

Company Registration Number: 123622

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2009

SATURDAY



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SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

COMPANY REGISTRATION NUMBER: 123622

Registered Office

Glanford Park, Doncaster Road, Scunthorpe, North Lincolnshire, DN15 8TD

Directors

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

Associate Directors

M. Blackbourne, L. Collinson

President

J.A.C. Godfrey C.B.E

Vice-Presidents

I.T. Botham O.B.E., N.J. Brownsword,
Mr. B. Heywood M.B.Ch, B.F.R.C.O.G.
K.R. Waters, 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

J. Hammond

Manager

N. Adkins

Auditors

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

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

NOTICE OF MEETING

Notice is hereby given that the 94th Annual General Meeting of the Company will be held in the Executive Suite, Glanford Park on 30 November 2009 to transact the following business:

1. To receive apologies.
2. To read and adopt the minutes of the previous Annual General Meeting held on Monday 24 November 2008.
3. To receive and consider the Report of the Directors and the Audited Accounts of the Company for the year ended 30 June 2009.
4. To re-elect Mr. J. S. Wharton as a Director of the Company.
5. To re-elect Mr K. Wagstaff as a 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 President and Vice-Presidents.
8. To transact any other business which may be properly transacted at an Annual General Meeting.

Following the conclusion of the meeting the manager will deliver his report and will be available to answer questions.

BY ORDER OF THE BOARD

D. Beeby
Secretary

Registered Office:

Glanford Park, Doncaster Road, Scunthorpe, North Lincolnshire, DN15 8TD

30 October 2009

- NOTES:**
1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and, on a poll, vote in his place. A proxy need not be a Member of the Company. To be valid, Forms of Proxy must be lodged at the registered office of the Company not less than 48 hours before the time appointed for the Meeting. Lodgement of a Form of Proxy will not preclude a member from attending the Meeting and voting in person if so desired.
 2. It would be helpful if questions on any item on the above agenda could be submitted to the secretary 48 hours prior to the meeting.

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

Chairman's ANNUAL REPORT

2008 – 2009

What can one say about a season that sees us making not one, but two trips to the Wembley Stadium, the second of which resulted in a win against Millwall and promotion back to the Coca Cola Championship League. The big danger we had faced after relegation in 2007/8, was a continuation of the fall, which was likely to be caused by any severe reduction in spending. Fortunately we were in a very healthy state financially and your Board took the view that any tightening of the belt would have to be done over a lengthy period, and very carefully managed, to avoid such a plight. Even so, we could not have foreseen such a momentous season and all the credit must go to Nigel and his management team and more especially to all the players who gave their all, to ensure that all important promotion. I believe we are now better equipped and much more experienced to make Championship football a continuing experience. We continue to search for young talent and our present squad contains a number of players who will go on to play at a much higher level. In the meantime they will play an important role in our quest to remain in the Championship League. Post year end we brought Rob Jones to the club, to play alongside David Mirfin. He is proving to be another very valuable acquisition along with two more stars of the future in Michael O'Connor and Josh Wright.

At the start of the season Nigel set two main targets: win the Johnstone's Paint Trophy and get promoted. Well, I think he deserves a medal for taking us to the Final in the JPT even though we lost to Luton, and more importantly, winning promotion in such dramatic style in the Play-Off Final. We were most fortunate that the opposition for both games brought with them some massive support. Together the Wembley visits were worth over £0.5m to us, which has helped to reduce our loss for the year to a more manageable level of just over £1 million. Whilst this may seem excessive, it has to be remembered that the sale of Martin Paterson was brought into the previous year's accounts as the sale took place just days before the end of our accounting year. Over the two year period we have produced a healthy profit and we have replaced Martin with an equally talented player in Gary Hooper, and many would rightly say, a player who contributes so much more to the team.

Post year end, I think we would all say, we are delighted with the season to date. Despite a very disappointing result at Peterborough, we have just enjoyed two unbelievable performances at home to Sheffield United and Newcastle United. The stadium almost full to capacity twice in less than four days, when once in a season has been a rarity in the past. To sit in the League between the two Sheffield clubs with Southampton, Norwich, Charlton and Leeds in a league below us, and with a 4th Round League Cup game at Manchester City to look forward to on Wednesday, is something everyone connected with, or supporting our club, can be justly proud. Long may it continue.

