

# CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED

## ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2010



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COMPANIES HOUSE

**Ryecroft Glenton**  
Chartered Accountants

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

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### **COMPANY INFORMATION**

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#### **DIRECTORS**

Mr H A Jenkins  
Lord Clark of Windermere  
Mr J L Nixon  
Mr S Pattison  
Mr R Young  
Mr N F Steel  
Mr S D Allen (resigned 29 October 2009)

#### **COMPANY SECRETARY**

Mr J L Nixon

#### **COMPANY NUMBER**

00175280

#### **REGISTERED OFFICE**

Brunton Park  
Warwick Road  
Carlisle  
CA1 1LL

#### **AUDITORS**

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

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**CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1924) LIMITED**

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

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2010**

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The directors present their report and the financial statements for the year ended 30 June 2010

#### **STATEMENT OF 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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.

#### **PRINCIPAL ACTIVITIES**

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

#### **BUSINESS REVIEW**

Following a difficult year in 2008/2009, the last season on the field was much more successful with the team progressing from 20th position, to finish six places higher at a final league position of 14th. In cup runs, the League Cup was progressed to Round 3, the FA Cup to Round 3 and in the Football League Trophy (Johnstones Paint), we progressed to the final and our first appearance at the new Wembley Stadium, but unfortunately, the result was a defeat.

The more successful year has had an impact on finances at the Club, which has resulted in turning round a £1 210m loss after taxation into a £109,181 profit. There are several factors in the figures, namely, increased cup income and a cost reduction programme started in 2009, which have been offset by reduced attendances (6,267 in 08/09 to 5,228 in 09/10), increased playing bonuses and reduced commercial income in a year that probably reflects the 'credit crunch' effects on businesses.

Cup income increased by £1,032,000 but crowd reductions, commercial and player sales were down by £447,000. In addition, appearance and bonus payments made to the team (for reaching a Wembley final) increased by £209,000, and of course travel and accommodation costs associated with additional games saw an increase of £26,000. The cost reduction programme started in 2009 has yielded a reduction in basic wages year on year of around £325,000, and reductions in insurance, motor vehicles, phones, player loan costs and police expenses have also contributed to the improved results.

During the year £100,000 was repaid of the Story Construction Loan, leaving an outstanding balance of £1,300,250, which is interest free.

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

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2010**

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Off the field, the resignation of one of the main shareholders and director had the potential to destabilise, but that did not happen and the Club was galvanised and has progressed since that time. His shareholding has been taken over by Mr Jenkins.

In November the Directors stopped all actions and requested that the Supporters Trust to stop all actions re the Stoneyholme Land. At that time legal costs had reached a six figure sum and there was a potential further court cost of £25,000. The action proceeded in the Court of Appeal and we are now informed by our legal representatives that the Club may now face further costs which will be between £25,000 and £90,000. This issue has still to be resolved. Therefore we have prudently set aside £50,000 to cover liabilities incurred. Currently the Club (in compliance with the court order) are looking to sell this land under the marketing and guidance of Knight Frank.

The Club will continue to improve efficiency and reduce costs where possible, and a further £150,000 is targeted in 2010/11, but the business must always be structured around gaining promotion to the Championship.

The Club have continued to rebuild a strong playing side to compete in League 1 with the ability to push towards the Championship under the guidance of Greg Abbott and his coaching staff, who, along with administration, commercial and grounds staff have all contributed to a solid 2009/2010 performance.

### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £109,181 (2009 - loss £1,210,272)

The directors do not recommend the payment of a dividend (2009 - £nil)

### **DIRECTORS**

The directors who served during the year were

Mr H A Jenkins  
Lord Clark of Windermere  
Mr J L Nixon  
Mr S Pattison  
Mr R Young  
Mr N F Steel  
Mr S D Allen (resigned 29 October 2009)

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## CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2010

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#### PRINCIPAL RISKS AND UNCERTAINTIES

##### Competitive risks

The industry continues to be highly uncertain. The company aims to continue to rebuild a strong playing side to compete in League 1 with the ability to push towards the Championship.

##### Legislative risks

The company is governed by a wide range of legislation and takes great care to keep up to date with all relevant legislation to ensure that it can maintain its business.

##### Financial risks

At the present time the main financial risk for any company is liquidity risk which is the risk that an entity will encounter difficulty in meeting its financial obligations. The company mitigates liquidity risk by the continual review of its cash management.

