

**SHREWSBURY TOWN FOOTBALL CLUB PLC**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2007**

SATURDAY



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COMPANIES HOUSE

*WR*  
**Whittingham Riddell**  
*chartered accountants*

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## SHREWSBURY TOWN FOOTBALL CLUB PLC

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### COMPANY INFORMATION

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**DIRECTORS**

R E Wycherley  
K J Sayfritz  
M R Whitrick (resigned 18/12/2006)  
C D Poole (resigned 01/06/2007)

**SECRETARY**

Mr M D Parry (appointed 11/7/07)

**COMPANY NUMBER**

315587

**REGISTERED OFFICE**

New Stadium  
Oteley Road  
Shrewsbury  
Shropshire  
SY2 6ST

**AUDITORS**

Whittingham Riddell LLP  
Chartered Accountants & Registered Auditors  
Belmont House  
Shrewsbury Business Park  
Shrewsbury  
Shropshire  
SY2 6LG

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## SHREWSBURY TOWN FOOTBALL CLUB PLC

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### NOTICE OF ANNUAL GENERAL MEETING


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Notice is hereby given that the Annual General Meeting of the Members of the Company will be held at the New Stadium, Shrewsbury on Wednesday 20 February 2008 at 7 00pm for the following purposes -

- 1) To receive and consider the Accounts for the year ended 31st May 2007 and the Report of the Directors and of the Auditors
- 2) To elect Directors
- 3) To appoint Auditors and to authorise the Directors to fix their remuneration
- 4) As special business to consider, and if thought fit, to pass an Ordinary Resolution that the Directors be given authority to allot relevant securities pursuant of Section 80 of the Companies Act 1985 up to a maximum amount of the unissued but authorised share capital of the company at any time or times during the period of five years from the date of adoption, and that the Directors may, after that period, allot any shares or grant any such rights under this authority in pursuance of an offer or agreement so to do made by the Company within that period

Any member of the Company entitled to attend and vote may appoint another person (whether a member or not) as his proxy to vote instead of him. The instrument appointing a proxy shall be deposited at the registered office of the Company not less than forty-eight hours before the time for holding the meeting.

By Order of the Board



Mr M D Parry  
Company Secretary

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**SHREWSBURY TOWN FOOTBALL CLUB PLC**

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**ANNUAL GENERAL MEETING  
TO BE HELD AT THE NEW STADIUM ON WEDNESDAY 20TH FEBRUARY 2008**

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**AGENDA**

- 1 Notice convening the meeting
- 2 Minutes
- 3 Apologies
- 4 Chairman's remarks
- 5 Accounts, Balance Sheet, Auditors' Report and Directors' Report
- 6 Election of Directors
- 7 Appointment of Auditors
- 8 Special business
- 9 Any other business

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## SHREWSBURY TOWN FOOTBALL CLUB PLC

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## SHREWSBURY TOWN FOOTBALL CLUB PLC

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### CHAIRMAN'S REPORT FOR THE YEAR ENDED 31 MAY 2007

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The end of the 2006/07 financial year also saw the last days of the Gay Meadow as the home of professional football in Shropshire. Given its history and the thrills it had seen, it was surely fitting that the last first team game to be played turned out not to be the last league match of the season but a play-off semi final as our team surged towards Wembley.

Many a supporter shed a tear as we prepared to leave Gay Meadow, but at the same time the play-off push saw us become the first Football League team ever to score at the new Wembley. Of course Gay Meadow's final legacy after 97 years service was to provide the core funding for our new, state-of-the-art stadium. This transition is reflected in these accounts, where the asset value of our new home is incorporated in the balance sheet and funds related to the ongoing project show in our cashflow. Indeed a Martian landing on earth and reading these accounts might be forgiven for thinking the Club's financial position has been transformed overnight.

The reality, of course, is very different. In a year when we enjoyed the financial benefits of going to Wembley and also sizeable income from commercial activities surrounding the 'End of Era' at Gay Meadow, we achieved a trading profit of £33K. Without these one-offs we would once again have posted a trading loss, underlining the financial challenges the Club continues to face.

