

**Report of the Directors and
Financial Statements for the Year Ended 30 June 2012
for
SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**



SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

Company Registration Number: 00123622

Registered Office

Glanford Park, Jack Brownsword Way, Scunthorpe, North Lincolnshire, DN15 8TD

Directors

J S Wharton (Chairman)
R Garton (Vice-Chairman)
K Wagstaff
J Oxenforth

Associate Directors

L Collinson

President

J A C Godfrey C B E

Vice-Presidents

Sir I T Botham O B E
K R Waters,
B Heywood M B Ch, B F R C O G
Dr J Zacharias B B S
G Taylor O B E
T Jacklin O B E
R Clemence M B E

Company Secretary

D Beeby

General Manager

D Beeby

Manager

B Laws

Auditors

Forrester Boyd, Statutory Auditors, Chartered Accountants,
66-68 Oswald Road, Scunthorpe, North Lincolnshire, DN15 7PG

**Notice of Annual General Meeting
for the Year Ended 30 June 2012**

Notice is hereby given that the Annual General Meeting (Meeting) of Scunthorpe United Football Club Limited (Company) will be held in the Executive Lounge, Glanford Park, Jack Brownsword Way, Scunthorpe, DN15 8TD on Monday 10 December 2012 at 7 00pm to transact the following business

- 1 To receive apologies
- 2 To read and adopt the minutes of the previous Meeting held on 8 December 2011
- 3 To receive and consider the Report of the Directors and the Audited Financial Statements of the company for the year ended 30 June 2012
- 4 To re-elect Mr R Garton as director of the company
- 5 To re-elect Mr J Oxenforth as director of the company
- 6 To re-appoint Forrester Boyd, Chartered Accountants of Scunthorpe as Auditors of the company and to authorise the Directors to fix their remuneration
- 7 To elect Presidents and Vice-Presidents
- 8 To propose the following resolutions as Special Resolutions as indicated below

Ordinary Resolution

- 1 THAT, for the purposes of sections 550 and 551 of the Act, the board of directors of the Company (Directors) be generally and unconditionally authorised to allot such shares in the Company being up to an aggregate nominal amount of £49,200 provided that this authority shall, unless renewed, varied or revoked by the Company, expire on 13 December 2013

This authority is in substitution for all previous authorities conferred on the Directors in accordance with section 80 of the Companies Act 1985 or sections 550 and 551 of the 2006 Act, and

Special Resolution

- 2 THAT, subject to the passing of Resolution 1, above, and in accordance with section 570 of the 2006 Act, the Directors be generally empowered to allot equity securities (as defined in section 560 of the 2006 Act) pursuant to the authorities conferred by Resolution 1, as if section 561(1) of the 2006 Act and article 2(a) of the Company's Articles of Association did not apply to any such allotments, provided that this power shall
 - 2 1 be limited to the allotment of equity securities up to an aggregate nominal amount of £49,200, and
 - 2 2 expire on 13 December 2013 (unless renewed, varied or revoked by the Company prior to or on that date)

**Chairman's Report
for the Year Ended 30 June 2012**

Adjusting to life in League 1 proved to be rather more difficult than was anticipated and we finished the season much too close to the drop zone. Inevitably the poor performances on the pitch, particularly at home, led to a decline in attendances and consequently, gate income was well below budget.

The drop in total income which I predicted in my last year's report at £4 million in fact became £4.5 million and we were only able to reduce our costs by circa £2 million. It is stating the obvious when I say that further drastic reductions in our operating costs are essential to ensure our ultimate survival.

At the end of the season 11 players were out of contract and Allan Knill used this opportunity to bring in a number of new players to the club. It was unfortunate that we were not able to offer an extension to Cliff Byrne's contract and he left after almost 10 years of excellent service to our club.

