

COMPANY REGISTRATION NUMBER: 123622

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2008

FRIDAY



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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, J. Oxenforth

Associate Directors

M. Blackbourne, L. Collinson

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 94th Annual General Meeting of the Company will be held in the Executive Suite, Glanford Park on 24 November 2008 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 17 December 2007.
3. To receive and consider the Report of the Directors and the Audited Accounts of the Company for the year ended 30 June 2008.
4. To re-elect Mr. R. Garton as a Director of the Company.
5. To re-elect Mr J. Oxenforth 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.
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

24 October 2008

- 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

2007 – 2008

I am sure we are all bitterly disappointed not to have survived more than one season in the Coca Cola Championship. It was a monumental challenge for a small club with a very inexperienced management team and yet we competed extremely well and in virtually every game we gave a good account of ourselves. We fell just 4 points short of the target we set ourselves. In the previous season 46 points would have seen us survive. Whilst there was a massive differential between our player costs and virtually all the other Championship teams, I do not believe lack of resources was our main problem. In fact we had a number of successful bids for players; Kelly Youga £150,000, Akpo Sodje £350,000, and Dele Adebola £450,000, only to find the players did not see Scunthorpe as a good career move. The initial approaches by some of their agents would appear to have been merely to stimulate others interest. With the benefit of hindsight I believe our approach this season to bring in ambitious young players who see Scunthorpe as a step up the ladder, has produced a much stronger and more successful team.

For the past few seasons we have adopted a policy of seeking out investment opportunities. These players are considered outside the Manager's budget for players. This is of particular importance in the current season as we tighten our belts to cope with the reduced levels of income in League One. Only time will tell, but I am confident we have players on our books who will appreciate substantially in value as they help us in our quest to return to a higher league.

I have nothing but praise for Nigel, his management team and all the players for the very professional way they approached every game throughout the season. On many occasions I felt we were rather unfortunate with decisions that went against us. It is a very fine line between success and failure on the football pitch and with a little more good fortune I am sure we would have survived.

I know some fans will criticise me and my fellow directors for not spending more money in an attempt to retain Championship football, but three teams were always going to be relegated no matter how much money they spent. We gave it our best shot, but were determined, that if we were relegated we would be in good shape to make an immediate challenge to return. We have all learned from the experience and none more so than Nigel. We are very fortunate to have a very intelligent young Manager, extremely hard working and ambitious who continually strives for improvement in all departments. Couple this with his excellent motivational skills and I am sure we have a recipe for success.

The league was obviously our prime concern throughout the season but it was disappointing to go out of the League Cup in Round 1 and the FA Cup in our first game, to Hartlepool and Preston respectively.

The latter part of the season saw us fighting for survival, which I was unable to witness as I was doing likewise, having suffered a heart attack in late March. At this point I must put on record my utmost thanks to Rex Garton who immediately took over as 'Acting Chairman'. It was a very difficult and busy time with many transactions taking place at the end of the season. He worked many long hours, working very closely with Nigel Adkins and Jamie Hammond, and I fear very much neglecting his own family and his business interests. I am sure my other colleagues gave him their full support but I know just how much time Rex devoted to the club during those difficult 5 months and continues to do, as I try and get back to sharing the load.

Shortly before our financial year end our budget for the 2008/2009 season was looking decidedly unhealthy. It was important that we didn't make drastic cuts and weaken our squad. Similarly we did not want to sell any of our better players to balance the books. The matter was however quickly resolved, as Martin Paterson made it abundantly clear he did not wish to remain at Scunthorpe. I had been instrumental in signing Martin and had personally intervened to ensure his signature but I did not feel under any pressure to release him after just one season. Neither did I believe it was necessarily the best move for Martin to sign for Burnley. However he was determined it was the move he wanted and eventually Burnley raised their offer to meet our expectations. This would be a very successful outcome for Scunthorpe United. The addition of Gary Hooper as a replacement for Martin is a better conclusion than we could possibly have imagined.

