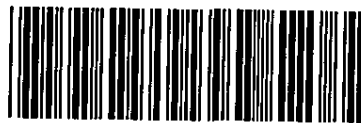


CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2011

TUESDAY



AKOY8ZG3

A29

22/11/2011

22

COMPANIES HOUSE

CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED

COMPANY INFORMATION

DIRECTORS

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

COMPANY NUMBER

00175280

REGISTERED OFFICE

Brunton Park
Warwick Road
CA1 1LL

AUDITORS

Ryecroft Glenton
Chartered Accountants & Statutory Auditor
32 Portland Terrace
Newcastle upon Tyne
NE2 1QP

BANKERS

Bank of Scotland
33 Old Broad Street
London
BX2 1LB

CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED

CONTENTS

	Page
Directors' report	1 - 4
Independent auditors' report	5
Profit and loss account	6
Statement of total recognised gains and losses	7
Note of historical cost profits and losses	7
Balance sheet	8
Notes to the abbreviated accounts	9 - 20

The following pages do not form part of the statutory financial statements

CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2011

The directors present their report and the financial statements for the year ended 30 June 2011

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 judgments and 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.

PRINCIPAL ACTIVITIES

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

BUSINESS REVIEW

Season 2010/11 continued to build on the foundations of the previous year with a further improvement in league position, up two places to twelfth, FA Cup progression into round three and another successful JPT competition culminating at Wembley where this year we had a most satisfactory outcome, winning the Football League Trophy.

Off the field, the directors have continued to restructure in order to remove items that have been contentious in recent years, and to begin a process of simplifying the accounts so that they are in a better position to meet the new Football League 'Salary Cost Management Protocol' which will operate voluntarily in season 2011/12, and with strict controls from 2012/13 onwards.

With regard to the Stoneyholme Land, made up of 105 acres or thereabouts including a derelict building, this was sold in November 2010 for £146,176. Total costs to the club for the sale and previous legal costs amounted to £91,750, leaving a net cash inflow of approximately £54,400. In previous accounts (2009/10), we set aside £50,000 for future legal liabilities in compliance with a court order. The Independent Supporters Trust has now waived their right to these costs and so this accrual has now been reversed at this year end into the profit and loss account.

CUFC Holdings Limited, the operating company and 93% shareholder of the football club, had an amount of £637,996.95 owing to it from Carlisle United AFC (1921) Limited at the start of the year. Essentially, this was virtually all made up of share monies which were given over to the football club for its daily running costs. The directors of CUFC Holdings Limited unanimously agreed to write off the inter company balance as at 30 June 2011. Also during this financial year, the property 257 Warwick Road has been transferred from CUFC Holdings

CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2011

Limited into Carlisle United AFC (1921) Limited, and has since been renovated into a five bedroom dwelling

In essence, the movement of assets from CUFC Holdings Limited into the trading company, Carlisle United AFC (1921) Limited, means that the directors can, in the next year, question the viability of having a separate holding company which has costs associated with administration and consolidated accounts

Two existing directors, Andrew Jenkins and Steven Pattison, have written off combined loans of £162,000 in respect of funds that were introduced prior to 2005

Total annual turnover was reduced by £71,000, which was entirely due to Cup ticket income (£527,000 shortfall on 2009/10), and that was mainly due to a significant drop in the attendance at the JPT final at Wembley. League ticket income increased and Premier League income increased, but there was no TV income in the 2010/11 season. There was a significant increase in players bonuses paid (£70,000 increase), and again this was centred around winning the JPT final at Wembley. Player loan fees and agents' fees were also higher in 2010/11. The club used the loan system to obtain services to cover injuries to Danny Livesey, Paul Thirlwell and Sean McDaid, and also to bring in players prior to permanent signings such as Lubomir Michalik. Agent fees increases reflect the number of signings and extensions in 2010 and also the change in the 'dual representation' ruling.

Going forwards there are some areas of concern, those being the attendances, which were moving downwards as the season progressed, and the significant increases in accommodation costs when playing away. Both trends are probably as a result of the current economic climate in the UK and will necessitate action if they continue.