Making necessary cutbacks at a time of rebuilding the squad, makes life extremely difficult for any manager, and it is vitally important that we maintain a positive outlook. However as there has been no sign of any improvement in our playing performances, particularly at home, we have this week relieved Alan Knill of his duties and appointed Brian Laws as our new manager. He will be assisted by Russ Wilcox, a management team which was so successful back in 2006 when they both left to join Sheffield Wednesday. We have been through difficult times before and gone on to achieve much more than was ever expected of us. There is no reason to believe we cannot do this again.

The ongoing severe economic climate throughout the western world makes all our commercial activities much more difficult. To all the companies and individuals who continue to support us financially, I offer my most sincere thanks. Rainham Steel have been our main club sponsor for 8 years. AMS Bobcat have sponsored the Away Stand for 6 years, and this season Britcon are sponsoring the Home Stand and Clugstons sponsoring what was formerly the Grove Wharf Stand.

A "Supporters Trust" has recently been formed by a number of dedicated supporters and the club is doing all it can to assist the trust to develop, with the ultimate aim of a direct involvement in the running of the football club. I would urge all our fans to support the trust in any way they can. Whilst I think it would be an impossible task for the trust to have total control of the company, I do think it is important that our fans can have as close a relationship as possible with the Board of Directors. I have always said, and still believe, "The Club belongs to the Fans, the directors are merely custodians".

I reported last year that I was seeking a successor. Sadly I am finding it extremely difficult to find anyone remotely interested. I have put in place a £2 million loan, repayable over 20 years, which should ensure financial stability for this year, and provided our costs are brought under control, maintain a healthy Balance Sheet going forward. At the request of my fellow directors, I have agreed to stay on as Chairman until the end of the current financial year, which is 30 June 2013 but will then vacate the Chair and resign as a director.

I have thoroughly enjoyed my time serving Scunthorpe United, but it is well time I moved on and a new chapter in the life of our fantastic football club can begin.

I would like to thank everyone, especially my fellow directors, and all our staff, for all the help and support they have given me over the years. It will be a big wrench not to be involved, but I think it is right for the club and should certainly benefit my health! I would also like to put on record my appreciation for all the support Simon Elliott has given to our club and to me personally. Whatever his employment, wherever he is based in the world, Scunthorpe United is always in his heart and on his mind.

Finally to our shareholders. You have rarely made life difficult for me, in fact quite the opposite. Thank you for your support and I am sorry to be leaving you on the back of a record loss for the company.

To all our staff, and my fellow directors, I put on record my sincere thanks for all your hard work, dedication, and for your support throughout the year. I am sure a new more youthful Chairman, with energy and enthusiasm will emerge to take our football club on to achieve more success and once again be knocking on the door of the Championship League.

Steve Wharton
Chairman

31 October 2012

**Report of the Directors
for the Year Ended 30 June 2012**

The directors present their report with the financial statements of the company for the year ended 30 June 2012

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a Football League Club

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements

The club is looking forward to the challenges of the season ahead

DIVIDENDS

No dividends will be distributed for the year ended 30 June 2012

FIXED ASSETS

Changes in fixed assets during the year are set out in notes 8 and 9

DIRECTORS

The directors during the year under review were

R Garton
J S Wharton
K Wagstaff
J Oxenforth

The beneficial interests of the directors holding office on 30 June 2012 in the issued share capital of the company were as follows

	30 6 12	1 7 11
Ordinary £20 shares		
R Garton	1,376	1,376
J S Wharton	2,549	2,500
K Wagstaff	410	410
J Oxenforth	531	531

G P Community Sports Limited of which Mr J S Wharton is a director and major shareholder held 16,500 shares at 30 June 2012 (2011 16,500) Furthermore, Mrs A C Birchall and Mr J W Wharton who are family members of Mr J S Wharton hold an additional 3,500 shares between them (2011 3,500)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 judgements and accounting 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

**Report of the Directors
for the Year Ended 30 June 2012**

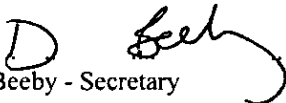
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

AUDITORS

The auditors, Forrester Boyd, will be proposed for re-appointment at the forthcoming Annual General Meeting

