

Registration No. IP 2590 RS

RAITH ROVERS INDEPENDENT SUPPORTERS' SOCIETY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010



RAITH ROVERS INDEPENDENT SUPPORTERS' SOCIETY LTD

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RAITH ROVERS INDEPENDENT SUPPRTERS' SOCIETY LTD

STATUTORY INFORMATION

Directors

G Condie
T Cunningham
J Mainland
T Phillips
J Proctor
A Russell
B White
S Lawther

Secretary

J Proctor

Registered Number

IP 2590 RS

Registered Office

9 East Fergus Place
Kirkcaldy
KY1 1XU

Bankers

Bank of Scotland
Carberry Road
Mitchelston
Kirkcaldy
KY1 3PA

Solicitors

Cobbetts
Ship Canal House
King Street
Manchester
M2 4WB

DIRECTORS' REPORT
YEAR ENDED 30 JUNE 2010

The Directors present their report and financial statements for the year ended 30 June 2010.

The Society was incorporated on 17 September 2002 and took over the activities of Raith Rovers Independent Association. The Society is an Industrial and Provident Society, subject to the Industrial and Provident Societies Acts 1965 to 2002. It is regulated by the Financial Services Authority.

Principal activities

The Society's objectives are, either itself or through a subsidiary company or society trading for the benefit of the community and acting under its control:

- i) to strengthen the bonds between Raith Rovers Football Club ("the club") and the community which it serves and to represent the interests of the community in the running of the club,
- ii) to benefit present and future members of the community served by the Club by promoting, encouraging and furthering the game of football as a recreational facility, sporting activity and focus for community involvement,
- iii) to provide a democratic forum for Society members and the wider community to share and exchange their aspirations for the club,
- iv) to represent the interests of Society members, and the wider community, in the affairs of the Club and to engage in constructive dialogue with the representatives and staff of the Club,
- v) to support the continuing development of, and widen interest and involvement in, the game of football in the Kirkcaldy area regardless of sex, age, ability or ethnic origin of those involved, and,
- vi) to work to ensure a positive portrayal of football in general, the Club, supporters of the Club and the wider community served by the Club.

DIRECTORS' REPORT (continued)
YEAR ENDED 30 JUNE 2010

Directors

The following Directors have held office during the year to 30 June 2010.

G Condie	T Cunningham
J Mainland	T Phillips
J Proctor	A Russell
B White	S Lawther

Directors' Interests

The Directors' interests in the shares of the Society were as stated below:

Ordinary shares of £1 each

	30 June 2010	30 June 2009
G Condie	1	1
T Cunningham	1	1
J Mainland	1	1
T Phillips	1	1
J Proctor	1	1
A Russell	1	1
B White	1	1
S Lawther(appointed 06/07/2009)	1	1

Auditors

The members voted to have an independent review undertaken on the 2010 accounts in lieu of a full audit.

Directors' responsibilities

Society law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state affairs of the Society and of the surplus or deficit of the Society for that period. In preparing those financial statements, the directors are required to:

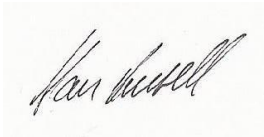
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;

DIRECTORS' REPORT (continued)
YEAR ENDED 30 JUNE 2010

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue in business.

The directors 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 Acts 1965 to 2002. 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.

On behalf of the board

A handwritten signature in black ink, appearing to read 'A Russell', is written on a light-colored rectangular background.

A Russell
Chairman

BUSINESS REVIEW – CHAIRMAN'S STATEMENT

Our most recent financial year saw the football club consolidate its position in Division One, and thrill us all with the cup run that took us to Hampden for our first Scottish Cup semi-final in almost half a century. The off-field progress also continued over the close season and we've enjoyed another solid start to this season's campaign. The recent AGMs at the football club indicate that the club is continuing to gradually turn the corner as a business, with the club predicting that it will post a small profit this financial year; in addition the legacy inter-company debt between the entities that make up Raith Rovers is in the process of being tidied up and will help to simplify the current confusing nature of the club's books.

In times like these when current events are largely going our way our attention is focussed on the future. At our last AGM we discussed the uncertainty regarding Starks Park Properties, and in the last few months we have had further dialogue with John Sim regarding this issue. Mr Sim had previously talked of his intention to "return Starks Park to the fans" once the stadium debt is paid off (in around 10 years time), and our discussion with him clarified what he meant by this – essentially he has proposed that the fans buy Starks Park from Starks Park Properties. We will continue to discuss the implications of this for the club as a whole – Starks Park Properties, New Raith Rovers, Raith Rovers Holdings and Raith Rovers FC Ltd.

