

Registration No. IP 2590 RS

RAITH ROVERS INDEPENDENT SUPPORTERS' SOCIETY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013



RAITH ROVERS INDEPENDENT SUPPORTERS' SOCIETY LTD

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RAITH ROVERS INDEPENDENT SUPPRTERS' SOCIETY LTD

STATUTORY INFORMATION

Directors

G Condie
T Cunningham
J Proctor
A Russell
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 2013

The Directors present their report and financial statements for the year ended 30 June 2013.

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 2013

Directors

The following Directors have held office during the year to 30 June 2013.

G Condie	T Cunningham
J Mainland	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 2013	30 June 2012
G Condie	1	1
T Cunningham	1	1
J Mainland (Resigned 25/03/2013)	-	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 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:

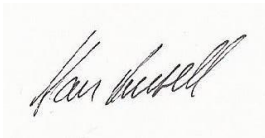
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;

DIRECTORS' REPORT (continued)
YEAR ENDED 30 JUNE 2013

- 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 over a light-colored rectangular background.

A Russell
Chairman

BUSINESS REVIEW – CHAIRMAN'S STATEMENT

It is pleasing to look back on a year which has seen steady progress at the football club, both on and off the pitch, as well as in the Trust. As a football fan I always like to start by talking about the game itself, and Grant Murray's first season in charge saw us consolidate our position in Division 1 despite the turmoil in Scottish football as a whole. With the benefit of a summer to strengthen the squad and prepare for the campaign in the newly created SPFL Championship the team have made a terrific start to the season – at the time of writing we are enjoying our longest unbeaten league run since 2002/03, sitting second in the league, and with a cup final to look forward to next Easter. Things surely don't get too much better than this.

League reconstruction will reportedly make a substantial difference to the club's financial prospects, as greater redistribution of income from the Premiership to the lower leagues (particularly our division) should close the gap between revenue and expenditure. All other things being equal, the losses in each season since returning to the second tier would have been transformed into profits if the new model of redistribution had been in place. These losses have only been sustainable due to continual investment by shareholders, and it is encouraging that the club manage to meet their commitments to creditors despite these pressures.

Earlier this year, with the input of the other supporters groups in the Raith Forum, we published a short paper revisiting the principles of shared ownership that were agreed during the 2005 takeover of the club and in the subsequent period when the Raith Forum was created. This paper can be viewed on our website (www.raithtrust.org.uk), but I would like to highlight the following sections as a reminder of the need for further investment by the supporters groups:

At the time of the takeover, the funds raised by supporters during the campaign purchased a shareholding in New Raith Rovers Ltd of around 14% of the shares issued. As a result of new investment in recent years our collective shareholding now represents approximately 11.5% of the issued shares in New Raith Rovers Ltd. A clause in the Memorandum and Articles states that a shareholding of

RAITH ROVERS INDEPENDENT SUPPORTERS' SOCIETY LTD

10% guarantees representation on the board of directors of New Raith Rovers Ltd, therefore it is essential that we maintain this level of investment.

It is critical that we continue to invest in the club through a single shareholding and therefore strive to channel the vast majority of our contributions to the club through this route. The football club board have made it clear that they are very comfortable with the principle that contributions by supporters groups can be treated as investments in return for shares.

This may seem like a relatively unimportant issue at present as we have a very positive relationship between the board of the football club and the supporters. Our own experience in the years leading up to the 2005 takeover, and the experience of fans at other football clubs where the relationship has not been so positive should be a clear reminder to us how fortunate we are at present. It is in these tougher times that issues of ownership and governance take on greater importance to us all, and maintaining the strongest voice possible during the good times is part of our "insurance policy" in case we ever find ourselves in the face of another crisis in the future.

We will therefore continue to use part of our funds for such investments as we have done in every year since the Trust was formed. The supporters of Raith Rovers have collectively invested around £200,000 in the club during this period, which is a fantastic achievement and puts us in the enviable position of having a seat at the boardroom table. The re-election of Dave Wann earlier this year, following a strong campaign by Allan Traynor, engaged the supporters in a way in which we had not seen before. Each of the previous supporters' directors had stood unopposed, but having two candidates created an opportunity for a hustings event which saw both candidates make positive cases in support for their candidacy. The most encouraging aspect of this debate, for me, was that despite the differences in their outlook there was more that Dave and Allan agreed on than they disagreed on. I look forward to similar constructive dialogue in future elections.

RAITH ROVERS INDEPENDENT SUPPORTERS' SOCIETY LTD

September saw us hold our first ever Quiz Night in the Raith Suite at Starks Park. A packed room saw the 'Not So Bright Sparks', featuring former Trust board member and current RRFC board member Tom Phillips, romp home in first place, seeing off a strong challenge from a Pars Trust team amongst others. We were very grateful to the wee team for sending their brightest and best along the road for the evening, and they deserve great credit for their performance – they even did better than most in the final round of the quiz which focussed on the Rovers. We will be investigating opportunities for joint fundraising activities with them, and wish them every success as their club begins the latest phase of their existence as a supporter owned club.

Thank you for continuing to play an active (or inactive!) role in the Trust, and as always I encourage you to get involved, or just drop by for a chat at the Trust's information point in the South Stand on match days.

Alan Russell
CHAIRMAN

BUSINESS REVIEW – MEMBERSHIP REPORT

At June 2013 the membership stood at 215 (At June 2012 the membership was 238).

