

COMPANY REGISTRATION NUMBER 00175280

Registrar of Companies

**CARLISLE UNITED ASSOCIATION FOOTBALL
CLUB (1921) LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED
30 JUNE 2009**



WEDNESDAY



A34 *AOIJTIR1* 31/03/2010 181
COMPANIES HOUSE

RYECROFT GLENTON
Chartered Accountants & Statutory Auditor
32 Portland Terrace
Newcastle Upon Tyne
NE2 1QP

**CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921)
LIMITED**

ABBREVIATED ACCOUNTS

YEAR ENDED 30 JUNE 2009

CONTENTS	PAGES
Officers and professional advisers	1
The directors' report	2 and 3
Independent auditor's report to the shareholders	4
Abbreviated Profit and loss account	5
Note of historical cost profits and losses	6
Abbreviated Balance sheet	7
Cash flow statement	8 and 9
Notes to the abbreviated accounts	10 to 20

**CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921)
LIMITED**

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Mr S D Allen
Mr H A Jenkins
Lord Clark of Windermere
Mr J L Nixon
Mr S Pattison
Mr R Young
Mr N F Steel

Company secretary

Mr J L Nixon

Registered office

Brunton Park
Warwick Road
Carlisle
CA1 1LL

Auditor

Ryecroft Glenton
Chartered Accountants
& Statutory Auditor
32 Portland Terrace
Newcastle Upon Tyne
NE2 1QP

Bankers

Bank of Scotland
5 Wavell Drive
Rosehill Business Park
Carlisle
CA1 2ST

Accountants and business consultants

David Allen & Co
Chartered Accountants
Dalmar House
Barras Lane Estate
Dalston
Carlisle
CA5 7NY

**CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921)
LIMITED**

THE DIRECTORS' REPORT

YEAR ENDED 30 JUNE 2009

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

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year continued to be that of a Professional Football Club

The 2008/2009 season was a difficult year for Carlisle United Football Club. After a good start in August 2008 the club only earned one point from a possible thirty from 6th September to 1st November.

This poor run of results triggered a series of events which had a negative effect on the performance of the club on and off the pitch. The manager, John Ward, left the club on 3rd November 2008, crowd numbers dropped, the league position continued to fall, players got injured and as a consequence of this, loan player costs and associated expenditure increased.

Turnover has decreased from £5,035,423 in 2007/2008 to £4,239,822 in 2008/2009, the key influences being a reduction of crowd size with the average crowd decreasing from 7,833 in 2007/2008 to 6,267 in 2008/2009. The 2007/2008 season also benefited from TV income and income from the play off's against Leeds. The reduced income in 2008/2009 from the lottery and retail sales has also influenced the decision to close BS 2 store to reduce costs. The effect of the credit crunch and people having less disposable income is impossible to measure within our income structure but as with many businesses we have not gone unscathed.

The increase in wages and salaries includes the severance paid to John Ward and the increased salaries agreed in 2007/2008 to reflect League One status. Unfortunately some of the players were surplus to requirements and not all players were sold on. Some positions were not adequately covered or players were injured which saw an increase in player loan fees of £162,509 in the season for eleven players. This situation has been carefully considered for the 2009/2010 season and savings should be made.

Following a period as caretaker manager, Greg Abbott was appointed to the position of manager within his remaining contract in 2009/2010. Two players were transferred out in 2008/2009, Simon Hackney and Joe Garner. The club made a record contract offer to Danny Graham in June 2009 which he declined to move to a Championship club.

Overheads have been reduced in the year including rentals, rates, insurance, medical, motor expenses, travel and accommodation and relocation expenses which are expected to save approximately £200,000 in the 2009/2010 season.

During the year it was agreed that in compliance with the court order, the floodplain land and building would be marketed by Knight Frank. That process is ongoing during the summer months and will be reviewed in Autumn 2009.

The directors are working closely in all areas of the club to consolidate and rebuild a strong side for League One in the coming season which has the basis of pushing towards the Championship in future seasons. With the correct mix of senior professionals and continuing development of our youths, this can be achieved.