#### PROVISION OF INFORMATION TO AUDITORS

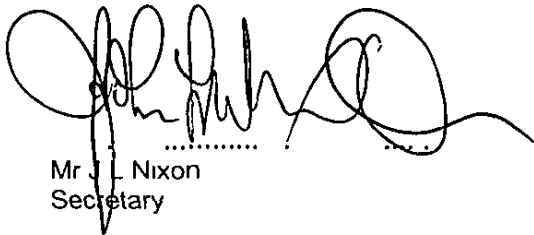
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

#### AUDITORS

The auditors, Ryecroft Glenton, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf



.....  
Mr J. L. Nixon  
Secretary

Date 22 October 2010

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

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**INDEPENDENT AUDITORS' REPORT TO CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED  
UNDER SECTION 449 OF THE COMPANIES ACT 2006**

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We have examined the abbreviated accounts set out on pages 5 to 19, together with the financial statements of Carlisle United Association Football Club (1921) Limited for the year ended 30 June 2010 prepared under section 396 of the Companies Act 2006

This report is made solely to the company in accordance with section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

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 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 on pages 5 to 19 have been properly prepared in accordance with the regulations made under that section.

Paul Charlton (Senior statutory auditor)

for and on behalf of  
**RYECROFT GLENTON**

Chartered Accountants  
Statutory Auditor

32 Portland Terrace  
Newcastle upon Tyne  
NE2 1QP

22 October 2010

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

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**ABBREVIATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 JUNE 2010**

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	Note	2010 £	2009 £
<b>TURNOVER</b>	1	<b>5,039,304</b>	<b>4,239,822</b>
<b>GROSS PROFIT</b>		<b>1,512,931</b>	<b>313,423</b>
Administrative expenses		<b>(1,392,518)</b>	<b>(1,534,585)</b>
<b>OPERATING PROFIT/(LOSS)</b>	2	<b>120,413</b>	<b>(1,221,162)</b>
Interest receivable		<b>1,151</b>	<b>2,846</b>
Interest payable	5	<b>(10,242)</b>	<b>(8,300)</b>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>111,322</b>	<b>(1,226,616)</b>
Tax on profit/(loss) on ordinary activities	6	<b>(2,141)</b>	<b>16,344</b>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	15	<b>109,181</b>	<b>(1,210,272)</b>

All amounts relate to continuing operations

The notes on pages 8 to 19 form part of these financial statements

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

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**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 30 JUNE 2010**

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	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	<b>109,181</b>	<b>(1,210,272)</b>
Unrealised surplus on revaluation of tangible fixed assets	<b>425,181</b>	<b>-</b>
	<hr/>	<hr/>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>	<b>534,362</b>	<b>(1,210,272)</b>
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**NOTE OF HISTORICAL COST PROFITS AND LOSSES  
FOR THE YEAR ENDED 30 JUNE 2010**

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	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>REPORTED PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>111,322</b>	<b>(1,226,616)</b>
Realisation of valuation gains of previous periods	<b>97,423</b>	<b>97,423</b>
	<hr/>	<hr/>
<b>HISTORICAL COST PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>208,745</b>	<b>(1,129,193)</b>
	<hr/>	<hr/>
<b>HISTORICAL PROFIT/(LOSS) FOR THE YEAR AFTER TAXATION</b>	<b>206,604</b>	<b>(1,112,849)</b>
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The notes on pages 8 to 19 form part of these financial statements

**CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED**  
**REGISTERED NUMBER: 00175280**

**ABBREVIATED BALANCE SHEET**  
**AS AT 30 JUNE 2010**

	Note	£	2010 £	£	2009 £
<b>FIXED ASSETS</b>					
Intangible fixed assets	7		<b>94,261</b>		67,785
Tangible fixed assets	8		<b>6,368,762</b>		6,204,594
			<b>6,463,023</b>		6,272,379
<b>CURRENT ASSETS</b>					
Stocks	9	<b>85,491</b>		91,594	
Debtors	10	<b>336,914</b>		454,017	
Cash at bank		<b>72,535</b>		18,305	
		<b>494,940</b>		563,916	
<b>CREDITORS</b> amounts falling due within one year	11	<b>(2,171,520)</b>		<b>(2,386,810)</b>	
<b>NET CURRENT LIABILITIES</b>			<b>(1,676,580)</b>		<b>(1,822,894)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>4,786,443</b>		<b>4,449,485</b>
<b>CREDITORS:</b> amounts falling due after more than one year	12		<b>(1,323,503)</b>		<b>(1,469,951)</b>
<b>ACCRUALS AND DEFERRED INCOME</b>	13		<b>(896,513)</b>		<b>(947,469)</b>
<b>NET ASSETS</b>			<b>2,566,427</b>		<b>2,032,065</b>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	14		<b>144,891</b>		144,891
Revaluation reserve	15		<b>3,445,622</b>		3,117,864
Profit and loss account	15		<b>(1,024,086)</b>		(1,230,690)
<b>SHAREHOLDERS' FUNDS</b>	16		<b>2,566,427</b>		<b>2,032,065</b>