This is why the stadium move is so crucial. We start now with a clean sheet – with outstanding facilities and without debt. While new stadia are often linked with years of pain to pay off building costs, we own ours outright.

The evident quality of the new stadium and its facilities, together with the momentum created by 23,000 people travelling with us to Wembley, has served to remind everyone of the value of professional League football to this area. It is a pity that some were not more aware of this during the struggles of the last decade, but clearly it bodes well for the future as people seek to align themselves with the Club and acknowledge its immense positive role in the community.

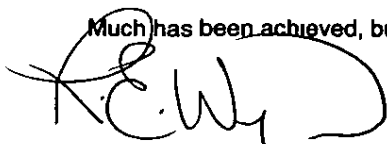
I am now in my eleventh year as Chairman and the milestone of the stadium move is an opportune time to reflect on what we have achieved together. Patience has been necessary and at times we have been accused of lacking ambition. Nevertheless, we have moved forward while, over those years almost all of our neighbouring clubs have, at one time or another, been in administration. We started with combined overdraft and trade debts of £750,000, turnover restricted to around £1.5M a year with little potential for growth, annual trading losses of around £300,000 and a decaying stadium that was uninsurable, had a licensed capacity down to just 8,000 and drew average crowds of about 2,700. In contrast, we will shortly be operating from a brand new, 10,000 seat facility standing on 26 acres of freehold land. This is the essential foundation for the future that I have always sought and, correctly applied, it is an asset that will now underpin a concerted drive forward.

When history judges us on this period, I believe it will focus not only on the outstanding achievement of building a new home, but on how well we exploit the lifeline it provides. We cannot afford to leave any stone unturned as we create further financial stability for the Club and the resources to sustain a rise through the Leagues. I am delighted, therefore, that during this year we have made a number of key staff appointments in financial, commercial and hospitality areas. Indeed, on the latter point, not only will we shortly have a stadium that will be the envy of many higher League clubs, I believe we will also have a seven-day-a-week social and business venue that sets new standards for the town and county.

The process of moving homes and developing our new facilities requires much hard work. Accordingly, I would like to record my thanks to fellow Directors, staff and volunteers who have contributed so much. Also to our sponsors, business supporters and fans who continue to demonstrate how much the Club means to them.

Since, first and foremost, we are all fans, the ultimate way to repay people for their support is to achieve success on the pitch. Our progress in that respect is clear for all to see – from the low point of playing in the Conference a few years ago to coming within minutes of promotion to League 1. Better still, that progress is built not on the transient individual brilliance of a player, but on a solid, sustainable, across the board improvement in all aspects of player recruitment, training and support. A transformation for which Gary Peters and his team can take great credit. Individual games can turn in seconds and the best team doesn't always win. Nevertheless there can be no doubt about the overall direction in which this Club is moving on and off the field.

Much has been achieved, but much remains to be done. Above all, I genuinely believe exciting times lie ahead.



Name R E Wycherley  
Chairman

Date 19 December 2007

WR

**SHREWSBURY TOWN FOOTBALL CLUB PLC**

**SUMMARY OF FINANCIAL RESULTS  
FOR THE YEAR ENDED 31 MAY 2007**

	2007 £'000	2006 £'000
<b>Receipts</b>		
Gate receipts	1,318	846
Football league	349	308
Television and internet portal income	57	17
Transfer fees received	105	745
Rents receivable	49	51
Sundry receipts	477	303
Contributions from supporters organisations	29	70
	<u>2,384</u>	<u>2,340</u>
<b>Running costs</b>		
Wages	(1,583)	(1,418)
Transfer fees paid	(20)	(53)
Other costs	(747)	(562)
	<u>(2,350)</u>	<u>(2,033)</u>
<b>Operational profit for the year</b>	<u>34</u>	<u>307</u>
<b>Disposal of Gay Meadow</b>		
Sale proceeds	13,100	-
Less Prior year carrying values	(1,090)	-
<b>Profit on disposal of Gay Meadow</b>	<u>12,010</u>	<u>-</u>

The whole of the Gay Meadow sale proceeds have been reinvested in the cost of the New Stadium (see note 9)

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## SHREWSBURY TOWN FOOTBALL CLUB PLC

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2007

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The directors present their report and the financial statements for the year ended 31 May 2007

#### STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that 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 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### PRINCIPAL ACTIVITIES

The company's principal activity continues to be that of a Professional Football Club. The results of the Company are shown on page 6 in the profit and loss account.

