

DARLINGTON SUPPORTER'S SOCIETY LIMITED

ANNUAL REPORT 2004

Incorporating:
Audited accounts for the Darlington Supporter's Society Limited
for the year ended 31 January 2004

Registration number: 29365R

DARLINGTON SUPPORTER'S SOCIETY LIMITED

COMMITTEE'S REPORT

The Trust celebrated its second anniversary with 270 members - within a few short months it had risen to nearly 1,400, with a full-blown crisis at the club facing supporters. The Trust had for months been concerned about the club's financial situation and had been making as many discreet inquiries as it could, as well as preparing itself for when the "balloon went up." It had been in discussions with other Trusts, which had faced similar crisis situations and already put in place certain measures, such as an online credit card donation facility for emergencies.

We fully anticipated that the so-called slow-burn growth of our Trust would be superseded by any radical change of fortunes at Darlington FC. It also meant demands from the media grew overnight for Trust committee members who could offer, from our point of view, a considered and responsible presentation of our views and principles. We had to deal with a sharp rise in membership numbers and accompanying administration in the New Year, with our membership secretary deserving credit for his diligent work.

A fund-raising sub-group was set up in December by the Trust to coordinate different ideas and events. The bucket collection approach would soon be exhausted and several other ideas were explored, ranging from the sale of Trust merchandise, a local "dress down day" to a business patron scheme and a link-up with LearnDirect. Other fund-raising schemes also came our way; the limited edition prints of the painting "Darlo We Care" kindly offered by artist Maaïke Draper-Albers; radio commentator Ray Simpson offering to share his microphone via an internet auction to many and numerous donations and sponsored events. The Trust Crisis Fund at the time of the AGM stands at around £55,000.

Unlike some other Trusts, for example, we've been unable to sell sponsored seats in our club's stadium and have been mindful and sensitive that our target fund-raising towards the consortium is running parallel to fund-raising for the club itself. We have tried to encourage and assist as much as possible those events which David Hodgson and the club have organised three months after its launch.

The relationship with the club, or George Reynolds to be more precise, has been mostly "difficult" throughout our short history. This year has been a roller coaster ride. Controversy over bans to some fans and remarks by Mr Reynolds were something the Trust, we felt, had little choice but to react to and it led to us formally complaining to the League. Coupled with increasing worries over finances, it meant we were at loggerheads. Within a few weeks he was trying to sell the club to us, albeit in a desperate attempt to cling onto the Arena as the house of cards was set to collapse. The planned consortium bid has occupied some of the Trust's time, set against a background of changing circumstances and complications under administration and the continued presence of Mr Reynolds. The Trust has from the outset pledged to work with any new owner who has the best interests of the club at heart, and we have consistently outlined our belief that supporter representation at board level, via an elected Trust member, would be of benefit to club, supporter-base and wider community.

The consortium has remained consistently our preferred option. With it, the club's board would expect the Trust to take the lead in developing better community links, fostering goodwill and generating good, mutually beneficial public relations for the club in the town as successfully adopted at other football clubs. However, the Trust is acutely aware of the changing situation with the football club, whereby all eventualities have to be considered. To this end, the Trust is constantly seeking legal advice in order to protect the Trust's funds, so as to abide by its aims and constitution.

We have maintained, via the consortium, a dialogue with the administrators and have met members of the Sterling Consortium. In the wider community, we have held discussions with the Darlington Partnership and the local MP Alan Milburn, amongst others. We have also benefited from the presence of co-opted Trust board members; Karen Glencross, from the Supporters' Club, and Scott Thornberry, from the D@rlo Uncovered website.

DARLINGTON SUPPORTERS' SOCIETY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2004

REGISTRATION NUMBER: 29365R

DARLINGTON SUPPORTERS' SOCIETY LIMITED

MEMBERS, EXECUTIVES AND ADVISORS FOR THE YEAR ENDED 31 JANUARY 2004

Committee Members	Margaret Tinkler (Chairperson) Geoff Thompson (Vice Chairperson) Ted Blair Peter Ashmore Colin Tinkler Doug Embleton Steve Caisley Nick Blake Steve Duffy Scott Thornberry Peter Plant Karen Glencross
Secretary	Hannah Taylor (Resigned 11th November 2003) Peter Ashmore (Elected 11th November 2003)
Treasurer	Peter Ashmore
Registered Office	Darlington Supporters' Trust 50 Newlands Road Darlington Co. Durham DL3 9JW
Auditors	Sochall Smith Limited 3 Park Square Leeds West Yorkshire LS1 2NE
Bankers	Natwest Bank 25 High Row Darlington Co. Durham DL3 7QP

DARLINGTON SUPPORTERS' SOCIETY LIMITED

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REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DARLINGTON SUPPORTERS' SOCIETY LIMITED

We have audited the financial statements of Darlington Supporters' Society Limited for the year ended 31 January 2004 on pages three to five. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page five.

