similar income		<b>4,080</b>	4,620
Interest payable and similar charges	6	<u>(9,492)</u>	<u>(3,977)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(15,835)</b>	(508,589)
Tax on loss on ordinary activities	7	<b>785</b>	-
<b>LOSS FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<u><b>£(16,620)</b></u>	<u>£(508,589)</u>

**CONTINUING OPERATIONS**

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

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the losses for the current and previous year

The notes form part of these financial statements

**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

**Balance Sheet  
30 June 2007**

	Notes	£	2007 £	£	2006 £
<b>FIXED ASSETS</b>					
Intangible assets	8		272,830		123,992
Tangible assets	9		5,526,597		5,586,236
			<u>5,799,427</u>		<u>5,710,228</u>
<b>CURRENT ASSETS</b>					
Stocks	10	102,718		72,688	
Debtors	11	374,172		177,237	
Cash at bank and in hand		775,928		2,769	
		<u>1,252,818</u>		<u>252,694</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	12	2,619,287		1,512,041	
<b>NET CURRENT LIABILITIES</b>			<u>(1,366,469)</u>		<u>(1,259,347)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>4,432,958</u>		<u>4,450,881</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	13		(190,342)		(200,020)
			<u>£4,242,616</u>		<u>£4,250,861</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		933,027		924,652
Revaluation Reserve	20		3,504,438		3,553,357
Profit and loss account	17		(194,849)		(227,148)
Shareholders' funds	21		<u>£4,242,616</u>		<u>£4,250,861</u>

**ON BEHALF OF THE BOARD**



Mr J S Wharton - **DIRECTOR**



Mr R Garton - **DIRECTOR**

Approved by the Board on 31 October 2007

The notes form part of these financial statements

**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

**Cash Flow Statement  
For The Year Ended 30 June 2007**

	Note	2007 £	2006 £
<b>NET CASH INFLOW/(OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES</b>	<b>24</b>	<b>470,992</b>	<b>(439,327)</b>
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			
Interest paid on bank overdraft, bank and other loans		(9,492)	(3,977)
Interest received		4,080	4,620
		<u>(5,412)</u>	<u>643</u>
<b>CAPITAL EXPENDITURE</b>			
Purchase of tangible fixed assets		(53,676)	(259,068)
Purchase of intangible fixed assets		(231,250)	(126,690)
Transfer fees received		416,667	63,750
Compensation received		-	56,250
		<u>131,741</u>	<u>(265,758)</u>
Net cash inflow/(outflow) from investing activities			
<b>FINANCING</b>			
Issue of ordinary share capital		8,375	6,030
Director's loans received		400,000	100,000
Capital Grants received		-	60,300
		<u>408,375</u>	<u>166,330</u>
<b>Increase/(Decrease) in cash in the year</b>		<b>1,007,064</b>	<b>(538,112)</b>

**Reconciliation of net cashflow to movement in net debt**

	2007 £	2006 £
Increase/(decrease) in cash in the year	1,007,064	(538,112)
Amortisation of grants	7,840	11,171
Grant received	-	(67,000)
	<u>1,014,904</u>	<u>(593,941)</u>
Net debt at 30 June 2006	(451,968)	141,973
<b>Net cash/(debt) at 30 June 2007</b>	<b>562,936</b>	<b>(451,968)</b>

The notes form part of these financial statements

# SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

## Notes to the Financial Statements for the Year Ended 30 June 2007

### 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, match day 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 that have originated but not reversed at the balance sheet date

#### 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 2007

### 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

	2007 £	2006 £
League, F A Cup and Other Cups	1,333,763	1,306,330
League central distribution	387,429	352,245
Friendlies	34,346	4,252
Broadcasting and internet	173,335	38,577
Car park	24,470	21,007
Lottery/cash line	47,622	47,483
Programme sales and advertising	131,353	105,378
Sponsorship	144,657	108,802
Match day catering	123,583	87,896
Shop	145,123	184,603
Donations	8,915	4,490
Miscellaneous income	49,410	30,972
Iron Bar	51,125	40,964
Restaurant	158,616	148,157
<b>Total</b>	<b>2,813,747</b>	<b>2,481,156</b>

