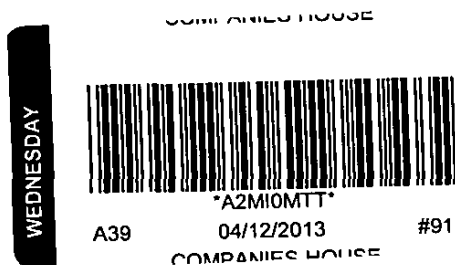


REGISTERED NUMBER: 00123622 (England and Wales)

**Report of the Directors and  
Financial Statements for the Year Ended 30 June 2013  
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**

P D Swann (Chairman)  
R Garton (Vice-Chairman)  
K Wagstaff  
J Oxenforth

**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

**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED (Registered number 00123622)**

**Notice of Annual General Meeting  
for the Year Ended 30 June 2013**

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 16 December 2013 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 10 December 2012
- 3 To receive and consider the Report of the Directors and the Audited Financial Statements of the company for the year ended 30 June 2013
- 4 To re-elect Mr P D Swann as director of the company
- 5 To re-elect Mr K Wagstaff 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 Ordinary Resolutions and Special Resolutions

**Ordinary Resolution**

- 1 THAT, the authorised share capital of the Company be and is hereby increased by £1,000,000 to £2,000,000 by the creation of an additional 50,000 ordinary shares of £20 00 each in the capital of the Company each ranking pari passu in all respects as one class of shares with the existing 50,000 ordinary shares of £20 00 each in the capital of the Company

**Special Resolution**

- 2 THAT, for the purposes of sections 550 and 551 of the Companies Act 2006 (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 £550,000 provided that this authority shall, unless renewed, varied or revoked by the Company, expire on 15<sup>th</sup> December 2014

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 Act, and

**Special Resolution**

- 3 THAT, subject to the passing of Resolution 2, 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 Act) pursuant to the authorities conferred by Resolution 2, as if section 561(1) of the Act and articles 2(a) of the Company's Articles of Association did not apply to any such allotments, provided that this power shall
  - 3 1 1 be limited to the allotment of equity securities up to an aggregate nominal amount of £550,000, and
  - 3 1 2 expire on 15th December 2014 (unless renewed, varied or revoked by the Company prior to or on that date)

**Special Resolution**

- 4 THAT, subject to and conditional upon Resolution 1 above being passed and becoming unconditional the Company's Memorandum of Association be amended by deleting the existing clause 5 in its entirety and replacing it with the following

"The capital of the Company is £2,000,000 divided into 100,000 ordinary shares of £20 00 each (Ordinary Shares)"

**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED (Registered number 00123622)**

**Notice of Annual General Meeting**

**Special Resolution**

- 5 THAT, article 10(d) of the Company's Articles of Association be amended by deleting the words "not less than 8,000 shares of the Company" and replacing them with the words "share capital in the Company with a nominal value equal to or in excess of £4,000 "

**By Order of the Board**

David Beeby - Secretary

Scunthorpe United Football Club Limited  
Glanford Park  
Jack Brownsword Way  
Doncaster Road  
Scunthorpe  
DN15 8TD

30 October 2013

**Notes to the Notice of Annual General Meeting**

**Appointment of Proxies**

- 1 As a member of the Company, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
- 2 A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
- 3 You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, then please complete one proxy form for each proxy appointed and also state clearly on each proxy form how many shares the proxy is appointed in relation to. Please note that failing to specify the number of shares each proxy appointment relates to or specifying a number of shares in excess of those held by you will result in the proxy appointment being invalid.
- 4 If you do not give your proxy an indication of how to vote on any resolution, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

**Appointment of Proxy Using Hard Copy Proxy Form**

- 5 The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

To appoint a proxy using the proxy form, the form must be

- completed and signed,
- sent or delivered to the Company at Glanford Park, Jack Bownsword Way, Scunthorpe, DN15 8TD, and
- received by the Company no later than 12th December 2013 at 5.00 pm

