

**Registrar of Companies**

**CARLISLE UNITED ASSOCIATION FOOTBALL  
CLUB (1921) LIMITED**

**ABBREVIATED ACCOUNTS**

**FOR THE YEAR ENDED**

**30 JUNE 2006**



**DAVID ALLEN & CO**

Chartered Accountants & Registered Auditors

Dalmar House

Barras Lane Estate

Dalston

Carlisle

CA5 7NY

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**CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED**

**ABBREVIATED ACCOUNTS**

**YEAR ENDED 30 JUNE 2006**

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# **CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

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### **The board of directors**

Mr N F Story  
Mr H A Jenkins  
Lord Clark of Windermere  
Mr J L Nixon  
Mr S Pattison  
Mr R Young  
Mr N F Steel

### **Company secretary**

Mr J L Nixon

### **Registered office**

Brunton Park  
Warwick Road  
Carlisle  
CA1 1LL

### **Auditor**

David Allen & Co  
Chartered Accountants  
& Registered Auditors  
Dalmar House  
Barras Lane Estate  
Dalston  
Carlisle  
CA5 7NY

### **Bankers**

Bank of Scotland  
5 Wavell Drive  
Rosehill Business Park  
Carlisle  
CA1 2ST

# **CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED**

## **THE DIRECTORS' REPORT**

**YEAR ENDED 30 JUNE 2006**

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The directors present their report and the financial statements of the company for the year ended 30 June 2006.

### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company during the year continued to be that of a Professional Football Club.

2005/2006 was another successful season for Carlisle United with the team securing a second successive promotion to a higher division; this time from League 2 to League 1. Team performance underpinned the increase in turnover from £2.45 million in 2004/2005 to £4.1 million in 2005/06 which is a 67% improvement.

There were some key issues associated with these figures:-

- a) A refurbished Club shop was opened in July 2005 with a complete changed football kit (having moved from Umbro to Le Coq).
- b) The team won through to the final of the Football League Trophy (ex-LDV Vans Cup) and this grossed some £350,000 for the final itself before expenses.
- c) Gate receipts increased by £340,000 based on higher attendances throughout the season, an increase to 7,210 on average for all League 2 games.
- d) The commercial section was successful in selling virtually all ground board positions, securing a sponsor for the East Stand-Cumberland Building Society.

The Blues Lottery was established in 2005 and had 5,264 players at the end of June 2006.

Cost controls were maintained but comparisons between 2004/2005 and 2005/2006 are difficult as the stadium was out of action due to flooding and damage for almost eight weeks of the previous year. In terms of key points of expenditure £301,000 was spent on relaying the pitch and maintenance work around the stadium including lighting and building repairs. Wages and salaries shows an increase of £395,000 reflecting the higher earnings levels of players in League 2 versus the Conference and of course increased bonuses for league position and cup competition achievements.

The overall success during the year has enabled the debt to Story Construction Limited to be reduced by £735,000 to £1,320,000.

As reported in the directors' report to the 2005 accounts, the directors acknowledge the contributions made by the previous owner John Courtenay, who was a very charismatic person to lead the Club. He has waived over £878,000 of debt owed by the Club to himself and his company, Toplion Sportswear Limited. In recognition of this, Fred Story has indicated that he would like to see an agreed area of the flood plain farm land, currently owned by the Club, transferred to John Courtney or Toplion Sportswear Limited. This transfer would require the agreement of the board, and the shareholders, and, whilst there is no contractual obligation on the part of the club to carry out the transfer, provision has nevertheless previously been made for the land transfer at a value of £250,000.

It is the intention of the directors to present a special resolution to the shareholders at the Annual General Meeting on 30 November 2006 in order to obtain their agreement to this course of action.

The court action taken by Carlisle and Cumbria United Independent Supporters' Society Limited during the year caused continuous distraction and legal costs were incurred by the club of some £10,575. The holding company incurred costs of £16,839 and Fred Story agreed to settle the balance of over £250,000.

In conclusion the Directors would like to thank Paul Simpson, his staff, the team and the administration team for all of their input, dedication and success on our return to League 2. The accounts and performance all indicate what a great job they did.

With increased playing costs in League 1 and only a small chance of achieving similar cup competition results the year ended 30 June 2007 is unlikely to be quite as successful, but the directors are very confident about the future. The plans to build a sustainable business to support the manager and team at a very competitive level will continue.

# CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED

## THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 JUNE 2006

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### RESULTS AND DIVIDENDS

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

### THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At	At
	30 June 2006	1 July 2005 or later date of appointment
Mr N F Story	-	-
Mr H A Jenkins	-	-
Lord Clark of Windermere	-	-
Mr J L Nixon	-	-
Mr S Pattison	-	-
Mr R Young	-	-
Mr N F Steel	-	-
	<hr/>	<hr/>

Mr N F Steel was appointed as a director on 19 June 2006.

Mrs K M Rowley resigned as a director on 27 June 2006.

### DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which 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 year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies, as described on pages 11 to 13, and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

**CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED**

**THE DIRECTORS' REPORT *(continued)***

**YEAR ENDED 30 JUNE 2006**

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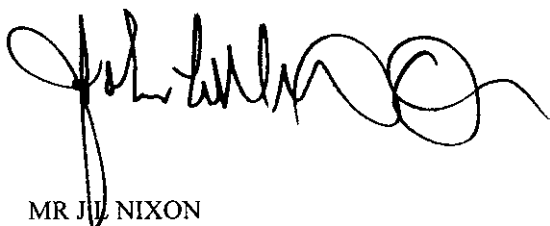
The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

there is no relevant audit information of which the company's auditors are unaware; and

the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Signed by order of the directors

A handwritten signature in black ink, appearing to read 'J. L. Nixon', with a large, stylized circular flourish at the end.

MR J. L. NIXON  
Company Secretary

Approved by the directors on 14 September 2006

**CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO CARLISLE UNITED  
ASSOCIATION FOOTBALL CLUB (1921) LIMITED**

**UNDER SECTION 247B OF THE COMPANIES ACT 1985**

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We have examined the abbreviated accounts set out on pages 6 to 21, together with the financial statements of Carlisle United Association Football Club (1921) Limited for the year ended 30 June 2006 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITOR**

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

**BASIS OF OPINION**

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

**OPINION**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.

David Allen + Co

Dalmar House  
Barras Lane Estate  
Dalston  
Carlisle  
CA5 7NY

DAVID ALLEN & CO  
Chartered Accountants  
& Registered Auditors

1 November 2006

**CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED****ABBREVIATED PROFIT AND LOSS ACCOUNT****YEAR ENDED 30 JUNE 2006**

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	Note	2006 £	2005 £
<b>GROSS PROFIT</b>		<b>3,784,880</b>	2,398,553
Administrative expenses		<u>3,552,612</u>	<u>2,552,940</u>
<b>OPERATING PROFIT/(LOSS)</b>	<b>2/5</b>	<b>232,268</b>	(154,387)
Interest receivable		13,783	5,417
Interest payable and similar charges	<b>6</b>	<u>(1,105)</u>	<u>2,370</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>244,946</b>	(146,600)
Tax on profit/(loss) on ordinary activities	<b>7</b>	<u>3,094</u>	<u>15,120</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		<b>241,852</b>	(161,720)
Balance brought forward		(715,758)	(657,911)
Transfer from revaluation reserve		<u>53,874</u>	<u>103,873</u>
Balance carried forward		<u><b>(420,032)</b></u>	<u><b>(715,758)</b></u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 11 to 21 form part of these abbreviated accounts.



**CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED**

**NOTE OF HISTORICAL COST PROFITS AND LOSSES**

**YEAR ENDED 30 JUNE 2006**

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**NOTE OF HISTORICAL COST PROFITS AND LOSSES**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Reported profit/(loss) on ordinary activities before taxation	<b>244,946</b>	<b>(146,600)</b>
Realisation of gains recognised in previous periods	<b>—</b>	<b>50,000</b>
Difference between a historical cost depreciation charge and the actual charge calculated on the revalued amount	<b>53,874</b>	<b>53,873</b>
Historical cost profit/(loss) on ordinary activities before taxation	<b><u>298,820</u></b>	<b><u>(42,727)</u></b>
Historical cost profit/(loss) for the year after taxation	<b><u>295,726</u></b>	<b><u>(57,847)</u></b>

The notes on pages 11 to 21 form part of these abbreviated accounts.