Once again I would like to thank our Club Sponsors, RAINHAM STEEL, who have now increased their Sponsorship to include the Home Stand, and extended the term for a further 3 years. To all the companies and individuals who have supported us over the 2008/9 season, a very big thank you for your contribution to the financial well being of our club.

To all our supporters, thank you for remaining loyal despite our relegation. I am sure you will have enjoyed the season and the two Wembley visits. I know many of you will be sorry to lose the Home terrace but it is a small price to pay for being where we believe we have a right to be!

I am hopeful that the long awaited lift will be in operation by the time of this year's AGM. The long delay has been caused by the difficulty to find a suitable location. Our first plans were to position the lift with access to the Executive Bar, this would have obvious problems when the room was in use. We then considered access via the restaurant, which far from ideal, was slightly less of a problem. We then found that by relocating other facilities we could place the lift at the main entrance, which although much more costly, I personally believe, is the almost ideal solution.

Since the Year End I am very pleased to report that Caroline Blanchard has joined our management team. Caroline is responsible for all our 'Hospitality and Catering'. We are determined to improve the 'Match Day Experience'. Caroline, with the full support of her staff, has already begun to make a huge difference in what is proving to be a very busy and hectic season.

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

CHAIRMAN'S REPORT (continued)

2008 – 2009

In such a good season it is all too easy to forget the hard work that goes into running a football club. This is an opportunity for me to thank Jamie Hammond our General Manager who has overall responsibility for the day to day running of our club, David Beeby who was appointed Company Secretary during the year, Michelle Harness who has continued to progress our commercial department and is now joined by an assistant, Louise Atkinson, and Chris Mumby for producing such an excellent, award winning, Match Day programme throughout the season. After further investment in a completely re-seeded pitch, in May 2008 Graham Colby and the groundstaff are to be congratulated on producing such a good playing surface, week after week throughout the entire season. This is essential if we are to play the attractive passing game with the ball on the floor, so much the hallmark of Nigel's management. They also now look after the four training pitches at Gunness and three at the St. Lawrence Academy.

Without exception, I would like to thank everyone throughout the club, for their hard work and endeavour. A successful club needs us all to work for one common aim and to enjoy being part of the team. I know this is Nigel's philosophy and it has long been the philosophy of this football club.

Thank you also to my fellow directors who have been so supportive and continue to work tirelessly for the well being of our football club. Keith Wagstaff and Jason Oxenforth take on the added responsibility of the Youth and School of Excellence where a lot of changes have been taking place. Keith will no doubt elaborate more on this in his report. It is disappointing to have to report the resignation of Simon Elliott after five and a half years on the Board. Simon remains a close friend and one of our most ardent fans, but family commitments, a heavy work load and living so far from Scunthorpe, meant something had to give. Unfortunately for us it was football.

To all our staff without exception, in the office, the restaurant and catering staff, the ground staff and stewards, who all play such an important part within our club, may I once again thank you all most sincerely for all your hard work and endeavour throughout a quite amazing season.

Steve Wharton
Chairman

30 October 2009

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

Report of the Directors for the Year Ended 30 June 2009

The directors present their report and the financial statements of the company for the year ended 30 June 2009.

DIRECTORS

The current directors are listed on page 1.

The beneficial interests of the directors holding office at 30 June 2009 in the issued share capital of the company were as follows:

	30.6.09	30.6.08
Ordinary 50p shares		
Mr. J.S. Wharton	100,000	100,000
Mr. R. Garton	55,005	55,005
Mr. S. Elliott	100,000	100,000
Mr. K. Wagstaff	16,361	16,361
Mr. J. Oxenforth	16,250	12,250

G.P. Community Sports Ltd. of which Mr. J.S. Wharton is a director and major shareholder held 660,000 shares at 30 June 2009 (660,000 – 2008). Furthermore, Miss A.C. Wharton and Mr. J.W. Wharton who are family members of Mr. J.S. Wharton hold an additional 140,000 shares between them (140,000 – 2008).