#### BUSINESS REVIEW

A review of the developments of the company during the financial year is given in the Chairman's report.

#### RESULTS AND DIVIDENDS

The profit for the year, after interest and before exceptional items, amounted to £33,315 (2006 - £307,039) taxation. The profits when including the sale of the Gay Meadow amounted to £12,043,550 (2006 - £307,039).

The directors do not recommend the payment of a dividend.

#### DIRECTORS

The directors who served during the year were

R E Wycherley

K J Sayfritz

M R Whitrack (resigned 18/12/2006)

C D Poole (resigned 01/06/2007)

The director retiring by rotation is Mr K J Sayfritz, who being eligible, offers himself for re-election. Nominations for the Board of Directors signed by the proposer and seconder must be in the hands of the secretary, New Stadium, Shrewsbury, no later than 13th February 2008.

#### TRANSFER BOOKS

The share transfer books of the company will be closed from 7th February 2008 to 21st February 2008, both dates inclusive.



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## SHREWSBURY TOWN FOOTBALL CLUB PLC

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2007

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#### COMPANY'S POLICY FOR PAYMENT OF CREDITORS

The Company does not follow a standard payment practice. The terms of payment are agreed individually with suppliers.

#### SUPPORTERS ORGANISATIONS

The Board of Directors express appreciation for the help given by Supporters Organisations.

#### PROVISION OF INFORMATION TO AUDITORS


So far as each of the directors is aware at the time the report is approved

- there is no relevant audit information of which the company's auditors are 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 auditors are aware of that information

#### AUDITORS

The auditors, Whittingham Riddell LLP, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report was approved by the board on 19 December 2007 and signed on its behalf



**R E Wycherley**  
Director

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## SHREWSBURY TOWN FOOTBALL CLUB PLC

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### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SHREWSBURY TOWN FOOTBALL CLUB PLC

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We have audited the financial statements of Shrewsbury Town Football Club Plc for the year ended 31 May 2007 set out on pages 9 to 21. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

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**SHREWSBURY TOWN FOOTBALL CLUB PLC**

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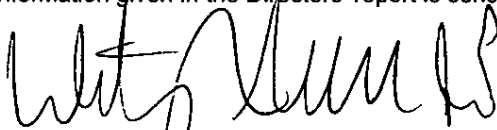
**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SHREWSBURY TOWN FOOTBALL CLUB PLC**

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**OPINION**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 May 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' report is consistent with the financial statements



**WHITTINGHAM RIDGELL LLP**

Chartered Accountants  
Registered Auditors  
Belmont House  
Shrewsbury Business Park  
Shrewsbury  
Shropshire  
SY2 6LG

19 December 2007

**SHREWSBURY TOWN FOOTBALL CLUB PLC**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MAY 2007**

	Note	2007 £	<i>As restated</i> 2006 £
<b>TURNOVER</b>	1,2	<b>2,383,735</b>	2,340,221
Cost of sales		<u>(2,040,503)</u>	<u>(1,773,766)</u>
<b>GROSS PROFIT</b>		<b>343,232</b>	566,455
Administrative expenses		<u>(338,840)</u>	<u>(250,858)</u>
<b>OPERATING PROFIT</b>	3	<b>4,392</b>	315,597
Interest receivable		<b>30,191</b>	295
Interest payable	6	<u>(1,268)</u>	<u>(8,853)</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER INTEREST AND BEFORE EXCEPTIONAL ITEMS</b>		<b>33,315</b>	307,039
<b>EXCEPTIONAL ITEMS</b>			
Sale of Gay Meadow	7	<u>12,010,235</u>	-
<b>PROFIT FOR THE YEAR BEFORE TAXATION</b>		<b>12,043,550</b>	307,039
Tax on profit on ordinary activities	8	<u>-</u>	<u>-</u>
<b>PROFIT FOR THE YEAR</b>	18	<u><b>12,043,550</b></u>	<u>307,039</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2007 or 2006 other than those included in the Profit and loss account