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**CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED**

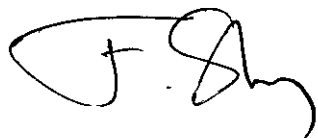
**ABBREVIATED BALANCE SHEET**

**30 JUNE 2006**

	Note	2006 £	2005 £
<b>FIXED ASSETS</b>			
Intangible assets	8	11,667	7,833
Tangible assets	9	4,212,315	4,262,905
		<u>4,223,982</u>	<u>4,270,738</u>
<b>CURRENT ASSETS</b>			
Stocks	10	170,830	19,263
Debtors	11	225,794	1,570,250
Cash at bank and in hand		739,432	276,834
		<u>1,136,056</u>	<u>1,866,347</u>
<b>CREDITORS: Amounts falling due within one year</b>	12	<u>2,526,340</u>	<u>2,256,741</u>
<b>NET CURRENT LIABILITIES</b>		<u>(1,390,284)</u>	<u>(390,394)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,833,698</u>	<u>3,880,344</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	13	825,000	2,065,442
		<u>2,008,698</u>	<u>1,814,902</u>
Government grants	17	962,727	1,010,783
		<u>1,045,971</u>	<u>804,119</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	19	144,891	144,891
Revaluation reserve	20	1,321,112	1,374,986
Profit and loss account		(420,032)	(715,758)
<b>SHAREHOLDERS' FUNDS</b>	21	<u>1,045,971</u>	<u>804,119</u>

These abbreviated financial statements have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on the 14 September 2006 and are signed on their behalf by:



MR N F STORY  
Director

The notes on pages 11 to 21 form part of these abbreviated accounts.

**CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED**

**CASH FLOW STATEMENT**

**YEAR ENDED 30 JUNE 2006**

	2006 £	2005 £
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>1,914,035</b>	<b>(1,889,940)</b>
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Interest received	13,783	5,417
Interest paid	(110)	9,091
Interest element of hire purchase	(995)	(6,721)
<b>NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>	<b>12,678</b>	<b>7,787</b>
<b>TAXATION</b>	<b>(15,120)</b>	<b>(112,694)</b>
<b>CAPITAL EXPENDITURE</b>		
Payments to acquire intangible fixed assets	(20,000)	(14,000)
Payments to acquire tangible fixed assets	(197,953)	(206,467)
Receipts from sale of fixed assets	7,249	529,325
<b>NET CASH (OUTFLOW)/INFLOW FROM CAPITAL EXPENDITURE</b>	<b>(210,704)</b>	<b>308,858</b>
<b>CASH INFLOW/(OUTFLOW) BEFORE FINANCING</b>	<b>1,700,889</b>	<b>(1,685,989)</b>
<b>FINANCING</b>		
Capital element of hire purchase	(8,291)	(35,429)
Net (outflow)/inflow from other long-term creditors	(1,230,000)	1,984,500
<b>NET CASH (OUTFLOW)/INFLOW FROM FINANCING</b>	<b>(1,238,291)</b>	<b>1,949,071</b>
<b>INCREASE IN CASH</b>	<b>462,598</b>	<b>263,082</b>
<b>RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>		

	2006 £	2005 £
Operating profit/(loss)	232,268	(154,387)
Amortisation	16,166	33,032
Depreciation	233,309	245,587
Loss/(Profit) on disposal of fixed assets	7,985	(47,014)
Amortisation of government grants	(48,056)	(48,057)
Increase in stocks	(151,567)	(7,391)
Decrease/(increase) in debtors	1,344,456	(1,376,256)
Increase/(decrease) in creditors	279,474	(535,454)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>1,914,035</b>	<b>(1,889,940)</b>

The notes on pages 11 to 21 form part of these abbreviated accounts.

**CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED**

**CASH FLOW STATEMENT *(continued)***

**YEAR ENDED 30 JUNE 2006**

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**

	2006 £	2005 £
Increase in cash in the period	462,598	263,082
Cash outflow in respect of hire purchase	8,291	35,429
Net cash outflow from/(inflow) from other long-term creditors	<u>1,230,000</u>	<u>(1,984,500)</u>
	<u>1,700,889</u>	<u>(1,685,989)</u>
Change in net debt	1,700,889	(1,685,989)
Net debt at 1 July 2005	<u>(1,797,257)</u>	<u>(111,268)</u>
Net debt at 30 June 2006	<u>(96,368)</u>	<u>(1,797,257)</u>

**ANALYSIS OF CHANGES IN NET DEBT**

	At 1 Jul 2005 £	Cash flows £	At 30 Jun 2006 £
Net cash:			
Cash in hand and at bank	<u>276,834</u>	<u>462,598</u>	<u>739,432</u>
Debt:			
Debt due after 1 year	(2,055,000)	1,230,000	(825,000)
Hire purchase agreements	<u>(19,091)</u>	<u>8,291</u>	<u>(10,800)</u>
	<u>(2,074,091)</u>	<u>1,238,291</u>	<u>(835,800)</u>
Net debt	<u>(1,797,257)</u>	<u>1,700,889</u>	<u>(96,368)</u>

The notes on pages 11 to 21 form part of these abbreviated accounts.

# **CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED**

## **NOTES TO THE ABBREVIATED ACCOUNTS**

**YEAR ENDED 30 JUNE 2006**

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### **1. ACCOUNTING POLICIES**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

#### **Changes in accounting policies**

In preparing the financial statements for the current year, the company has adopted the following Financial Reporting Standards:

-the presentation requirements of FRS 25 Financial Instruments: Disclosure and Presentation (IAS 32).

No current or prior period adjustment was necessary to reflect the adoption of FRS 25 Financial Instruments: Disclosure and Presentation (IAS 32).

#### **Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

#### **Players' registrations**

Player registration fees are initially recorded at cost.

#### **Players' registrations amortisation**

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Players' Registrations - straight line over the period of the contract

#### **Fixed assets**

All fixed assets are initially recorded at cost.

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property	- straight line over 25 years
Fixtures and Fittings	- 33% straight line, 25% straight line and 10% straight line
Motor Vehicles	- 25% straight line
Property Improvements	- straight line over 25 years

No depreciation is provided on freehold land.

An amount equal to the excess of the annual depreciation charge on the revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

# **CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED**

## **NOTES TO THE ABBREVIATED ACCOUNTS**

**YEAR ENDED 30 JUNE 2006**

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### **1. ACCOUNTING POLICIES** *(continued)*

#### **Stocks**

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

#### **Hire purchase agreements**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

#### **Pension costs**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

#### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

#### **Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Players' transfer fees**

Fees receivable from other football clubs on the transfer of players' registrations together with associated costs, are recognised within the profit and loss account in the accounting period in which the transfer of the players' registration took place. Further fees receivable under appearance and sell on clauses are recognised within the profit and loss account in the accounting period in which the appearance or sell on clause criteria is met.

**CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 30 JUNE 2006**

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**1. ACCOUNTING POLICIES** *(continued)***Deferred government grants**

Grants receivable from the Football Trust in respect of capital expenditure are treated as deferred income and released to the profit and loss account so as to match the depreciation charged on the fixed assets purchased with the grant.

**2. OPERATING PROFIT/(LOSS)**

Operating profit/(loss) is stated after charging/(crediting):

	2006	2005
	£	£
Amortisation of government grants	(48,056)	(48,057)
Amortisation	16,166	33,032
Depreciation of owned fixed assets	233,309	238,881
Depreciation of assets held under hire purchase agreements	—	6,706
Loss/(Profit) on disposal of fixed assets	7,985	(47,014)
Auditor's remuneration		
- as auditor	<u>8,000</u>	<u>8,000</u>

**3. PARTICULARS OF EMPLOYEES**

The average number of staff employed by the company during the financial year amounted to:

	2006	2005
	No	No
Number of administrative staff	92	46
Number of football staff	40	38
	<u>132</u>	<u>84</u>

The aggregate payroll costs of the above were:

	2006	2005
	£	£
Wages and salaries	1,878,635	1,466,630
Social security costs	180,625	142,390
Other pension costs	22,171	5,413
	<u>2,081,431</u>	<u>1,614,433</u>

**4. DIRECTORS' EMOLUMENTS**

The directors' aggregate emoluments in respect of qualifying services were:

	2006	2005
	£	£
Emoluments receivable	<u>26,200</u>	<u>9,558</u>

**CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 30 JUNE 2006**

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**5. EXCEPTIONAL ITEMS**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Recognised in arriving at operating profit:		
Exceptional items	<u><b>242,737</b></u>	<u><b>229,038</b></u>

Exceptional items in the years ended 30 June 2006 and 30 June 2005 comprise of the following:

On 8 January 2005, the Club was severely flooded and major refurbishment was necessary. A total of £264,294 was received from insurance after accounting for the refurbishment costs in 2005, an additional amount of £242,737 was deferred from 2005 and included in 2006.