RESULTS AND DIVIDENDS

The loss for the year amounted to £1,210,272. The directors have not recommended a dividend.

**CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921)
LIMITED**

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 JUNE 2009

DIRECTORS

The directors who served the company during the year were as follows

Mr S D Allen
Mr H A Jenkins
Lord Clark of Windermere
Mr J L Nixon
Mr S Pattison
Mr R Young
Mr N F Steel
Mr N F Story
Mr P Day

Mr N F Story resigned as a director on 8 July 2008

Mr P Day resigned as a director on 12 May 2009

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware

there is no relevant audit information of which the company's auditor is unaware, and

the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Signed by order of the directors



MR J L NIXON
Company Secretary

Approved by the directors on 25 September 2009

**CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921)
LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CARLISLE UNITED
ASSOCIATION FOOTBALL CLUB (1921) LIMITED**

YEAR ENDED 30 JUNE 2009

We have audited the abbreviated accounts together with the financial statements of Carlisle United Association Football Club (1921) Limited for the year ended 30 June 2009. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

BASIS OF OPINION

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

RYECROFT GLENTON
Chartered Accountants & Statutory Auditor
32 Portland Terrace
Newcastle Upon Tyne
NE2 1QP

16 October 2009

**CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921)
LIMITED**

ABBREVIATED PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 JUNE 2009

	Note	2009 £	2008 £
TURNOVER	2	4,239,822	5,035,423
Cost of sales		<u>231,667</u>	<u>462,445</u>
GROSS PROFIT		4,008,155	4,572,978
Administrative expenses		5,240,817	4,899,727
Other operating income	3	<u>(11,500)</u>	<u>(2,868)</u>
Operating loss before exceptional items		(1,221,162)	(323,881)
Exceptional items	4	-	220,000
OPERATING LOSS	4	(1,221,162)	(103,881)
Interest receivable		2,846	14,923
Interest payable and similar charges	7	<u>(8,300)</u>	<u>(6,927)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,226,616)	(95,885)
Tax on loss on ordinary activities	8	(16,344)	30,284
LOSS FOR THE FINANCIAL YEAR	22	<u>(1,210,272)</u>	<u>(126,169)</u>

All of the activities of the company are classed as continuing

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

The notes on pages 10 to 20 form part of these financial statements.

**CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921)
LIMITED**

NOTE OF HISTORICAL COST PROFITS AND LOSSES

YEAR ENDED 30 JUNE 2009

	2009	2008
	£	£
Reported loss on ordinary activities before taxation	(1,226,616)	(95,885)
Difference between a historical cost depreciation charge and the actual charge calculated on the revalued amount	97,423	97,423
Historical cost loss on ordinary activities before taxation	<u>(1,129,193)</u>	<u>1,538</u>
Historical cost loss for the year after taxation	<u>(1,112,849)</u>	<u>(28,746)</u>

The notes on pages 10 to 20 form part of these financial statements.

**CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921)
LIMITED**

ABBREVIATED BALANCE SHEET

30 JUNE 2009

	Note	2009 £	2008 £
FIXED ASSETS			
Intangible assets	9	67,785	337,837
Tangible assets	10	6,204,594	6,402,673
		<u>6,272,379</u>	<u>6,740,510</u>
CURRENT ASSETS			
Stocks	11	91,594	66,331
Debtors	12	454,017	439,346
Cash at bank and in hand		18,305	633,585
		<u>563,916</u>	<u>1,139,262</u>
CREDITORS: Amounts falling due within one year	13	<u>2,386,810</u>	<u>2,124,355</u>
NET CURRENT LIABILITIES		(1,822,894)	(985,093)
TOTAL ASSETS LESS CURRENT LIABILITIES		4,449,485	5,755,417
CREDITORS: Amounts falling due after more than one year	14	1,469,951	1,514,656
Government grants	18	947,469	998,424
		<u>2,032,065</u>	<u>3,242,337</u>
CAPITAL AND RESERVES			
Called-up equity share capital	20	144,891	144,891
Revaluation reserve	21	3,117,864	3,215,287
Profit and loss account	22	(1,230,690)	(117,841)
SHAREHOLDERS' FUNDS	23	<u>2,032,065</u>	<u>3,242,337</u>