ON BEHALF OF THE BOARD:


D Beeby - Secretary

Date 31 October 2012

**Report of the Independent Auditors to the Members of
SCUNTHORPE UNITED FOOTBALL CLUB LIMITED**

We have audited the financial statements of Scunthorpe United Football Club Limited for the year ended 30 June 2012 on pages seven to twenty. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 a Report of the Auditors 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

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Stephen Fields BA FCA (Senior Statutory Auditor)
for and on behalf of Forrester Boyd
Statutory Auditors
Chartered Accountants
66-68 Oswald Road
Scunthorpe
North Lincolnshire
DN15 7PG

31 October 2012

**Profit and Loss Account
for the Year Ended 30 June 2012**

	Notes	2012 £	2011 £
TURNOVER	2	3,289,377	7,789,231
Cost of sales		<u>4,686,185</u>	<u>6,681,915</u>
GROSS (LOSS)/PROFIT		(1,396,808)	1,107,316
Administrative expenses		<u>336,931</u>	<u>421,275</u>
OPERATING (LOSS)/PROFIT	4	(1,733,739)	686,041
Amortisation of transfer fees		(367,715)	(894,374)
Profit on disposal of players registrations		<u>145,000</u>	<u>1,685,837</u>
		(1,956,454)	1,477,504
Interest receivable and similar income		<u>1,623</u>	<u>3,017</u>
		(1,954,831)	1,480,521
Interest payable and similar charges	5	<u>35,931</u>	<u>3,238</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,990,762)	1,477,283
Tax on (loss)/profit on ordinary activities	6	<u>(33,944)</u>	<u>33,944</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u>(1,956,818)</u>	<u>1,443,339</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the loss for the current year and the profit for the previous year

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED (Registered number: 00123622)

**Balance Sheet
30 June 2012**

	Notes	2012	2011
		£	£
FIXED ASSETS			
Intangible assets	8	266,057	228,178
Tangible assets	9	<u>5,974,477</u>	<u>6,157,268</u>
		6,240,534	6,385,446
CURRENT ASSETS			
Stocks	10	18,459	27,758
Debtors	11	969,096	1,601,117
Cash at bank and in hand		<u>10,625</u>	<u>158,023</u>
		998,180	1,786,898
CREDITORS			
Amounts falling due within one year	12	<u>1,462,098</u>	<u>1,134,214</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(463,918)</u>	<u>652,684</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,776,616	7,038,130
CREDITORS			
Amounts falling due after more than one year	13	(1,451,534)	(724,092)
PROVISIONS FOR LIABILITIES	16	-	(33,318)
NET ASSETS		<u><u>4,325,082</u></u>	<u><u>6,280,720</u></u>
CAPITAL AND RESERVES			
Called up share capital	17	950,800	949,620
Revaluation reserve	18	3,259,843	3,308,762
Capital redemption reserve	18	2,501	2,501
Profit and loss account	18	<u>111,938</u>	<u>2,019,837</u>
SHAREHOLDERS' FUNDS	23	<u><u>4,325,082</u></u>	<u><u>6,280,720</u></u>

The financial statements were approved by the Board of Directors on 31 October 2012 and were signed on its behalf by


J S Wharton - Director


R Garton - Director

The notes form part of these financial statements

**Cash Flow Statement
for the Year Ended 30 June 2012**

	Notes	2012 £	2011 £
Net cash (outflow)/inflow from operating activities	1	(1,635,424)	618,672
Returns on investments and servicing of finance	2	(34,308)	(221)
Capital expenditure	2	<u>297,134</u>	<u>(764,939)</u>
		(1,372,598)	(146,488)
Financing	2	<u>1,225,200</u>	<u>(270,517)</u>
Decrease in cash in the period		<u>(147,398)</u>	<u>(417,005)</u>