We have continued to invest in New Raith Rovers over the last year, and recently made an additional investment of £5000. This was possible due to your continuing contributions, fundraising activities, the sale of merchandise through our website, and through affiliate e-commerce revenue. We could do a lot better on each of these activities though, and I would encourage you all to visit the "buy from us" and "buy from our partners" area of the website – the more people who do so, the more we can invest in the football club.

The other significant area of activity during the began with a survey of the football club's supporters. You will remember that we ran a similar survey prior to the Reclaim The Rovers campaign, and that the results helped to clarify the hopes and concerns of the fans at that time. This year's survey (and the focus group session which followed it) has been similarly enlightening, and shows us that the two big areas of concern are the club's

RAITH ROVERS INDEPENDENT SUPPORTERS' SOCIETY LTD

finances and the stadium ownership. We will continue to work towards addressing these concerns as our biggest priorities.

The survey and focus group also gave us an insight into our identity as a Trust, and in response to this we have refreshed our "brand" to be more explicit about who we are and what we stand for. Having a clearer identity will hopefully help people outside of the Trust connect with us, and will also bring our image up-to-date. Already the eye-catching display materials at the South Stand information point have received a lot of positive feedback.

Thank you for your continuing support over the last year, and hopefully for many more years to come.

Alan Russell
CHAIRMAN

BUSINESS REVIEW – MEMBERSHIP REPORT

Since the membership highs of the "Reclaim the Rovers" campaign, the Raith Trust has been actively recruiting new members. At the 2007-08 AGM it was agreed that membership would be based on a fixed annual period running from August to July. By following this timeframe it was hoped that members would associate the renewing of their membership with the start of the football season. In addition, it was hoped that a fixed annual period would make for easier administration of the membership records.

Thus, in July 2009 all members were contacted with regard to renewing their membership for year 2009-10. In addition, approximately 260 ex-members of the Trust were contacted and asked if they would consider re-joining. These 2 mailings brought a good response from both members and ex-members. At the time of writing (5 Nov 2009) the current membership stands at 204.

Blair White

MEMBERSHIP SECRETARY

BUSINESS REVIEW – TREASURER'S REPORT

Overall the trust continues to maintain a good level of income from members allowing us to continue to invest further in the football club through the trusts investment in New Raith Rovers Ltd. Income from monthly standing orders is around £400 per month. This equates to around £4,500 a year. This income combined with other fundraising activities including those run by the 200 Club and Fifes Finest have meant the trust has been able to invest a further £14,100 this year bringing our total investment in Raith Rovers to £179,630.

The trust continues to seek new sources of income and the production and sale of the David Potter books and the "Marvin Say" T-Shirts have brought a new dimension to trust fundraising. Profits for the year from sales of these is £817 with some stock remaining which we continue to sell via the website and on ebay. Affinity income is slightly down this year but that is more a reflection of prior year successes but continues to be an avenue of income the trust seeks to promote through the revamped website.

Other items of note include the donation of £15,000 in the form of shares in Raith Rovers Holdings Ltd. This donation was made some years ago by Turnbull Hutton, director of Raith Rovers but issues with obtaining the share certificate has meant it couldn't be recorded until this year.

Advertising and sponsorship expenditure increased primarily due to financing the purchase of TOPPS replica strips. These reproductions of old Raith Rovers strips add to the continuing variety of Raith Rovers merchandise available to fans which is probably as good as it has ever been following the clubs partnership with Puma.

Finally of note is the return of the £6,976 grant the trust obtained from the Coalfields Regeneration Trust. This grant was obtained to help kickstart the midnight leagues that Raith Rovers were involved in setting up in Kirkcaldy and Cowdenbeath. However, Fife Council who originally paid for this did not claim the grant funding from us and so the grant was returned.

Graeme Condie
TREASURER

**INDEPENDENT EXAMINERS REPORT
TO THE MEMBERS OF RAITH ROVERS INDEPENDENT SUPPORTERS'
SOCIETY LIMITED**

I have reviewed the financial statements of Raith Rovers Independent Supporters' Society Limited on pages 11 to 16 for the year to 30 June 2010.

This report is made solely to the society's members, as a body. My examination 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 examiners' 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 work, for this report, or for the opinions I have formed.

Respective responsibilities of Society's Board Members and the examiner

The Society Board Members consider that an audit is not required for this year as an appropriate resolution was approved by members at the last AGM and that an independent examination is therefore appropriate.

It is my responsibility to:

- examine the accounts
- follow the procedures laid down in the General Directions given by Supporters Direct; and
- state whether particular matters have come to my attention.

Basis of Independent Examiner's statement

My examination was carried out in accordance with General Directions given by Supporters Direct. An examination includes a review of the accounting records kept by the Society and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the Society Board Members concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the accounts.