The whole of the Gay Meadow sale proceeds have been reinvested in the cost of the New Stadium (see note 9)

The notes on pages 12 to 21 form part of these financial statements

**SHREWSBURY TOWN FOOTBALL CLUB PLC**

**BALANCE SHEET  
AS AT 31 MAY 2007**

	Note	£	2007 £	£	2006 £	£
<b>FIXED ASSETS</b>						
Intangible fixed assets	9		-		2,222	
Tangible fixed assets	10		14,293,177		4,666,142	
			<u>14,293,177</u>		<u>4,668,364</u>	
<b>CURRENT ASSETS</b>						
Stocks	11	7,790		16,934		
Debtors	12	581,965		671,974		
Cash at bank and in hand		1,535,454		69,899		
		<u>2,125,209</u>		<u>758,807</u>		
<b>CREDITORS:</b> amounts falling due within one year	13	(608,674)		(3,860,434)		
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			<u>1,516,535</u>		<u>(3,101,627)</u>	
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>15,809,712</u>		<u>1,566,737</u>	
<b>CREDITORS:</b> amounts falling due after more than one year	14		-		(1,650)	
<b>DEFERRED CAPITAL GRANT</b>	16		(2,049,355)		(451,718)	
<b>NET ASSETS</b>			<u>13,760,357</u>		<u>1,113,369</u>	
<b>CAPITAL AND RESERVES</b>						
Called up share capital	17		1,669,478		1,066,040	
Revaluation reserve	18		-		1,071,878	
Profit and loss account	18		12,090,879		(1,024,549)	
<b>SHAREHOLDERS' FUNDS</b>	19		<u>13,760,357</u>		<u>1,113,369</u>	

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 December 2007

  
R E Wycherley  
Director

The notes on pages 12 to 21 form part of these financial statements

**SHREWSBURY TOWN FOOTBALL CLUB PLC**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MAY 2007**

	Note	2007 £	2006 £
Net cash flow from operating activities	20	(2,811,886)	3,060,852
Returns on investments and servicing of finance	21	28,923	(8,558)
Capital expenditure and financial investment	21	3,924,446	(3,085,060)
<b>CASH INFLOW/(OUTFLOW) BEFORE FINANCING</b>		<b>1,141,483</b>	<b>(32,766)</b>
Financing	21	597,388	13,400
<b>INCREASE/(DECREASE) IN CASH IN THE YEAR</b>		<b>1,738,871</b>	<b>(19,366)</b>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT  
FOR THE YEAR ENDED 31 MAY 2007**

	2007 £	2006 £
Increase/(Decrease) in cash in the year	1,738,871	(19,366)
Cash outflow from decrease in debt and lease financing	6,050	6,600
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	<b>1,744,921</b>	<b>(12,766)</b>
Net debt at 1 June 2006	(211,667)	(198,901)
<b>NET FUNDS/(DEBT) AT 31 MAY 2007</b>	<b>1,533,254</b>	<b>(211,667)</b>

The notes on pages 12 to 21 form part of these financial statements

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## SHREWSBURY TOWN FOOTBALL CLUB PLC

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2007

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#### 1 ACCOUNTING POLICIES

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

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold land and buildings and in accordance with applicable accounting standards

Certain comparative figures have been restated in accordance with the current year reporting formats, and to reflect the one off nature of the disposal of the Gay Meadow during the year, the profit and loss account format on page 9 of the accounts has been amended to fully disclose the affect of the sale on the face of the profit and loss account

##### 1.2 Turnover

Turnover is stated net of Value Added Tax and represents amounts receivable by the club in the ordinary course of business with the exception of those items included separately in other operating income