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

**Appointment of Proxy by Joint Members**

- 6 In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

**Changing Proxy Instructions**

- 7 To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions, any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact David Beeby at Glanford Park, Jack Bownsword Way, Scunthorpe, DN15 8TD in writing.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED (Registered number 00123622)**

**Notes to the Notice of Annual General Meeting**

**Termination of Proxy Appointments**

- 8 In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to David Beeby at Glanford Park, Jack Bownsword Way, Scunthorpe, DN15 8TD. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

The revocation notice must be received by the Company no later than 12th December 2013 at 5.00 pm.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

**Communication**

- 9 Except as provided above, members who have general queries about the Meeting should contact David Beeby at Glanford Park, Jack Bownsword Way, Scunthorpe, DN15 8TD (no other methods of communication will be accepted).

You may not use any electronic address provided either

- in this notice of annual general meeting, or
- any related documents (including the proxy form),

to communicate with the Company for any purposes in relation to proxy voting.

**Chairman's Annual Report 2012-2013**

Surviving as a football club has drastically changed over the years and no one sees these effects more, than clubs in the lower reaches. A difficulty in balancing the books after relegation, lack of sponsorship due to the economic downturn and a serious drop in income for our fans have all been contributors.

The biggest contributor though, has been the lack of success on the pitch and the downward slide of the team. A very poor start to last season with only 10 points gained from the first 15 games, was only going to make life even more difficult for the club. The subsequent departure of Alan Knill as Manager in October did not result in the club surviving, even with the return of one of the Club's most successful Manager of recent times, Brian Laws. With the onset of the season's relegation, the club had to make various cost cutting exercises which unfortunately resulted in the redundancy of four members of staff and a further two who left and were not replaced.

Sadly these issues have resulted in a loss of £1.5 Million for the financial year, somewhat inevitable in the circumstances. The budgeted loss for the next financial year is expected to be just under £400,000, although with some hard work, luck and a more successful team, could be turned around, but time will tell.

This gives me the opportunity to thank the outgoing Chairman, Steve Wharton, whom without Scunthorpe United would never have had the opportunities it did and would definitely have been in a more uncomfortable position. The club should be very proud that someone took the helm and held the club together for so long and we will always be grateful. The process of electing a new Chairman did not go that smoothly, but I would like to thank the current Directors and Steve for their confidence and support in electing me as his successor. I will not let you down.

Sponsorship is paramount to a football club and the sponsors in and around this club are fantastic. There is a warmth and collective want for success, which enables us to build some excellent relationships and hopefully they will continue to support the club in the future, as they do now. I hope you accept our sincere thanks for what you bring to this club.

The football club as a whole will need to strive for that success once more, developing new relationships and connecting with the community on a more day to day basis. The Club needs to develop a business plan for a sustainable seven day a week model, which not only creates a stable base but explores new opportunities in trade and community development. We cannot wait for the success and then develop, we have to move forward now and grasp the opportunities as they arise. We must prepare for success and one of the key areas will be the move to a new stadium, but not just any site! We need to supply North Lincolnshire with a superb sports and leisure complex that not only catapults the club to a new service level, but brings us all closer together. A site where we can develop young talent and introduce a level of player, capable of gracing any football stage. To do this we are embarking on a project which will enhance the youth policy at the club, bring our senior training facilities on site, open the door for local footballers and other sports clubs to use facilities that are open seven days a week. To utilise the food outlets, meeting rooms, conference facilities, 3G pitches, both indoor and outdoor, gym, creche, etc. A place to visit every day and to use every day, creating an income stream that can make us competitive, right up to the championship. That is where I would like to take us again, that is my drive and ambition, but done in a different way. I want to make the path sustainable and the future of the club depends on offering more. We can do this as a club, it was done before. We were brave enough to move out of town and show the way 25 years ago, let's be brave again.

I want to thank all of you as shareholders for supporting the club and for showing that support, at the recent EGM. It was a great show of faith then and I want you to show that faith as we move forward. The team has started well this year, although performances could have been better, but we are in the mix and Brian has worked hard to bring in players on a much reduced budget. Some of it will work, some of it will not, that is football. The one thing I offer is support when needed, be that financially or as someone to talk to. We wish him all the best in his quest for promotion to league 1 and the rewards that follow, for his team and the club as a whole.