### 3 NET OPERATING EXPENSES

	2007 £	2006 £
Administrative expenses	295,645	283,374
Youth development grant	(135,796)	(131,790)
Grants received	(7,839)	(24,504)
	<b>152,010</b>	<b>127,080</b>

# **SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

## **Notes to the Financial Statements for the Year Ended 30 June 2007**

### **4 STAFF COSTS**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>2,036,517</b>	1,909,239
Social security costs	<b>208,859</b>	184,060
Other pension costs	<b>9,181</b>	11,103
	<hr/> <b>2,254,557</b> <hr/>	<hr/> <b>2,104,402</b> <hr/>

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

	<b>Full time</b>	<b>Part time</b>	<b>2007 Total</b>	<b>2006 Total</b>
Football	<b>38</b>	<b>-</b>	<b>38</b>	44
Ground staff	<b>6</b>	<b>1</b>	<b>7</b>	7
Administration	<b>4</b>	<b>1</b>	<b>5</b>	4
Match day casuals	<b>-</b>	<b>89</b>	<b>89</b>	107
Restaurant	<b>4</b>	<b>14</b>	<b>18</b>	16
School of Excellence	<b>3</b>	<b>10</b>	<b>13</b>	10
Commercial	<b>4</b>	<b>2</b>	<b>6</b>	5
	<hr/> <b>59</b> <hr/>	<hr/> <b>117</b> <hr/>	<hr/> <b>176</b> <hr/>	<hr/> <b>193</b> <hr/>

During the year ended 30 June 2003 the club received notification from The Football League Ltd Pension and Life Assurance Scheme that a further deficit has occurred in the scheme. At 1 April 2003 Scunthorpe United's share was £35,465. The additional deficit of £12,862 has been included in full for the year ended 30 June 2003. The amount with interest is being paid by 121 monthly instalments.

### **5 OPERATING LOSS**

The operating loss is stated after charging/(crediting)

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Hire of plant and machinery	<b>3,084</b>	2,630
Depreciation - owned assets	<b>143,966</b>	137,044
Loss on disposal of tangible fixed assets	<b>7</b>	10
Transfer fees/compensation received	<b>(474,665)</b>	(63,750)
Cost of players' registrations written off	<b>90,827</b>	67,458
Audit fees	<b>8,500</b>	7,100
Capital grants amortised	<b>(7,839)</b>	(11,171)
Pension costs	<b>9,181</b>	11,103
	<hr/> <b></b> <hr/>	<hr/> <b></b> <hr/>

**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

**Notes to the Financial Statements  
for the Year Ended 30 June 2007**

**6 INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Bank interest	<b>7,728</b>	2,114
Pension deficit interest	<b>1,764</b>	1,863
	<u><b>9,492</b></u>	<u>3,977</u>

**7 TAXATION**

**Analysis of the tax charge**

The tax charge on the loss on ordinary activities for the year was as follows

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Current tax		
UK Corporation tax	<b>785</b>	-
Tax on loss on ordinary activities	<u><b>785</b></u>	<u>-</u>

**8 INTANGIBLE FIXED ASSETS**

	<b>Cost of players' registrations</b>
	<b>£</b>
<b>COST:</b>	
At 1 July 2006	389,783
Additions	265,000
Disposals	<u>(286,843)</u>
At 30 June 2007	<u>367,940</u>
<b>AMORTISATION</b>	
At 1 July 2006	265,791
Charge for year	90,827
Eliminated on disposal	<u>(261,508)</u>
At 30 June 2007	<u>95,110</u>
<b>NET BOOK VALUE</b>	
At 30 June 2007	<u>272,830</u>
At 30 June 2006	<u>123,992</u>