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

CHAIRMAN'S REPORT (continued)

2007 – 2008

The sale of Martin Paterson was shortly before the end of June and together with the sale of Billy Sharp is included in the accounts to 30 June 2008. This has quite obviously boosted our profits considerably. I am therefore proud to be able to announce a profit after a small amount of taxation of just over 2.1 million pounds. A word of caution though, as we are forecasting a substantial loss for the year to 30 June 2009 and expenditure on transfer fees in the current season is already at a figure of £575,000. Nevertheless this is a remarkably strong financial position for a Football League club.

Post year end events have seen us strengthen the squad and as I write my report we are 2 points clear at the top of the table. There is still a very long way to go to the end of the season and there will undoubtedly be many more hurdles and difficult games to overcome but we couldn't be in a better position with almost a quarter of the season behind us.

Despite being relegated from the Coca Cola Championship, I believe we should still feel very proud of Scunthorpe United's achievements. In a very uncertain world and with many football clubs faced with unmanageable debt, Scunthorpe United are competing very successfully in League One and with the financial strength to build for the future.

To our Club Sponsors, RAINHAM STEEL, a very big thank you for your support and likewise to all the companies and individuals who have supported us and contributed to the financial well being of our club.

To all our supporters, my sincere apologies for not providing you with Championship football in 2008/2009 but do stay with us. You are the lifeblood of our club and with your help we will make a quick return to the Championship League.

Regrettably the prospect of a new stadium is now many years away due to the unprecedented world financial crisis. In the short term we will continue to improve Glanford Park but are unlikely to undertake any major expansion of the stadium. We are presently nearing the completion of plans for an extension to the 'Executive Bar', further improvements to the 'Catering Points' and a 'Lift Access' at the Main Entrance.

To all our staff, in the office, the restaurant and catering staff, the ground staff and stewards and of course my fellow directors, who all play such an important part within our club, may I once again thank you all most sincerely for all your hard work and endeavour throughout a very demanding and exciting year.

Steve Wharton
Chairman

24 October 2008

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

Report of the Directors for the Year Ended 30 June 2008

The directors present their report and the financial statements of the company for the year ended 30 June 2008.

DIRECTORS

The current directors are listed on page 1.

The beneficial interests of the directors holding office at 30 June 2008 in the issued share capital of the company were as follows:

	30.6.08	30.6.07
Ordinary 50p shares		
Mr. J.S. Wharton	100,000	100,000
Mr. R. Garton	55,005	55,005
Mr. S. Elliott	100,000	100,000
Mr. K. Wagstaff	16,361	16,361
Mr. J. Oxenforth	12,250	-

G.P. Community Sports Ltd. of which Mr. J.S. Wharton is a director and major shareholder held 660,000 shares at 30 June 2008 (660,000 – 2007). 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 – 2007).

In accordance with the Articles of Association, Mr. R. Garton and Mr J. Oxenforth 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 increased substantially and, with the successful control of costs, resulted in an 'Operating Profit before transfers' of £336,853. Including the profits from transfer activities, the 'Operating Profit' was £2,070,801.

The club is looking forward to the season ahead with the aim of an immediate return to the Coca-Cola Championship.

DIVIDENDS

No dividends will be distributed for the year ended 30 June 2008.

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 2008

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:

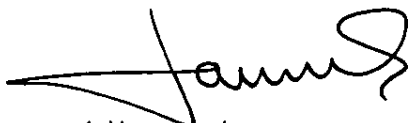
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

24 October 2008

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 2008 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

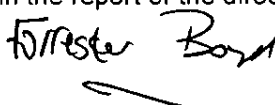
In our opinion:

- 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 2008 and of its profit 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

24 October 2008



SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

Profit and Loss Account for the Year Ended 30 June 2008

	Notes	2008 £	2007 £
TURNOVER	2	4,786,320	2,813,747
Cost of sales		(4,115,001)	(3,055,998)
GROSS PROFIT/(LOSS)		671,319	(242,251)
Net operating expenses	3	(334,466)	(152,010)
Operating profit/(loss) before transfers		336,853	(394,261)
Amortisation of transfer fees		(461,832)	(90,827)
Profit on disposal of players registrations		2,195,780	474,665
OPERATING PROFIT/(LOSS)	5	2,070,801	(10,423)
Interest receivable and similar income		61,331	4,080
Interest payable and similar charges	6	(1,598)	(9,492)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		2,130,534	(15,835)
Tax on profit/(loss) on ordinary activities	7	12,419	785
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION		£2,118,115	£(16,620)