In accordance with the Articles of Association, Mr. J. S. Wharton and Mr K. Wagstaff will retire at the forthcoming Annual General Meeting, and being eligible, will stand for re-election.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

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

The club's relegation from the Coca-Cola championship in the previous year resulted in a reduction in turnover for the year and an overall 'Operating loss before transfers' of £1,219,033. Including the profits from transfer activities, the 'Operating Loss' was £1,131,003.

Having gained promotion back to the Coca-cola championship the club is now looking forward to the challenges of the season ahead.

DIVIDENDS

No dividends will be distributed for the year ended 30 June 2009.

FIXED ASSETS

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

STATEMENT OF DISCLOSURE TO AUDITOR

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.

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

Report of the Directors for the Year Ended 30 June 2009

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.

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 2009

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

Report of the 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 2009 on pages eight 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 Sections 495 and 496 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 six, 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 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.

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 2009 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.

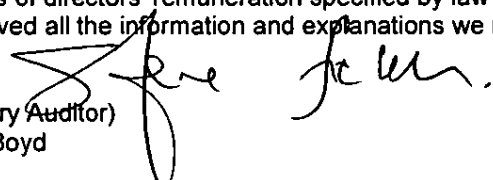
Opinion on other matter prescribed by the Companies Act 2006

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

Date: 30 October 2009

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

**Profit and Loss Account
for the Year Ended 30 June 2009**

	Notes	2009 £	2008 £
TURNOVER	2	3,944,542	4,786,320
Cost of sales		<u>(4,868,821)</u>	<u>(4,115,001)</u>
GROSS PROFIT/(LOSS)		(924,279)	671,319
Net operating expenses	3	<u>(294,754)</u>	<u>(334,466)</u>
Operating profit/(loss) before transfers		(1,219,033)	336,853
Amortisation of transfer fees		(511,970)	(461,832)
Profit on disposal of players registrations		600,000	2,195,780
OPERATING PROFIT/(LOSS)	5	(1,131,003)	2,070,801
Interest receivable and similar income		73,196	61,331
Interest payable and similar charges	6	<u>(1,222)</u>	<u>(1,598)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,059,029)	2,130,534
Tax on profit/(loss) on ordinary activities	7	<u>-</u>	<u>12,419</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION		<u>£(1,059,029)</u>	<u>£2,118,115</u>

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than those disclosed for the current and previous year.

The notes form part of these financial statements

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED
COMPANY REGISTRATION NUMBER: 123622
Balance Sheet
30 June 2009

	Notes	£	2009 £	£	2008 £
FIXED ASSETS					
Intangible assets	8		612,192		547,644
Tangible assets	9		5,398,964		5,515,798
			<u>6,011,156</u>		<u>6,063,442</u>
CURRENT ASSETS					
Stocks	10	70,208		87,327	
Debtors	11	1,090,744		1,330,620	
Cash at bank and in hand		842,688		1,187,254	
		<u>2,003,640</u>		<u>2,605,201</u>	
CREDITORS					
Amounts falling due within one year	12	1,996,543		2,124,450	
NET CURRENT ASSETS			<u>7,097</u>		<u>480,751</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,018,253</u>		<u>6,544,193</u>
CREDITORS					
Amounts falling due after more than one year	13		701,387		183,462
NET ASSETS			<u>£5,316,866</u>		<u>£6,360,731</u>
CAPITAL AND RESERVES					
Called up share capital	16		948,191		933,027
Revaluation Reserve	20		3,406,600		3,455,519
Profit and loss account	17		962,075		1,972,185
Shareholders' funds	21		<u>£5,316,866</u>		<u>£6,360,731</u>

ON BEHALF OF THE BOARD:


 Mr. J.S. Wharton - DIRECTOR


 Mr. R. Garton - DIRECTOR

Approved by the Board on 30 October 2009

The notes form part of these financial statements

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

**Cash Flow Statement
For The Year Ended 30 June 2009**

	Note	2009 £	2008 £
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	24	(727,518)	25,029
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest paid on bank overdraft, bank and other loans		(1,222)	(1,598)
Interest received		73,196	61,331
		71,974	59,733
TAXATION		(12,419)	(785)
CAPITAL EXPENDITURE			
Purchase of tangible fixed assets		(45,881)	(151,068)
Purchase of intangible fixed assets		(576,518)	(951,366)
Transfer fees received		757,500	1,525,000
Compensation received		-	6,425
Net cash inflow from investing activities		135,101	428,991
FINANCING			
Issue of ordinary share capital		15,164	-
Director's loans (repaid)/received		-	(100,000)
Capital Grants received		4,000	3,841
		19,164	(96,159)
(Decrease)/Increase in cash in the year		(513,698)	416,809

