

**EXETER CITY AFC SUPPORTERS' SOCIETY LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MAY 2008**

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## **EXETER CITY AFC SUPPORTERS' SOCIETY LIMITED**

### **REPORT OF THE BOARD OF SOCIETY**

#### **FOR THE YEAR ENDED 31 MAY 2008**

The Board of Exeter City AFC Supporters' Society Limited have pleasure in presenting their sixth annual report and the audited financial statements for the year ended 31 May 2008.

#### **STATUS**

The Society is registered as an Industrial and Provident Society. It was incorporated on 21 January 2002 and took over the activities of the previously unincorporated Supporters' Trust on that date.

#### **PRINCIPAL ACTIVITY AND OBJECTIVES**

The aims of the Trust on incorporation were to strengthen the bonds between Exeter City Football Club and the community which it serves, to represent the interests of the community in the running of the Club in all aspects of the game and to provide and maintain facilities for the enjoyment of professional football in the area. These remain the key objectives.

On 22 March 2003 the Trust adopted as its prime objective "To prepare itself for shared or full ownership of Exeter City Football Club". This objective was achieved on 4 September 2003 when the Trust acquired a majority holding in Exeter City AFC Limited.

#### **REVIEW OF THE YEAR**

We are delighted that our Club has achieved the first of its goals of returning to the Football League and we offer our congratulations to all those connected with the Club and look forward to consolidation and progress in the coming seasons.

Throughout the year the Board of Society has continued to meet at least once a month and has considered many different matters relevant to the interests of our members, the objectives of the Trust and its role as the majority shareholder of Exeter City AFC Limited.

In an attempt to streamline our decision making processes we have four sub-groups - *Finance, Operations/Community, Football and Commercial/Fund Raising* and set a number of strategic aims towards which one or more of the sub-groups are currently working. The sub-groups meet independently of the main Trust Board and report to it regularly. They have been deliberately created to mirror the Club board structure under V10 and Trust and Club sub groups meet jointly from time to time to explore areas of mutual concern and keep each other up to date with current and future developments.

The membership of the sub groups is intended to be much wider than simply the elected Trustees and anyone who thinks they may have something to offer is invited to e-mail or write to the Trust. The more hands we have to the pump the more we can get done and the quicker we will be able to reach our goals. The Trustees work as hard as they are able to on your behalf but we are all volunteers with other lives and we welcome offers of help.

At all times over the last twelve months the Board of Society has sought to work in partnership with the Club Board to ensure that the best interests of Exeter City and of its supporters are kept to the forefront.

In addition to the joint sub Boards mentioned above both Boards meet regularly in open forum when any matter can be raised by either side and be assured that it will be dealt with frankly and openly. Denise Watts chairs the Club Board in an ex officio capacity and we have another observer at all Club Board meetings (usually Rob Doidge) to report back on the proceedings. A Trust member is present on the interview panel for all key Club appointments to ensure the views of the supporters are always taken into account.

The relationship between the Trust and the Club continues to evolve and we are now close to finalising a protocol which will regulate that relationship. When we do we believe it will be a first for the Supporters Trust movement nationally and may well become a blueprint for other Trusts and Clubs to follow.

## **EXETER CITY AFC SUPPORTERS' SOCIETY LIMITED**

### **REPORT OF THE BOARD OF SOCIETY**

#### **FOR THE YEAR ENDED 31 MAY 2008 CONTINUED**

Turning now to the financial statements we are delighted to report that membership numbers held up over the course of the year and surged forward again at the end of the season when we made it into the playoffs. At 31 May our membership stood at 2403 (2007 - 2306). We hit the 2500 mark on 26 June. Total subscription income for the year was £96823 compared with £93801 last year.

Membership remains by far and away our biggest source of income and as the Club administration has strengthened over the last couple of years so we have been happy to gradually hand back to them the fund raising initiatives which the Trust took over in the dark days of 2003/2004.

Gone forever, we hope, are the days of desperate crisis fund raising and with them the need for the Trust to regularly bring out the begging bowl. Donations therefore have continued to fall but we will never forget those members who provided 5 year interest free loans totalling £22690 in the autumn of 2003 when the Club was really up against it. We are currently making arrangements to wind up this fund, including repaying those donors who wish to receive their money back with our grateful thanks to all those who came forward at that horrendous time.

