

RAITH ROVERS INDEPENDENT SUPPORTERS' SOCIETY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016



CONTENTS

	PAGE
STATUTORY INFORMATION	2
DIRECTORS REPORT	3 - 4
BUSINESS REVIEW – CHAIRMANS STATEMENT	5
BUSINESS REVIEW – MEMBERSHIP REPORT	6
BUSINESS REVIEW – TREASURERS REPORT	7
INDEPENDENT EXAMINERS REPORT	8
INCOME AND EXPENDITURE ACCOUNT	9
BALANCE SHEET	10
NOTES TO THE FINANCIAL STATEMENTS	11

STATUTORY INFORMATION

Directors	G Condie (Treasurer) T Cunningham J Proctor A Russell (Chairman) S Lawther N Russell S Wallace
Secretary	J Proctor
Registered Number	IP 2590 RS
Registered Office	c/o Gibson, Spears, Dow & Son 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 2016**

The Directors present their report and financial statements for the year ended 30 June 2016.

The Society was incorporated on 17 September 2002 and took over the activities of Raith Rovers Independent Association. The Society is a registered society under the Co-operative and Community Benefit Societies Act 2014, regulated by the Financial Conduct 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

The following Directors have held office during the year to 30 June 2016.

G Condie	T Cunningham
J Proctor	A Russell
S Lawther	N Russell
S Wallace	

Directors' Interests

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

	Ordinary shares of £1 each	
	30 June 2016	30 June 2015
G Condie	1	1
T Cunningham	1	1
J Proctor	1	1
A Russell	1	1
S Lawther	1	1
N Russell	1	1
S Wallace	1	1

Auditors

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

DIRECTORS' REPORT (continued)
YEAR ENDED 30 JUNE 2016

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;
- 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 Co-operative and Community Benefit Societies Act 2014. 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 Russell
Chairman

BUSINESS REVIEW – CHAIRMAN'S STATEMENT

During the year to 30th June 2016 we have continued to support and invest in the football club, making our largest single investment since the Reclaim The Rovers takeover - £10,000 of New Raith Rovers Ltd shares were purchased last October. This investment was only possible due to the subscriptions and generous donations from Trust members, and to the successful fundraising events we held during the year – our second Burns Supper built on a great start, with actor Tam Dean Burn the star of the show with his Immortal Memory, alongside Trust member Derek Purvis who stepped up to give an impressive Burns reading.

The most recent published accounts (to 30th June 2015) for the football club demonstrate the challenges of Scottish football today. In a season where we competed against Rangers, Hearts and Hibs, eventually finishing in a mid-table position, the club made a loss of around £56,000. Increased running costs to support a full-time squad, the rescheduling of a number of home fixtures, and a fall-off in attendances during the second half of the season (although average attendances for the whole season were significantly higher than in previous seasons) all contributed to this loss. With attendances slightly lower than in the previous season we expect the 2016 season to have been similarly challenging for the club.

In April 2016, the Raith Supporters Trust together with the Livi For Life trust approached Neil Doncaster, the chief executive of the SPFL, to raise concerns about the rescheduling of the final league fixtures of the season. All of the matches in the division had been moved to Sunday afternoon to accommodate the live screening of the match between Rangers and St Mirren. This resulted in loss of revenue to Livingston, the disruption of their end-of-season awards event which had been scheduled to follow the Saturday fixture, and disruption to fans of both clubs. The previous weekend our own end-of-season awards event had been impacted by the late rescheduling of our home fixture, from a 3pm kick-off to the tea-time live television spot. We were able to follow-up our letter by speaking to Mr Doncaster personally, and while we recognised that many of the issues we raised related to confidential commercial arrangements with broadcasters we were pleased that Mr Doncaster acknowledged the difficulties that the rescheduling of fixtures raised for supporters, particularly those at key points in the football season; and that our concerns were listened to and understood by Mr Doncaster, and in many cases shared.

Despite this being a relatively stable period for the club, with a competitive young team on the park, significant challenges remain off the park. Attendances across Scottish football are in decline, and despite sterling work by the club's staff and a large number of volunteers this is mirrored at our club. The last few years have seen a focus on attracting the next generation of Raith Rovers supporters to Starks Park, with great success. The Roary Club now has over 500 members, many of whom are attending regularly – and in some cases dragging reluctant parents through the turnstiles! We were therefore disappointed that the club increased season ticket prices for its youngest supporters this summer. We requested to be consulted on the new pricing structure ahead of its public announcement, but this request was regrettably declined. While we appreciate the commercial pressures facing the club, we continue to offer our support to the football club in finding innovative ways to overcome any negative impact of commercial decisions on the long-term future of the club.

On a personal note, I would like to congratulate the new Supporters' Director, Gordon Adamson, who joined the board of the football club in March after a closely contested election in which I finished in second place! Gordon is a well-known and well-respected figure around Starks Park and I wish him every success in the role.

Thank you for continuing to support the Trust – financially and through your ideas and suggestions! We are always keen to involve our members in the work of the Trust, so I would encourage you to get in touch if you would like to be involved.