Reconciliation of net cashflow to movement in net debt			
	2009 £	2008 £	
(Decrease)/Increase in cash in the year	(513,698)	416,809	
Amortisation of grants	8,623	8,223	
Grant received	(4,000)	(3,841)	
	(509,075)	421,191	
Net cash at 30 June 2008	984,127	562,936	
Net cash at 30 June 2009	475,052	984,127	

The notes form part of these financial statements

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2009

1. ACCOUNTING POLICIES

Accounting convention

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

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.

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

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Buildings	- 2% on valuation
Fixtures and fittings	- 10%-33% on cost

Stocks

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

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences that have originated but not reversed at the balance sheet date.

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.

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2009

1. ACCOUNTING POLICIES (continued)

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.

2. TURNOVER

	2009 £	2008 £
League, F.A. Cup and Other Cups	2,166,169	1,599,972
League central distribution	728,400	1,834,239
Friendlies	22,114	34,205
Broadcasting and internet	43,440	161,757
Car park	29,165	31,047
Lottery/cash line	44,353	46,338
Programme sales and advertising	127,327	157,980
Sponsorship	187,124	256,067
Match day catering	119,266	127,403
Shop	177,230	264,604
Donations	9,453	8,775
Miscellaneous income	76,653	58,306
Iron Bar	45,525	43,809
Restaurant	168,323	161,818
Total	3,944,542	4,786,320

3. NET OPERATING EXPENSES

	2009 £	2008 £
Administrative expenses	476,377	475,690
Youth development grant	(173,000)	(133,000)
Grants received	(8,623)	(8,224)
	294,754	334,466

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2009

4. STAFF COSTS

	2009	2008
	£	£
Wages and salaries	3,476,162	2,799,865
Social security costs	345,173	257,776
Other pension costs	25,191	1,468
	<u>3,846,526</u>	<u>3,059,109</u>

The average number of employees during the year/period was as follows:

	Full time	Part time	2009	2008
			Total	Total
Football	45	-	45	37
Ground staff	8	3	11	9
Administration	3	5	8	8
Match day casuals	-	116	116	120
Restaurant	3	13	16	19
School of Excellence	4	18	22	18
Commercial	4	3	7	6
	<u>67</u>	<u>158</u>	<u>225</u>	<u>217</u>

During the year the club received notification from The Football League Ltd. Pension and Life Assurance Scheme that a further deficit had occurred in the scheme. The additional deficit of £25,191 has been included in full for the year ended 30 June 2009. The amount with interest is being paid by 120 monthly instalments.

5. OPERATING PROFIT/(LOSS)

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

	2009	2008
	£	£
Hire of plant and machinery	2,600	2,862
Depreciation - owned assets	162,183	155,811
Loss/(Profit) on disposal of tangible fixed assets	532	(368)
Transfer fees/compensation received	(600,000)	(2,195,780)
Cost of players' registrations written off	511,970	461,832
Audit fees	8,500	8,075
Capital grants amortised	(8,623)	(8,224)
Pension costs	<u>25,191</u>	<u>1,468</u>

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

**Notes to the Financial Statements
for the Year Ended 30 June 2009**

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2009	2008
	£	£
Bank interest	12	111
Pension deficit interest	<u>1,210</u>	<u>1,487</u>
	<u>1,222</u>	<u>1,598</u>

7. TAXATION

Analysis of the tax charge

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

	2009	2008
	£	£
Current tax:		
UK Corporation tax	<u>-</u>	<u>12,419</u>
Tax on profit/(loss) on ordinary activities	<u>-</u>	<u>12,419</u>