**Reconciliation of net cash flow
to movement in net funds**

	3		
Decrease in cash in the period		(147,398)	(417,005)
Cash inflow from increase in debt		<u>(1,747,928)</u>	<u>-</u>
Change in net funds resulting from cash flows		<u>(1,895,326)</u>	<u>(417,005)</u>
Movement in net funds in the period		<u>(1,895,326)</u>	<u>(417,005)</u>
Net funds at 1 July		<u>158,023</u>	<u>575,028</u>
Net (debt)/funds at 30 June		<u>(1,737,303)</u>	<u>158,023</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 30 June 2012

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

	2012 £	2011 £
Operating (loss)/profit	(1,733,739)	686,041
Depreciation charges	210,349	193,948
Profit on disposal of fixed assets	(1,279)	(220)
Amortisation of grants	(8,839)	(9,122)
Decrease in stocks	9,299	11,049
Decrease/(increase) in debtors	2,949	(38,338)
Decrease in creditors	<u>(114,164)</u>	<u>(224,686)</u>
Net cash (outflow)/inflow from operating activities	<u>(1,635,424)</u>	<u>618,672</u>

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2012 £	2011 £
Returns on investments and servicing of finance		
Interest received	1,623	3,017
Interest paid	<u>(35,931)</u>	<u>(3,238)</u>
Net cash outflow for returns on investments and servicing of finance	<u>(34,308)</u>	<u>(221)</u>
Capital expenditure		
Purchase of intangible fixed assets	(455,594)	(600,677)
Purchase of tangible fixed assets	(28,272)	(643,672)
Transfer fees received less sell on fees	780,000	472,500
Sale of tangible fixed assets	<u>1,000</u>	<u>6,910</u>
Net cash inflow/(outflow) for capital expenditure	<u>297,134</u>	<u>(764,939)</u>
Financing		
New loans in year	1,725,000	-
Loan repayments in year	(980)	-
Amounts repaid to directors	(500,000)	(300,000)
Share issue	1,180	1,193
Share buyback	-	(2,501)
Capital grants receipt	<u>-</u>	<u>30,791</u>
Net cash inflow/(outflow) from financing	<u>1,225,200</u>	<u>(270,517)</u>

Notes to the Cash Flow Statement
for the Year Ended 30 June 2012

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1.7 11 £	Cash flow £	At 30 6 12 £
Net cash			
Cash at bank and in hand	<u>158,023</u>	<u>(147,398)</u>	<u>10,625</u>
	<u>158,023</u>	<u>(147,398)</u>	<u>10,625</u>
Debt			
Debts falling due within one year	-	(548,928)	(548,928)
Debts falling due after one year	<u>-</u>	<u>(1,199,000)</u>	<u>(1,199,000)</u>
	<u>-</u>	<u>(1,747,928)</u>	<u>(1,747,928)</u>
Total	<u>158,023</u>	<u>(1,895,326)</u>	<u>(1,737,303)</u>

Notes to the Financial Statements
for the Year Ended 30 June 2012

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of freehold property

Turnover

Turnover comprises the amounts charged to customers for tickets, net receipts from away games, Football Association and football league distributions, league sponsorship and broadcasting fees, lottery income, programme sales, sponsorship, advertising, match day catering, shop sales, donations and income from the restaurant and bar, these are all excluding VAT

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Land and buildings	- 15% reducing balance
Fixtures and fittings	- 10% - 33% on cost
Motor vehicles	- 33% on cost

Stocks

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

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

Pensions

The company contributes to the Football League Limited Pension and Life Assurance Scheme, a defined contribution pension scheme operated on behalf of all league clubs. Contributions payable for the year are charged to the profit and loss account

Signing on fees

Contractual amounts of fees payable to players are recognised as prepayments and spread evenly over the contract period. The net balance of signing on fees relating to players sold is included within the calculation of profit or loss on disposal of players' contracts

Grants receivable

Asset related grants are credited to the profit and loss account over the expected useful life of the assets to which they relate. Revenue related grants are credited to the profit and loss account over the period to which they relate