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 2008**

	Notes	£	2008 £	£	2007 £
FIXED ASSETS					
Intangible assets	8		547,644		272,830
Tangible assets	9		5,515,798		5,526,597
			6,063,442		5,799,427
CURRENT ASSETS					
Stocks	10	87,327		102,718	
Debtors	11	1,330,620		374,172	
Cash at bank and in hand		1,187,254		775,928	
			2,605,201	1,252,818	
CREDITORS					
Amounts falling due within one year	12	2,124,450		2,619,287	
NET CURRENT ASSETS/(LIABILITIES)			480,751		(1,366,469)
TOTAL ASSETS LESS CURRENT LIABILITIES			6,544,193		4,432,958
CREDITORS					
Amounts falling due after more than one year	13		183,462		190,342
NET ASSETS			£6,360,731		£4,242,616
CAPITAL AND RESERVES					
Called up share capital	16		933,027		933,027
Revaluation Reserve	20		3,455,519		3,504,438
Profit and loss account	17		1,972,185		(194,849)
Shareholders' funds	21		£6,360,731		£4,242,616

ON BEHALF OF THE BOARD:


Mr. J.S. Wharton - **DIRECTOR**


Mr. R. Garton - **DIRECTOR**

Approved by the Board on 24 October 2008

The notes form part of these financial statements

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

**Cash Flow Statement
For The Year Ended 30 June 2008**

	Note	2008 £	2007 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	24	25,029	470,992
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest paid on bank overdraft, bank and other loans		(1,598)	(9,492)
Interest received		<u>61,331</u>	<u>4,080</u>
		59,733	(5,412)
TAXATION		(785)	-
CAPITAL EXPENDITURE			
Purchase of tangible fixed assets		(151,068)	(52,308)
Purchase of intangible fixed assets		(951,366)	(231,250)
Transfer fees received		1,525,000	416,667
Compensation received		<u>6,425</u>	<u>-</u>
Net cash inflow from investing activities		428,991	133,109
FINANCING			
Issue of ordinary share capital		-	8,375
Director's loans (repaid)/received		(100,000)	400,000
Capital Grants received		<u>3,841</u>	<u>-</u>
		(96,159)	408,375
Increase in cash in the year		<u>416,809</u>	<u>1,007,064</u>

Reconciliation of net cashflow to movement in net debt

	2008 £	2007 £
Increase in cash in the year	416,809	1,007,064
Amortisation of grants	8,223	7,840
Grant received	(3,841)	-
	<u>421,191</u>	<u>1,014,904</u>
Net cash at 30 June 2007	<u>562,936</u>	<u>(451,968)</u>
Net cash at 30 June 2008	<u>984,127</u>	<u>562,936</u>

The notes form part of these financial statements

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2008

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 2008

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

	2008 £	2007 £
League, F.A. Cup and Other Cups	1,599,972	1,333,763
League central distribution	1,834,239	387,429
Friendlies	34,205	34,346
Broadcasting and internet	161,757	173,335
Car park	31,047	24,470
Lottery/cash line	46,338	47,622
Programme sales and advertising	157,980	131,353
Sponsorship	256,067	144,657
Match day catering	127,403	123,583
Shop	264,604	145,123
Donations	8,775	8,915
Miscellaneous income	58,306	49,410
Iron Bar	43,809	51,125
Restaurant	161,818	158,616
Total	4,786,320	2,813,747

3. NET OPERATING EXPENSES

	2008 £	2007 £
Administrative expenses	475,690	295,645
Youth development grant	(133,000)	(135,796)
Grants received	(8,224)	(7,839)
	334,466	152,010

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2008

4. STAFF COSTS

	2008	2007
	£	£
Wages and salaries	2,799,865	2,036,517
Social security costs	257,776	208,859
Other pension costs	1,468	9,181
	<u>3,059,109</u>	<u>2,254,557</u>

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

	Full time	Part time	2008 Total	2007 Total
Football	37	-	37	38
Ground staff	7	2	9	7
Administration	4	4	8	5
Match day casuals	-	120	120	89
Restaurant	4	15	19	18
School of Excellence	3	15	18	13
Commercial	3	3	6	6
	<u>58</u>	<u>159</u>	<u>217</u>	<u>176</u>

