

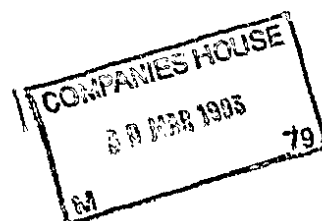
Annual
Return
175280

CARLISLE UNITED ASSOCIATION FOOTBALL
CLUB (1921) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST, 1992



CARLISLE UNITED AFC (1921) LIMITED

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST, 1992

DIRECTORS

M. Knighton - Chairman and Chief Executive
B. Chaytow - Vice Chairman
R. McKnight

COMPANY SECRETARY

M. Knighton

AUDITORS

Saint & Company, Chartered Accountants, Carlisle

BANKERS

Midland Bank plc., Carlisle

REGISTERED OFFICE

Brunton Park, Carlisle

REGISTERED NUMBER

175280

CARLISLE UNITED AFC (1921) LIMITEDACCOUNTS FOR THE YEAR ENDED 31 AUGUST, 1992**CHAIRMAN'S REPORT**

First, I must apologise for the slight delay in bringing these accounts to you somewhat later than I would have preferred - but this was perhaps inevitable with the change and transfer of majority share ownership in July 1992.

To say that 1992 has been an eventful year is perhaps an understatement. I became your Chairman in July 1992 which was the culmination of several months of negotiations with your previous chairman Mr. Andrew Jenkins and his Board colleagues.

I would like to take this opportunity to place on record my grateful thanks to Mr. Jenkins and the previous Board of Directors for the cooperation and commitment they have shown to myself since my arrival. I am delighted that Mr. Jenkins and the previous Board of Directors continue to remain fully involved and committed to the Club as they take on their various new roles which were the result of recent Boardroom changes.

Mr. Barry Chaytow, former Chairman of Bolton Wanderers Football Club is your new Vice-Chairman and well known local businessman Mr. Bob McKnight was appointed a Director towards the financial year end.

Carlisle United Football Club, like so many of it's colleagues in the lower divisions of The Football League, has encountered tremendous financial stress as it fights and strives very hard for commercial viability in these difficult economic times.

It gives me no great pleasure to report an operating loss before transfer fees of £180,745 and a loss for the financial year of £93,030. Whilst this loss position is clearly unacceptable as a trading result we can all take much comfort and encouragement from the fact that these losses are manageable as we begin the task of re - structuring the organisation with the key aim being an intensive drive to Club profitability based on a sound commercial infrastructure.

No efforts or enthusiasm will be spared to develop Brunton Park into one of the finest Football Stadiums in The United Kingdom. Ambitious development proposals have already been submitted to the Local Authority and whilst we do not expect to have any firm decisions before well into 1993 as the consultation process is still in progress I am much encouraged by the overwhelming degree of assistance and cooperation I have enjoyed from all parties to date.

Continued.....

CARLISLE UNITED AFC (1921) LIMITEDACCOUNTS FOR THE YEAR ENDED 31 AUGUST, 1992CHAIRMAN'S REPORT (CONTINUED)

My philosophy regarding the acquisition of players and their respective signing on fees and wage structure remains one of abject prudence until such times as we have created a thriving commercial operation which enjoys surplus profits. Naturally, much of any profit surplus would then be invested in the Player Transfer Market.

We can all take heart from the fact that we have a thriving Youth Policy already in operation and I am pleased to report to you that there are several young players who show great promise for the future.

I have made bold and ambitious statements regarding where I expect Carlisle United Football Club to be by the turn of this Century and I remain utterly committed to these desires. It is a programme which covers the next ten years and if our Blueprint is able to achieve its aims and objectives we should see the Club as a major force within the industry enjoying commercial and playing success throughout the next century.

Naturally, this can only be achieved by everyone concerned pulling and working together with unswerving commitment and enthusiasm and, if my first six months as your Chairman is anything to judge by, we can look to the future with great confidence.