The abbreviated accounts, which have been prepared in accordance with the special provisions of section 445(3) of the Companies Act 2006 were approved and authorised for issue by the board and were signed on its behalf by



Mr H A Jenkins  
Director

Date 22 October 2010

The notes on pages 8 to 19 form part of these financial statements

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## CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED

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### NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2010

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#### 1. ACCOUNTING POLICIES

##### 1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with applicable accounting standards

During the prior year a number of expenses, which have been included in cost of sales in the current year, were included in administrative expenses. Primarily amongst these was players' wages and salaries. The effect on the loss from reclassifying these in the comparatives is £nil, as cost of sales has increased by £3,706,232, while administrative expenses has fallen by the same amount

##### 1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts

##### 1.3 Player/manager registrations and amortisation

Player/manager registration fees are initially recorded at cost

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

Amortisation is provided at the following rates

Player/manager registrations	-	straight line over the period of the contract
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##### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost or valuation of those assets, less their estimated residual value, over their expected useful lives on the following bases

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

##### 1.5 Revaluation of tangible fixed assets

Freehold properties are carried at current year value at the balance sheet date. A full valuation is obtained from a qualified valuer for every five years, with an interim valuation three years after the previous full valuation, and in any year where it is likely that there has been a material change in value

Revaluation gains and losses are recognised in the statement of total recognised gains and losses unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the losses are recognised in the Profit and loss account

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## CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED

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### NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2010

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.6 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

##### 1.7 Stocks

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

##### 1.8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

##### 1.9 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Profit and loss account over the expected useful lives of the assets concerned. Other grants are credited to the Profit and loss account as the related expenditure is incurred.

##### 1.10 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

##### 1.11 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 the 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.

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## CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED

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### NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2010

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.12 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.

##### 1.13 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 profit in the year to 30 June 2010 but has net 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 that the company will continue to operate within its means in the year to 30 June 2011. However, profitability is dependent on a number of factors both within and out of the company'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 current liabilities respectively.

#### 2. OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging

	2010 £	2009 £
Amortisation - player registrations	136,015	93,984
Depreciation of tangible fixed assets		
- owned by the company	413,225	319,436
- held under hire purchase agreements	11,187	9,883
Auditors' remuneration	9,750	10,011

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

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**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2010**

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**3. STAFF COSTS**

Staff costs, including directors' remuneration, were as follows

	2010 £	2009 £
Wages and salaries	2,709,810	2,919,224
Social security costs	273,078	304,512
Other pension costs	5,160	8,406
	<u>2,988,048</u>	<u>3,232,142</u>

The average monthly number of employees, including the directors, during the year was as follows

	2010 No	2009 No
Number of administrative staff	177	204
Number of football staff	44	39
	<u>221</u>	<u>243</u>

**4. DIRECTORS' REMUNERATION**

	2010 £	2009 £
Remuneration receivable	<u>-</u>	<u>48,465</u>

**5. INTEREST PAYABLE**

	2010 £	2009 £
On bank loans and overdrafts	4,396	5,585
On finance leases and hire purchase contracts	2,708	2,715
Other interest payable	3,138	-
	<u>10,242</u>	<u>8,300</u>

**6. TAXATION**

	2010 £	2009 £
UK corporation tax charge based on results for the year	<u>2,141</u>	<u>(16,344)</u>

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

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**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2010**

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**6. TAXATION (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2009 - *higher than*) the standard rate of corporation tax in the UK (21%). The differences are explained below

	2010 £	2009 £
Profit/(loss) on ordinary activities before tax	<u>111,322</u>	<u>(1,226,616)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 21%	23,378	(257,589)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	4,872	(11,036)
Depreciation in excess of capital allowances for year	81,240	128,544
Grants released not taxable	(10,701)	(10,700)
Intangible asset adjustments	(28,563)	(19,737)
Sundry tax adjusting items	(68,085)	154,174
<b>Current tax charge/(credit) for the year (see note above)</b>	<u>2,141</u>	<u>(16,344)</u>

**Factors that may affect future tax charges**

At 30 June 2010 the company had estimated tax losses of £407,696 (2009 - £712,195) available to carry forward against future taxable profits

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

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**7. INTANGIBLE FIXED ASSETS**