Finally, a word for my fellow Directors. You have been superb, even through some truly sad adversity within your lives. You have undeniably been Scunthorpe United through and through. This club owes you a huge debt for your commitment and attitude towards Scunthorpe United, and along with the outgoing chairman, you are a credit to the club.

I am honoured to be here.

Peter Swann - Chairman

30 October 2013

**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED (Registered number 00123622)**

**Report of the Directors  
for the Year Ended 30 June 2013**

The directors present their report with the financial statements of the company for the year ended 30 June 2013

**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 2013

**FIXED ASSETS**

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

**EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements

**DIRECTORS**

The directors during the year under review were

R Garton	
J S Wharton	- resigned 14 5 13
K Wagstaff	
J Oxenforth	
D Hobson	- appointed 28 1 13
P D Swann	- appointed 24 5 13

The beneficial interests of the directors holding office on 30 June 2013 in the issued share capital of the company were as follows

	30 6 13	1 7 12 or date of appointment if later
<b>Ordinary £20 shares</b>		
R Garton	1,376	1,376
K Wagstaff	410	410
J Oxenforth	606	531
D Hobson	1,000	1,000
P D Swann	500	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

**Report of the Directors  
for the Year Ended 30 June 2013**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued**

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.

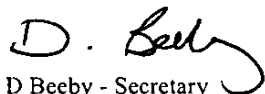
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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

30 October 2013

**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 for the year ended 30 June 2013 on pages ten to twenty three. 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 pages two and three, 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 2013 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.

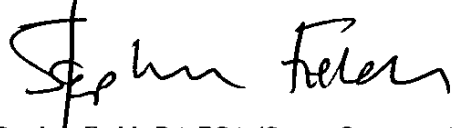
**Opinion on other matter prescribed by the Companies Act 2006**

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

30 October 2013

**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED (Registered number. 00123622)**

**Profit and Loss Account  
for the Year Ended 30 June 2013**

	Notes	2013 £	2012 £
<b>TURNOVER</b>	2	2,451,752	3,289,377
Cost of sales		<u>3,729,716</u>	<u>4,686,185</u>
<b>GROSS LOSS</b>		<b>(1,277,964)</b>	<b>(1,396,808)</b>
Administrative expenses		<u>280,269</u>	<u>336,931</u>
<b>OPERATING LOSS</b>	4	<b>(1,558,233)</b>	<b>(1,733,739)</b>
Amortisation of transfer fees		<u>(323,633)</u>	<u>(367,715)</u>
Profit on disposal of players registrations		<u>450,000</u>	<u>145,000</u>
		<b>(1,431,866)</b>	<b>(1,956,454)</b>
Interest receivable and similar income		<u>15</u>	<u>1,623</u>
		<b>(1,431,851)</b>	<b>(1,954,831)</b>
Interest payable and similar charges	5	<u>73,544</u>	<u>35,931</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(1,505,395)</b>	<b>(1,990,762)</b>
Tax on loss on ordinary activities	6	<u>-</u>	<u>(33,944)</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>		<b><u>(1,505,395)</u></b>	<b><u>(1,956,818)</u></b>

**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 losses for the current year or previous year

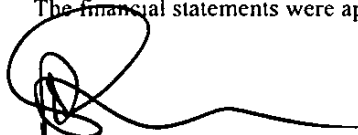
The notes form part of these financial statements