In all, the 2010/11 season has been very successful for the club on and off the field, and we move forwards with a stronger commercial team, an expanding retail commitment and a strengthened playing squad.

The directors thank all the playing, backroom, administration, commercial and grounds staff for their hard work and clear focus on improvement as we strive towards our Championship goal.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £927,424 (2010 - £109,181)

The directors do not recommend the payment of a dividend (2010 - £nil)

DIRECTORS

The directors who served during the year were

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

CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2011

PRINCIPAL RISKS AND UNCERTAINTIES

Competitive risks

The industry continues to be highly uncertain. The company aims to continue to rebuild a strong playing side to compete in League 1 with the ability to push towards the Championship.

Legislative risks

The company is governed by a wide range of legislation and takes great care to keep up to date with all relevant legislation to ensure that it can maintain its business.

Financial risks

At the present time the main financial risk for any company is liquidity risk which is the risk that an entity will encounter difficulty in meeting its financial obligations. The company mitigates liquidity risk by the continual review of its cash management.

EMPLOYEE INVOLVEMENT

The company recognises the importance of good communication with employees and has encouraged the development of employee involvement in the various operating departments. The details of direct involvement processes are different in each operating department and have been developed over the years by management working with their employees in ways that suit their particular needs and environment.

DISABLED EMPLOYEES

The company's policy with regard to the employment of disabled persons is that equal consideration is given to all applications from both able and disabled persons, subject only to the overriding consideration of safety. The special needs of disabled employees for training and advancement are kept under review.

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

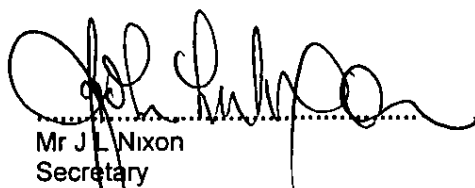
CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2011**

AUDITORS

The auditors, Ryecroft Glenton, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

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



Mr J L Nixon
Secretary

Date 20 October 2011

CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED

INDEPENDENT AUDITORS' REPORT TO CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 6 to 20, together with the financial statements of Carlisle United Association Football Club (1921) Limited for the year ended 30 June 2011 prepared under section 396 of the Companies Act 2006

This report is made solely to the company in accordance with section 449 of the Companies Act 2006. 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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 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 are properly prepared.

OPINION ON FINANCIAL STATEMENTS

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts on pages 6 to 20 have been properly prepared in accordance with the regulations made under that section.

Paul Charlton (Senior statutory auditor)

for and on behalf of

Ryecroft Glenton

Chartered Accountants
Statutory Auditor

32 Portland Terrace
Newcastle upon Tyne
NE2 1QP

20 October 2011

CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED

**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 £	2010 £
TURNOVER	1	4,968,176	5,039,304
GROSS PROFIT		1,113,386	1,488,225
Administrative expenses		(1,008,021)	(1,367,812)
OPERATING PROFIT	2	105,365	120,413
EXCEPTIONAL ITEMS	5		
Net loss on sale of tangible fixed assets		(53,824)	-
Other exceptional items		883,388	-
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		934,929	120,413
Interest receivable and similar income		94	1,151
Interest payable and similar charges	4	(5,436)	(10,242)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		929,587	111,322
Tax on profit on ordinary activities	6	(2,163)	(2,141)
PROFIT FOR THE FINANCIAL YEAR	15	927,424	109,181

All amounts relate to continuing operations

The notes on pages 9 to 20 form part of these financial statements

CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 30 JUNE 2011**

	2011 £	2010 £
PROFIT FOR THE FINANCIAL YEAR	927,424	109,181
Unrealised surplus on revaluation of tangible fixed assets	-	425,181
	<hr/>	<hr/>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	927,424	534,362
	<hr/> <hr/>	<hr/> <hr/>

**NOTE OF HISTORICAL COST PROFITS AND LOSSES
FOR THE YEAR ENDED 30 JUNE 2011**

	2011 £	2010 £
REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	929,587	111,322
Realisation of valuation gains of previous periods	-	97,423
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	9,808	-
	<hr/>	<hr/>
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	939,395	208,745
	<hr/> <hr/>	<hr/> <hr/>
HISTORICAL PROFIT FOR THE YEAR AFTER TAXATION	937,232	206,604
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 9 to 20 form part of these financial statements

CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED
REGISTERED NUMBER: 00175280

ABBREVIATED BALANCE SHEET
AS AT 30 JUNE 2011

	Note	£	2011 £	£	2010 £
FIXED ASSETS					
Intangible assets	7		37,242		94,261
Tangible assets	8		6,229,546		6,368,762
			6,266,788		6,463,023
CURRENT ASSETS					
Stocks	9	110,838		85,491	
Debtors	10	481,538		336,914	
Cash at bank		142,353		72,535	
		734,729		494,940	
CREDITORS: amounts falling due within one year	11	(1,465,735)		(2,171,520)	
NET CURRENT LIABILITIES			(731,006)		(1,676,580)
TOTAL ASSETS LESS CURRENT LIABILITIES			5,535,782		4,786,443
CREDITORS: amounts falling due after more than one year	12		(1,171,995)		(1,323,503)
ACCRUALS AND DEFERRED INCOME	13		(869,936)		(896,513)
NET ASSETS			3,493,851		2,566,427
CAPITAL AND RESERVES					
Called up share capital	14		144,891		144,891
Revaluation reserve	15		3,435,814		3,445,622
Profit and loss account	15		(86,854)		(1,024,086)
SHAREHOLDERS' FUNDS	16		3,493,851		2,566,427

The abbreviated accounts, which have been prepared in accordance with the special provisions of section 445(3) of the Companies Act 2006 relating to medium-sized companies, were approved and authorised for issue by the board and were signed on its behalf by



Mr H A Jenkins
 Director

Date 20 October 2011

The notes on pages 9 to 20 form part of these financial statements

CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2011

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with applicable accounting standards

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1

1.3 Turnover

Turnover comprises net gate and ticket receipts, television and sponsorship revenue, shop, programmes, receipts from the Football League and Premier League and other commercial and miscellaneous income exclusive of Value Added Tax. Season ticket and sponsorship income received prior to the year end in respect of the following football season is treated as deferred income

1.4 Player/manager registrations and amortisation

Player/manager registration fees are initially recorded at cost

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

Amortisation is provided at the following rates

Player/manager registrations	-	straight line over the period of the contract
------------------------------	---	---

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost or valuation of those assets, less their estimated residual value, over their expected useful lives on the following bases

Freehold property	-	2% per annum
Furniture, fittings and ground equipment	-	33%, 25% and 10% per annum
Motor vehicles	-	25% per annum

CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2011

1. ACCOUNTING POLICIES (continued)

1.6 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at the balance sheet date. A full valuation is obtained from a qualified valuer for each property every five years, with an interim valuation three years after the previous full valuation, and in any year where it is likely that there has been a material change in value.

Revaluation gains and losses are recognised in the statement of total recognised gains and losses unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the losses are recognised in the profit and loss account.

1.7 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.8 Stocks

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

1.9 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.10 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the profit and loss account over the expected useful lives of the assets concerned. Other grants are credited to the profit and loss account as the related expenditure is incurred.

CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2011

1. ACCOUNTING POLICIES (continued)

1.11 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

1.12 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 the 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

1.13 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

1.14 Going concern

In accordance with their responsibilities the directors have considered the appropriateness of the going concern basis for the preparation of the financial statements

The company made a profit in the year to 30 June 2011 but has net liabilities at that date. In order to continue in operational existence as a going concern, and to meet its liabilities as they fall due, the company is dependent on continued support from its major sponsors, and the continuation of its overdraft and lending facilities

The projections prepared by the directors indicate that the company will continue to operate within its means in the year to 30 June 2012. However, profitability is dependent on a number of factors both within and out of the company's control but the principal factor is the success of the team. The directors continue to seek to increase the income of the company whilst controlling costs

Accordingly, the directors consider it appropriate to prepare these financial statements on a going concern basis. Should, however the going concern basis no longer be appropriate then adjustments may have to be made to reduce the value of assets to their realisable amounts, provide for any further liabilities which might arise and to reclassify all fixed and long term liabilities as current assets and current liabilities respectively

CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2011**

2. OPERATING PROFIT

The operating profit is stated after charging

	2011 £	2010 £
Amortisation - player registrations	97,545	136,015
Depreciation of tangible fixed assets		
- owned by the company	165,546	277,210
- held under hire purchase agreements	11,117	11,187
Auditors' remuneration	9,750	9,750
	<u> </u>	<u> </u>

During the year, no director received any emoluments (2010 - £NIL)

3. STAFF COSTS

Staff costs were as follows

	2011 £	2010 £
Wages and salaries	2,888,287	2,708,622
Social security costs	288,329	273,078
Other pension costs	3,896	5,160
	<u> </u>	<u> </u>
	<u>3,180,512</u>	<u>2,986,860</u>

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

	2011 No.	2010 No.
Number of administrative staff	233	177
Number of football staff	44	44
	<u> </u>	<u> </u>
	<u>277</u>	<u>221</u>

4. INTEREST PAYABLE

	2011 £	2010 £
On bank loans and overdrafts	3,947	4,396
On finance leases and hire purchase contracts	1,489	2,708
Other interest payable	-	3,138
	<u> </u>	<u> </u>
	<u>5,436</u>	<u>10,242</u>

CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2011**

5. EXCEPTIONAL ITEMS

	2011 £	2010 £
Loss on disposal of land at Stoneyholme	(53,824)	-
Directors' loans written off	162,000	-
Intercompany loan written off	721,388	-
	<u>829,564</u>	<u>-</u>

Further information regarding the above exceptional items can be found in the Business Review section of the Director's report

6. TAXATION

	2011 £	2010 £
UK corporation tax charge based on results for the year	<u>2,163</u>	<u>2,141</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2010 - lower than) the standard rate of corporation tax in the UK of 21% (2010 - 21%) The differences are explained below

	2011 £	2010 £
Profit on ordinary activities before tax	<u>929,587</u>	<u>111,322</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2010 - 21%)	195,213	23,378
Effects of:		
Items not allowable for tax purposes, other than goodwill amortisation and impairment	(145,191)	4,872
Depreciation in excess of capital allowances for year	52,500	81,240
Grants released not taxable	(5,581)	(10,701)
Intangible asset adjustments	(20,484)	(28,563)
Relieved tax losses brought forward	(74,294)	(68,085)
	<u>2,163</u>	<u>2,141</u>
Current tax charge for the year (see note above)		

Factors that may affect future tax charges

At 30 June 2011 the company had estimated tax losses of £281,233 (2010 - £407,696) available to carry forward against future taxable profits

CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2011**

7. INTANGIBLE FIXED ASSETS

	Players' registrations £
Cost	
At 1 July 2010	266,500
Additions	45,000
Disposals	(185,000)
At 30 June 2011	<u>126,500</u>
Amortisation	
At 1 July 2010	172,239
Charge for the year	97,545
On disposals	(180,526)
At 30 June 2011	<u>89,258</u>
Net book value	
At 30 June 2011	<u><u>37,242</u></u>
At 30 June 2010	<u><u>94,261</u></u>

8. TANGIBLE FIXED ASSETS

	Freehold property £	Plant & machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 July 2010	6,268,500	1,042,630	19,805	7,330,935
Additions	122,167	30,280	-	152,447
Transfers intra group	85,000	-	-	85,000
Disposals	(200,000)	-	-	(200,000)
At 30 June 2011	<u>6,275,667</u>	<u>1,072,910</u>	<u>19,805</u>	<u>7,368,382</u>
Depreciation				
At 1 July 2010	-	952,271	9,902	962,173
Charge for the year	125,393	46,319	4,951	176,663
At 30 June 2011	<u>125,393</u>	<u>998,590</u>	<u>14,853</u>	<u>1,138,836</u>
Net book value				
At 30 June 2011	<u><u>6,150,274</u></u>	<u><u>74,320</u></u>	<u><u>4,952</u></u>	<u><u>6,229,546</u></u>
At 30 June 2010	<u><u>6,268,500</u></u>	<u><u>90,359</u></u>	<u><u>9,903</u></u>	<u><u>6,368,762</u></u>

CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2011**

8. TANGIBLE FIXED ASSETS (continued)

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

	2011 £	2010 £
Motor vehicles	4,188	8,374
Furniture, fittings and ground equipment	1,374	8,305
	<u>5,562</u>	<u>16,679</u>

Included in land and buildings is freehold land at valuation of £6,000 (2010 - £206,000) which is not depreciated. This land has an original cost of £6,000 (2010 - £159,000)

During the year the company revised the expected useful economic life of its freehold property to reflect as fairly as possible the pattern in which their economic benefits are consumed. The effect of this revision is a decrease in the depreciation charge for the year of £125,393

In accordance with FRS 15 Tangible Fixed Assets and in the opinion of the directors, all freehold property and land is held at net book value, following an interim valuation of £6,268,500 carried out by H & H Bowe Limited, external valuers and members of The Institute of Chartered Surveyors as at 30 June 2010. This interim valuation updated the last full valuation of £6,500,000 undertaken as at 30 June 2007. The basis of the revaluation was depreciated replacement cost for the football stadium and open market value for residential property and club shop.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows

	2011 £	2010 £
Cost	3,921,390	3,921,390
Accumulated depreciation	(1,409,954)	(1,331,646)
Net book value	<u>2,511,436</u>	<u>2,589,744</u>

9. STOCKS

	2011 £	2010 £
Goods for resale	<u>110,838</u>	<u>85,491</u>

CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2011**

10. DEBTORS

	2011 £	2010 £
Due after more than one year		
Other debtors	55,000	55,000
Due within one year		
Trade debtors	348,869	125,606
Other debtors	13,020	10,303
Prepayments and accrued income	64,649	146,005
	<u>481,538</u>	<u>336,914</u>

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

	2011 £	2010 £
Bank loans and overdrafts	265,170	145,821
Loan from Story Construction Limited	100,000	100,000
Net obligations under finance leases and hire purchase contracts	13,318	9,675
Trade creditors	275,409	265,538
Amounts owed to group undertakings	-	637,997
Corporation tax	2,163	2,141
Social security and other taxes	128,975	160,750
Directors' current accounts	273,750	342,000
Other creditors	46,730	13,530
Accruals and deferred income	360,220	494,068
	<u>1,465,735</u>	<u>2,171,520</u>

The loan from Story Construction Limited is secured by a fixed and floating charge over the company's assets

The bank loan and overdraft is secured by a first legal charge on 269 Warwick Road, Carlisle

The hire purchase agreements outstanding are secured against the assets which are being purchased by the agreement

CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2011**

12. CREDITORS:
Amounts falling due after more than one year

	2011	2010
	£	£
Bank loans	70,765	83,600
Loan from Story Construction Limited	1,100,250	1,200,250
Net obligations under finance leases and hire purchase contracts	980	14,298
Other creditors	-	25,355
	<u>1,171,995</u>	<u>1,323,503</u>

Included within the above are amounts falling due as follows

	2011	2010
	£	£
Between one and two years		
Bank loans	13,428	13,106
Other loans	100,000	100,000
Between two and five years		
Bank loans	40,285	41,800
Other loans	-	100,000
Over five years		
Bank loans	17,052	28,694
Other loans	1,000,250	1,000,250

Creditors include amounts not wholly repayable within 5 years as follows

	2011	2010
	£	£
Repayable by instalments	17,052	28,694
Repayable other than by instalments	1,000,250	1,000,250
	<u>1,017,302</u>	<u>1,028,944</u>

The loan from Story Construction Limited is interest free and is partly repayable in instalments over 2 years, with the balance having no fixed repayment date

The bank loan is repayable in instalments over 6 years and interest is charged at 1.5% above the bank's base rate

CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2011**

12. CREDITORS:**Amounts falling due after more than one year (continued)**

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

	2011 £	2010 £
Between one and five years	<u>980</u>	<u>14,298</u>

The loan from Story Construction Limited is secured by a fixed and floating charge over the company's assets