These financial statements were approved by the directors and authorised for issue on 25 September 2009, and are signed on their behalf by



MR H A JENKINS
Director

Company Registration Number 00175280

These abbreviated financial statements have been prepared in accordance with the special provisions for medium-sized companies under section 445(3) of the Companies Act 2006

The notes on pages 10 to 20 form part of these financial statements

**CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921)
LIMITED**

CASH FLOW STATEMENT

YEAR ENDED 30 JUNE 2009

	2009 £	2008 £
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	(419,204)	(78,860)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	2,846	14,923
Interest paid	(16,150)	(17,669)
Interest element of hire purchase	(2,715)	(377)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(16,019)	(3,123)
TAXATION	(56,754)	(4,010)
CAPITAL EXPENDITURE		
Payments to acquire intangible fixed assets	(51,250)	(428,500)
Payments to acquire tangible fixed assets	(144,408)	(293,497)
Receipts from sale of fixed assets	10,949	12,500
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	(184,709)	(709,497)
CASH OUTFLOW BEFORE FINANCING	(676,686)	(795,490)
FINANCING		
(Repayment of)/increase in bank loans	(13,003)	122,815
Capital element of hire purchase	26,588	5,841
Net (outflow)/inflow from other long-term creditors	(49,700)	740,250
NET CASH (OUTFLOW)/INFLOW FROM FINANCING	(36,115)	868,906
(DECREASE)/INCREASE IN CASH	(712,801)	73,416
RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES		
	2009 £	2008 £
Operating loss	(1,221,162)	(103,881)
Interest payable	10,565	11,119
Amortisation	93,984	131,235
Depreciation	329,319	318,056
Loss on disposal of fixed assets	229,537	153
Amortisation of government grants	(50,955)	(50,956)
(Increase)/decrease in stocks	(25,263)	95,446
Decrease/(increase) in debtors	28,143	(32,191)
Increase/(decrease) in creditors	186,628	(447,841)
Net cash outflow from operating activities	(419,204)	(78,860)

The notes on pages 10 to 20 form part of these financial statements.

**CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921)
LIMITED**

CASH FLOW STATEMENT *(continued)*

YEAR ENDED 30 JUNE 2009

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2009		2008
	£	£	£
(Decrease)/increase in cash in the period	(712,801)		73,416
Net cash outflow/(inflow) from bank loans	13,003		(122,815)
Cash outflow in respect of hire purchase	(26,588)		(5,841)
Net cash outflow/(inflow) from other long-term creditors	49,700		(740,250)
		(676,686)	(795,490)
Change in net debt		(676,686)	(795,490)
Net debt at 1 July 2008		(895,321)	(99,831)
Net debt at 30 June 2009		(1,572,007)	(895,321)

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Jul 2008	Cash flows	At 30 Jun 2009
	£	£	£
Net cash			
Cash in hand and at bank	633,585	(615,280)	18,305
Overdrafts	–	(97,521)	(97,521)
	633,585	(712,801)	(79,216)
Debt			
Debt due within 1 year	(10,215)	(4,169)	(14,384)
Debt due after 1 year	(1,512,850)	66,872	(1,445,978)
Hire purchase agreements	(5,841)	(26,588)	(32,429)
	(1,528,906)	36,115	(1,492,791)
Net debt	(895,321)	(676,686)	(1,572,007)

The notes on pages 10 to 20 form part of these financial statements.

**CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921)
LIMITED**

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 JUNE 2009

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax

Player/manager registrations

Player/manager registration fees are initially recorded at cost

Player registrations amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Player/manager registrations - straight line over the period of the contract

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost or revaluation of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Freehold land and property	- straight line over 25 years
Furniture, fittings and ground equipment	- 33%, 25% and 10% straight line
Motor vehicles	- 25% straight line

No depreciation is provided on freehold land

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

Stocks

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

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account

**CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921)
LIMITED**

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 JUNE 2009

1. ACCOUNTING POLICIES *(continued)*

Deferred taxation

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

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned

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

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

Players' transfer fees

Fees receivable from other football clubs on the transfer of players' registrations together with associated costs, are recognised within the profit and loss account in the accounting period in which the transfer of the players' registration took place. Further fees receivable under appearance and sell on clauses are recognised within the profit and loss account in the accounting period in which the appearance or sell on clause criteria is met

Going concern

In accordance with their responsibilities the directors have considered the appropriateness of the going concern basis for the preparation of the financial statements

The company made a loss in the year to 30 June 2009 and has net current liabilities at that date. In order to continue in operational existence as a going concern, and to meet its liabilities as they fall due, the company is dependent on finance from its parent company, C U F C Holdings Limited, and other major sponsors

The projections prepared by the directors indicate the company will return to profitable trading in the year to 30 June 2010. However, profitability is dependent on a number of factors both within and out of the group's control but the principal factor is the success of the team. The directors continue to seek to increase the income of the company whilst controlling costs

Accordingly, the directors consider it appropriate to prepare these financial statements on a going concern basis. Should, however, the going concern basis no longer be appropriate then adjustments may have to be made to reduce the value of assets to their realisable amounts, provide for any further liabilities which might arise and to reclassify all fixed and long term liabilities as current assets and liabilities respectively

Deferred government grants

Grants receivable from the Football Trust in respect of capital expenditure are treated as deferred income and released to the profit and loss account so as to match the depreciation charged on the fixed assets purchased with the grant

**CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921)
LIMITED**

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 JUNE 2009

2. TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the company

An analysis of turnover is given below

	2009 £	2008 £
United Kingdom	<u>4,239,822</u>	<u>5,035,423</u>

3. OTHER OPERATING INCOME

	2009 £	2008 £
Rent receivable	8,500	417
Insurance claims receivable	3,000	2,451
	<u>11,500</u>	<u>2,868</u>

4. OPERATING LOSS

Operating loss is stated after charging/(crediting)

	2009 £	2008 £
Amortisation of government grants regarding fixed assets	(50,955)	(50,956)
Amortisation of intangible assets	93,984	131,235
Depreciation of owned fixed assets	319,436	315,574
Depreciation of assets held under hire purchase agreements	9,883	2,482
Loss on disposal of fixed assets	229,537	153
Auditor's remuneration - as auditor	<u>10,011</u>	<u>9,250</u>
Exceptional items - Floodplain land	<u>-</u>	<u>(220,000)</u>

In the year ended 30 June 2005 the directors made provision for the disposal of the flood plain farm land which was then valued at £250,000. At the time the board expected the land to be transferred to Mr John Courtenay, the then previous owner of the club, although there was no contractual obligation to do so. This was considered the correct decision under the circumstances.

Following the recent protracted legal dispute with the Carlisle and Cumbria United Independent Supporters' Society Limited and the judgment arising from that case, the board, having carefully assessed the position, have taken the proper and appropriate decision to recognise the flood plain land within the accounts. In the year ended 30 June 2008 the land is included in the accounts by the directors at the professionally assessed value of £220,000.

**CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921)
LIMITED**

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 JUNE 2009

5. PARTICULARS OF EMPLOYEES

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

	2009	2008
	No	No
Number of administrative staff	204	214
Number of football staff	39	36
	<u>243</u>	<u>250</u>

The aggregate payroll costs of the above were

	2009	2008
	£	£
Wages and salaries	2,919,224	2,732,264
Social security costs	304,512	285,730
Other pension costs	8,406	15,350
	<u>3,232,142</u>	<u>3,033,344</u>

6. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2009	2008
	£	£
Remuneration receivable	<u>48,465</u>	<u>59,185</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2009	2008
	£	£
Interest payable on bank borrowing	745	-
Finance charges	2,715	377
Other similar charges payable	4,840	6,550
	<u>8,300</u>	<u>6,927</u>

8. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2009	2008
	£	£
Current tax		
UK Corporation tax based on the results for the year	(16,344)	-
Under provision in prior year	-	30,284
Total current tax	<u>(16,344)</u>	<u>30,284</u>

**CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921)
LIMITED**

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 JUNE 2009

8. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

	2009 £	2008 £
Loss on ordinary activities before taxation	<u>(1,226,616)</u>	<u>(95,885)</u>
Loss on ordinary activities by rate of tax	(257,589)	(19,417)
Depreciation in excess of capital allowances for year	128,544	78,457
Expenses not deductible for tax purposes	(11,036)	(18,170)
Grants released not taxable	(10,700)	(10,318)
Interest adjustment for Story Construction Loan	(11,705)	(20,097)
Intangible asset adjustments	(19,737)	(26,575)
Sundry tax adjusting items	165,879	46,404
Total current tax (note 8(a))	<u>(16,344)</u>	<u>30,284</u>

9. INTANGIBLE FIXED ASSETS

	Players' Registrations £
COST	
At 1 July 2008	489,357
Additions	51,250
Disposals	<u>(307,000)</u>
At 30 June 2009	<u>233,607</u>
AMORTISATION	
At 1 July 2008	151,520
Charge for the year	93,984
On disposals	<u>(79,682)</u>
At 30 June 2009	<u>165,822</u>
NET BOOK VALUE	
At 30 June 2009	<u>67,785</u>
At 30 June 2008	<u>337,837</u>

**CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921)
LIMITED**

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 JUNE 2009

10. TANGIBLE FIXED ASSETS

	Freehold Land and Property £	Furniture, Fittings and Ground Equipment £	Motor Vehicles £	Total £
COST OR VALUATION				
At 1 July 2008	6,500,400	969,961	21,814	7,492,175
Additions	76,569	45,285	22,554	144,408
Disposals	—	—	(24,563)	(24,563)
At 30 June 2009	6,576,969	1,015,246	19,805	7,612,020
DEPRECIATION				
At 1 July 2008	250,976	827,131	11,395	1,089,502
Charge for the year	254,039	70,329	4,951	329,319
On disposals	—	—	(11,395)	(11,395)
At 30 June 2009	505,015	897,460	4,951	1,407,426
NET BOOK VALUE				
At 30 June 2009	6,071,954	117,786	14,854	6,204,594
At 30 June 2008	6,249,424	142,830	10,419	6,402,673

In accordance with FRS 15 Tangible Fixed Assets and in the opinion of the directors, all freehold property and land is held at the net book value, following the full valuation carried out by H & H Bowe Limited, external valuers and members of The Institute of Chartered Surveyors between 26 June 2007 and 28 August 2007. The basis of the revaluation was depreciated replacement cost for the football stadium and open market value for residential property and club shop. In 2007, the freehold property was revalued to £6,280,000. Also, included within freehold land and property is floodplain land at a value of £220,000. The valuation was carried out in August 2007 by H & H Bowe Limited, external valuers and members of the Institute of Chartered Surveyors.

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows

	2009 £	2008 £
Historical cost	3,844,421	3,844,421
Depreciation:		
At 1 July 2008	1,018,415	864,863
Charge for year	153,552	153,552
At 30 June 2009	1,171,967	1,018,415
Net historical cost value:		
At 30 June 2009	2,672,454	2,826,006
At 1 July 2008	2,826,006	2,979,558

Hire purchase agreements

Included within the net book value of £6,204,594 is £27,866 (2008 - £7,448) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £9,883 (2008 - £2,482).

**CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921)
LIMITED**

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 JUNE 2009

11. STOCKS

	2009	2008
	£	£
Stock	<u>91,594</u>	<u>66,331</u>

12. DEBTORS

	2009	2008
	£	£
Trade debtors	314,342	337,432
Corporation tax repayable	42,814	–
Other debtors	75,588	82,052
Prepayments and accrued income	21,273	19,862
	<u>454,017</u>	<u>439,346</u>

