

Report of the Directors and

Financial Statements

for the Year Ended 31 January 2003

for

**Carlisle and Cumbria United Independent
Supporters Society Limited**

T/A

**Carlisle and Cumbria United Independent
Supporters Trust
(CCUIST)**

**Carlisle and Cumbria United Independent
Supporters Society Limited
T/A Carlisle and Cumbria United Independent
Supporters Trust
(CCUIST)**

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for the Year Ended 31 January 2003**

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**Carlisle and Cumbria United Independent
Supporters Society Limited
T/A Carlisle and Cumbria United Independent
Supporters Trust
(CCUIST)**

**Society Information
for the Year Ended 31 January 2003**

BOARD: A Steel BA PGD/CPE(Law)
E Martlew MP
Lord Clark of Windermere
K Rowley
R Young
B Hall
D Nicholson ACIS
N Steel
A Sheridan
J Boyle
A Woodcock
M Hudson
M Scott

TREASURER: P Harrington ACA

REGISTERED OFFICE: Warwick House
Allenbrooke Road
Rosehill
CARLISLE
Cumbria
CA1 2UT

IPS REGISTERED NUMBER: 29220R

AUDITORS: Saint & Co
Chartered Accountants and Registered Auditor
Sterling House
Wavell Drive
Rosehill
CARLISLE
CA1 2SA

BANKERS: The Cooperative Bank plc
King Valley
Yew Street
Stockport
SK4 2JU

Bank of Scotland
59 Bath Street
Glasgow
G2 2DH

**Carlisle and Cumbria United Independent
Supporters Society Limited
T/A Carlisle and Cumbria United Independent
Supporters Trust
(CCUIST)**

**Report of the Board
for the Year Ended 31 January 2003**

The directors present their report with the financial statements of the company for the year ended 31 January 2003.

AIMS AND OBJECTIVES OF THE SOCIETY

The trust seeks to increase the influence of the local community in Carlisle United with the objective of achieving the use of supporters funds to purchase shares and the establishment of a strong voice for supporters on the board of directors through the election of a least one supporters director.

REVIEW OF THE ACTIVITIES AND ACHEIVEMENTS OF THE SOCIETY

The last year has seen perhaps the most important changes in the running of Carlisle United in its 100 year history. In June 2002 supporters having demonstrated that they would no longer patronize the Club unless there was a change of ownership, a new owner was able to acquire the Club. In May 2003 a deal was struck with the new owner which provided immediate effective ownership to CCUIST of a 20% shareholding in its holding company, CUFC Holdings Ltd. A further 20% was made available at the same price once the first 20% had been paid for, a further 9% at a price to be negotiated once the 40% had been paid for, and a further percentage, passing effective control of the Club to the Cumbrian community, was made available on the departure or retirement of the current owner.

CCUIST, the Cumbrian Community's stake in its football club, now has effective ownership of 20% of Carlisle United and within the next decade has the possibility of controlling the club. We have already demonstrated that if we stick together we can not only achieve our objectives as a Trust but also provide the finance to the Club so that it can progress to Division One.

BOARD MEMBERSHIP

The board members during the year under review were:

M Corry	Resigned 14/7/02	E Martlew MP	
A Steel (Chairman)		Lord Clark of Windermere	
K Rowley (Secretary)		M Hudson	
R Young		M Scott	Appointed 14/7/02
B Hall		B Furneaux	Resigned 14/7/02
B Rafferty	Resigned 14/7/02	I Brown	Resigned 14/7/02
T Scarbrough	Resigned 14/7/02	R Brewster	Resigned 14/7/02
J Kerr	Resigned 14/7/02	A Sheridan	
M Mitchell	Resigned 14/7/02	M Hudson	Resigned 14/7/02
D Nicholson		N Steel	
A Woodcock		M Cheshire	Resigned 14/12/02
J Boyle		J Wilson	Resigned 14/7/02

STATEMENT OF BOARD RESPONSIBILITIES

Relevant 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 society and of the profit or loss of the society for that period. In preparing those financial statements, the board are required to


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

The board are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the society and to enable them to ensure that the financial statements comply with the Industrial and Provident Societies Act 1965. They are also responsible for safeguarding the assets of the society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, Saint & Co, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



K Rowley (Secretary)

14 June 2003

**Carlisle and Cumbria United Independent
Supporters Society Limited
T/A Carlisle and Cumbria United Independent
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**Report of the Independent Auditors to the Members of
Carlisle and Cumbria United Independent
Supporters Society Limited**

We have audited the financial statements of Carlisle and Cumbria United Independent Supporters Society Limited for the year ended 31 January 2003 on pages four to seven. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the society's members, as a body, in accordance with Section 4 of the Friendly and Industrial and Provident Societies Act 1968. Our audit work has been undertaken so that we might state to the society's members those matters we are required to state to them in an 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 society and the society's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the committee of management and auditors

The boards responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Board Responsibilities.

We have been appointed as auditors under section 4 of the Friendly and Industrial and Provident Societies Act 1968 and report in accordance with section 9 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Friendly and Industrial and Provident Societies Act 1968. We also report to you if, in our opinion, the Boards report is not consistent with the financial statements, if the society has not kept proper accounting records, if a satisfactory system of internal control has not been established and maintained, if we have not received all the information and explanations we require for our audit.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the society's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the society's affairs as at 31 January 2003 and of its excess of income over expenditure for the period then ended then ended and have been properly prepared in accordance with the Industrial and Provident Societies Act 1965 and the Friendly and Industrial and Provident Societies Act 1968.