**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED (Registered number: 00123622)**

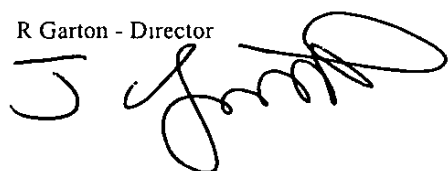
**Balance Sheet  
30 June 2013**

	Notes	2013 £	2012 £
<b>FIXED ASSETS</b>			
Intangible assets	8	-	266,057
Tangible assets	9	<u>5,759,984</u>	<u>5,974,477</u>
		5,759,984	6,240,534
<b>CURRENT ASSETS</b>			
Stocks	10	15,025	18,459
Debtors	11	458,436	969,096
Cash at bank and in hand		<u>-</u>	<u>10,625</u>
		473,461	998,180
<b>CREDITORS</b>			
Amounts falling due within one year	12	<u>1,146,350</u>	<u>1,462,098</u>
<b>NET CURRENT LIABILITIES</b>		<u>(672,889)</u>	<u>(463,918)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		5,087,095	5,776,616
<b>CREDITORS</b>			
Amounts falling due after more than one year	13	<u>2,233,228</u>	<u>1,451,534</u>
<b>NET ASSETS</b>		<u>2,853,867</u>	<u>4,325,082</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	984,980	950,800
Revaluation reserve	17	3,210,924	3,259,843
Capital redemption reserve	17	2,501	2,501
Profit and loss account	17	<u>(1,344,538)</u>	<u>111,938</u>
<b>SHAREHOLDERS' FUNDS</b>	22	<u>2,853,867</u>	<u>4,325,082</u>

The financial statements were approved by the Board of Directors on 30 October 2013 and were signed on its behalf by

  
P D Swann - Director

R Garton - Director



The notes form part of these financial statements

**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED (Registered number 00123622)**

**Cash Flow Statement  
for the Year Ended 30 June 2013**

		2013		2012	
	Notes	£	£	£	£
<b>Net cash outflow from operating activities</b>	1		(1,517,127)		(1,635,424)
<b>Returns on investments and servicing of finance</b>	2		(73,529)		(34,308)
<b>Capital expenditure</b>	2		<u>909,557</u>		<u>297,134</u>
			(681,099)		(1,372,598)
<b>Financing</b>	2		<u>509,180</u>		<u>1,225,200</u>
<b>Decrease in cash in the period</b>			<u>(171,919)</u>		<u>(147,398)</u>
<hr/>					
<b>Reconciliation of net cash flow to movement in net debt</b>	3				
Decrease in cash in the period		(171,919)		(147,398)	
Cash inflow from increase in debt		<u>(487,622)</u>		<u>(1,747,928)</u>	
Change in net debt resulting from cash flows			<u>(659,541)</u>		<u>(1,895,326)</u>
<b>Movement in net debt in the period</b>			<u>(659,541)</u>		<u>(1,895,326)</u>
<b>Net (debt)/funds at 1 July</b>			<u>(1,737,303)</u>		<u>158,023</u>
<b>Net debt at 30 June</b>			<u>(2,396,844)</u>		<u>(1,737,303)</u>

The notes form part of these financial statements

**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED (Registered number 00123622)**

**Notes to the Cash Flow Statement  
for the Year Ended 30 June 2013**

**1 RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES**

	2013	2012
	£	£
Operating loss	(1,558,233)	(1,733,739)
Depreciation charges	217,968	210,349
Loss/(profit) on disposal of fixed assets	9,393	(1,279)
Amortisation of grants	(14,750)	(8,839)
Decrease in stocks	3,434	9,299
Decrease in debtors	12,204	2,949
Decrease in creditors	<u>(187,143)</u>	<u>(114,164)</u>
<b>Net cash outflow from operating activities</b>	<b><u>(1,517,127)</u></b>	<b><u>(1,635,424)</u></b>

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

	2013	2012
	£	£
<b>Returns on investments and servicing of finance</b>		
Interest received	15	1,623
Interest paid	<u>(73,544)</u>	<u>(35,931)</u>
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b><u>(73,529)</u></b>	<b><u>(34,308)</u></b>
<b>Capital expenditure</b>		
Purchase of intangible fixed assets	(57,577)	(455,594)
Purchase of tangible fixed assets	(12,866)	(28,272)
Transfer fees received less sell on fees	980,000	780,000
Sale of tangible fixed assets	<u>-</u>	<u>1,000</u>
<b>Net cash inflow for capital expenditure</b>	<b><u>909,557</u></b>	<b><u>297,134</u></b>
<b>Financing</b>		
New loans in year	1,000,000	1,725,000
Loan repayments in year	(525,000)	(980)
Amounts repaid to directors	-	(500,000)
Share issue	<u>34,180</u>	<u>1,180</u>
<b>Net cash inflow from financing</b>	<b><u>509,180</u></b>	<b><u>1,225,200</u></b>