##### 1.3 Transfer fees and signing on fees

In accordance with Financial Reporting Standard 10, Goodwill and Intangible Assets, amounts paid to third parties (including levies) on the acquisition of players' registrations are capitalised as intangible assets and amortised over the period of the players initial contract

Fees receivable on the transfer of a player's registration are dealt with in the period in which the transfer takes place Any profit or loss arising on the sale of a registration is dealt with in the trading account

##### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Freehold property	-	2%	straight line
Plant & Machinery	-	15%	reducing balance
Motor Vehicles	-	25%	reducing balance

##### 1.5 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

##### 1.6 Stocks

Stocks are valued at the lower of cost and net realisable value

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## SHREWSBURY TOWN FOOTBALL CLUB PLC

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2007

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#### 1 ACCOUNTING POLICIES (continued)

##### 1.7 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 discounted

##### 1.8 Pensions

The company contributes to a defined benefits pension scheme for selected employees. In August 2002 (the date of the most recent Triennial Actuarial Review) the scheme was £46,936 under funded. The contributions to bring the scheme to the required level will be charged to the profit and loss account as they become payable over the following ten years.

##### 1.9 Football trust grants receivable

Capital grants are deferred in the year in which expenditure is incurred and then amortised over the useful life of the relevant asset. Revenue grants are credited to the profit and loss account.

#### 2 TURNOVER

The whole of the turnover is attributable to the principal activity of the company.

All turnover arose within the United Kingdom.

#### 3. OPERATING PROFIT

The operating profit is stated after charging

	2007 £	2006 £
Amortisation - intangible fixed assets	2,222	2,222
Depreciation of tangible fixed assets		
- owned by the company	51,552	46,184
- held under finance leases	-	5,500
	<u>53,774</u>	<u>53,906</u>

During the year, no director received any emoluments (2006 - £NIL)



**SHREWSBURY TOWN FOOTBALL CLUB PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2007**

**4 AUDITORS' REMUNERATION**

	2007 £	2006 £
Fees payable to the company's auditor for the audit of the company's annual accounts	<u>4,202</u>	<u>4,785</u>

**5 STAFF COSTS**

Staff costs were as follows

	2007 £	2006 £
Wages and salaries	1,435,164	1,279,076
Social security costs	137,943	120,494
Other pension costs	10,003	18,485
	<u>1,583,110</u>	<u>1,418,055</u>

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

	2007 No	2006 No
Players	28	28
Administrative	14	11
Other Staff	4	4
	<u>46</u>	<u>43</u>

**6 INTEREST PAYABLE**

	2007 £	2006 £
On bank loans and overdrafts	543	8,128
On finance leases and hire purchase contracts	725	725
	<u>1,268</u>	<u>8,853</u>

**7 EXCEPTIONAL ITEMS**

	2007 £	2006 £
Profit on disposal of Gay Meadow	<u>12,010,235</u>	<u>-</u>

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**SHREWSBURY TOWN FOOTBALL CLUB PLC**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2007**

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**8 TAXATION**

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (*2006 - lower than*) the standard rate of corporation tax in the UK (19%). The differences are explained below

	2007 £	2006 £
Profit for the year	<u>12,043,550</u>	<u>307,039</u>
Profit for the year multiplied by standard rate of corporation tax in the UK of 19% ( <i>2006 - 19%</i> )	2,288,275	58,337
<b>Effects of.</b>		
Utilisation of tax losses	(6,330)	(58,337)
Rollover relief on profit on disposal of fixed assets	(2,281,945)	-
	<u>-</u>	<u>-</u>
<b>Current tax charge for the year</b> (see note above)	<u>-</u>	<u>-</u>

**Factors that may affect future tax charges**

The company's trading tax losses carried forward will eliminate any charge to corporation tax for the foreseeable future

