

Registration No. IP 2590 RS

RAITH ROVERS INDEPENDENT SUPPORTERS' SOCIETY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012



RAITH ROVERS INDEPENDENT SUPPORTERS' SOCIETY LTD

CONTENTS

	PAGE
STATUTORY INFORMATION	1
DIRECTORS REPORT	2 - 4
BUSINESS REVIEW – CHAIRMANS STATEMENT	5 - 6
BUSINESS REVIEW – MEMBERSHIP REPORT	7
BUSINESS REVIEW – TREASURERS REPORT	8
INDEPENDENT EXAMINERS REPORT	9 - 10
INCOME AND EXPENDITURE ACCOUNT	11
BALANCE SHEET	12 - 13
NOTES TO THE FINANCIAL STATEMENTS	14 - 16

RAITH ROVERS INDEPENDENT SUPPRTERS' SOCIETY LTD

STATUTORY INFORMATION

Directors	G Condie T Cunningham J Mainland J Proctor A Russell S Lawther N Russell S Wallace
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 2012**

The Directors present their report and financial statements for the year ended 30 June 2012.

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 2012

Directors

The following Directors have held office during the year to 30 June 2012.

G Condie	T Cunningham
J Mainland	J Proctor
A Russell	B White
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 2012	30 June 2011
G Condie	1	1
T Cunningham	1	1
J Mainland	1	1
J Proctor	1	1
A Russell	1	1
B White (Resigned 24/11/2011)	-	1
S Lawther	1	1
N Russell (Appointed 12/03/2012)	1	-
S Wallace (Appointed 12/03/2012)	1	-

Auditors

The members voted to have an independent review undertaken on the 2012 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:

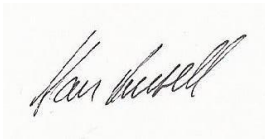
- select suitable accounting policies and then apply them consistently;

DIRECTORS' REPORT (continued)
YEAR ENDED 30 JUNE 2012

- 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 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 2011/12 season was a difficult one both on and off the pitch for Raith Rovers, and was followed by one of the most eventful summers in recent memory – the close season threw up just as many talking points as the season preceding it had done! On the pitch, the previous season's title challenge could not be repeated, and after a bright start we spent most of the season in the bottom half of the table. The turning point in our form came with the return from injury of Brian Graham, whose goals in the run-in made the final league table much better reading than many of us had feared a few months previously. The club didn't have the previous season's headache of having to find the money for win bonuses, but still struggled financially – we understand that the club's 2011/12 are currently being prepared, which will hopefully show an improvement on the previous financial year's £162k loss.

Despite the difficult season on the pitch, the profile of the football club was raised through the board's, and in particular Turnbull Hutton's, principled stance on the issue of dealing with the fallout of Rangers' liquidation. Across Scotland, fans of every club spoke out in a "supporters' spring" against the attempts by the football authorities to parachute the Ibrox club into the first division, and despite the significant short-term financial difficulties being faced, the vast majority of the football clubs followed suit in opposing these moves. In the process Turnbull became something of a folk hero, and injected moments of lightness and humour into what were otherwise rather grim procedures.

Away from the political manoeuvrings, the close season saw some significant departures from the club. John McGlynn, who had taken the club from second bottom of division two to the brink of promotion to the SPL during his five and a half years at the helm, moved back to Tynecastle to take over the hot seat. Fortunately, two of the senior professionals he had brought to the club, were ready to join Paul Smith to form the new management team. Grant Murray's regime has started very well, exceeding all but the most optimistic supporters' expectations. His first team coach, Laurie Ellis, also kicked off the new regime by welcoming John McGlynn's new side to Starks Park for a memorable testimonial match.

In the continuing difficult financial climate, the football club's finances remain very tight, and the fans have a large role to play in helping respond to this.