The total funds raised in the year to 31 May 2008 were £112523 (2007 - £109718). Expenses totalled £11293. Overheads therefore accounted for only 10% (2007 - 4%) of total funds raised meaning that at least 90% of everything you give goes to the Club you support in one way or another.

Remember, the Club does not have wealthy Board members who are prepared to personally finance their dreams, but we have something much more valuable. In loans and donations the Trust advanced £74899 to the Club in 2007/2008 and £104073 in 2006/2007. We know that the supporters will always be there and will never demand their money back. In addition to monthly cash injections the Trust has provided the funds for some specific capital items that the Club convinced us would improve the facilities or generate more income. These are detailed in the notes to the accounts but £14899 (2007 - £56073) was donated in this way.

Last year was a good year financially but we cannot become complacent. The Club is developing new income streams and with increasing commercial income is less reliant on the Trust as a lifeline. This is as it should be, and we want to be in a position to replenish our reserves so we are better able to help the Club in the future with donations that will really make a difference.

The Board of Society is fully committed to providing for the future of Exeter City as a Trust owned Club and is always conscious of the need to be sensitive to the needs of all its members. I thank each and every one of you for your contribution; large or small they are all vital to the future success of the Club we love.

#### **BOARD OF SOCIETY**

The membership of the Board of Society at 31 May 2008 was as follows:

- |                    |                                                                                                                                                                                                                       |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (Elected Members)  | Denise Watts (Chairman), Tony Badcock, Andy Cole, Mike Cooper, Rob Doidge, Adrian Gibb, Adrian Hitchcox, Martin Lawrence, Trevor Manley, Damien Mills, Chris Phillips, Roy Slack, Peter Tomlinson, Dr David Treharne. |
| (Co-opted Members) | Neil Le Milliere (Exiles and Supporters Direct representative), Helen Bigwood (Red Army) Fran Jenkin (Kick It Out).                                                                                                   |
| (Officers)         | Nigel Banks (Finance), Roger Conway (Company Secretary).                                                                                                                                                              |

**EXETER CITY AFC SUPPORTERS' SOCIETY LIMITED**

**REPORT OF THE BOARD OF SOCIETY**

**FOR THE YEAR ENDED 31 MAY 2008 CONTINUED**

**STATEMENT OF RESPONSIBILITIES OF THE BOARD OF SOCIETY**

The law requires the Board of Society to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Society and of its surplus or deficit for that period. In preparing those financial statements, the Board of Society is 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 a going concern basis unless it is inappropriate to presume that the Society will continue in business.

The Board of Society is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Society, safeguarding the Society's assets and taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR**

So far as the trustees are aware, there is no relevant audit information of which the company's auditor is unaware, and they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**AUDITOR**

The auditor, Stephen J Bright, has expressed his willingness to continue in office and a resolution for his reappointment will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Society  
and signed on its behalf by:

.....  
Roger Conway  
Secretary

16 September 2008

**EXETER CITY AFC SUPPORTERS' SOCIETY LIMITED**

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF EXETER CITY AFC SUPPORTERS' SOCIETY LIMITED**

I have audited the financial statements of Exeter City AFC Supporters' Society Limited for the year ended 31 May 2008 which comprise the Revenue Account, the Balance Sheet, Accounting Policies and related Notes numbered 1 to 10 on pages 7 to 11, which have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with the Friendly and Industrial Provident Societies Act 1968. My work has been undertaken so that I might state to the Society's members those matters I am required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Society and the Society's members as a body, for my audit work, for this report, and for the opinions I have formed.

**Respective Responsibilities of the Board and the Auditor**

As described in the Statement of Responsibilities of the Society Board within the Report of the Society's Board, the Society's Board is responsible for the preparation of financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland).

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

I report to you my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the requirements of the Friendly and Industrial and Provident Societies Act 1968. I also report to you if, in my opinion, the Society has not kept proper accounting records or if I have not received all the information and explanations I require for my audit.

**Basis of Opinion**

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) 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 Board 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.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me 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 my opinion, I also evaluated the overall accuracy of the presentation of information in the financial statements.

**Opinion**

In my opinion the financial statements give a true and fair view of the state of the affairs of the Society at 31 May 2008 and of the surplus for the year then ended and have been properly prepared in accordance with the requirements of the Friendly and Industrial Provident Societies Act 1968 and the Industrial and Provident Societies Act 1965.