**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

**Notes to the Financial Statements  
for the Year Ended 30 June 2007**

**9 TANGIBLE FIXED ASSETS**

	Land and Buildings £	Fixtures and fittings £	Motor Vehicles £	Totals £
<b>COST OR VALUATION.</b>				
At 1 July 2006	5,856,657	539,312	15,140	6,411,109
Additions	49,294	35,042	-	84,336
Disposals	-	(12,116)	-	(12,116)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2007	5,905,951	562,238	15,140	6,483,329
	<hr/>	<hr/>	<hr/>	<hr/>
<b>DEPRECIATION:</b>				
At 1 July 2006	465,366	359,091	416	824,873
Charge for year	99,974	39,000	4,992	143,966
Eliminated on disposal	-	(12,107)	-	(12,107)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2007	565,340	385,984	5,408	956,732
	<hr/>	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE</b>				
At 30 June 2007	5,340,611	176,254	9,732	5,526,597
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2006	5,391,291	180,221	14,724	5,586,236
	<hr/>	<hr/>	<hr/>	<hr/>

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. The valuation has not been updated.

**10 STOCKS**

	2007 £	2006 £
Goods for resale	102,718	72,688
	<hr/>	<hr/>

**11 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2007 £	2006 £
Trade debtors	278,195	109,751
Prepayments and accrued income	95,977	66,324
Other debtors	-	1,162
	<hr/>	<hr/>
	374,172	177,237
	<hr/>	<hr/>



**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

**Notes to the Financial Statements  
for the Year Ended 30 June 2007**

**12 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts (see note 14)	<b>27,592</b>	261,497
Trade creditors	<b>261,505</b>	98,645
Director's loan account (interest free)	<b>1,000,000</b>	600,000
Other creditors	<b>8,716</b>	23,752
Social security and other taxes	<b>223,869</b>	119,745
Accruals and deferred income	<b>1,094,983</b>	406,842
Pension deficit	<b>1,837</b>	1,560
Corporation tax	<b>785</b>	-
	<b><u>2,619,287</u></b>	<b><u>1,512,041</u></b>

**13 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Deferred grants	<b>27,054</b>	29,020
Pension deficit	<b>10,115</b>	9,008
	<b><u>37,169</u></b>	<b><u>38,028</u></b>

**CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN FIVE YEARS**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Deferred grants	<b>150,509</b>	156,383
Pension deficit	<b>2,664</b>	5,609
	<b><u>153,173</u></b>	<b><u>161,992</u></b>

**14 LOANS AND OVERDRAFTS**

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

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Amounts falling due within one year or on demand		
Bank overdrafts	<b><u>27,592</u></b>	<b><u>261,497</u></b>

# **SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

## **Notes to the Financial Statements for the Year Ended 30 June 2007**

### **15 SECURED DEBTS**

The following secured debts are included within creditors

	2007 £	2006 £
Bank overdrafts	<u>27,592</u>	<u>261,497</u>

The bank overdraft is secured by a fixed and floating charge over the assets of the company and by guarantees given by certain directors and individuals

### **16 CALLED UP SHARE CAPITAL**

Authorised Number	Class	Nominal value	2007 £	2006 £
2,000,000	Ordinary	50p	<u>1,000,000</u>	<u>1,000,000</u>
Authorised, issued and fully paid Number	Class	Nominal value	2007 £	2006 £
1,866,054	Ordinary	50p	<u>933,027</u>	<u>924,652</u>

16,750 ordinary shares of 50 pence each were allotted and fully paid in the year

### **17 RESERVES**

	Profit and loss account £	Revaluation Reserve £	Totals £
At 1 July 2006	(227,148)	3,553,357	3,326,209
Deficit for the year	(16,620)	-	(16,620)
Transfer from reserves	48,919	(48,919)	-
At 30 June 2007	<u>(194,849)</u>	<u>3,504,438</u>	<u>3,309,589</u>

### **18 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 £9,181 (2006 £11,103).

# **SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

## **Notes to the Financial Statements for the Year Ended 30 June 2007**

### **19 RELATED PARTY DISCLOSURES**

During the year the company had material transactions and incurred material balances with related parties as follows

		<b>2007</b>	<b>2006</b>
		<b>£</b>	<b>£</b>
J Wharton (Shipping) Ltd	- sales to	<b>16,215</b>	13,062
	- purchases from	<b>4,142</b>	-
	- sales ledger balance	-	4,657
	- purchase ledger balance	-	2,000
Mason Baggott & Garton	- sales to	<b>300</b>	294
	- sales ledger balance	-	-