	Players' Registrations £
<b>Cost</b>	
At 1 July 2009	233,607
Additions	185,250
Disposals	(152,357)
At 30 June 2010	<u>266,500</u>
<b>Amortisation</b>	
At 1 July 2009	165,822
Charge for the year	136,015
On disposals	(129,598)
At 30 June 2010	<u>172,239</u>
<b>Net book value</b>	
At 30 June 2010	<u>94,261</u>
At 30 June 2009	<u>67,785</u>

**8 TANGIBLE FIXED ASSETS**

	Freehold Land and Property £	Furniture, fittings and ground equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
At 1 July 2009	6,576,969	1,015,246	19,805	7,612,020
Additions	-	27,384	-	27,384
Revaluation	(308,469)	-	-	(308,469)
At 30 June 2010	<u>6,268,500</u>	<u>1,042,630</u>	<u>19,805</u>	<u>7,330,935</u>
<b>Depreciation</b>				
At 1 July 2009	505,015	897,460	4,951	1,407,426
Charge for the year	228,635	54,811	4,951	288,397
Revaluation	(733,650)	-	-	(733,650)
At 30 June 2010	<u>-</u>	<u>952,271</u>	<u>9,902</u>	<u>962,173</u>
<b>Net book value</b>				
At 30 June 2010	<u>6,268,500</u>	<u>90,359</u>	<u>9,903</u>	<u>6,368,762</u>
At 30 June 2009	<u>6,071,954</u>	<u>117,786</u>	<u>14,854</u>	<u>6,204,594</u>

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

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**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2010**

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**8. TANGIBLE FIXED ASSETS (continued)**

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

	2010 £	2009 £
Motor vehicles	8,374	12,562
Furniture, fittings and ground equipment	8,305	15,304
	<u>16,679</u>	<u>27,866</u>

Included in land and buildings is freehold land at valuation of £200,000 (2009 - £226,000) which is not depreciated. This land has an original cost of £226,000 (2009 - £226,000)

In accordance with FRS 15 Tangible Fixed Assets and in the opinion of the directors, all freehold property and land is held at net book value, following an interim valuation of £6,268,500 carried out by H & H Bowe Limited, external valuers and members of The Institute of Chartered Surveyors as at 30 June 2010. This interim valuation updated the last full valuation of £6,500,000 undertaken as at 30 June 2007. The basis of the revaluation was depreciated replacement cost for the football stadium and open market value for residential property and club shop.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows

	2010 £	2009 £
Cost	3,921,390	3,844,421
Accumulated depreciation	(1,331,646)	(1,171,967)
	<u>2,589,744</u>	<u>2,672,454</u>

**9 STOCKS**

	2010 £	2009 £
Stock	<u>85,491</u>	<u>91,594</u>

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

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**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2010**

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**10. DEBTORS**

	2010 £	2009 £
<b>Due after more than one year</b>		
Other debtors	55,000	55,000
<b>Due within one year</b>		
Trade debtors	125,606	314,342
Corporation tax repayable	-	42,814
Other debtors	10,303	20,588
Prepayments and accrued income	146,005	21,273
	<u>336,914</u>	<u>454,017</u>

**11. CREDITORS****Amounts falling due within one year**

	2010 £	2009 £
Bank loans and overdrafts	145,821	111,905
Loan from Story Construction Limited	100,000	100,000
Net obligations under finance leases and hire purchase contracts	9,675	8,456
Trade creditors	265,538	300,813
Amounts owed to group undertakings	637,997	645,188
Corporation tax	2,141	-
Social security and other taxes	160,750	179,448
Directors' current accounts	322,000	342,000
Other creditors	33,530	43,813
Accruals and deferred income	494,068	655,187
	<u>2,171,520</u>	<u>2,386,810</u>

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

The bank loan and overdraft 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

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

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**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2010**

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**12. CREDITORS:****Amounts falling due after more than one year**

	2010 £	2009 £
Bank loans	83,600	95,428
Loan from Story Construction Limited	1,200,250	1,300,250
Net obligations under finance leases and hire purchase contracts	14,298	23,973
Other creditors	25,355	50,300
	<u>1,323,503</u>	<u>1,469,951</u>

Included within the above are amounts falling due as follows

	2010 £	2009 £
<b>Between one and two years</b>		
Bank loans	13,106	13,106
Other loans	100,000	100,000
	<u>113,106</u>	<u>113,106</u>
<b>Between two and five years</b>		
Bank loans	41,800	41,800
Other loans	100,000	200,000
	<u>141,800</u>	<u>241,800</u>
<b>Over five years</b>		
Bank loans	28,694	40,522
Other loans	1,000,250	1,000,250
	<u>1,028,944</u>	<u>1,040,772</u>