As explained in note 1(b) to the financial statements the Society has not prepared group accounts incorporating the affairs of one of its subsidiary companies as required by Section 13 of the Friendly and Industrial and Provident Societies Act 1968. Approval for this course of action has been received from the Financial Services Authority.

As required by the Authority I confirm to the Trustees of the Society that the grounds given in the original application continued to apply throughout the year ended 31 May 2008.

Stephen J Bright  
Chartered Accountant and  
Registered Auditor  
10 High Croft, Exeter EX4 4JQ

22 September 2008

**EXETER CITY AFC SUPPORTERS' SOCIETY LIMITED**

**REVENUE ACCOUNT**

**FOR THE YEAR ENDED 31 MAY 2008**

	<u>Note</u>	<u>2008</u> £	<u>2007</u> £
INCOME	2	109711	104171
Cost of Producing Income		<u>2624</u>	<u>1010</u>
GROSS PROFIT		107087	103161
Administration and other expenses		<u>84554</u>	<u>168533</u>
OPERATING SURPLUS/(DEFICIT)		22533	(65372)
Interest receivable and other income		<u>2812</u>	<u>5547</u>
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION	3	25345	(59825)
Taxation	4	<u>585</u>	<u>431</u>
SURPLUS/(DEFICIT) FOR THE YEAR		<u><u>24760</u></u>	<u><u>(60256)</u></u>

The accompanying notes numbered 1 to 10 form part of these financial statements

**EXETER CITY AFC SUPPORTERS' SOCIETY LIMITED**

**BALANCE SHEET**

**AS AT 31 MAY 2008**

	<u>Note</u>	£	<u>2008</u> £	£	<u>2007</u> £
INVESTMENTS	5		20100		20100
CURRENT ASSETS					
Debtors	6	789		2931	
Cash at bank and in hand		124536		102447	
		————		————	
		125325		105378	
		————		————	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	7	27644		5589	
		————		————	
NET CURRENT ASSETS			97681		99789
			————		————
TOTAL ASSETS LESS CURRENT LIABILITIES			117781		119889
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	8		-		27090
			————		————
			117781		92799
			=====		=====
Financed by:					
CAPITAL RESERVES					
Share capital	9		2403		2306
General reserve	9		24603		(344)
Red or Dead reserve	9		87275		90837
Drumming up Support	9		3500		-
			————		————
MEMBERS' FUNDS			117781		92799
			=====		=====

These accounts have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

Signed on behalf of the Society Board on 16 September 2008

.....  
Chairman

.....  
Secretary

.....  
Trustee

The accompanying notes numbered 1 to 10 form part of these financial statements

**EXETER CITY AFC SUPPORTERS' SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MAY 2008**

**1 ACCOUNTING POLICIES**

(a) Basis of Accounting

The Society is incorporated under the Industrial & Provident Societies Act 1965. The financial statements have been prepared under the historical cost convention and in accordance with applicable Financial Reporting Standards for Smaller Entities (effective January 2007).

(b) Basis of Consolidation

The Society has one (previously two) subsidiary undertakings (see Note 5). These financial statements however comprise only the results of the parent undertaking, Exeter City AFC Supporters Society Limited.

In the opinion of the Trustees the businesses of the Society and that of its subsidiary Exeter City AFC Limited are so different that they cannot reasonably be treated as a single undertaking. Approval has been obtained from the Financial Services Authority for this course of action.

The other subsidiary, Footypitch.com Limited, has been dormant for several years and was disposed of on 6 March 2008 for a nominal sum.

(c) Income Recognition

Voluntary income received by way of donations and gifts is included in the Revenue Account when received. Gifts in kind are valued and brought in as income and the appropriate expenditure.

Fund raising income from events organised by the Trust is included in the Revenue Account when raised. Fundraising proceeds not yet received by the Trust at the year end have also been taken to income at the Trustees' estimate of their likely receivable amount.