During the year ended 30 June 2005, amounts relating to Mr J Courtenay's directors loan account and a loan and trade creditor balance to Toplion Sportswear Limited were written off totalling £878,571.

During the year ended 30 June 2005, a loan of £943,960 due from C.U.F.C. Holdings Limited has been written off in full.

Legal costs from previous periods in relation to the administration order totalling £30,133 were written off in the year ended 30 June 2005 as they are no longer due.

**6. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Interest payable on bank borrowing	–	7
Finance charges	<b>995</b>	6,721
Other similar charges payable	<b>110</b>	(9,098)
	<u><b>1,105</b></u>	<u><b>(2,370)</b></u>

**7. TAXATION ON ORDINARY ACTIVITIES****(a) Analysis of charge in the year**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Current tax:		
UK Corporation tax based on the results for the year	<u><b>3,094</b></u>	<u>15,120</u>
Total current tax	<u><b>3,094</b></u>	<u>15,120</u>



**CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 30 JUNE 2006****7. TAXATION ON ORDINARY ACTIVITIES** *(continued)***(b) Factors affecting current tax charge**

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 19% (2005 - 30%).

	2006 £	2005 £
Profit/(loss) on ordinary activities before taxation	<u>244,946</u>	<u>(146,600)</u>
Loss on ordinary activities by rate of tax	46,540	(43,980)
Depreciation in excess of capital allowances for year	38,035	60,909
Expenses not deductible for tax purposes	4,697	6,556
Grants released not taxable	(9,131)	(14,417)
Marginal relief	-	(8,177)
Profit on disposal of assets	-	(14,104)
Capital gain	-	20,921
Losses utilised during the year	(73,976)	(294,016)
Exceptional item - loan written off	-	322,347
Intangible asset adjustments	<u>(3,071)</u>	<u>(20,919)</u>
Total current tax (note 7(a))	<u>3,094</u>	<u>15,120</u>

**8. INTANGIBLE FIXED ASSETS**

	Players' Registrations £
<b>COST</b>	
At 1 July 2005	14,000
Additions	<u>20,000</u>
<b>At 30 June 2006</b>	<u>34,000</u>
<b>AMORTISATION</b>	
At 1 July 2005	6,167
Charge for the year	<u>16,166</u>
<b>At 30 June 2006</b>	<u>22,333</u>
<b>NET BOOK VALUE</b>	
<b>At 30 June 2006</b>	<u>11,667</u>
At 30 June 2005	<u>7,833</u>

**CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS**

**YEAR ENDED 30 JUNE 2006**

**9. TANGIBLE FIXED ASSETS**

	Freehold Property and Freehold Land £	Furniture, Fittings and Ground Equipment £	Motor Vehicles £	Property Improve- ments £	Total £
<b>COST OR VALUATION</b>					
At 1 July 2005	4,568,194	800,590	26,825	115,701	5,511,310
Additions	6,000	22,233	11,882	157,838	197,953
Disposals	—	(2,469)	(26,825)	—	(29,294)
<b>At 30 June 2006</b>	<b>4,574,194</b>	<b>820,354</b>	<b>11,882</b>	<b>273,539</b>	<b>5,679,969</b>
<b>DEPRECIATION</b>					
At 1 July 2005	552,716	673,021	13,412	9,256	1,248,405
Charge for the year	182,728	42,983	2,970	4,628	233,309
On disposals	—	(648)	(13,412)	—	(14,060)
<b>At 30 June 2006</b>	<b>735,444</b>	<b>715,356</b>	<b>2,970</b>	<b>13,884</b>	<b>1,467,654</b>
<b>NET BOOK VALUE</b>					
<b>At 30 June 2006</b>	<b>3,838,750</b>	<b>104,998</b>	<b>8,912</b>	<b>259,655</b>	<b>4,212,315</b>
At 30 June 2005	4,015,478	127,569	13,413	106,445	4,262,905

# CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 JUNE 2006

### 9. TANGIBLE FIXED ASSETS *(continued)*

In accordance with FRS 15 Tangible Fixed Assets and in the opinion of the directors, all freehold property and land is held at the net book value, following the full valuation carried out by Weatherall Green and Smith, external valuers and members of The Institute of Chartered Surveyors on 24 June 2002. The basis of the revaluation were depreciated replacement cost for the football stadium and club shop and open market value for residential property and land. In 2002, the freehold property was revalued to £4,800,000 and the freehold land to £492,500.