The 2013-14 membership renewal process is continuing at an encouraging pace, with reminders sent out in the 3rd week of September. Typically, the reminder letters generate a good response from any members who are yet to renew and at the time of writing (28th September 2013) the current membership already stands at 186.

It is expected that Trust numbers will rise to levels similar to 2012-13 as individuals continue to renew their membership. A significant number of members last year did not renew until November / December by annual Standing Order, which should show (if repeated) a 'boost' to membership numbers at the end of the calendar year.

Over the course of the membership year the Trust Membership Secretary has been making increased use of email to send out Membership Renewal Invitations, Reminders and Newsletters (to save on postage costs), with an encouraging number of previously 'non - email' members submitting email addresses to be used for Renewals and Mailouts.

Niall Russell

MEMBERSHIP SECRETARY

BUSINESS REVIEW – TREASURER'S REPORT

The trusts financial performance for the period 2012-2013 is almost identical to the previous year with a very slight £50 increase in net profits. Income from members is down about £200 but that and a fall in the income from Rock the Rovers has been compensated by an increase in income from the trust run Beer Festival and the triathlon sponsorship money donated by Carol Smith.

What is particularly pleasing is that the improved financial position at Raith Rovers has allowed the trust to build up its cash reserves to above the £10,000 mark for the first time in many years which is the level the board has targeted to maintain to ensure some working capital would be available in the increasingly unlikely event of another Reclaim The Rovers. Having reached this threshold allows the trust to look at how best to invest the modest level of additional funds we now have. The football club is likely to continue to meet the occasional cashflow difficulty which the trust is in a good position to help with and we see investing surplus funds in shares of New Raith Rovers as a key objective to ensure we maintain our level of shareholding.

The trust continues to look for new sources of revenue and have added a quiz and burns night to the already popular beer festival as additional sources of income. As always if any member has any good ideas for raising funds or has any views about how we should prioritise our investments I would be delighted to hear from you. I can be contacted directly at treasurer@raithtrust.org.uk.

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 2013.

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.

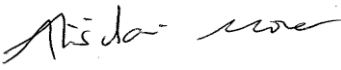
INDEPENDENT EXAMINER'S REPORT (continued)

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 17 December 2013

Qualification ACMA

Name Alisdair More

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2013**

	2013	2012
	£	£
Trading Income		
Sales	34	5
Less Cost of Sales	<u>(17)</u>	<u>(4)</u>
Gross Profit	<u>17</u>	<u>1</u>
Income		
Members' subscriptions	1,075	1,080
Donations	5,073	5,281
Fund Raising	3,560	3,400
Affinity Income	<u>65</u>	<u>72</u>
	<u>9,773</u>	<u>9,833</u>
Expenditure		
Printing, postage and stationary	824	641
Advertising and sponsorships	2,611	2,889
Membership subscriptions	<u>50</u>	<u>50</u>
	<u>3,485</u>	<u>3,580</u>
Operating Surplus	<u>6,305</u>	<u>6,254</u>
Retained surplus for the year	<u>6,305</u>	<u>6,254</u>

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

BALANCE SHEET – PERIOD ENDED 30 JUNE 2013

	Notes	2013 £	2012 £
Fixed assets			
Investments	2	<u>198,551</u>	<u>198,551</u>
Current assets			
Cash at bank and in hand		13,030	8,709
Stock		1,269	1,286
Debtors:			
Amounts receivable within one year	3	<u>5,200</u>	<u>3,200</u>
Net current assets		19,499	13,195
Total assets less current liabilities		218,050	211,746
Creditors:			
Amounts falling due after one year	4	<u>59,500</u>	<u>59,500</u>
Total Assets less Liabilities		<u>158,550</u>	<u>152,246</u>
Called up Capital and reserves			
Called up share capital	5	215	216
Income and expenditure account	6	<u>158,335</u>	<u>152,030</u>
	7	<u>158,550</u>	<u>152,246</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 21 December 2013.



G Condie
Treasurer



A Russell
Chairman

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2013**

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	2013	2012
Cost		
At Cost 1 July 2012	198,551	165,530
Added in Year	<u>-</u>	<u>33,021</u>
At Cost 30 June 2013	<u>198,551</u>	<u>198,551</u>

The unlisted investments represent:

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 30 JUNE 2013

3 Debtors: amounts receivable within one year

	2013	2012
Investments Purchased*	5,200	3,200
Other Debtors	<u>-</u>	<u>-</u>
	<u>5,200</u>	<u>3,200</u>

* The trust accrued 5,200 at the end of 2013 in lieu of receiving shares in New Raith Rovers Limited.

4 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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5 Share capital

Allotted, called up and fully paid

215 Ordinary Shares of £1 each	<u>215</u>	<u>216</u>
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6 Statement of movements on profit and loss account

Income and Expenditure Account

Balance B/Fwd	152,030	145,776
Retained surplus for period	<u>6,305</u>	<u>6,254</u>
	<u>158,335</u>	<u>152,030</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 30 JUNE 2013

7 Reconciliation of movements in shareholders' funds

	2013	2012
Surplus for the financial period	6,305	6,254
New shares issued in period	0	0
Shares cancelled in period	<u>(1)</u>	<u>(22)</u>
Net addition to shareholders' funds	6,304	6,232
Opening shareholders' funds	<u>152,246</u>	<u>146,014</u>
Closing shareholders' funds	<u>158,550</u>	<u>152,246</u>