My sincere thanks to all our employees at Brunton Park, our loyal Supporters and, of course, you the Shareholders. Everyone is so grateful for the support that you give to the Club.

M. Knighton
Chairman

CARLISLE UNITED AFC (1921) LIMITED
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST, 1992

Notice is hereby given that the seventy - first Annual General Meeting of Carlisle United AFC (1921) Limited will be held in the Sunset Suite at Brunton Park, Carlisle on Monday 22 March, 1993 at 4.00 p.m. for the following purposes:-

1. To receive and adopt the accounts and the reports of the Directors and Auditors for the year ended 31 August, 1992.
2. To re - elect Mr. M. Knighton, Mr. B. Chaytow and Mr. R. McKnight as Directors.
3. To re - appoint Saint & Co. as Auditors and to authorise the Directors to fix their remuneration.
4. To transact any other ordinary business.

BY ORDER OF THE BOARD

M. Knighton

Secretary

NOTES:

1. Any person entitled to attend and vote at the above meeting may appoint a proxy to attend on his behalf and, on a poll, to vote thereat. A proxy need not be a member of the Company.
2. A form of proxy is available on application to the Company's offices at Brunton Park, Carlisle.
3. The completed form of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of authority must be lodged at the offices of the Company at Brunton Park not less than forty - eight hours before the time appointed for holding the meeting or adjourned meeting, or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than twenty - four hours before the time appointed for the taking of the poll.

The directors submit their report and accounts for the year ended 31 August, 1992.

Principal Activity

The principal activity of the company is that of a professional Football League Club.

Results and Dividends

The trading loss for the year, after taxation, was £93,030 (1991 - £101,145) and no dividend is payable.

Review of the Business and Future Developments

Information concerning the review and the future developments of the business is contained in the Chairman's Report on pages 3 and 4.

Directors and their Interests

The directors at 31 August, 1992, and their beneficial interests in the share capital of the company during the year were as follows:-

		Ordinary Shares at 31 August, 1992	Ordinary Shares at 31 August, 1991 on date of appointment
M. Knighton	(appointed 10 July, 1992)	-	-
B. Chaytow	(appointed 10 July, 1992)	-	-
R. McKnight	(appointed 20 July, 1992)	-	-
H.A. Jenkins	(resigned 3 December, 1992)	-	16,506
J.R. Sheffield	(resigned 3 December, 1992)	-	8,030
R.S. Liddell FCA	(resigned 3 December, 1992)	-	7,360
T.A. Bingley	(resigned 3 December, 1992)	-	1,207
C.J. Vasey	(died 10 November, 1992)	-	9,880
J.B. Lloyd	(resigned 3 December, 1992)	-	7,200

A. Hodgkison resigned on 20 July, 1992 and J.A. Liddell resigned on 10 July, 1992.

Knighton Holdings Limited a company controlled by Mr. M. Knighton held 71,673 shares in the company at 31 August, 1992 and transferred 4,894 of these shares to Mr. B. Chaytow on 26 November, 1992.

Fixed Assets

Full movements in fixed assets are shown in note 9 to the accounts. The directors have revalued the freehold property at depreciated replacement cost based upon professional advice obtained during the year

Auditors

A resolution to re-appoint Saint & Co. as auditors will be put to the members at the Annual General Meeting.

By order of the board

M. Knighton - Secretary



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 AUGUST, 1992

	NOTES	1 9 9 2 £	1 9 9 1 £
TURNOVER	2	359,469	359,954
Other operating income	3	334,197	344,297
		-----	-----
		693,666	704,251
		-----	-----
Staff costs	4	595,733	680,616
Depreciation		16,466	11,686
Grants released		(1,334)	-
Other operating charges		222,046	244,028
		-----	-----
		832,911	936,330
		-----	-----
LOSS BEFORE EXCEPTIONAL ITEMS		(139,245)	(232,079)
Exceptional Items	5	(41,500)	-
		-----	-----
OPERATING LOSS BEFORE TRANSFER FEES	6	(180,745)	(232,079)
Transfer fees receivable (net)		130,250	153,185
		-----	-----
OPERATING LOSS AFTER TRANSFER FEES		(50,495)	(78,894)
Interest receivable		13	26
Interest payable	7	(42,548)	(24,372)
		-----	-----
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(93,030)	(103,240)
Taxation	8	-	2,095
		-----	-----
LOSS FOR THE FINANCIAL YEAR	15	(93,030)	(101,145)
		=====	=====