The bank loan is secured by a first legal charge on 269 Warwick Road, Carlisle

The hire purchase agreements outstanding are secured against the assets which are being purchased by the agreement

13. ACCRUALS AND DEFERRED INCOME

	2011 £	2010 £
Grants	<u>869,936</u>	<u>896,513</u>

14. SHARE CAPITAL

	2011 £	2010 £
Allotted, called up and fully paid		
144,891 Ordinary shares of £1 each	<u>144,891</u>	<u>144,891</u>

15. RESERVES

	Revaluation reserve £	Profit and loss account £
At 1 July 2010	3,445,622	(1,024,086)
Profit for the year		927,424
Transfer between revaluation reserve and profit and loss account	(9,808)	9,808
At 30 June 2011	<u>3,435,814</u>	<u>(86,854)</u>

CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2011**

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Opening shareholders' funds	2,566,427	2,032,065
Profit for the year	927,424	109,181
Other recognised gains and losses during the year	-	425,181
	<hr/>	<hr/>
Closing shareholders' funds	<u>3,493,851</u>	<u>2,566,427</u>

17. PENSION COMMITMENTS

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company by the Football League. The pension cost charge represents contributions payable by the company to the fund and amounted to £3,896 (2010 - £5,160). An amount of £nil (2010 - £3,097) is included in other creditors at the year end and is to be paid to the Football League.

CARLISLE UNITED ASSOCIATION FOOTBALL CLUB (1921) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2011

18. RELATED PARTY TRANSACTIONS

The company was under the control of Mr H A Jenkins, Mr J L Nixon and Mr S Pattison throughout the year

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 £17,642 (2010 - £16,039) for the match day catering contract and £10,288 (2010 - £8,991) for advertising and sponsorship. At 30 June 2011 P F D (Carlisle) Limited owed the club £7,403 (2010 - £43,798).

The club also purchased goods to the value of £5,292 (2010 - £4,978) from P F D (Carlisle) Limited during the year. At 30 June 2011 the club owed P F D (Carlisle) Limited £2,093 (2010 - £10,196).

At the year end the club owed Mr H A Jenkins £273,750 (2010 - £252,000) of which £133,750 relates to funds introduced for the renovation of 257 Warwick Road. During the year an amount of £112,000 (£nil - 2010) was waived by Mr H A Jenkins.

Mr J L Nixon is also a director of System People Limited. During the year the club paid for services to the value of £2,055 (2010 - £1,196) from System People Limited. At 30 June 2011 the club owed System People Limited £1,266 (2010 - £nil).

Mr J L Nixon is also a director of Cowens Limited. During the year the club paid for goods to the value of £nil (2010 - £13,745) from Cowens Limited. At 30 June 2011 the club owed Cowens Limited £nil (2010 - £nil).

Mr S Pattison is also a director of Carlisle Glass Limited. During the year the club charged Carlisle Glass Limited £3,000 (2010 - £2,223) for advertising and sponsorship. At 30 June 2011 Carlisle Glass Limited owed the club £nil (2010 - £380).

The club also purchased goods to the value of £6,929 (2010 - £5,641) from Carlisle Glass Limited. At 30 June 2011 the club owed Carlisle Glass Limited £2,726 (2010 - £3,928).

At the year end the club owed Mr S Pattison £nil (2010 - £70,000). During the year an amount of £50,000 (2010 - £nil) was waived by Mr S Pattison.

CUFC Holdings Limited is the parent company. At 30 June 2011 the club owed CUFC Holdings Limited £nil (2010 - £637,997). During the year freehold property valued at £85,000 was transferred from CUFC Holdings Limited to Carlisle United AFC (1921) Limited. During this financial year, the directors of CUFC Holdings Limited agreed to write off the remaining inter company balance of £721,388 at 30 June 2011.

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

19. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

At 30 June 2011 and 30 June 2010 the ultimate parent company was C U F C Holdings Limited, a company incorporated in England and Wales.

The ultimate controlling party of C U F C Holdings Limited at 30 June 2011 and 30 June 2010 was Mr H A Jenkins, Mr J L Nixon and Mr S Pattison.