Intangible fixed assets

The transfer fees and costs associated with the acquisition of players' registrations are capitalised as intangible fixed assets and amortised evenly over the contract period. Permanent diminutions in values below the amortised value, such as through injury or loss of form, are provided for when management become aware that the diminution is permanent

Transfer fees receivable in excess of the costs not written off are included in the calculation of profit or loss on disposal of players contracts

Notes to the Financial Statements - continued
for the Year Ended 30 June 2012

2 **TURNOVER**

The turnover and loss (2011 - profit) before taxation are attributable to the one principal activity of the company

	2012 £	2011 £
League, F A Cup and Other Cups	985,582	1,615,164
League central distribution	1,192,704	4,660,966
Friendlies	7,667	14,112
Broadcasting and internet	203,406	363,370
Car park	27,283	41,387
Lottery/cash line	29,578	38,957
Programme sales and advertising	103,164	193,537
Sponsorship	186,099	258,569
Match day catering	90,550	150,796
Shop	43,653	67,961
Donations	1,205	700
Miscellaneous income	97,617	92,490
Iron Bar	42,958	51,141
Restaurant	277,911	240,081
	<u>3,289,377</u>	<u>7,789,231</u>

3 **STAFF COSTS**

	2012 £	2011 £
Wages and salaries	3,381,306	5,023,820
Social security costs	341,444	494,809
Other pension costs	50,076	1,154
	<u>3,772,826</u>	<u>5,519,783</u>

The average number of employees during the year was as follows

	Full time	Part time	2012 Total	2011 Total
Football	46	1	47	47
Ground staff	7	-	7	9
Administration	5	4	9	13
Match day casuals	-	117	117	132
Restaurant	6	17	23	27
School of Excellence	5	15	20	16
Commercial	4	-	4	5
	<u>73</u>	<u>154</u>	<u>227</u>	<u>249</u>

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2012**

4 OPERATING (LOSS)/PROFIT

The operating loss (2011 - operating profit) is stated after charging/(crediting)

	2012 £	2011 £
Hire of plant and machinery	2,059	2,177
Depreciation - owned assets	210,348	193,948
Profit on disposal of fixed assets	(1,279)	(220)
Cost of players' registrations amortisation	367,715	894,374
Auditors' remuneration	9,000	12,125
Transfer fees/compensation received	(145,000)	(1,685,837)
Capital grants received	(8,839)	(9,122)
Pension costs	<u>50,076</u>	<u>1,154</u>

Directors' remuneration	<u>-</u>	<u>-</u>
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5 INTEREST PAYABLE AND SIMILAR CHARGES

	2012 £	2011 £
Bank interest	3,506	2
Loan interest	29,561	-
Pension deficit interest	<u>2,864</u>	<u>3,236</u>
	<u>35,931</u>	<u>3,238</u>

6 TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the loss on ordinary activities for the year was as follows

	2012 £	2011 £
Current tax		
UK corporation tax	-	626
Tax over/under provided	<u>(626)</u>	<u>-</u>
Total current tax	(626)	626
Deferred tax	<u>(33,318)</u>	<u>33,318</u>
Tax on (loss)/profit on ordinary activities	<u>(33,944)</u>	<u>33,944</u>

7 NET OPERATING EXPENSES

	2012 £	2011 £
Administrative expenses	521,790	610,397
Youth development grant	(176,020)	(180,000)
Grants received	<u>(8,839)</u>	<u>(9,122)</u>
	<u>336,931</u>	<u>421,275</u>

Notes to the Financial Statements - continued
for the Year Ended 30 June 2012

8 INTANGIBLE FIXED ASSETS

	Cost of players' registrations £
COST	
At 1 July 2011	926,127
Additions	405,594
Disposals	<u>(512,327)</u>
At 30 June 2012	<u>819,394</u>
AMORTISATION	
At 1 July 2011	697,949
Amortisation for year	367,715
Eliminated on disposal	<u>(512,327)</u>
At 30 June 2012	<u>553,337</u>
NET BOOK VALUE	
At 30 June 2012	<u>266,057</u>
At 30 June 2011	<u>228,178</u>