RAITH ROVERS INDEPENDENT SUPPORTERS' SOCIETY LTD

The simplest and most immediate thing we can all do is to attend as many games as possible, and bring friends and family with us to boost gate revenues – however, attendances across Scotland have been flat-lining or even declining in recent years, and this feels like an inevitable result of the double-dip recession that is affecting all of us. So different forms of financial support are required, and to this end we would like to investigate 3 initiatives over the coming months. We spoke about these briefly at last year's AGM, but then put them on the back burner as they may have diverted attention from the "Rally Round Rovers" campaign that was running last season. These initiatives will hopefully energise a broader section of our membership than have been actively involved in Trust activities until now, engage the broader Raith Rovers supporters who are not yet Trust members, and support the club to a greater extent than we have been able to since the 2005 takeover. The 3 initiatives are focussed on:

- The Trust's baseline activity – what will it take to maintain reasonable membership numbers, a decent public profile, a healthy shareholding in the club, and contribute positively to the club's cash-flow through regular investments
- The structural, historical debt in RRFC – the under-capitalisation of the club at the time of the 2005 takeover continues to hamper the board's attempts to deliver its objectives – how can the Trust tackle this under-capitalisation, either through direct fundraising, or by establishing relationships between the club and other institutions
- Legacy giving – using the Trust as a legal vehicle, as we did in setting up the loan notes scheme during the takeover, to enable Rovers fans to bequeath money for the long-term benefit of Raith Rovers

We are actively seeking volunteers to help us get these initiatives off the ground. If you have skills, interests or contacts that fit well with any of these, please contact me at chairman@raithtrust.org.uk, or come and talk to us at the Trust's information point in the South Stand on match days.

As always, I thank you for your continuing support and commitment to the Trust's direction, and look forward to us making a real difference together to the future of Raith Rovers Football Club.

Alan Russell
CHAIRMAN

RAITH ROVERS INDEPENDENT SUPPORTERS' SOCIETY LTD

BUSINESS REVIEW – MEMBERSHIP REPORT

At June 2012 the membership stood at 216 (At June 2011 the membership was 238). The 2012-13 membership renewal process is continuing with reminders to be sent out at the end of the 3rd week in October. Typically, the reminder letters generate a good response from the members and at the time of writing (5th October 2012) the current membership stands at 113. It is expected that Trust numbers will rise to the 2011-12 levels as individuals continue to renew their membership.

The Trust Board has considered the possibility of moving to a 2-year membership cycle, as well as increasing the prices for membership. There are advantages and disadvantages associated with moving to a 2-year membership cycle. 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 (e.g. change of address, emails, etc). A 2-year membership cycle will be considered in more detail by the Trust Board in the forthcoming year.

Increasing membership fees is seen as a way of generating extra income, as the current membership fee of £5 per year only covers Membership Renewal expenditure plus other sundry expenses. Again, this will be discussed in greater detail in the coming months.

In relation to the above, the Trust Membership Secretary will be trialling the increased use of email to send out Membership Renewal Reminders from this year onwards to save on administration costs, and to assess whether this speeds up the Renewal process (or not) for Members.

Niall Russell

MEMBERSHIP SECRETARY

BUSINESS REVIEW – TREASURER'S REPORT

The trust continues to turn a modest profit over the course of 2011-12. Overall income is down slightly primarily as a result of a further fall in fund raising income. The majority of this comes from Rock the Rovers and the 2011 event raised £3,200 compared to the £4,000 in the previous year. Membership income has also seen a slight fall and monthly contributions have fallen to around £350 per month. Given the economic climate this reduction in income (around 16%) isn't surprising. However it is still worth considering that overall members continue to contribute approximately 5x more than the membership fees and members contributions continues to be the main source of income for the trust.

There has been a small decrease in expenditure primarily due to a number of one-off items in 2010-11. Its worth noting that of the £2,889 of advertising and sponsorship expenditure, £2,200 goes to Raith Rovers Football Club in the form of trackside advertising and our more recent sponsorship of the Lotto.

The trust has now received all of the shares in New Raith Rovers Ltd that had been accruing following the increase in share capital in that company with the exception of the shares due from last years Rock the Rovers. Together with a purchase of £252 in Raith Rovers Football Club itself our total investment in the football club across all 3 companies now stands at nearly £200,000. The investment in the football club directly is significant as it allows us to attend that companies AGMs. Previous attendance has been possible through our holding in New Raith Rovers but having direct shares in the football club provides a stronger safeguard to that access.

We continue to support the club financially where we can and we were able to help out last summer with a £5,000 contribution at a critical time. We continue to examine ways to help the club deal with the financial challenges all clubs in Scottish Football face whilst holding some reserves.

