

Registration No. IP 2590 RS

RAITH ROVERS INDEPENDENT SUPPORTERS' SOCIETY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011



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 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 2011**

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

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 2011

Directors

The following Directors have held office during the year to 30 June 2011.

G Condie	T Cunningham
J Mainland	T Phillips (Resigned 28/02/2011)
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 2011	30 June 2010
G Condie	1	1
T Cunningham	1	1
J Mainland	1	1
T Phillips (Resigned 28/02/2011)	-	1
J Proctor	1	1
A Russell	1	1
B White	1	1
S Lawther	1	1

Auditors

The members voted to have an independent review undertaken on the 2011 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:

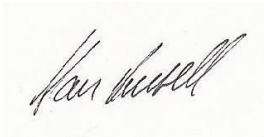
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;

DIRECTORS' REPORT (continued)
YEAR ENDED 30 JUNE 2011

- 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

The last financial year has seen one of the most successful seasons (in football terms) in recent years for the football club. It is an unfortunate fact that, in the current climate in Scottish football, success on the field of play does not guarantee success in business terms. This time last year the club were predicting that it would post a small profit, but a number of unanticipated events meant that it actually posted an £85K loss. This turnaround came from a number of sources, two of which can partly be attributed to the economic downturn – the increase in VAT, and a higher than budgeted expenditure on win bonuses with crowds not increasing sufficiently to fund these. The most significant issue, however, was the postponement of the home fixture against Dundee due to the referees' strike – a strike which arbitrarily affected the finances of 50% of SFL clubs, due to a dispute primarily between the referees and one SPL club. In these situations, football clubs should be able to rely on the SFA for compensation, or at least to share the burden of this event across all its member clubs, but the harsh reality is that Raith Rovers FC (and the other 14 clubs whose home fixtures could not take place) have been left to suffer the consequences unsupported.

The football club embarked on a cost-cutting exercise during the close season in order to ensure a return to profitability, and we are now seeing the inevitable product of a smaller first team squad – inconsistent performances, poorer results, and what is shaping up to be a difficult season. The challenge was made harder during close season when HMRC, a creditor who the club have previously agreed a payment plan with at the end of every financial year, indicated that they would not accept repayment on the usual terms. In short, a bill of approximately £50K which the club is normally allowed to pay over 8-10 months had to be settled before the start of this season, a time when the club has no income. Amongst other contributions from shareholders, the Trust brought forward this season's investment, purchasing a further 5000 shares, and the bulk of the debt was repaid during close season to HMRC's satisfaction.

This most recent investment has left the Trust with much lower financial reserves than we normally have, and we therefore appreciate your continuing contributions more than ever. It is evident that the world in which we live is becoming more challenging for us all – individuals, businesses, institutions and governments. Football is not a matter of life and death, but it does play a

RAITH ROVERS INDEPENDENT SUPPORTERS' SOCIETY LTD

very important part in all of our lives, and we believe it has a significant role to play in the communities we live in. I would urge you to do whatever you can in these difficult times to continue supporting the Trust, and encourage others to do so. Together we can make a difference.

The "Rally Round Rovers" campaign will hopefully play a significant role in plugging the gap in the football club's finances for this season. Everyone connected with Raith Rovers is pulling in the same direction, and the schedule of events over the coming months look to offer something for everyone. Please attend as many of these as you can, they are vitally important.

For the Trust, as well as supporting the club through this difficult season, we will be targeting our attention on three projects which will define ~~how~~ the role of the Trust going forward. One will look at what it takes to maintain the status quo (keeping the Trust running, maintaining our RRFC shareholding, etc), the second will propose how to tackle the club's historical debt (the under-capitalisation of the "Reclaim The Rovers" campaign), and the third will investigate options for legacy giving (where fans can leave a portion of their estate to the Trust upon their death, to be used to benefit the football club in the long-term). [If you would like to shape the direction of these projects please let us know.](#)

Thank you once again for your involvement, commitment and support.

Alan Russell
CHAIRMAN

BUSINESS REVIEW – MEMBERSHIP REPORT

At June 2011 the membership stood at 238 (At June 2010 the membership was 245). The 2011-12 membership renewal process is continuing with reminder letters having recently been sent out. The reminder letters usually generate a good response from the members and at the time of writing (26 Oct 2011) the current membership stands at 200. At a similar time last year (3 Nov 2010) membership stood at 209. It is expected that Trust numbers will rise to the 2010-11 levels as individuals continue to renew their membership.

The Trust Board has briefly considered the possibility of moving to a 2-year membership cycle. There are advantages and disadvantages associated with such a move. The main advantage is that it reduces administration costs. The main disadvantage is that it removes the annual opportunity for the Trust to update its membership database (eg change of address, emails, etc). A 2-year membership cycle will be considered in more detail by the Trust Board in the forthcoming year.