Description of relationship

The above are considered to be related parties on the following grounds

Name of related party	Nature of relationship
J Wharton (Shipping) Ltd	J S Wharton is a director and major shareholder
Mason Baggott & Garton	R Garton is a partner

Please note Mr S Elliott was during the year a director of Daimler Chrysler U K Limited and managing director of Chrysler Jeep Limited. These companies sponsor the team shirts on a commercial basis. Mr Elliott is currently President and Chief Executive Officer of CGCSL (Daimler Chrysler China)

Controlling Party

Mr J S Wharton is the controlling shareholder of Scunthorpe United Football Club Limited

### **20 REVALUATION RESERVE**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Brought forward	<b>3,553,357</b>	3,602,276
Transfer to profit & loss account	<b>(48,919)</b>	(48,919)
	<b><u>3,504,438</u></b>	<b><u>3,553,357</u></b>

# SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

## Notes to the Financial Statements for the Year Ended 30 June 2007

### 21 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007 £	2006 £
Loss for the financial year - Net reduction of shareholders funds	(16,620)	(508,589)
Share issue in year	8,375	6,030
Opening shareholders' funds	4,250,861	4,753,420
<b>CLOSING SHAREHOLDERS' FUNDS</b>	<b>4,242,616</b>	<b>4,250,861</b>
Equity interests	4,242,616	4,250,861

### 22 PROVISIONS FOR LIABILITIES AND CHARGES

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

	Provided £	2007 Potential £	Provided £	2006 Potential £
The accumulated excess of capital allowances over corresponding depreciation	25,801	25,801	17,493	17,493
Postponed chargeable gains on sale of tangible fixed assets	-	568,000	-	568,000
	25,801	593,801	17,493	585,493
<b>less:</b>				
Unrelieved losses available to carry forward against future trading profit	(25,801)	(25,801)	(17,493)	(17,493)
	-	568,000	-	568,000

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.

### 23 POST BALANCE SHEET EVENTS

Subsequent to the year end, Billy Sharp a player for the club, was transferred to Sheffield United Football Club for a fee of £2,000,000.

**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

**Notes to the Financial Statements  
for the Year Ended 30 June 2007**

**24 RECONCILIATION OF OPERATING LOSS TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**

	2007 £	2006 £
Operating loss	(10,423)	(509,232)
<b>Add/(Deduct):</b>		
Depreciation	234,797	204,502
Loss on disposal of tangible fixed assets	7	10
Transfer fees/compensation	(474,665)	(63,750)
Amortisation of grants	(7,839)	(11,171)
(Increase) in stock	(30,030)	(50,276)
(Increase)/Decrease in debtors (excluding fees)	(113,602)	16,944
Increase/(Decrease) in creditors (excluding transfer fees payable, deferred grants, bank overdraft and loans)	872,747	(26,354)
<b>Net Cash inflow/(outflow) from operating activities</b>	<b>470,992</b>	<b>(439,327)</b>

**25 ANALYSIS OF CHANGES IN NET DEBT**

	At 30 06 06 £	Cash Flows £	Other Changes £	At 30 06 07 £
Net cash				
Cash in hand, at bank	2,769	773,159	-	775,928
Bank overdraft	(261,497)	233,905	-	(27,592)
	<u>(258,728)</u>	<u>1,007,064</u>	<u>-</u>	<u>748,336</u>
Debt				
Deferred grants	(193,240)	(7,840)	-	(185,400)
	<u>(193,240)</u>	<u>(7,840)</u>	<u>-</u>	<u>(185,400)</u>
<b>Total</b>	<b><u>(451,968)</u></b>	<b><u>1,014,904</u></b>	<b><u>-</u></b>	<b><u>562,936</u></b>
Analysed in Balance Sheet				
Cash at bank and in hand	2,769			775,928
Bank overdraft	(261,497)			(27,592)
Deferred grants				
within one year	(7,838)			(7,837)
after one year	(185,402)			(177,563)
	<u>(451,968)</u>			<u>562,936</u>