9 TANGIBLE FIXED ASSETS

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 July 2011	6,736,070	852,726	17,505	7,606,301
Additions	-	28,272	-	28,272
Disposals	<u>-</u>	<u>(63,571)</u>	<u>-</u>	<u>(63,571)</u>
At 30 June 2012	<u>6,736,070</u>	<u>817,427</u>	<u>17,505</u>	<u>7,571,002</u>
DEPRECIATION				
At 1 July 2011	1,001,471	443,230	4,332	1,449,033
Charge for year	123,537	82,464	4,347	210,348
Eliminated on disposal	<u>-</u>	<u>(62,856)</u>	<u>-</u>	<u>(62,856)</u>
At 30 June 2012	<u>1,125,008</u>	<u>462,838</u>	<u>8,679</u>	<u>1,596,525</u>
NET BOOK VALUE				
At 30 June 2012	<u>5,611,062</u>	<u>354,589</u>	<u>8,826</u>	<u>5,974,477</u>
At 30 June 2011	<u>5,734,599</u>	<u>409,496</u>	<u>13,173</u>	<u>6,157,268</u>

Included in land and buildings is freehold land at valuation of £900,000 (Cost £85,990) which is not depreciated

In accordance with Financial Reporting Standard number 15 the freehold land and buildings known as Glanford Park with a historical cost of £2,240,034 were revalued at £5,500,000 on a depreciated replacement cost basis on the 29 August 2001 by Clark Weightman Chartered Surveyors and included in the accounts as at the 31 July 2001. The valuation has not been updated.

In the opinion of the directors, the current valuation is not materially different to that stated above.

Notes to the Financial Statements - continued
for the Year Ended 30 June 2012

10 STOCKS

	2012	2011
	£	£
Goods for resale	<u>18,459</u>	<u>27,758</u>

11 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£	£
Trade debtors	847,883	1,485,832
Other debtors	626	-
Prepayments and accrued income	<u>120,587</u>	<u>115,285</u>
	<u>969,096</u>	<u>1,601,117</u>

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£	£
Other loans (see note 14)	548,928	-
Trade creditors	180,749	372,645
Corporation tax	-	626
Social security and other taxes	162,544	165,972
Other creditors	58,489	13,808
Pension deficit	5,343	2,439
Accruals and deferred income	<u>506,045</u>	<u>578,724</u>
	<u>1,462,098</u>	<u>1,134,214</u>

13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2012	2011
	£	£
Other loans (see note 14)	1,199,000	-
Director's loan account (interest free)	-	500,000
Deferred grant 2-5 years	50,196	28,757
Pension deficit 2-5 years	29,712	13,474
Pension deficit after 5 years	41,685	14,730
Deferred grants after 5 years	<u>130,941</u>	<u>167,131</u>
	<u>1,451,534</u>	<u>724,092</u>

14 LOANS

An analysis of the maturity of loans is given below

	2012	2011
	£	£
Amounts falling due within one year or on demand		
Other loans	<u>548,928</u>	<u>-</u>
Amounts falling due between two and five years		
Other loans - 2-5 years	<u>400,000</u>	<u>-</u>

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2012**

14 LOANS - continued

	2012	2011
	£	£
Amounts falling due in more than five years		
Repayable by instalments		
Other loans more 5yrs instal	<u>799,000</u>	<u>-</u>

15 SECURED DEBTS

The following secured debts are included within creditors

	2012	2011
	£	£
Other loans	<u>1,747,928</u>	<u>-</u>

HSBC Bank plc have a legal charge over freehold property known as Glanford Park stadium dated 17 November 1997. They also have a legal charge over freehold property known as land on the south side of Doncaster Road (car park), Scunthorpe dated 18 November 1997.

In addition there is a fixed charge over book and other debts, chattels, goodwill and uncalled capital and a floating charge over all assets and undertakings both present and future dated 24 October 1997.