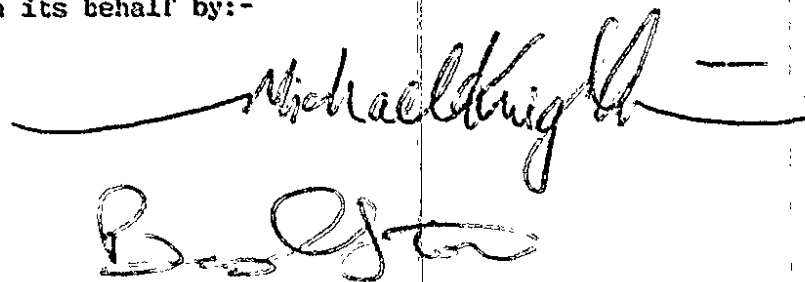
CARLISLE UNITED AFC (1921) LIMITEDBALANCE SHEET AS AT 31 AUGUST, 1992

	NOTES	1992 £	1991 £
FIXED ASSETS			
Tangible assets	9	997,049	380,713
CURRENT ASSETS			
Stocks - goods for resale		15,057	32,708
Debtors	10	76,905	84,685
Cash at bank and in hand		3,219	19,234
		95,181	136,627
CREDITORS: amounts falling due within one year;	11	(592,107)	(551,512)
NET CURRENT LIABILITIES		(496,926)	(414,885)
TOTAL ASSETS LESS CURRENT LIABILITIES		500,123	(34,172)
CREDITORS: amounts falling due after more than one year;	12	(67,371)	(54,982)
		432,752	(89,154)
CAPITAL AND RESERVES			
Called up share capital	14	94,891	94,766
Profit and loss account	15	(276,950)	(183,920)
Revaluation reserve	15	614,811	-
		432,752	(89,154)

These financial statements were approved by the board of directors on 8 February, 1993 and signed on its behalf by:-

M. Knighton

B. Chaytow



CARLISLE UNITED AFC (1921) LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST, 1992

1. ACCOUNTING POLICIES:

(a) Accounting convention

The accounts are prepared under the historical cost convention, as modified by the revaluation of freehold property, and are in accordance with applicable accounting standards.

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from producing a cash flow statement on the grounds that it is a small company.

The format of accounts has been revised to bring the company's reporting in line with the norm amongst football clubs and comparative figures have been adjusted accordingly.

(b) Depreciation

Depreciation is provided on the reducing balance basis at the following rates:

Furniture, fittings and ground equipment	10%.
Motor Vehicles	25%.

Freehold property was valued by Directors on the basis of depreciated replacement cost as at 31 August, 1992, having regard to a professional valuation undertaken during the year.

(c) 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. Deferred grant income in the balance sheet represents total grants received less amounts credited to the profit and loss account.

(d) Stocks

Stocks are stated at the lower of cost and net realisable value.

(e) Deferred Income

Revenue derived from season tickets, advertising and sponsorship is credited to income in the year to which it relates.

(f) Players' Transfer Fees

Transfer fees payable and receivable are written off or credited to income in the year in which the player is bought or sold.

(g) Deferred Taxation

In view of the expected continuing use of the freehold properties within the trade, no provision is considered necessary in respect of the potential tax liability which might arise in the event of the disposal of the properties at the amounts at which they are included in these accounts, and in the opinion of the directors it would be impracticable and of no relevance to attempt to quantify such a liability.

Available tax losses are significantly in excess of any other timing differences.

2. TURNOVER

Turnover represents amounts received and receivable in respect of football matches, stated net of value added tax.