Blair White

MEMBERSHIP SECRETARY

BUSINESS REVIEW – TREASURER'S REPORT

The year to 2011 sees a very similar picture to 2010. Income is down slightly primarily due to a fall in fund raising income. The majority of that money in both years comes from Rock the Rovers. Given the economic climate it is pleasing to see membership income continue to trend around £400 per month with members continuing to contribute significantly above the cost of membership. The slight overall drop in income was more than offset by a reduction in marketing expenditure.

This regular stream of income has enabled the trust to continue to make significant contributions to the club. A £5,000 contribution was made towards the end of 2010 at a time of the year when cashflow has always been difficult for the club. This combines with the £4,000 contribution paid by Rock the Rovers that the trust benefits from in the form of shares. A further £5,000 was paid over in the close season as the club continues to battle against widely publicised financial challenges. This later contribution isn't included in these accounts as it was paid after our year end date. Balancing the need to support the club in the short term with the desire to build a longer term reserve is a constant debate at trust board meetings. Given our experience of Reclaim the Rovers, currently the trust board are aiming to maintain a reserve of around £10,000 though that strategy is under review whilst we look at various options over the short, medium and long term.

We continue to accrue our recent investments in the football club rather than receive the shares whilst we await the club to finalise their June 2011 accounts. The increase in share capital that allows the new shares to be issued was approved at last years AGM.

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 2011.

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.

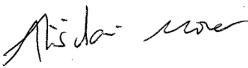
INDEPENDENT EXAMINER'S REPORT (continued)

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 ACMA _____

Name Alisdair More _____

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2011**

	2011	2010
	£	£
Trading Income		
Sales	66	114
Less Cost of Sales	<u>(41)</u>	<u>(33)</u>
Gross Profit	<u>25</u>	<u>81</u>
Income		
Members' subscriptions	491	497
Donations	6,445	6,865
Fund Raising	4,685	5,096
Affinity Income	<u>121</u>	<u>231</u>
	<u>11,742</u>	<u>12,689</u>
Expenditure		
Printing, postage and stationary	399	417
Meeting expenses	25	45
Advertising and sponsorships	2,654	4,824
Membership subscriptions	-	50
FSA Fee	-	180
Survey	<u>882</u>	<u>-</u>
	<u>3,960</u>	<u>5,516</u>
Operating Surplus	<u>7,807</u>	<u>7,254</u>
Other interest receivable		
Bank Interest	<u>9</u>	<u>9</u>
Retained surplus for the year	<u>7,816</u>	<u>7,263</u>

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

BALANCE SHEET – PERIOD ENDED 30 JUNE 2011

	Notes	2011 £	2010 £
Fixed assets			
Investments	2	<u>165,530</u>	<u>165,530</u>
Current assets			
Cash at bank and in hand		10,925	12,075
Stock		1,290	1,331
Debtors:			
Amounts receivable within one year	3	27,769	18,769
Creditors:			
Amounts falling due within one year	4	<u>-</u>	<u>-</u>
Net current assets		39,984	32,175
Total assets less current liabilities		205,514	197,705
Creditors:			
Amounts falling due after one year	5	<u>59,500</u>	<u>59,500</u>
Total Assets less Liabilities		<u>146,014</u>	<u>138,205</u>
Called up Capital and reserves			
Called up share capital	6	238	245
Income and expenditure account	7	<u>145,776</u>	<u>137,960</u>
	8	<u>146,014</u>	<u>138,205</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 2011.



G Condie
Treasurer



A Russell
Chairman

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2011**

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	2011	2010
Cost		
At Cost 1 July 2010	165,530	165,530
Added in Year	<u>-</u>	<u>-</u>
At Cost 30 June 2011	<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 2011**

3 Debtors: amounts receivable within one year

	2011	2010
Investments Purchased*	27,769	18,769
Other Debtors	<u>-</u>	<u>-</u>
	<u>27,769</u>	<u>18,769</u>

* The trust purchased 27,769 shares in New Raith Rovers Limited and are currently awaiting delivery of these shares following the increase in share capital authorised last year.

4 Creditors: amounts falling due within one year

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

238 Loan notes of £250 each (0% Irredeemable)	<u>59,500</u>	<u>59,500</u>
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6 Share capital

Allotted, called up and fully paid

238 Ordinary Shares of £1 each	<u>238</u>	<u>245</u>
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7 Statement of movements on profit and loss account

Income and Expenditure Account

Balance B/Fwd	137,960	130,697
Retained surplus for period	<u>7,816</u>	<u>7,263</u>
	<u>145,776</u>	<u>137,960</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 30 JUNE 2011

8 Reconciliation of movements in shareholders' funds

	2011	2010
Surplus for the financial period	7,816	7,263
New shares issued in period	0	48
Shares cancelled in period	<u>(7)</u>	<u>0</u>
Net addition to shareholders' funds	7,809	7,311
Opening shareholders' funds	<u>138,205</u>	<u>130,894</u>
Closing shareholders' funds	<u>146,014</u>	<u>138,205</u>