8. INTANGIBLE FIXED ASSETS

	Cost of players' registrations
	£
COST:	
At 1 July 2008	855,036
Additions	576,518
Disposals	<u>(1,590)</u>
At 30 June 2009	<u>1,429,964</u>
AMORTISATION:	
At 1 July 2008	307,392
Charge for year	511,970
Eliminated on disposal	<u>(1,590)</u>
At 30 June 2009	<u>817,772</u>
NET BOOK VALUE:	
At 30 June 2009	<u>612,192</u>
At 30 June 2008	<u>547,644</u>

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

**Notes to the Financial Statements
for the Year Ended 30 June 2009**

9. TANGIBLE FIXED ASSETS

	Land and Buildings £	Fixtures and fittings £	Motor Vehicles £	Totals £
COST OR VALUATION:				
At 1 July 2008	5,939,824	600,875	15,140	6,555,839
Additions	-	45,881	-	45,881
Disposals	-	(41,498)	-	(41,498)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2009	5,939,824	605,258	15,140	6,560,222
DEPRECIATION:				
At 1 July 2008	668,737	360,904	10,400	1,040,041
Charge for year	103,397	57,226	1,560	162,183
Eliminated on disposal	-	(40,966)	-	(40,966)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2009	772,134	377,164	11,960	1,161,258
NET BOOK VALUE				
At 30 June 2009	5,167,690	228,094	3,180	5,398,964
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2008	5,271,087	239,971	4,740	5,515,798
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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 an 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.

10. STOCKS

	2009 £	2008 £
Goods for resale	<u>70,208</u>	<u>87,327</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
Trade debtors	234,547	100,564
Prepayments and accrued income	129,447	55,056
Other debtors	726,750	1,175,000
	<hr/>	<hr/>
	1,090,744	1,330,620
	<hr/>	<hr/>

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

**Notes to the Financial Statements
for the Year Ended 30 June 2009**

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009	2008
	£	£
Bank loans and overdrafts (see note 14)	191,240	22,109
Trade creditors	178,034	152,562
Director's loan account (interest free)	400,000	900,000
Other creditors	17,560	164,922
Social security and other taxes	304,857	282,636
Accruals and deferred income	903,114	587,688
Pension deficit	1,738	2,114
Corporation tax	-	12,419
	<u>1,996,543</u>	<u>2,124,450</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2009	2008
	£	£
Deferred grants	24,708	26,624
Pension deficit	15,240	10,666
Director's loan account (interest free)	500,000	-
	<u>539,948</u>	<u>37,290</u>

CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN FIVE YEARS

	2009	2008
	£	£
Deferred grants	143,715	146,172
Pension deficit	17,724	-
	<u>161,439</u>	<u>146,172</u>

14. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	2009	2008
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>191,240</u>	<u>22,109</u>

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2009

15. SECURED DEBTS

The following secured debts are included within creditors:

	2009 £	2008 £
Bank overdrafts	<u>191,240</u>	<u>22,109</u>

The bank overdraft is secured by a fixed and floating charge over the assets of the company and by guarantees given by certain directors and individuals.

16. CALLED UP SHARE CAPITAL

Authorised Number:	Class:	Nominal value:	2009 £	2008 £
2,000,000	Ordinary	50p	<u>1,000,000</u>	<u>1,000,000</u>

Authorised, issued and fully paid Number:	Class:	Nominal value:	2009 £	2008 £
1,896,381	Ordinary	50p	<u>948,191</u>	<u>933,027</u>

30,327 ordinary shares of 50p each were allotted and fully paid in the year.

17. RESERVES

	Profit and loss account £	Revaluation Reserve £	Totals £
At 1 July 2008	1,972,185	3,455,519	5,427,704
Profit/(Loss) for the year	(1,059,029)	-	(1,059,029)
Transfer from reserves	48,919	(48,919)	-
At 30 June 2009	<u>962,075</u>	<u>3,406,600</u>	<u>4,368,675</u>

18. PENSION COSTS

The company operates a defined contribution pension scheme. The scheme is funded by contributions from the company and from 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 £25,191 (2008: £1,468).