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

	2009	2008
	£	£
Other debtors	<u>55,000</u>	<u>55,000</u>

13. CREDITORS: Amounts falling due within one year

	2009	2008
	£	£
Loan from Story Construction Limited	100,000	100,000
Bank loans and overdrafts	111,905	10,215
Trade creditors	300,813	164,813
Amounts owed to group undertakings	645,188	645,217
Taxation and social security	179,448	354,087
Hire purchase agreements	8,456	4,035
Other creditors	43,813	13,764
Directors' current accounts	342,000	182,000
Accruals and deferred income	655,187	650,224
	<u>2,386,810</u>	<u>2,124,355</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company

	2009	2008
	£	£
Bank loans and overdrafts	111,905	10,215
Amounts owed to group undertakings	100,000	100,000
Hire purchase agreements	8,456	4,035
	<u>220,361</u>	<u>114,250</u>

The loan from Story Construction Limited is secured by a fixed and floating charge over the company's assets

The bank loan is secured by a first legal charge on 269 Warwick Road, Carlisle

The hire purchase agreements outstanding are secured against the assets which are being purchased by the agreement

**CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921)
LIMITED**

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 JUNE 2009

14. CREDITORS: Amounts falling due after more than one year

	2009	2008
	£	£
Bank loans and overdrafts	95,428	112,600
Hire purchase agreements	23,973	1,806
Other creditors	50,300	—
Loan from Story Construction Limited	1,300,250	1,400,250
	<u>1,469,951</u>	<u>1,514,656</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	2009	2008
	£	£
Bank loans and overdrafts	95,428	112,600
Amounts owed to group undertakings	1,300,250	1,400,250
Hire purchase agreements	23,973	1,806
	<u>1,419,651</u>	<u>1,514,656</u>

The loan from Story Construction Limited is secured by a fixed and floating charge over the company's assets

The bank loan is secured by a first legal charge on 269 Warwick Road, Carlisle

The hire purchase agreements outstanding are secured against the assets which are being purchased by the agreement

15. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows

	2009	2008
	£	£
Amounts payable within 1 year	8,456	4,035
Amounts payable between 2 to 5 years	23,973	1,806
	<u>32,429</u>	<u>5,841</u>

16. PENSIONS

The company operates a defined contribution pension scheme for employees. An amount of £4,072 (2008 £5,599) is included in other creditors at the year end and is due to be paid to the Football League

17. DEFERRED TAXATION

No provision has been made in the financial statements and the amounts unprovided at the end of the year are as follows

	2009	2008
	£	£
Tax losses available	149,561	—
Other timing differences	3,834	(2,676)
	<u>153,395</u>	<u>(2,676)</u>

**CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921)
LIMITED**

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 JUNE 2009

18. GOVERNMENT GRANTS

	2009	2008
	£	£
Received and receivable:		
At 1 July 2008	1,353,912	1,353,912
At 30 June 2009	<u>1,353,912</u>	<u>1,353,912</u>
 Amortisation:		
At 1 July 2008	355,488	304,532
Credit to profit and loss account	50,955	50,956
At 30 June 2009	<u>406,443</u>	<u>355,488</u>
 Net balance at 30 June 2009	<u>947,469</u>	<u>998,424</u>

Grant income has been received against approved capital projects and is not repayable. It is the company's policy to release deferred income to the profit and loss account so as to match the depreciation charged on the fixed assets purchased with the grant, in accordance with FRS 15, Tangible Fixed Assets.

**CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921)
LIMITED**

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 JUNE 2009

19. RELATED PARTY TRANSACTIONS

The company was under the control of Mr N F Story, a director of the company, throughout the previous year. On 8 July 2008 Mr S D Allen, Mr S Pattison, Mr J L Nixon, and Mr H A Jenkins took control of the company through the purchase of the majority shareholding in C U F C Holdings Limited.

Mr H A Jenkins is also a director of P F D (Carlisle) Limited. During the year the club charged P F D (Carlisle) Limited £14,422 (2008 £20,224) for the match day catering contract and £19,221 (2008 £15,315) for advertising and sponsorship. At 30 June 2009 P F D (Carlisle) Limited owed the club £14,873 (2008 £9,359).

The club also purchased goods to the value of £4,790 (2008 £5,266) from P F D (Carlisle) Limited during the year. At 30 June 2009 the club owed P F D (Carlisle) Limited £4,660 (2008 £2,221).