**2 INCOME**

The entire income derived from activities in the United Kingdom and is made up as follows:

	<u>2008</u>	<u>2007</u>
	£	£
Membership subscriptions	96823	93801
Appeals and donations	12509	9742
Trading activities	229	246
Other sources	150	382
	—————	—————
	109711	104171
	=====	=====

**EXETER CITY AFC SUPPORTERS' SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MAY 2008 CONTINUED**

**3 SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES**

The surplus/(deficit) on ordinary activities is stated after charging:

	<u>2008</u>	<u>2007</u>
	£	£
Donations to and items purchased for the Club	14899	56073
Loans to ECFC	60000	108000
Auditor's remuneration	950	950
	<u>          </u>	<u>          </u>
and after crediting:		
Exceptional item – adjustment to Footypitch costs	100	2910
Interest receivable	2712	2637
	<u>          </u>	<u>          </u>

In accordance with its objectives the Society has advanced loans to Exeter City AFC Limited, its principal subsidiary in which it has a controlling interest. Since the Trustees consider it doubtful that the loans advanced can be repaid they have been provided against in full in these financial statements. At the Balance Sheet date the amount advanced to the Club amounted to £529572 (2007 - £469572).

**4 TAXATION**

	<u>2008</u>	<u>2007</u>
	£	£
UK corporation tax based on the surplus/(deficit) for the year	586	346
Adjustment to prior period	(1)	85
	<u>          </u>	<u>          </u>
	585	431
	<u>          </u>	<u>          </u>

**5 INVESTMENTS**

	<u>2008</u>	<u>2007</u>
	£	£
At 1 June 2007 and At 31 May 2008	<u>20100</u>	<u>20100</u>

The Company's investments at the balance sheet date in the share capital of unlisted companies comprise the following:-

**Exeter City AFC Limited**

Investment at cost	<u>20100</u>	<u>20100</u>
--------------------	--------------	--------------

The Trust holds 20703 £1 Ordinary Shares and 577 Non Cumulative 5% Preference Shares of £1 each in Exeter City AFC Limited which is registered in England and Wales and whose principal activity is that of a professional football club. Although there is some uncertainty as to the precise number of shares in issue this is believed to comprise 63% of the issued share capital and 53% of the voting rights of the Company.

No financial information for Exeter City AFC Limited for the accounting period ended 31 May 2008 is available at the present time.

**Footypitch.com Limited**

Investment at cost	-	100
Less: Provision	<u>-</u>	<u>(100)</u>
	<u>          </u>	<u>          </u>

The company's investment in Footypitch.com Limited was sold on 6 March 2008 for a nominal sum.

**EXETER CITY AFC SUPPORTERS' SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MAY 2008 CONTINUED**

**6 DEBTORS**

	<u>2008</u>	<u>2007</u>
	£	£
Amount due from subsidiary undertakings	529572	485121
Less: Provision	(529572)	(485121)
Sundry Debtors	500	2642
Prepayments	289	289
	<u>789</u>	<u>2931</u>

**7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<u>2008</u>	<u>2007</u>
	£	£
Trade Creditors	-	-
Other Creditors	-	109
Accruals and Payments in Advance	980	1300
Red Card and other Third Party Loans	26620	4180
Corporation Tax	44	-
	<u>27644</u>	<u>5589</u>

**8 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

Red Card Loans

The Red Card scheme comprises three separate options – a discounted 5 Year Season ticket with other benefits; a five for the price of four advance Season Ticket and an interest free loan repayable after 5 years.

At the Balance Sheet date the loans were repayable:

The Group and the Company:	<u>2008</u>	<u>2007</u>
	£	£
Within one year	26620	4180
Within two to five years	-	27090
After five years	-	-
	<u>26620</u>	<u>31270</u>

The total liability shown in the financial statements includes such provision as the Board consider necessary for the Society to meet its obligations under the various schemes.

**EXETER CITY AFC SUPPORTERS' SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MAY 2008 CONTINUED**

**9 RECONCILIATION OF MOVEMENTS IN MEMBERS' FUNDS**

	<u>Share Capital</u> £	<u>General Reserve</u> £	<u>Red or Dead Reserve</u> £	<u>Drumming Up Support</u> £
Balance at 1 June 2007	2306	(344)	90837	-
Shares issued	222	-	-	-
Shares cancelled	(125)	125	-	-
Surplus for the year	-	24760	-	-
Movement in Reserves	<u>-</u>	<u>62</u>	<u>(3562)</u>	<u>3500</u>
Balance at 31 May 2008	<u>2403</u>	<u>24603</u>	<u>87275</u>	<u>3500</u>

The Red or Dead Campaign was launched by the Trust in July 2004 to solicit pledges at £500 a time from Trust members, supporters of Exeter City Football Club and other well-wishers to raise sufficient funds to pay off the amount outstanding under the Club's Creditors Voluntary Arrangement and "Football Creditors".