Please note that the members subscriptions figure for 2011 has been restated as it didn't include those paying in cash. The donations income has also been adjusted accordingly.

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 2012.

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.

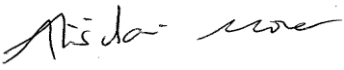
INDEPENDENT EXAMINER'S REPORT (continued)

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 8th November 2012

Qualification ACMA

Name Alisdair More

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2012**

	2012	2011
	£	£
Trading Income		
Sales	5	66
Less Cost of Sales	<u>(4)</u>	<u>(41)</u>
Gross Profit	<u>1</u>	<u>25</u>
Income		
Members' subscriptions	1,080	1,190
Donations	5,281	5,746
Fund Raising	3,400	4,685
Affinity Income	<u>72</u>	<u>121</u>
	<u>9,833</u>	<u>11,742</u>
Expenditure		
Printing, postage and stationary	641	399
Meeting expenses	-	25
Advertising and sponsorships	2,889	2,654
Membership subscriptions	50	-
Survey	<u>0</u>	<u>882</u>
	<u>3,580</u>	<u>3,960</u>
Operating Surplus	<u>6,254</u>	<u>7,807</u>
Other interest receivable		
Bank Interest	<u>-</u>	<u>9</u>
Retained surplus for the year	<u>6,254</u>	<u>7,816</u>

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

BALANCE SHEET – PERIOD ENDED 30 JUNE 2011

	Notes	2012 £	2011 £
Fixed assets			
Investments	2	<u>198,551</u>	<u>165,530</u>
Current assets			
Cash at bank and in hand		8,709	10,925
Stock		1,286	1,290
Debtors:			
Amounts receivable within one year	3	<u>3,200</u>	<u>27,769</u>
Net current assets		13,195	39,984
Total assets less current liabilities		211,746	205,514
Creditors:			
Amounts falling due after one year	4	<u>59,500</u>	<u>59,500</u>
Total Assets less Liabilities		<u>152,246</u>	<u>146,014</u>
Called up Capital and reserves			
Called up share capital	5	216	238
Income and expenditure account	6	<u>152,030</u>	<u>145,776</u>
	7	<u>152,246</u>	<u>146,014</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 24 November 2012.



G Condie
Treasurer



A Russell
Chairman

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2012**

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	2012	2011
Cost		
At Cost 1 July 2010	165,530	165,530
Added in Year	<u>33,021</u>	<u>-</u>
At Cost 30 June 2011	<u>198,551</u>	<u>165,530</u>

The unlisted investments represent:

Raith Rovers FC Holdings Limited	36,000	36,000
New Raith Rovers Limited	162,299	129,530
Raith Rovers Football Club Limited	<u>252</u>	<u>-</u>
	<u>198,551</u>	<u>165,530</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 30 JUNE 2012

3 Debtors: amounts receivable within one year

	2012	2011
Investments Purchased*	3,200	27,769
Other Debtors	<u>-</u>	<u>-</u>
	<u>3,200</u>	<u>27,769</u>

* The trust accrued 27,769 at the end of 2011 in respect of shares in New Raith Rovers Limited that were issued this year. The figure of 3,200 represents fundraising during the year which still requires shares to be issued.

4 Creditors amounts falling due after one year

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

5 Share capital

Allotted, called up and fully paid

216 Ordinary Shares of £1 each	<u>216</u>	<u>238</u>
--------------------------------	------------	------------

6 Statement of movements on profit and loss account

Income and Expenditure Account

Balance B/Fwd	145,776	137,960
Retained surplus for period	<u>6,254</u>	<u>7,816</u>
	<u>152,030</u>	<u>145,776</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 30 JUNE 2012

7 Reconciliation of movements in shareholders' funds

	2012	2011
Surplus for the financial period	6,254	7,816
New shares issued in period	0	0
Shares cancelled in period	<u>(22)</u>	<u>(7)</u>
Net addition to shareholders' funds	6,232	7,809
Opening shareholders' funds	<u>146,014</u>	<u>138,205</u>
Closing shareholders' funds	<u>152,246</u>	<u>146,014</u>