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 had 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 PROFIT/(LOSS)

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

	2008	2007
	£	£
Hire of plant and machinery	2,862	3,084
Depreciation - owned assets	155,811	143,966
(Profit)/loss on disposal of tangible fixed assets	(368)	7
Transfer fees/compensation received	(2,195,780)	(474,665)
Cost of players' registrations written off	461,832	90,827
Audit fees	8,075	8,500
Capital grants amortised	(8,224)	(7,839)
Pension costs	<u>1,468</u>	<u>9,181</u>

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

**Notes to the Financial Statements
for the Year Ended 30 June 2008**

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2008	2007
	£	£
Bank interest	111	7,728
Pension deficit interest	1,487	1,764
	<u>1,598</u>	<u>9,492</u>

7. TAXATION

Analysis of the tax charge

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

	2008	2007
	£	£
Current tax:		
UK Corporation tax	12,419	785
Tax on profit/(loss) on ordinary activities	<u>12,419</u>	<u>785</u>

8. INTANGIBLE FIXED ASSETS

	Cost of players' registrations
	£
COST:	
At 1 July 2007	367,940
Additions	951,366
Disposals	<u>(464,270)</u>
At 30 June 2008	<u>855,036</u>
AMORTISATION:	
At 1 July 2007	95,110
Charge for year	461,832
Eliminated on disposal	<u>(249,550)</u>
At 30 June 2008	<u>307,392</u>
NET BOOK VALUE:	
At 30 June 2008	<u>547,644</u>
At 30 June 2007	<u>272,830</u>

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2008

9. TANGIBLE FIXED ASSETS

	Land and Buildings £	Fixtures and fittings £	Motor Vehicles £	Totals £
COST OR VALUATION:				
At 1 July 2007	5,905,951	562,239	15,140	6,483,330
Additions	33,873	117,195	-	151,068
Disposals	-	(78,559)	-	(78,559)
At 30 June 2008	5,939,824	600,875	15,140	6,555,839
DEPRECIATION:				
At 1 July 2007	565,340	385,984	5,408	956,732
Charge for year	103,397	47,422	4,992	155,811
Eliminated on disposal	-	(72,502)	-	(72,502)
At 30 June 2008	668,737	360,904	10,400	1,040,041
NET BOOK VALUE				
At 30 June 2008	5,271,087	239,971	4,740	5,515,798
At 30 June 2007	5,340,611	176,254	9,732	5,526,597

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

	2008 £	2007 £
Goods for resale	87,327	102,718

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £	2007 £
Trade debtors	100,564	278,195
Prepayments and accrued income	55,056	95,977
Other debtors	1,175,000	-
	1,330,620	374,172

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

**Notes to the Financial Statements
for the Year Ended 30 June 2008**

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008	2007
	£	£
Bank loans and overdrafts (see note 14)	22,109	27,592
Trade creditors	152,562	261,505
Director's loan account (interest free)	900,000	1,000,000
Other creditors	164,922	8,716
Social security and other taxes	282,636	223,869
Accruals and deferred income	587,688	1,094,983
Pension deficit	2,114	1,837
Corporation tax	12,419	785
	<u>2,124,450</u>	<u>2,619,287</u>

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

	2008	2007
	£	£
Deferred grants	26,624	27,054
Pension deficit	10,666	10,115
	<u>37,290</u>	<u>37,169</u>

CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN FIVE YEARS

	2008	2007
	£	£
Deferred grants	146,172	150,509
Pension deficit	-	2,664
	<u>146,172</u>	<u>153,173</u>

14. LOANS AND OVERDRAFTS

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

	2008	2007
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>22,109</u>	<u>27,592</u>

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2008

15. SECURED DEBTS

The following secured debts are included within creditors:

	2008	2007
	£	£
Bank overdrafts	22,109	27,592

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:	2008	2007
			£	£
2,000,000	Ordinary	50p	1,000,000	1,000,000

Authorised, issued and fully paid Number:	Class:	Nominal value:	2008	2007
			£	£
1,866,054	Ordinary	50p	933,027	933,027

17. RESERVES

	Profit and loss account £	Revaluation Reserve £	Totals £
At 1 July 2007	(194,849)	3,504,438	3,309,589
Profit for the year	2,118,115	-	2,118,115
Transfer from reserves	48,919	(48,919)	-
At 30 June 2008	1,972,185	3,455,519	5,427,704

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 £1,468 (2007: £9,181).