Alan Russell
CHAIRMAN

BUSINESS REVIEW – MEMBERSHIP REPORT

At June 2016 the membership stood at 203 (At June 2015 the membership was 219). The 2016-17 membership renewal process is continuing with one round of reminder emails already sent out in late August with another to be sent out at the end of this month. Typically, these reminders generate a good response from the members and at the time of writing (4th October 2016) the current membership stands at 182. It is expected that Trust numbers will rise to around 200 again as individuals continue to renew their membership.

Niall Russell

MEMBERSHIP SECRETARY

BUSINESS REVIEW – TREASURER'S REPORT

Total net profit for the year to June 2016 was £3,516, down from £5,842 to June 2015.

Total income from members held up well at £5,939 in 2016 compared to £6,100 in 2015. Fundraising income was down £1,729 primarily due to the one-off benefit in 2015 of the "Unthinkable" book sales.

Expenditure for the year was £1,705 higher primarily due to our investment in the improvements made to the South Stand and sponsorship of the pictures there as well as a slightly higher contribution to sponsorship of the Roary Club in 2016.

The trust also made an investment of £10,000 to New Raith Rovers Ltd which was our single biggest investment in the club since the takeover. Not only did this help the Club at a crucial time in the season when cash flow is difficult, it also helps maintain our shareholding above the level which secures us a Director on the board. In total it means we contributed around £14,000 to the Club and associated causes over the course of the year which is a great achievement from a trust with just over 200 members.

The trust continues to hold a healthy cash reserve above £10,000 at the end of the year which is the target we have set ourselves to cover costs in the event of another ownership crisis.

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 9 to 11 for the year to 30 June 2016.

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 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 Co-operative and Community Benefit Societies Act 2014.

Signed  _____

Date 20/11/2016

Qualification ICAS

Name Susan Evans

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2016**

	2016	2015
	£	£
Income		
Members' subscriptions	1,015	1,095
Donations	4,924	5,005
Fund Raising	<u>2,326</u>	<u>4,055</u>
	<u>8,265</u>	<u>10,155</u>
Expenditure		
Printing, postage and stationary	404	191
Advertising and sponsorships	4,245	2,753
Membership subscriptions	<u>100</u>	<u>100</u>
	<u>4,749</u>	<u>3,044</u>
Operating Surplus/ (Deficit)	<u>3,516</u>	<u>7,111</u>
Stock write-off	-	<u>(1,269)</u>
Retained Surplus/ (Deficit) for the year	<u>3,516</u>	<u>5,842</u>

The notes on pages 11 form part of these financial statements.

BALANCE SHEET – PERIOD ENDED 30 JUNE 2016

	Notes	2016 £	2015 £
Fixed assets			
Investments	2	<u>213,551</u>	<u>203,551</u>
Current assets			
Cash at bank and in hand		12,149	18,649
Total assets less current liabilities			
		225,700	222,200
Creditors:			
Amounts falling due after one year			
	3	<u>59,500</u>	<u>59,500</u>
Total Assets less Liabilities			
		<u>166,200</u>	<u>162,700</u>
Called up Capital and reserves			
Called up share capital	4	203	219
Income and expenditure account	5	<u>165,997</u>	<u>162,481</u>
	6	<u>166,200</u>	<u>162,700</u>

The notes on pages 11 form part of these financial statements.

The financial statements were approved by the Board on 15 October 2016.



G Condie
Treasurer



A Russell
Chairman

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2016**

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 historic cost.

2 Fixed asset investments

Unlisted Investments	2016	2015
Cost		
At Cost 1 July 2015	203,551	203,551
Added in Year	<u>10,000</u>	<u>-</u>
At Cost 30 June 2016	<u>213,551</u>	<u>203,551</u>

The unlisted investments represent:

Raith Rovers FC Holdings Limited	36,000	36,000
New Raith Rovers Limited	177,299	167,299
Raith Rovers Football Club Limited	<u>252</u>	<u>252</u>
	<u>213,551</u>	<u>203,551</u>

3 Creditors amounts falling due after one year

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

4 Share capital

Allotted, called up and fully paid

203 Ordinary Shares of £1 each	<u>203</u>	<u>219</u>
--------------------------------	------------	------------

5 Statement of movements on profit and loss account

Income and Expenditure Account

Balance B/Fwd	162,481	156,639
Retained surplus/(deficit) for period	<u>3,516</u>	<u>5,842</u>
	<u>165,997</u>	<u>162,481</u>

6 Reconciliation of movements in shareholders' funds

	2016	2015
Surplus/(deficit) for the financial period	3,516	5,842
New shares issued in period	-	-
Shares cancelled in period	<u>(16)</u>	<u>(13)</u>
Net addition/(deduction) to shareholders' funds	3,500	5,829
Opening shareholders' funds	<u>162,700</u>	<u>156,871</u>
Closing shareholders' funds	<u>166,200</u>	<u>162,700</u>