This report is made solely to the society's members, as a body. Our audit work has been undertaken so that we might state to the society's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the society and the society's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Committee Members

As described on page two the committee members are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Industrial and Provident Societies Act 1965 to 1970. We also report to you if, in our opinion, the society has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the committee members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the society's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the society's affairs as at 31 January 2004 and of its income and expenditure then ended and have been properly prepared in accordance with the requirements of the Friendly and Industrial Provident Societies Act 1968 and the Industrial and Provident Societies Act 1965.

Sochall Smith Limited
Chartered Accountants
3 Park Square
Leeds
LS1 2NE

Date **1-5-2004**

DARLINGTON SUPPORTERS' SOCIETY LIMITED

COMMITTEE MEMBERS REPORT FOR THE YEAR ENDED 31 JANUARY 2004

The committee members are required to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the society and of the income and expenditure of the society for that period. These statements are required to be audited by independent auditors and copies made available to members.

In preparing those financial statements the committee members are required to:

- select suitable accounting policies and 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 that the society will continue in business.

The committee members 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 Friendly and Industrial and Provident Societies Act 1968 and the Industrial and Provident Societies Act 1965. 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.

This report was approved by the committee on **1-5-2004** and signed on its behalf by:

Peter Ashmore

Peter Ashmore
Secretary

DARLINGTON SUPPORTERS' SOCIETY LIMITED

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 JANUARY 2004

	Year ended 31/01/04		Period 15/03/02 to 31/01/03	
	£	£	£	£
Income				
Subscriptions		8,699		1,213
Donations and sponsorships		8,087		4,644
Other income		7,756		2,991
		<hr/>		<hr/>
		24,542		8,848
Grants				
Grant towards start up costs		–		221
Coaching grant	1,620		1,500	
	<hr/>		<hr/>	
		1,620		1,721
		<hr/>		<hr/>
		26,162		10,569
Expenditure				
Photographs and calender costs	102		4,263	
Printing and stationery	80		1,888	
Launch event	–		411	
Sponsorship	2,223		1,176	
Coaching	1,620		810	
Accountancy	150		–	
Sundry	162		858	
	<hr/>		<hr/>	
		4,337		9,406
Surplus for the year/period		21,825		1,163
Surplus brought forward		1,163		–
		<hr/>		<hr/>
Surplus carried forward		22,988		1,163
		<hr/>		<hr/>

DARLINGTON SUPPORTERS' SOCIETY LIMITED

**BALANCE SHEET
AS AT 31 JANUARY 2004**

	Notes	Year ended 31/01/04		Period 15/03/02 to 31/01/03	
		£	£	£	£
Current assets					
Cash at bank and in hand		24,420		3,032	
		<u>24,420</u>		<u>3,032</u>	
Creditors: Amounts falling due within one year	2	<u>222</u>		<u>1,692</u>	
			24,198		1,340
			<u>24,198</u>		<u>1,340</u>
Capital and Reserves					
Called up Share Capital	3		1,033		177
Income and Expenditure Account			21,825		1,163
Reserves brought forward			<u>1,340</u>		<u>-</u>
			24,198		1,340
			<u>24,198</u>		<u>1,340</u>

The financial statements were approved by the Committee on **1-5-2004** and signed on its behalf by

Margaret Tinkler

Margaret Tinkler
Chairperson

The notes on page 5 from an integral part of these financial statements

DARLINGTON SUPPORTERS' SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2004

1. Accounting Policies

Basis of Accounting

The financial statements are prepared on an historical cost basis.

Income

Income represents subscriptions, donations and other income receivable by the society.

2. Creditors: Amounts falling due within one year

	2004	2003
	£	£
Accruals and deferred income	222	1,692
	<hr/>	<hr/>

3. Share Capital

	2004
	£
Allotted, called up and fully paid	
As at 31 January 2003	177
Issued during the year	856
	<hr/>
As at 31 January 2004	1033
	<hr/>

Each member of the Society holds one share of £1 in the Society.

These shares carry no right to dividends or distributions on a winding up.
Each member has a right to vote at members meetings.

Under the Society's Rules share capital is non-refundable if a person ceases to be a member.