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2008

19. RELATED PARTY DISCLOSURES

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

		2008 £	2007 £
J. Wharton (Shipping) Ltd.	- sales to	-	16,215
	- purchases from	-	4,142
	- sales ledger balance	-	-
	- purchase ledger balance	-	-
Mason Baggott & Garton	- sales to	433	300
	- sales ledger balance	156	-
J. Wharton (Agriculture) Ltd.	- sales to	6,134	-
	- purchases from	19,570	-
	- sales ledger balance	5,875	-
	- purchase ledger balance	6,745	-
Trent Valley Electrical Services	- sales to	2,330	-
	- purchases from	17,817	-
	- sales ledger balance	-	-
	- purchase ledger balance	766	-

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
J. Wharton (Agriculture) Ltd.	J.S. Wharton is a director and major shareholder
Mason Baggott & Garton	R. Garton is a partner.
Trent Valley Electrical Services	J Oxenforth is the owner

Controlling Party

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

20. REVALUATION RESERVE

	2008 £	2007 £
Brought forward	3,504,438	3,553,357
Transfer to profit & loss account	(48,919)	(48,919)
	<u>3,455,519</u>	<u>3,504,438</u>

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2008

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008 £	2007 £
Profit/(loss) for the financial year - Net reduction of shareholders funds	2,118,115	(16,620)
Share issue in year	-	8,375
Opening shareholders' funds	4,242,616	4,250,861
CLOSING SHAREHOLDERS' FUNDS	6,360,731	4,242,616
Equity interests	6,360,731	4,242,616

22. PROVISIONS FOR LIABILITIES AND CHARGES

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

	Provided £	2008 Potential £	Provided £	2007 Potential £
The accumulated excess of capital allowances over corresponding depreciation	30,739	30,739	25,801	25,801
Postponed chargeable gains on sale of tangible fixed assets	-	568,000	-	568,000
	30,739	598,739	25,801	593,801
less:				
Unrelieved losses available to carry forward against future trading profit	(30,739)	(30,739)	(25,801)	(25,801)
	-	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, three players were signed for fees which, in total exceeded £500,000.

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

**Notes to the Financial Statements
for the Year Ended 30 June 2008**

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

	2008 £	2007 £
Operating profit/(loss)	2,070,801	(10,423)
Add/(Deduct):		
Depreciation	617,643	234,797
(Profit)/loss on disposal of tangible fixed assets	(368)	7
Transfer fees/compensation	(2,195,780)	(474,665)
Amortisation of grants	(8,224)	(7,839)
Decrease(increase) in stock	15,391	(30,030)
Decrease/(increase) in debtors (excluding fees)	135,219	(113,602)
Decrease/(increase) in creditors (excluding transfer fees payable, deferred grants, bank overdraft and loans)	(609,653)	872,747
Net Cash inflow from operating activities	25,029	470,992

25 ANALYSIS OF CHANGES IN NET DEBT

	At 30.06.07 £	Cash Flows £	Other Changes £	At 30.06.08 £
Net cash:				
Cash in hand, at bank	775,928	411,326	-	1,187,254
Bank overdraft	(27,592)	5,483	-	(22,109)
	<u>748,336</u>	<u>416,809</u>	<u>-</u>	<u>1,165,145</u>
Debt:				
Deferred grants	(185,400)	4,382	-	(181,018)
	<u>(185,400)</u>	<u>4,382</u>	<u>-</u>	<u>(181,018)</u>
Total	<u>562,936</u>	<u>421,191</u>	<u>-</u>	<u>984,127</u>
 Analysed in Balance Sheet				
Cash at bank and in hand	775,928			1,187,254
Bank overdraft	(27,592)			(22,109)
Deferred grants				
within one year	(7,837)			(8,222)
after one year	(177,563)			(172,796)
	<u>562,936</u>			<u>984,127</u>