3. OTHER OPERATING INCOME

	1992	1991
	£	£
General donations	26,546	3,323
Other non - football income	307,651	340,974
	-----	-----
	334,197	344,297
	=====	=====

CARLISLE UNITED AFC (1921) LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST, 1992**4. STAFF COSTS**

	1992	1991
	£	£
Wages and salaries	541,691	617,755
Social security costs	45,812	53,631
Other pension costs	8,230	9,230
	-----	-----
	595,733	680,616
	=====	=====

Other pension costs comprise contributions made by the Company in respect of certain employees to defined contribution schemes which are independently administered by the Football League Limited. Contributions are charged in the year to which they relate.

The average weekly number of employees during the year (excluding directors) was made up as below. The categories have been expanded and comparative figures have been restated accordingly.

	1992	1991
	No.	No.
Football staff	32	28
Administration and other	9	6
Commercial	8	8
	--	--
	49	42
	==	==

In addition the company employs approximately 115 temporary staff for match days and other duties.

5. EXCEPTIONAL ITEMS

	1992	1991
	£	£
Compensation to former employee and related costs	28,500	-
Provision for commercial stock obsolescence	13,000	-
	-----	-----
	41,500	-
	=====	=====

6. OPERATING LOSS BEFORE TRANSFER FEES

This is stated after charging/(crediting)

Directors' remuneration	-	-
Operating lease rentals	1,134	1,302
Auditors' remuneration - audit fee	2,500	2,500
- other	2,000	2,000
Depreciation	16,466	11,686
Grants released (note 13)	(1,334)	-
	=====	=====

7. INTEREST PAYABLE

On bank overdrafts and other loans repayable within 5 years	35,798	16,955
On other loans repayable after more than five years	4,244	3,739
Hire purchase interest	2,506	3,678
	-----	-----
	42,548	24,372
	=====	=====

8. TAXATION

Corporation tax overprovision in prior years	-	2,095
	=====	=====

No Corporation tax is payable for the year due to losses.

CARLISLE UNITED AFC (1921) LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST, 1992

9. TANGIBLE FIXED ASSETS

	FREEHOLD PROPERTY	FURNITURE FITTINGS & GROUND EQUIPMENT	MOTOR VEHICLES	TOTAL
--	----------------------	--	-------------------	-------

	£	£	£	£
Cost or valuation:				
At 1 September,				
1991	285,152	111,463	49,206	445,821
Additions	-	10,981	7,010	17,991
Revaluation	614,811	-	-	614,811
	-----	-----	-----	-----
At 31 August,				
1992	899,963	122,444	56,216	1,078,623
	-----	-----	-----	-----
Depreciation:				
At 1 September,				
1991	-	48,773	16,335	65,108
Charge for the				
year	-	6,495	9,971	16,466
	-----	-----	-----	-----
At 31 August,				
1992	-	55,268	26,306	81,574
	-----	-----	-----	-----
Net book value:				
At 31 August,				
1992	899,963	67,176	29,910	997,049
	=====	=====	=====	=====
At 1 September,				
1991	285,152	62,690	32,871	380,713
	=====	=====	=====	=====

Included in the above figures are items acquired under hire purchase contracts as follows:-

	FURNITURE, FITTINGS & GROUND EQUIPMENT	MOTOR VEHICLES
	£	£
Net book value at 31.8.92	15,294	8,916
	=====	=====
Depreciation thereon in year	997	2,972
	=====	=====

Historical cost of freehold property included at the above value of £899,963 is comprised as follows:-

Directors valuation at 30 June, 1969	
for which accurate historical cost	
figures are unavailable	60,000
Historical cost of additions since	
30 June, 1969	225,152

	285,152
	=====

CARLISLE UNITED AFC (1921) LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST, 1992