INDEPENDENT EXAMINER'S REPORT (continued)

Independent examiner's statement

In the course of my examination, no matter has come to my attention

- a) which gives me reasonable cause to believe that, in any material respect, the Society Board Members have not met the requirements to ensure that:
 - i) proper accounting records are kept
 - ii) accounts are prepared which agree with the accounting records and comply with generally accepted accounting requirements; or
- b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

I can also confirm that, in my opinion, the accounts have been properly prepared in accordance with the Industrial and Provident Societies Act 1965 and Friendly and Provident Societies Act 1968.

Signed _____

Date _____

Qualification _____

Name __ _____

Address _____

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2010**

	2010	2009
	£	£
Trading Income		
Sales	113	1,418
Less Cost of Sales	<u>(33)</u>	<u>(601)</u>
Gross Profit	<u>80</u>	<u>817</u>
Income		
Members' subscriptions	545	972
Donations	6,865	19,327
Fund Raising	5,163	7,736
Affinity Income	<u>231</u>	<u>178</u>
	<u>12,804</u>	<u>28,213</u>
Expenditure		
Printing, postage and stationary	467	369
Meeting expenses	45	0
Advertising and sponsorships	4,840	1,780
Membership subscriptions	50	50
FSA Fee	180	
Grant Funding repaid	<u>0</u>	<u>6,976</u>
	<u>5,582</u>	<u>9,175</u>
Operating Surplus	<u>7,302</u>	<u>19,855</u>
Other interest receivable and similar income		
Bank Interest	<u>9</u>	<u>77</u>
Retained surplus for the year	<u>7,311</u>	<u>19,932</u>

RAITH ROVERS INDEPENDENT SUPPORTERS' SOCIETY LTD

The notes on pages 14 to 16 form part of these financial statements.

BALANCE SHEET – PERIOD ENDED 30 JUNE 2010

	Notes	2010 £	2009 £
Fixed assets			
Investments	2	<u>165,530</u>	<u>165,530</u>
Current assets			
Cash at bank and in hand		12,087	9,410
Stock		1,331	1,364
Debtors:			
Amounts receivable within one year	3	18,769	14,202
Creditors:			
Amounts falling due within one year	4	<u>0</u>	<u>112</u>
Net current assets		32,187	24,864
Total assets less current liabilities		197,717	190,394
Creditors:			
Amounts falling due after one year	5	<u>59,500</u>	<u>59,500</u>
Total Assets less Liabilities		<u>138,217</u>	<u>130,894</u>
Called up Capital and reserves			
Called up share capital	6	197	197
Income and expenditure account	7	<u>138,008</u>	<u>130,697</u>
	8	<u>138,205</u>	<u>130,894</u>

The notes on pages 14 to 16 form part of these financial statements.

RAITH ROVERS INDEPENDENT SUPPORTERS' SOCIETY LTD

The financial statements were approved by the Board on 1 November 2010.



G Condie
Treasurer



A Russell
Chairman

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2010**

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical convention.

1.2 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.3 Stock

Stock is valued at cost

2 Fixed asset investments

Unlisted Investments	2010	2009
Cost		
At Cost – 1 July 2008	165,530	150,530
Added in Year	<u>0</u>	<u>15,000</u>
At Cost 30 June 2009	<u>165,530</u>	<u>165,530</u>

The unlisted investments represent:

Raith Rovers FC Holdings Limited	36,000	36,000
New Raith Rovers Limited	<u>129,530</u>	<u>129,530</u>
	<u>165,530</u>	<u>165,530</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 30 JUNE 2010**

3 Debtors: amounts receivable within one year

	2010	2009
Investments Purchased*	18,769	14,100
Other Debtors	<u>0</u>	<u>102</u>
	<u>18,769</u>	<u>14,202</u>

* The trust purchased 18,769 shares in New Raith Rovers Limited. The company requires to increase it's authorised share capital before the shares can be distributed. This is expected to be done following the companies next AGM.

4 Creditors: amounts falling due within one year

Other creditors	<u>0</u>	<u>112</u>
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5 Creditors amounts falling due after one year

238 Loan notes of £250 each	<u>59,500</u>	<u>59,500</u>
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6 Share capital

Allotted, called up and fully paid

197 Ordinary Shares of £1 each	<u>197</u>	<u>197</u>
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7 Statement of movements on profit and loss account

Income and Expenditure Account

Balance B/Fwd	130,697	110,765
Retained surplus for period	<u>7,311</u>	<u>19,932</u>
	<u>138,008</u>	<u>130,697</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 30 JUNE 2010

8 Reconciliation of movements in shareholders' funds

	2010	2009
Surplus for the financial period	7,311	19,932
New shares issued in period	-	13
Loss from cancellation of shares	<u>-</u>	<u>-</u>
Net addition to shareholders' funds	7,311	19,945
Opening shareholders' funds	<u>130,895</u>	<u>110,950</u>
Closing shareholders' funds	<u>138,206</u>	<u>130,895</u>