The notes form part of these financial statements

**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED (Registered number 00123622)**

**Notes to the Cash Flow Statement  
for the Year Ended 30 June 2013**

**3 ANALYSIS OF CHANGES IN NET DEBT**

	At 1 7 12 £	Cash flow £	At 30 6.13 £
Net cash			
Cash at bank and in hand	10,625	(10,625)	-
Bank overdraft	<u>-</u>	<u>(161,294)</u>	<u>(161,294)</u>
	<u>10,625</u>	<u>(171,919)</u>	<u>(161,294)</u>
Debt			
Debts falling due within one year	(548,928)	313,378	(235,550)
Debts falling due after one year	<u>(1,199,000)</u>	<u>(801,000)</u>	<u>(2,000,000)</u>
	<u>(1,747,928)</u>	<u>(487,622)</u>	<u>(2,235,550)</u>
Total	<u>(1,737,303)</u>	<u>(659,541)</u>	<u>(2,396,844)</u>

The notes form part of these financial statements

**Notes to the Financial Statements  
for the Year Ended 30 June 2013**

**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

**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED (Registered number: 00123622)**

**Notes to the Financial Statements - continued  
for the Year Ended 30 June 2013**

**2 TURNOVER**

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

	2013 £	2012 £
League, F A Cup and Other Cups	759,038	985,582
League central distribution	924,225	1,192,704
Friendlies	9,229	7,667
Broadcasting and internet	45,238	203,406
Car park	23,155	27,283
Lottery/cash line	23,849	29,578
Programme sales and advertising	75,036	103,164
Sponsorship	124,192	186,099
Match day catering	19,988	90,550
Shop	55,095	43,653
Donations	7,703	1,205
Miscellaneous income	83,346	97,617
Iron Bar	31,275	42,958
Restaurant	270,383	227,911
	<u>2,451,752</u>	<u>3,289,377</u>

**3 STAFF COSTS**

	2013 £	2012 £
Wages and salaries	2,758,605	3,381,306
Social security costs	262,279	341,444
Other pension costs	1,539	50,076
	<u>3,022,423</u>	<u>3,772,826</u>

The average number of employees during the year was as follows

	Full time	Part time	2013 Total	2012 Total
Football	43	-	43	47
Ground staff	6	1	7	7
Administration	4	5	9	9
Match day casuals	-	75	75	117
Restaurant	5	17	22	23
School of Excellence	6	13	19	20
Commercial	3	-	3	4
	<u>67</u>	<u>111</u>	<u>178</u>	<u>227</u>

**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED (Registered number 00123622)**

**Notes to the Financial Statements - continued  
for the Year Ended 30 June 2013**

**4 OPERATING LOSS**

The operating loss is stated after charging/(crediting)

	2013	2012
	£	£
Hire of plant and machinery	2,876	2,059
Depreciation - owned assets	217,968	210,348
Loss/(profit) on disposal of fixed assets	9,393	(1,279)
Cost of players' registrations amortisation	323,632	367,715
Auditors' remuneration	9,000	9,000
Transfer fees/compensation received	(450,000)	(145,000)
Capital grants received	(14,750)	(8,839)
Pension costs	<u>1,539</u>	<u>50,076</u>
 Directors' remuneration	 <u>-</u>	 <u>-</u>

**5 INTEREST PAYABLE AND SIMILAR CHARGES**

	2013	2012
	£	£
Bank interest	7,047	3,506
Loan interest	61,706	29,561
Pension deficit interest	<u>4,791</u>	<u>2,864</u>
	<u>73,544</u>	<u>35,931</u>

**6 TAXATION**

**Analysis of the tax credit**

The tax credit on the loss on ordinary activities for the year was as follows

	2013	2012
	£	£
Current tax		
Tax over/under provided	-	(626)
Deferred tax	<u>-</u>	<u>(33,318)</u>
Tax on loss on ordinary activities	<u>-</u>	<u>(33,944)</u>