Saint & Co
Chartered Accountants and Registered Auditors
Sterling House
Wavell Drive
Rosehill
CARLISLE
CA1 2SA

Dated: 10 July, 2003

**Carlisle and Cumbria United Independent
Supporters Society Limited
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**Income and Expenditure Account
for the Year Ended 31 January 2003**

		Year Ended 31.1.03		Period 1.5.01 to 31.1.02	
	Notes	£	£	£	£
Income:					
Members Subscriptions		4,408		2,538	
Merchandise Sales		1,382		2,826	
Event Income		8,618		4,830	
Donations & Sponsorship		194		5,806	
Interest Received		<u>2,700</u>		<u>198</u>	
			17,302		16,198
Expenditure:					
Merchandise Purchases		1,467		463	
Event Costs		5,423		2,639	
Membership Costs		546		4,173	
Meeting Costs		271		1,852	
Postage, Stationery & Advertising		2,933		3,286	
Insurance		150		150	
Audit Fee		1,300		1,200	
Bank Charges		812		189	
Taxation	2	44		20	
Legal fees		498		-	
Bad debts		210		-	
Telephone		<u>100</u>		<u>-</u>	
			<u>13,754</u>		<u>15,972</u>
EXCESS OF INCOME OVER EXPENDITURE			<u>£3,548</u>		<u>£226</u>

There are no other gains or losses other than those included in the income and expenditure account.

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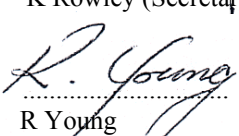
**Balance Sheet
31 January 2003**

		<u>31.1.03</u>	<u>31.1.02</u>
	Notes	£	£
CURRENT ASSETS:			
Stocks		2,500	3,777
Debtors	3	794	1,817
Cash at bank and in hand	4	<u>109,805</u>	<u>59,566</u>
		113,099	65,160
CREDITORS: Amounts falling due within one year	5	<u>108,382</u>	<u>64,003</u>
NET CURRENT ASSETS:		<u>4,717</u>	<u>1,157</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:		<u>£4,717</u>	<u>£1,157</u>
CAPITAL AND RESERVES:			
Called up share capital	6	943	931
Profit and loss account		<u>3,774</u>	<u>226</u>
		<u>£4,717</u>	<u>£1,157</u>

ON BEHALF OF THE BOARD:


.....
A. Steel (Chairman)


.....
K Rowley (Secretary)


.....
R Young

Approved by the board on 14 June 2003

**Carlisle and Cumbria United Independent
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**Notes to the Financial Statements
for the Year Ended 31 January 2003**

1. **ACCOUNTING POLICIES**

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standards.

Membership Income

Membership runs from 1 June to 31 May. As such amounts are apportioned during the year and the relevant portion is included in Accruals & deferred income.

Merchandise Sales

Merchandise sales represent the sale of shirts, caps, mugs, pens etc.

Donations & Sponsorship

Donations represent one off receipts from companies and individuals for the running of the society. Donations and sponsorship are recognized when received.

Event Income

This represents the gross income from the Golf day and the Harraby Social Evening held in 2002. Event income is recognized when the event takes place.

Stocks

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

2. **TAXATION**

Analysis of the tax charge

Interest income has been charged at 1.6% in the year. Total charge being £44. (2002 - £20)

3. **DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.1.03 £	31.1.02 £
Amounts Due From Members	-	1,817
Event debtors	140	-
Corporation Tax Recoverable	313	-
Prepayments	<u>341</u>	<u>-</u>
	<u>774</u>	<u>1,817</u>

4. **CASH AT BANK AND IN HAND**

	31.1.03 £	31.1.02 £
Co-operative Bank Current Account	5,719	59,566
Bank of Scotland Share Fund Account	<u>104,086</u>	<u>-</u>
	<u>109,805</u>	<u>59,566</u>

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**Notes to the Financial Statements
for the Year Ended 31 January 2003**

**5. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.1.03	31.1.02
	£	£
Trade creditors	8	3,926
Share Fund (Note 7)	104,086	54,241
Corporation tax	-	20
Accruals & deferred income	<u>4,288</u>	<u>5,816</u>
	<u>108,382</u>	<u>64,003</u>

6. SHARE CAPITAL

The society had 943 members at 31 January 2003 (931- 2002). Each member has contributed £1 in share capital. If a member ceases to renew their membership their shareholding will be cancelled. Their share of £1 would then be transferred to membership subscriptions. There were 115 new members in the year with 103 memberships ceasing.

7. SHARE FUND

The society holds on behalf of its members £104,086 of contributions towards the aim of the purchase of shares in Carlisle United Association Football Club (1921) Limited. These contributions are not repayable as the aims of the society and the basis of the share fund have been achieved. (see Note 8)

8. SHARE PURCHASE

After the year end the society negotiated and completed the purchase of 20% of the share capital of CUFC Holdings Limited, the holding company of Carlisle United Association Football Club (1921) Limited.

Due to the administration of the club, the shares were purchased in the holding company. Due to the change in the stated purpose of the share fund, the membership were consulted on this course of action, and only the contributions of those members whom agreed to this purchase were used. The remaining contributions, which at 30 June 2003 amounted to £11,384, are held in the separate share fund account until a time when shares can be purchased in Carlisle United Association Football Club (1921) Limited.

The purchase price for the shares was £395,000 of which £100,000 has been paid post year end. The society has three years in which to raise the remaining £295,000. There are no penalties on the society if this amount is not reached at the end of the three years.

This page does not form part of the statutory financial statements