J Wharton (Shipping) Limited have a legal charge over all properties under title numbers HS 159805 and HS 354976.

16 PROVISIONS FOR LIABILITIES

	2012	2011
	£	£
Deferred tax	<u>-</u>	<u>33,318</u>
		Deferred tax
		£
Balance at 1 July 2011		33,318
Accelerated capital allowances		41,281
Corporation tax losses		<u>(74,599)</u>
Balance at 30 June 2012		<u>-</u>

The amount of potential liability for deferred taxation is as follows

	2012	2011
	Potential	Potential
	£	£
Postponed chargeable gains on sale of tangible fixed assets	<u>568,000</u>	<u>568,000</u>

On the sale of the Old Showground in 1988 £1,892,000 of the gain chargeable to corporation tax was deferred by rollover relief. This gain is not expected to crystallise in the foreseeable future and therefore has not been provided for in the account. The potential corporation tax payable, should Glanford Park be sold and not replaced, is £568,000.

Notes to the Financial Statements - continued
for the Year Ended 30 June 2012

17 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value £20	2012 £ <u>950,800</u>	2011 £ <u>949,620</u>
47,540	Ordinary			

59 Ordinary shares of £20 each were allotted and fully paid for cash at par during the year

18 RESERVES

	Profit and loss account £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 July 2011	2,019,837	3,308,762	2,501	5,331,100
Deficit for the year	(1,956,818)			(1,956,818)
Transfer from reserves	<u>48,919</u>	<u>(48,919)</u>	-	-
At 30 June 2012	<u>111,938</u>	<u>3,259,843</u>	<u>2,501</u>	<u>3,374,282</u>

19 PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The scheme is funded by contributions from the company and from the employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension costs charge represents contributions payable by the company to the fund and an increase in the deficit due to actuarial valuation and amounted to £50,076 (2011 £1,154).

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2012**

20 RELATED PARTY DISCLOSURES

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

		2012	2011
		£	£
Mason Baggott & Garton	- sales to	409	595
	- purchases from	200	1765
	- purchase ledger balance	300	-
J Wharton (Agriculture) Limited	- sales to	5,500	5,500
	- purchases from	13,320	12,403
	- purchase ledger balance	8,791	9,436
Trent Valley Electrical Services	- sales to	677	2,325
	- purchases from new executive extension	-	28,710
	- purchases from other electrical work	10434	27,702
	- sales ledger balance	-	600
	- purchase ledger balance	1,436	3,131
Scunthorpe United Sport and Education Trust	- sales to	8,747	8,910
	- sales ledger balance	27	4,680

Description of relationship

The above are considered to be related parties on the following grounds

Name of related party	Name of relationship
J Wharton (Agriculture) Limited	J S Wharton is a director and major shareholder
Mason Baggott & Garton	R Garton is a partner
Trent Valley Electrical Services	J Oxenforth is a partner
Scunthorpe United Sport and Education Trust	R Garton is a trustee

The company received a loan of £1,725,000 from J Wharton (Shipping) Limited J S Wharton is a director and major shareholder of the company The amount outstanding at the year end was £1,747,928

21 POST BALANCE SHEET EVENTS

A six figure sum has been received after the year end as a result of the sale of Gary Hooper

At the year end the outstanding loan from J Wharton (Shipping) Limited was £1,725,000 The total facility on the loan is £2,000,000

22 ULTIMATE CONTROLLING PARTY

Company director Mr J S Wharton is the ultimate controlling party of the company

Notes to the Financial Statements - continued
for the Year Ended 30 June 2012

23 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012	2011
	£	£
(Loss)/profit for the financial year	(1,956,818)	1,443,339
Share issue in year	1,180	1,193
Purchase of own shares	-	(2,501)
Net (reduction)/addition to shareholders' funds	(1,955,638)	1,442,031
Opening shareholders' funds	<u>6,280,720</u>	<u>4,838,689</u>
Closing shareholders' funds	<u>4,325,082</u>	<u>6,280,720</u>