Creditors include amounts not wholly repayable within 5 years as follows

	2010 £	2009 £
Repayable by instalments	28,694	40,522
Repayable other than by instalments	1,000,250	1,000,250
	<u>1,028,944</u>	<u>1,040,772</u>

The loan from Story Construction Limited is interest free and is partly repayable in instalments over 3 years, with the balance having no fixed repayment date

The bank loan is repayable in instalments over 7 years and interest is charged at 1.5% above the bank's base rate

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

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**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2010**

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**12. CREDITORS:****Amounts falling due after more than one year (continued)**

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Between one and five years	<b>14,298</b>	<b>23,973</b>

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

**13. ACCRUALS AND DEFERRED INCOME**

	<b>30 June 2010</b>	<b>30 June 2009</b>
	<b>£</b>	<b>£</b>
Grants	<b>896,513</b>	<b>947,469</b>

**14. SHARE CAPITAL**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
144,891 Ordinary shares of £1 each	<b>144,891</b>	<b>144,891</b>

**15. RESERVES**

	<b>Revaluation reserve</b>	<b>Profit and loss account</b>
	<b>£</b>	<b>£</b>
At 1 July 2009	3,117,864	(1,230,690)
Profit for the year		109,181
Surplus on revaluation of freehold property	425,181	
Transfer between Revaluation reserve and Profit and loss account	(97,423)	97,423
At 30 June 2010	<b>3,445,622</b>	<b>(1,024,086)</b>

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

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**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2010**

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**16 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2010	2009
	£	£
Opening shareholders' funds	2,032,065	3,242,337
Profit/(loss) for the year	109,181	(1,210,272)
Other recognised gains and losses during the year	425,181	-
	<u>2,566,427</u>	<u>2,032,065</u>
Closing shareholders' funds		

**17. PENSION COMMITMENTS**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company by the Football League. The pension cost charge represents contributions payable by the company to the fund and amounted to £5,160 (2009 - £8,406). An amount of £3,097 (2009 - £4,072) is included in Other creditors at the year end and is to be paid to the Football League.

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## CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED

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### NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2010

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#### 18. RELATED PARTY TRANSACTIONS

The company was under the control of Mr H A Jenkins, Mr J L Nixon and Mr S Pattison throughout the year Mr S D Allen was also a director until 29 October 2009

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 £16,039 (2009 - £14,422) for the match day catering contract and £8,991 (2009 - £19,221) for advertising and sponsorship At 30 June 2010 P F D (Carlisle) Limited owed the club £43,798 (2009 - £14,873)

The club also purchased goods to the value of £4,978 (2009 - £4,790) from P F D (Carlisle) Limited during the year At 30 June 2010 the club owed P F D (Carlisle) Limited £10,196 (2009 - £4,660)

At the year end the club owed Mr H A Jenkins £252,000 (2009 - £252,000)

Mr S Pattison is also a director of Carlisle Glass Limited During the year the club charged Carlisle Glass Limited £2,223 (2009 - £7,373) for advertising and sponsorship At 30 June 2010 Carlisle Glass Limited owed the club £380 (2009 - £8,941)

The club also purchased goods to the value of £5,641 (2009 - £7,491) from Carlisle Glass Limited At 30 June 2010 the club owed Carlisle Glass Limited £3,928 (2009 - £10,970)

At the year end the club owed Mr S Pattison £70,000 (2009 - £70,000)

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 £11,428 (2009 - £13,344) for sponsorship and advertising At 30 June 2010 there was no balance outstanding (2009 - £nil)

The club was invoiced £12,020 (2009 - £32,897) for services provided by David Allen & Co Chartered Accountants At 30 June 2010 the club owed David Allen & Co Chartered Accountants £45 (2009 - £1,116)

At the year end the club owed Mr S D Allen £15,331 (2009 - £20,000) This balance is within Other creditors (2009 - Directors' current accounts)

CUFC Holdings Limited is the parent company At 30 June 2010 the club owed CUFC Holdings Limited £637,997 (2009 - £645,188)

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

#### 19. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

At 30 June 2010 and 30 June 2009 the ultimate parent company was C U F C Holdings Limited, a company incorporated in England and Wales

The ultimate controlling party of C U F C Holdings Limited during the year was Mr H A Jenkins, Mr J L Nixon and Mr S D Allen Mr S D Allen resigned as a director on 29 October 2009 and his shareholding transferred to Mr H A Jenkins Mr H A Jenkins, Mr J L Nixon, Mr S Pattison and Mr S D Allen were the controlling parties during the previous year