**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED (Registered number. 00123622)**

**Notes to the Financial Statements - continued  
for the Year Ended 30 June 2013**

**6 TAXATION - continued**

**Factors affecting the tax credit**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Loss on ordinary activities before tax	<u><b>(1,505,395)</b></u>	<u><b>(1,990,762)</b></u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2012 - 20.750%)	<b>(301,079)</b>	<b>(413,083)</b>
Effects of		
Expenses not deductible for tax purposes	-	436
Income not taxable for tax purposes	<b>(4,491)</b>	<b>(2,084)</b>
Depreciation in excess of capital allowances	<b>33,694</b>	<b>27,757</b>
Utilisation of tax losses	<b>269,997</b>	<b>386,613</b>
Profit on disposal of assets	<b>(88,121)</b>	<b>(30,353)</b>
Sale of players	<u><b>90,000</b></u>	<u><b>30,088</b></u>
Current tax credit	<u><b>-</b></u>	<u><b>(626)</b></u>

**7 NET OPERATING EXPENSES**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Administrative expenses	<b>542,608</b>	<b>521,790</b>
Youth development grant	<b>(253,500)</b>	<b>(176,020)</b>
Grants received	<u><b>(14,750)</b></u>	<u><b>(8,839)</b></u>
	<u><b>280,269</b></u>	<u><b>336,931</b></u>

**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED (Registered number 00123622)**

**Notes to the Financial Statements - continued  
for the Year Ended 30 June 2013**

**8 INTANGIBLE FIXED ASSETS**

	Cost of players' registrations £
<b>COST</b>	
At 1 July 2012	819,394
Additions	57,575
Disposals	<u>(570,950)</u>
At 30 June 2013	<u>306,019</u>
<b>AMORTISATION</b>	
At 1 July 2012	553,337
Amortisation for year	323,632
Eliminated on disposal	<u>(570,950)</u>
At 30 June 2013	<u>306,019</u>
<b>NET BOOK VALUE</b>	
At 30 June 2013	<u>-</u>
At 30 June 2012	<u>266,057</u>

**9 TANGIBLE FIXED ASSETS**

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>				
At 1 July 2012	6,736,070	817,427	17,505	7,571,002
Additions	-	11,366	1,500	12,866
Disposals	<u>-</u>	<u>(141,020)</u>	<u>-</u>	<u>(141,020)</u>
At 30 June 2013	<u>6,736,070</u>	<u>687,773</u>	<u>19,005</u>	<u>7,442,848</u>
<b>DEPRECIATION</b>				
At 1 July 2012	1,125,008	462,838	8,679	1,596,525
Charge for year	124,644	89,911	3,413	217,968
Eliminated on disposal	<u>-</u>	<u>(131,629)</u>	<u>-</u>	<u>(131,629)</u>
At 30 June 2013	<u>1,249,652</u>	<u>421,120</u>	<u>12,092</u>	<u>1,682,864</u>
<b>NET BOOK VALUE</b>				
At 30 June 2013	<u>5,486,418</u>	<u>266,653</u>	<u>6,913</u>	<u>5,759,984</u>
At 30 June 2012	<u>5,611,062</u>	<u>354,589</u>	<u>8,826</u>	<u>5,974,477</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.