10. DEBTORS	1992	1991
	£	£
Trade debtors	45,862	55,665
Other debtors	6,535	19,119
Prepayments and accrued income	24,508	9,901
	-----	-----
	76,905	84,685
	=====	=====
11. CREDITORS: Amounts falling due within one year:		
Bank overdraft	109,791	172,784
Current instalments on mortgage and brewery loan	4,988	4,988
Hire purchase	13,573	18,191
Trade creditors	128,961	130,997
Other taxes and social security	42,017	28,397
Other creditors	17,000	-
Directors loans	66,173	-
Amounts owed to Knighton Holdings Limited	70,000	-
Deferred income	93,164	98,078
Accruals	46,440	98,077
	-----	-----
	592,107	551,512
	=====	=====

The bank overdraft is secured by a fixed and floating charge over certain freehold property. The mortgage and the brewery loan are secured (note 12 refers).

12. CREDITORS: Amounts falling due after more than one year:	1992	1991
	£	£
Deferred grant income (note 13 below)	12,006	-
Building society mortgage	25,779	26,365
Hire purchase (due within 5 years)	8,558	15,401
Brewery loan	9,528	13,216
Other creditors	11,500	-
	-----	-----
	67,371	54,982
	=====	=====

The mortgage and the brewery loan are secured by charges over certain of the company's properties and bear interest at fluctuating rates. The brewery loan expires in March, 1996. The mortgage is repayable in instalments by the year 2001 on normal capital repayment reducing balance terms.

13. DEFERRED GRANT INCOME

The movements in deferred grant income during the year were as follows:-

	£
At 1 September, 1991	-
Grants received in the year	13,340
Grants released in the year	(1,334)

At 31 August, 1992	12,006
	=====

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST, 1992

14. SHARE CAPITAL

	AUTHORISED		ALLOTTED, CALLED UP AND FULLY PAID	
	1992 NO.	1991 NO.	1992 £	1991 £
Ordinary shares of £1 each	150,000	150,000	94,891	94,766
	=====	=====	=====	=====

During the year the directors allotted 125 ordinary shares at par for cash to raise additional finance for the club.

15. RESERVES

	PROFIT & LOSS ACCOUNT	REVALUATION RESERVE
At 1.9.91	(183,920)	-
Revaluation of freehold property	-	614,811
Loss for the year	(93,030)	-
	-----	-----
At 31.8.92	(276,950)	614,811
	=====	=====

16. ULTIMATE HOLDING COMPANY

The ultimate holding company is Knighton Holdings Limited a company incorporated in England.

17. CAPITAL COMMITMENTS

	1992 £	1991 £
Contracted	-	-
Authorised but not contracted	-	-
	-----	-----
	-	-
	=====	=====

18. OPERATING LEASE COMMITMENTS

	1992 £	1991 £
Annual commitments under non - cancellable operating leases of equipment which expire:		
In 2 to 5 years	1,134	1,134
	=====	=====

19. POST BALANCE SHEET EVENTS

Since the balance sheet date the Club has received £292 in transfer fees as a result of former players completing specified numbers of first team appearances for their new clubs.

REPORT OF THE AUDITORS TO THE MEMBERS OF THE CARLISLE UNITED ASSOCIATION
FOOTBALL CLUB (1921) LIMITED

We have audited the financial statements on pages 7 to 13 in accordance with Auditing Standards.

The financial statements have been prepared on a going concern basis. This basis may not be appropriate because the company incurred a loss after taxation of £93,030 during the year ended 31 August, 1992 and at that date its current liabilities were significantly in excess of its current assets. The company is therefore dependent upon the continued support of the bank, the directors and the ultimate holding company.

Should the company be unable to continue trading, adjustments would have to be made to reduce the value of its assets to their recoverable amount, to provide for any further liabilities which might arise, to reclassify fixed assets and long term liabilities as current assets and liabilities and to take into account the proceeds of any player sold in the transfer market.

Subject to the above, in our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 August, 1992 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act, 1985.



SAINT & CO.,
Chartered Accountants
and Registered Auditor,
Sterling House,
Rosehill,
Carlisle.

8 February, 1993