Extensive maintenance work has been carried out during the current and previous year and there is a programme for continued improvements to the grounds. A full revaluation of the freehold property is due to be undertaken during the year to 30 June 2007.

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows:

	2006 £	2005 £
<b>Historical cost:</b>		
At 1 July 2005	3,328,872	3,528,872
Disposals in year	-	(200,000)
At 30 June 2006	<u>3,328,872</u>	<u>3,328,872</u>
<b>Depreciation:</b>		
At 1 July 2005	611,249	470,094
Charge for year	133,154	141,155
At 30 June 2006	<u>744,403</u>	<u>611,249</u>
<b>Net historical cost value:</b>		
At 30 June 2006	<u>2,584,469</u>	<u>2,717,623</u>
At 1 July 2005	<u>2,717,623</u>	<u>3,058,778</u>

#### Hire purchase agreements

Included within the net book value of £4,212,315 is £nil (2005 - £13,413) relating to assets held under hire purchase agreements. The depreciation charged to the abbreviated accounts in the year in respect of such assets amounted to £nil (2005 - £6,706).

### 10. STOCKS

	2006 £	2005 £
Stock	<u>170,830</u>	<u>19,263</u>

**CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 30 JUNE 2006****11. DEBTORS**

	2006	2005
	£	£
Trade debtors	113,956	147,979
Other debtors	60,650	119,952
Prepayments and accrued income	51,188	1,302,319
	<u>225,794</u>	<u>1,570,250</u>

The debtors above include the following amounts falling due after more than one year:

	2006	2005
	£	£
Other debtors	<u>55,000</u>	<u>55,000</u>

**12. CREDITORS: Amounts falling due within one year**

	2006	2005
	£	£
Trade creditors	109,797	539,643
Amounts owed to group undertakings	474,018	—
Taxation and social security	178,761	100,383
Hire purchase agreements	10,800	8,649
Other creditors	510,558	11,563
Directors current accounts	162,000	172,000
Accruals and deferred income	1,080,406	1,424,503
	<u>2,526,340</u>	<u>2,256,741</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2006	2005
	£	£
Hire purchase agreements	<u>10,800</u>	<u>8,649</u>

**13. CREDITORS: Amounts falling due after more than one year**

	2006	2005
	£	£
Hire purchase agreements	—	10,442
Loan from Story Construction Limited	825,000	2,055,000
	<u>825,000</u>	<u>2,065,442</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2006	2005
	£	£
Hire purchase agreements	<u>—</u>	<u>10,442</u>

**CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 30 JUNE 2006**

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**14. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS**

Future commitments under hire purchase agreements are as follows:

	2006 £	2005 £
Amounts payable within 1 year	10,800	8,649
Amounts payable between 2 to 5 years	-	10,442
	<u>10,800</u>	<u>19,091</u>

**15. PENSIONS**

The company operates a defined contribution pension scheme for employees. An amount of £3,128 (2005: £1,554) is included in other creditors at the year end and is due to be paid to FL and FPA Admin Limited.

**16. DEFERRED TAXATION**

No provision has been made in the financial statements and the amounts unprovided at the end of the year are as follows:

	2006 £	2005 £
Tax losses available	<u>157,050</u>	<u>553,036</u>

**17. GOVERNMENT GRANTS**

	2006 £	2005 £
<b>Received and receivable:</b>		
At 1 July 2005	<u>1,213,804</u>	<u>1,213,804</u>
At 30 June 2006	<u>1,213,804</u>	<u>1,213,804</u>
<b>Amortisation:</b>		
At 1 July 2005	203,021	154,964
Credit to profit and loss account	48,056	48,057
At 30 June 2006	<u>251,077</u>	<u>203,021</u>
Net balance at 30 June 2006	<u>962,727</u>	<u>1,010,783</u>

Grant income has been received from the Football Trust against approved capital projects and is not repayable. It is the company's policy to release deferred income to the profit and loss account so as to match the depreciation charged on the fixed assets purchased with the grant.