**9 INTANGIBLE FIXED ASSETS**

	Players contracts £
<b>Cost</b>	
At 1 June 2006 and 31 May 2007	<u>5,000</u>
<b>Amortisation</b>	
At 1 June 2006	2,778
Charge for the year	<u>2,222</u>
At 31 May 2007	<u>5,000</u>
<b>Net book value</b>	
At 31 May 2007	<u>-</u>
At 31 May 2006	<u>2,222</u>

**SHREWSBURY TOWN FOOTBALL CLUB PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2007**

**10. TANGIBLE FIXED ASSETS**

	Land and buildings £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
At 1 June 2006	5,405,298	208,739	42,484	5,656,521
Additions	10,744,315	16,408	27,450	10,788,173
Disposals	(1,887,235)	(216,687)	(41,684)	(2,145,606)
At 31 May 2007	14,262,378	8,460	28,250	14,299,088
<b>Depreciation</b>				
At 1 June 2006	815,551	154,460	20,368	990,379
Charge for the year	36,000	9,696	5,856	51,552
On disposals	(851,551)	(162,606)	(21,863)	(1,036,020)
At 31 May 2007	-	1,550	4,361	5,911
<b>Net book value</b>				
At 31 May 2007	14,262,378	6,910	23,889	14,293,177
At 31 May 2006	4,589,747	54,279	22,116	4,666,142

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

	2007 £	2006 £
Motor vehicles	-	11,917

**11 STOCKS**

	2007 £	2006 £
Consumables	7,790	16,934

**12 DEBTORS**

	2007 £	2006 £
Trade debtors	30,224	638,798
Other debtors	454,632	14,633
Prepayments and accrued income	97,109	18,543
	581,965	671,974

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**SHREWSBURY TOWN FOOTBALL CLUB PLC**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2007**

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**13. CREDITORS**

**Amounts falling due within one year**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	-	273,316
Net obligations under finance leases and hire purchase contracts	<b>2,200</b>	6,600
Trade creditors	<b>203,696</b>	96,477
Social security and other taxes	<b>43,970</b>	37,263
Chairman's loan	-	497,138
Other creditors	<b>52,327</b>	93,170
Accruals and deferred income	<b>306,481</b>	206,470
Deferred sale proceeds - Gay Meadow	-	2,650,000
	<u><b>608,674</b></u>	<u><b>3,860,434</b></u>

The bank overdraft is secured by a fixed charge over the company's freehold property, book and other debt's and a floating charge over all assets and undertakings

**14 CREDITORS.**

**Amounts falling due after more than one year**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Net obligations under finance leases and hire purchase contracts	-	1,650

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

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Between one and five years	-	1,650

**SHREWSBURY TOWN FOOTBALL CLUB PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2007**

**15 DEFERRED TAXATION**

The provision for deferred taxation is made up as follows

	2007 £	2006 £
Accelerated capital allowances	-	(3,351)
Tax losses carried forward	422,491	427,783
Surplus on revaluation of freehold properties	-	(203,657)
	<u>422,491</u>	<u>220,775</u>
Undiscounted provision for deferred tax	422,491	220,775
Amounts not provided for	(422,491)	(220,775)
	<u>-</u>	<u>-</u>
Provision for deferred tax	-	-

**16. DEFERRED CAPITAL GRANT**

	2007 £	2006 £
Grants received	2,049,355	451,718

**17 SHARE CAPITAL**

	2007 £	2006 £
<b>Authorised</b>		
800,000 Ordinary shares of £2 50 each	2,000,000	2,000,000
<b>Allotted, called up and fully paid</b>		
667,791 (2006 - 426,416) Ordinary shares of £2 50 each	1,669,478	1,066,040

During the year 241,375 ordinary shares of £2 50 each were issued fully paid for cash at par for consideration of £603,438 in order to provide additional working capital

**18 RESERVES**

	Revaluation reserve £	Profit and loss account £
At 1 June 2006	1,071,878	(1,024,549)
Profit for the year		12,043,550
Transfer between Revaluation reserve and P/L account	(1,071,878)	1,071,878
	<u>-</u>	<u>12,090,879</u>
At 31 May 2007	-	12,090,879