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2009

19. RELATED PARTY DISCLOSURES

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

		2009	2008
		£	£
Mason Baggott & Garton	- sales to	345	433
	- sales ledger balance	-	156
J. Wharton (Agriculture) Ltd.	- sales to	6,057	6,134
	- purchases from	2,451	19,570
	- sales ledger balance	5,750	5,875
	- purchase ledger balance	400	6,745
Trent Valley Electrical Services	- sales to	2,228	2,330
	- purchases from	8,330	17,817
	- sales ledger balance	550	-
	- purchase ledger balance	82	766

Description of relationship

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

Name of related party	Nature of relationship
J. Wharton (Agriculture) Ltd.	J.S. Wharton is a director and major shareholder
Mason Baggott & Garton	R. Garton is a partner.
Trent Valley Electrical Services	J Oxenforth is the owner

Controlling Party

Mr. J.S. Wharton is the controlling shareholder of Scunthorpe United Football Club Limited.

20. REVALUATION RESERVE

	2009	2008
	£	£
Brought forward	3,455,519	3,504,438
Transfer to profit & loss account	(48,919)	(48,919)
	<u>3,406,600</u>	<u>3,455,519</u>

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2009

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2009 £	2008 £
Profit/(loss) for the financial year - Net reduction of shareholders funds	(1,059,029)	2,118,115
Share issue in year	15,164	-
Opening shareholders' funds	<u>6,360,731</u>	<u>4,242,616</u>
CLOSING SHAREHOLDERS' FUNDS	<u>5,316,866</u>	<u>6,360,731</u>
 Equity interests	 <u>5,316,866</u>	 <u>6,360,731</u>

22. PROVISIONS FOR LIABILITIES AND CHARGES

The amount provided and the potential liability for deferred taxation is as follows:

	Provided £	2009 Potential £	Provided £	2008 Potential £
The accumulated excess of capital allowances over corresponding depreciation	35,294	35,294	30,739	30,739
Postponed chargeable gains on sale of tangible fixed assets	<u>-</u>	<u>568,000</u>	<u>-</u>	<u>568,000</u>
	35,294	603,294	30,739	598,739
less:				
Unrelieved losses available to carry forward against future trading profit	<u>(35,294)</u>	<u>(35,294)</u>	<u>(30,739)</u>	<u>(30,739)</u>
	<u>-</u>	<u>568,000</u>	<u>-</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 accounts. The potential corporation tax payable, should Glanford Park be sold and not replaced, is £568,000.

23. POST BALANCE SHEET EVENTS

The following transactions occurred subsequent to the year end:

The club purchased 3 new players the combined fees of whom were in excess of £350,000.

The club purchased land adjacent to Glanford Park at a cost of £300,000.

SCUNTHORPE UNITED FOOTBALL CLUB LIMITED

**Notes to the Financial Statements
for the Year Ended 30 June 2009**

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

	2009 £	2008 £
Operating profit/(loss)	(1,131,003)	2,070,801
Add/(Deduct):		
Depreciation	674,155	617,643
Loss/(profit) on disposal of tangible fixed assets	532	(368)
Transfer fees/compensation	(600,000)	(2,195,780)
Amortisation of grants	(8,623)	(8,224)
Increase in pension deficit	24,037	-
Decrease in stock	17,119	15,391
(Increase)/Decrease in debtors (excluding fees)	(225,624)	135,219
Increase/(Decrease) in creditors (excluding transfer fees payable, deferred grants, bank overdraft and loans)	521,889	(609,653)
Net Cash (Outflow)/ inflow from operating activities	(727,518)	25,029

25 ANALYSIS OF CHANGES IN NET DEBT

	At 30.06.08 £	Cash Flows £	Other Changes £	At 30.06.09 £
Net cash:				
Cash in hand, at bank	1,187,254	(344,567)	-	842,687
Bank overdraft	(22,109)	(169,131)	-	(191,240)
	<u>1,165,145</u>	<u>(513,698)</u>	<u>-</u>	<u>651,447</u>
Debt:				
Deferred grants	(181,018)	4,623	-	(176,395)
	<u>(181,018)</u>	<u>4,623</u>	<u>-</u>	<u>(176,395)</u>
Total	<u>984,127</u>	<u>(509,075)</u>	<u>-</u>	<u>475,052</u>
Analysed in Balance Sheet				
Cash at bank and in hand	1,187,254			842,687
Bank overdraft	(22,109)			(191,240)
Deferred grants				
within one year	(8,222)			(7,972)
after one year	(172,796)			(168,423)
	<u>984,127</u>			<u>475,052</u>