The company also received a grant for the East Stand and is releasing the grant so as to match the depreciation charged on the freehold property in accordance with FRS 15, Tangible Fixed Assets.

# CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 JUNE 2006

### 18. RELATED PARTY TRANSACTIONS

Mr H A Jenkins is also a director of P.F.D. (Carlisle) Limited. During the year the club charged P.F.D. (Carlisle) Limited £16,850 (2005: £12,550) for the match day catering contract and £13,070 (2005: £10,892) for advertising and sponsorship. Of this £6,373 (2005: £4,989) has been deferred into the 2006/2007 season. At 30 June 2006 P.F.D. (Carlisle) Limited owed the club £3 (2005: £13,206).

The club also purchased goods to the value of £19,001 (2005: £5,760) from P.F.D. (Carlisle) Limited during the year. At 30 June 2006 the club owed P.F.D. (Carlisle) Limited £7,411 (2005: £20,579).

Mr S Pattison is also a director of Carlisle Glass Limited. During the year the club charged Carlisle Glass Limited £5,711 (2005: £7,137) for advertising and sponsorship. Of this £2,475 (2005: £2,475) has been deferred into the 2006/2007 season. At 30 June 2006 Carlisle Glass Limited owed the club £500 (2005: £2,908).

The club also purchased goods to the value of £27,604 (2005: £279) from Carlisle Glass Limited. At 30 June 2006 the club owed £1,219 (2005: £4,162) to Carlisle Glass Limited.

Mr N F Story is also a director of Story Construction Limited. During the year the club charged Story Construction Limited £237,033 (2005: £13,058) for sponsorship and advertising. Of this £94 (2005: £nil) has been deferred into the 2006/2007 season. At the 30 June 2006 the company owed £3,327 (2005: £5,954) to the club.

At 30 June 2006 the club owed Story Construction Limited £1,320,000 (2005: £2,055,000). Interest is to be charged on the loan from Story Construction Limited at a rate of 1.375% over bank base rate. The company has agreed to waive the interest of £113,156 for the current year (2005: £87,102).

During the year Story Construction Limited also carried out renovation and construction work at the club totalling £966,708 (2005: £1,945,000). At the 30 June 2006 £nil remains outstanding (2005: £377,478) and £301,000 (2005: £795,000) is included in accruals.

C.U.F.C Holdings Limited is the parent company. During the year it charged £25,000 of management charges (2005: £nil) to the company. At 30 June 2006 the company owed C.U.F.C Holdings Limited £474,018 (2005: £nil).

All sponsorship and advertising supplied to and purchases made from the related parties are at the normal commercial rate.

### 19. SHARE CAPITAL

#### Authorised share capital:

	2006	2005
	£	£
5,000,000 Ordinary shares of £1 each	<u>5,000,000</u>	<u>5,000,000</u>

#### Allotted, called up and fully paid:

	2006		2005	
	No	£	No	£
Ordinary shares of £1 each	<u>144,891</u>	<u>144,891</u>	<u>144,891</u>	<u>144,891</u>
Equity shares				
Ordinary shares of £1 each	<u>144,891</u>	<u>144,891</u>	<u>144,891</u>	<u>144,891</u>

**CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS**

**YEAR ENDED 30 JUNE 2006**

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**20. REVALUATION RESERVE**

	2006 £	2005 £
Balance brought forward	1,374,986	1,478,859
Transfer to the Profit and Loss Account on realisation	(53,874)	(103,873)
Balance carried forward	<u>1,321,112</u>	<u>1,374,986</u>

**21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2006 £	2005 £
Profit/(Loss) for the financial year	241,852	(161,720)
Opening shareholders' funds	804,119	965,839
Closing shareholders' funds	<u>1,045,971</u>	<u>804,119</u>

**22. ULTIMATE PARENT COMPANY**

At 30 June 2006 and 30 June 2005 the ultimate parent company was C.U.F.C. Holdings Limited, a company incorporated in England and Wales.

The ultimate controlling party of the company is Mr N F Story.