**SHREWSBURY TOWN FOOTBALL CLUB PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2007**

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

	2007 £	2006 £
Opening shareholders' funds	1,113,369	786,330
Profit for the year	12,043,550	307,039
Shares issued during the year	603,438	20,000
Closing shareholders' funds	<u>13,760,357</u>	<u>1,113,369</u>

**20 NET CASH FLOW FROM OPERATING ACTIVITIES**

	2007 £	2006 £
Operating profit	4,392	315,597
Amortisation of intangible fixed assets	2,222	2,222
Depreciation of tangible fixed assets	51,552	51,684
Loss on disposal of tangible fixed assets	4,839	-
Decrease/(increase) in stocks	9,144	(3,016)
Decrease/(increase) in debtors	90,008	(592,539)
(Decrease)/increase in creditors	(2,974,043)	3,286,904
Net cash (outflow)/inflow from operations	<u>(2,811,886)</u>	<u>3,060,852</u>

**21 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	2007 £	2006 £
<b>Returns on investments and servicing of finance</b>		
Interest received	30,191	295
Interest paid	(543)	(8,128)
Hire purchase interest	(725)	(725)
Net cash inflow/(outflow) from returns on investments and servicing of finance	<u>28,923</u>	<u>(8,558)</u>
	2007 £	2006 £
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(10,788,173)	(3,536,778)
Sale of tangible fixed assets	13,114,982	-
Grants received	1,597,637	451,718
Net cash inflow/(outflow) from capital expenditure	<u>3,924,446</u>	<u>(3,085,060)</u>

**SHREWSBURY TOWN FOOTBALL CLUB PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2007**

**21 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)**

	2007 £	2006 £
<b>Financing</b>		
Issue of ordinary shares	603,438	20,000
Repayment of finance leases	(6,050)	(6,600)
<b>Net cash inflow from financing</b>	<u>597,388</u>	<u>13,400</u>

**22 ANALYSIS OF CHANGES IN NET DEBT**

	1 June 2006 £	Cash flow £	Other non-cash changes £	31 May 2007 £
Cash at bank and in hand	69,899	1,465,555	-	1,535,454
Bank overdraft	(273,316)	273,316	-	-
	<u>(203,417)</u>	<u>1,738,871</u>	<u>-</u>	<u>1,535,454</u>
<b>Debt.</b>				
Finance leases	(8,250)	6,050	-	(2,200)
<b>Net (debt)/funds</b>	<u>(211,667)</u>	<u>1,744,921</u>	<u>-</u>	<u>1,533,254</u>

**23 CAPITAL COMMITMENTS**

At 31 May 2007 the Company had capital commitments as follows

	2007 £	2006 £
Contracted for but not provided in these financial statements re New Stadium	<u>422,063</u>	<u>-</u>

**24 PENSION COMMITMENTS**

Eligible staff are members of the Football League Limited Pension and Life Assurance Scheme, which is a defined benefit scheme. The assets of the scheme are held separately from those of the company, being invested with an insurance company.

Total pension costs charged during the year amounted to £10,003 (2006 £18,485)

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## SHREWSBURY TOWN FOOTBALL CLUB PLC

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2007

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#### 25. RELATED PARTY TRANSACTIONS

During the year the company received sponsorship of £9,500 (2006 £11,000) and purchased goods and services of £9,588 (2006 £NIL) from Greenhous Group Limited, a company of which K J Sayfritz is a director. At the end of the year the balance due to Greenhous Group Limited was £5,060 (2006 £Nil)

During the year the company purchased goods and services of £2,218 (2006 £NIL) from RMW Electrical Services Limited, a company of which M R Whitrack is a director (resigned Dec 06). At the end of the year the balance due to RWM Electrical Services Limited was £485 (2006 £NIL)

During the year the company purchased goods and services of £10,617 (2006 £7,565) from Netley Hall and purchased services of £NIL (2006 £80,000) from Firm Legal, all of which are businesses in which C D Poole, director, has an interest. At the end of the year the balance due to Netley Hall was £3,007 (2006 £650) and due to Firm Legal of £NIL (2006 £47,000)