**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED (Registered number 00123622)**

**Notes to the Financial Statements - continued  
for the Year Ended 30 June 2013**

<b>10</b>	<b>STOCKS</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	Goods for resale	<u>15,025</u>	<u>18,459</u>
<b>11</b>	<b>DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	Trade debtors	365,679	847,883
	Other debtors	-	626
	Prepayments and accrued income	<u>92,757</u>	<u>120,587</u>
		<u>458,436</u>	<u>969,096</u>
<b>12</b>	<b>CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	Bank loans and overdrafts (see note 14)	161,294	-
	Other loans (see note 14)	235,550	548,928
	Trade creditors	115,622	180,749
	Social security and other taxes	135,319	162,544
	Other creditors	71,673	58,489
	Pension deficit	6,757	5,343
	Accruals and deferred income	<u>420,135</u>	<u>506,045</u>
		<u>1,146,350</u>	<u>1,462,098</u>
<b>13</b>	<b>CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	Other loans (see note 14)	2,000,000	1,199,000
	Deferred grant 2-5 years	49,814	50,196
	Pension deficit 2-5 years	31,501	29,712
	Pension deficit after 5 years	33,139	41,685
	Deferred grants after 5 years	<u>118,774</u>	<u>130,941</u>
		<u>2,233,228</u>	<u>1,451,534</u>
<b>14</b>	<b>LOANS</b>		
	An analysis of the maturity of loans is given below		
		<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	Amounts falling due within one year or on demand		
	Bank overdrafts	161,294	-
	Other loans	<u>235,550</u>	<u>548,928</u>
		<u>396,844</u>	<u>548,928</u>

**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED (Registered number: 00123622)**

**Notes to the Financial Statements - continued  
for the Year Ended 30 June 2013**

**14 LOANS - continued**

	2013 £	2012 £
Amounts falling due between two and five years		
Other loans - 2-5 years	<u>500,000</u>	<u>400,000</u>
Amounts falling due in more than five years		
Repayable by instalments		
Other loans more 5yrs instal	<u>1,500,000</u>	<u>799,000</u>

**15 SECURED DEBTS**

The following secured debts are included within creditors

	2013 £	2012 £
Other loans	<u>2,235,550</u>	<u>1,747,928</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 has a legal charge over the Glanford Park Stadium and on the land on the south side of Doncaster Road.

**16 CALLED UP SHARE CAPITAL**

Number	Class	Nominal value £20	2013 £	2012 £
47,540	Ordinary		<u>984,980</u>	<u>950,800</u>

1,709 Ordinary shares of £20 each were allotted and fully paid for cash at par during the year.

**17 RESERVES**

	Profit and loss account £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 July 2012	111,938	3,259,843	2,501	3,374,282
Deficit for the year	(1,505,395)			(1,505,395)
Transfer from reserves	<u>48,919</u>	<u>(48,919)</u>	-	-
At 30 June 2013	<u>(1,344,538)</u>	<u>3,210,924</u>	<u>2,501</u>	<u>1,868,887</u>

**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED (Registered number: 00123622)**

**Notes to the Financial Statements - continued  
for the Year Ended 30 June 2013**

**18 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 £1,539 (2012 £50,076).

**19 RELATED PARTY DISCLOSURES**

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

		2013 £	2012 £
Mason Baggott & Garton	- sales to	200	409
	- purchases from	1,213	200
	- purchase ledger balance	-	300
J Wharton (Agriculture) Limited	- sales to	5,500	5,500
	- purchases from	6,747	13,320
	- purchase ledger balance	1,370	8,791
Trent Valley Electrical Services	- sales to	2,975	677
	- purchases from other electrical work	5,708	10,434
	- sales ledger balance	1,380	-
	- purchase ledger balance	1,973	1,448
Scunthorpe United Sport and Education Trust	- sales to	11,824	8,747
	- sales ledger balance	210	27

**Description of relationship**

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

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

**20 POST BALANCE SHEET EVENTS**

Since the year end, the club has received transfer fees of some £225,000

**21 ULTIMATE CONTROLLING PARTY**

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

**SCUNTHORPE UNITED FOOTBALL CLUB LIMITED (Registered number 00123622)**

**Notes to the Financial Statements - continued  
for the Year Ended 30 June 2013**

**22 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Loss for the financial year	<b>(1,505,395)</b>	<b>(1,956,818)</b>
Share issue in year	<b>34,180</b>	<b>1,180</b>
Purchase of own shares		
<b>Net reduction of shareholders' funds</b>	<b>(1,471,215)</b>	<b>(1,955,638)</b>
Opening shareholders' funds	<b><u>4,325,082</u></b>	<b><u>6,280,720</u></b>
<b>Closing shareholders' funds</b>	<b><u><u>2,853,867</u></u></b>	<b><u><u>4,325,082</u></u></b>