Since the funds are not now required for this purpose individual donors have been consulted and have agreed that the funds may be utilised by the Club against a number of projects, mainly of a capital nature, as directed by the individual donors.

The Fund is managed by the Trust but is entirely separate from it and kept in a separate reserve. Funds are invested in a Lloyds Bank Instant Access Savings Account and cannot be utilised for any other Trust or Club purpose.

Drumming Up Support is a project to recruit and train fans to provide drumming support for the team from the terraces. At 31 May 2008 a series of workshops had been held and the project will conclude with a further series at the start of the present season and an on pitch demonstration at a future home league fixture.

a) Red or Dead Reserve:

At 31 May 2008 the balance of the Red or Dead reserve was £87275 and the movement of the fund over the year was as follows:

	£	£
At 1 June 2007		90837
Add:		
Donations received	3075	
Interest received	<u>2712</u>	
		<u>5787</u>
		96624
Less:		
Donations made to Club:		
Tractor	3700	
Stage lighting	500	
Grandstand steps	<u>5149</u>	
		<u>9349</u>
		<u>87275</u>

At 31 May 2008 further funds of approximately £40000 had been allocated to other approved projects.

**EXETER CITY AFC SUPPORTERS' SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MAY 2008 CONTINUED**

**9 RECONCILIATION OF MOVEMENTS IN MEMBERS' FUNDS - Continued**

b) Drumming Up Support:

	£	£
At 1 June 2007		-
Grants receivable:		
Arts Council SW	5000	
Exeter Arts Council	<u>1000</u>	6000
Less: Cost of Drumming Workshops		<u>2500</u>
At 31 May 2008		<u>3500</u>

**10 ULTIMATE CONTROLLING PARTY**

The Society is controlled by its members.

**EXETER CITY AFC SUPPORTERS' SOCIETY LIMITED**

**DETAILED REVENUE ACCOUNT**  
**YEAR ENDED 31 MAY 2008**

	<u>Note</u>	<u>2008</u>	<u>2007</u>
		£	£
<b>INCOME</b>			
Membership subscriptions		96823	93801
Grants receivable – Drumming Up Support		6000	-
Appeals – Red or Dead		3075	3887
Gifts and donations		1410	1680
Other income		150	382
Retail commission		229	246
Fund raising income		1134	120
Bucket collections		890	113
Grecial Goal schemes		-	3942
		-----	-----
		109711	104171
		-----	-----
<b>COST OF PRODUCING INCOME</b>			
Purchases of merchandise		-	645
Fund raising expenses		124	365
Drumming workshops		2500	-
		-----	-----
		2624	1010
		-----	-----
<b>OTHER INCOME</b>			
Interest receivable		2712	2637
Adjustment to Footypitch costs		100	2910
		-----	-----
		2812	5547
		-----	-----
<b>EXPENSES</b>			
AGM expenses		1516	976
Advertising		2319	-
Printing and postage		1501	33
Provision for future season ticket purchases - Red Card scheme		(220)	(1290)
Legal and professional fees		617	-
Secretarial fees		125	1500
Annual Return fee		155	85
Insurance		368	393
Auditor's remuneration		950	950
Bank charges		348	256
Sundry expenses		890	226
Generator service		-	347
Subscriptions		100	-
		-----	-----
		8669	3476
		-----	-----
<b>OTHER COSTS</b>			
Loans to ECFC		60000	108000
Donations to and items purchased for the Club	1	14899	56073
Other donations and sponsorship	2	986	984
		-----	-----
		75885	165057
		-----	-----
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>		25345	(59825)
		=====	=====

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**EXETER CITY AFC SUPPORTERS' SOCIETY LIMITED**

**NOTES TO THE DETAILED REVENUE ACCOUNT**  
**YEAR ENDED 31 MAY 2008**

**1 DONATIONS TO AND ITEMS PURCHASED FOR THE CLUB**

	£	£
Drainage at Cat and Fiddle	4500	
Scaffold tower	1050	
	—	5550
Red or Dead		
Replacement tractor at S.J.P.	3700	
Stage lighting	500	
Grandstand steps	5149	
	—	9349
		—
		14899
		—

**2 OTHER DONATIONS AND SPONSORSHIP**

Sponsorship ECFC Ball boys and girls		596
James Berry donation		380
End of season trophies		10
		—
		986
		—

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