At the year end the club owed Mr H A Jenkins £252,000 (2008 £132,000).

Mr S Pattison is also a director of Carlisle Glass Limited. During the year the club charged Carlisle Glass Limited £7,373 (2008 £3,394) for advertising and sponsorship. At 30 June 2009 Carlisle Glass Limited owed the club £8,941 (2008 £360).

The club also purchased goods to the value of £7,491 (2008 £14,766) from Carlisle Glass Limited. At 30 June 2009 the club owed £10,970 (2008 £2,370) to Carlisle Glass Limited.

At the year end the club owed Mr S Pattison £70,000 (2008 £50,000).

Mr S D Allen is also a partner of David Allen & Co Chartered Accountants. During the year the club charged David Allen & Co Chartered Accountants £13,344 (2008 £6,582) for sponsorship and advertising. At 30 June 2009 there was no balance outstanding.

The club was invoiced £32,897 (2008 £47,241) for services provided by David Allen & Co Chartered Accountants during the year. At 30 June 2009 the club owed David Allen & Co £1,116 (2008 £1,634).

At the year end the club owed Mr S D Allen £20,000.

Mr N F Story is also a director of Story Construction Limited. During the year the club charged Story Construction Limited £106,983 (2008 £14,924) for sponsorship and advertising. Of this £95,833 (2008 £nil) has been deferred into the 2009/2010 season. At 30 June 2009 the company owed £15,690 (2008 £11,147) to the club.

At 30 June 2009 the club owed Story Construction Limited £1,400,250 (2008 £1,500,250). Interest is to be charged on the loan from Story Construction Limited at a rate of 1.375% over bank base rate. The company has agreed to waive the interest of £55,737 for the current year (2008 £99,249).

Mr P Day is also a director of Edinburgh Woollen Mill Limited. During the year the club charged Edinburgh Woollen Mill Limited £35,598 (2008 £17,988) for sponsorship and advertising. £20,000 (2008 £nil) was deferred into 2009/2010 season. At 30 June 2009 Edinburgh Woollen Mill owed the club £3,000 (2008 £nil).

C U F C Holdings Limited is the parent company. At 30 June 2009 the club owed C U F C Holdings Limited £645,188 (2008 £645,217).

All sponsorship and advertising supplied to and purchases made from the related parties are at the normal commercial rate.

20. SHARE CAPITAL

Allotted, called up and fully paid:

	2009		2008	
	No	£	No	£
Ordinary shares of £1 each	<u>144,891</u>	<u>144,891</u>	<u>144,891</u>	<u>144,891</u>

**CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921)
LIMITED**

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 JUNE 2009

21. REVALUATION RESERVE

	2009 £	2008 £
Balance brought forward	3,215,287	3,312,710
Transfer to the Profit and Loss Account on realisation	(97,423)	(97,423)
Balance carried forward	<u>3,117,864</u>	<u>3,215,287</u>

22. PROFIT AND LOSS ACCOUNT

	2009 £	2008 £
Balance brought forward	(117,841)	(89,095)
Loss for the financial year	(1,210,272)	(126,169)
Transfer from revaluation reserve	97,423	97,423
Balance carried forward	<u>(1,230,690)</u>	<u>(117,841)</u>

23. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2009 £	2008 £
Loss for the financial year	(1,210,272)	(126,169)
Transfer from revaluation reserve	97,423	97,423
Transfer to profit and loss account	(97,423)	(97,423)
Net reduction to shareholders' funds	(1,210,272)	(126,169)
Opening shareholders' funds	3,242,337	3,368,506
Closing shareholders' funds	<u>2,032,065</u>	<u>3,242,337</u>

24. ULTIMATE PARENT COMPANY

At 30 June 2009 and 30 June 2008 the ultimate parent company was C U F C Holdings Limited, a company incorporated in England and Wales

The ultimate controlling party of the company was Mr S D Allen, Mr S Pattison, Mr J L Nixon, and Mr H A Jenkins during the current year and Mr N F Story during the previous year as they held the majority shareholding in the company