



FINANCIAL STATEMENTS

31 DECEMBER 2016

SUPPORTERS DIRECT
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016

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SUPPORTERS DIRECT

REFERENCE AND ADMINISTRATIVE DETAILS

YEAR ENDED 31 DECEMBER 2016

Directors

Brian Burgess (Chair)
Elaine Dean (Vice-Chair) (Retired July 2016)
Martyn Cheney
Michael Frater
Tim Hartley (Vice Chair)
Liz Hindley (Retired July 2016)
Neil Le Milliere
Peter Lloyd
Fraser MacDonald (Retired July 2016)
Kris Stewart (Retired July 2016)
Andy Walker (Retired February 2017)
Ian Todd (Retired July 2016)
Matt Howes (Retired July 2016)
David Little (Appointed July 2016)
Oliver Holtaway (Appointed July 2016)
Paul Thexton (Appointed July 2016)
Tim Hillyer (Co-opted Sept 2016)

Society registered number

29581R

Registered office

CAN Mezzanine
49-51 East Road
London
N1 6AH

Auditor

PKF Littlejohn LLP
1 Westferry Circus
Canary Wharf
London
E14 4HD

SUPPORTERS DIRECT

THE REPORT OF THE BOARD OF DIRECTORS

YEAR ENDED 31 DECEMBER 2016

The Board of Directors have pleasure in presenting their report and the financial statements of the Society for the year ended 31 December 2016.

PRINCIPAL ACTIVITY

The principal activity of the Society during the year was to offer support, advice and information to groups of supporters who wish to play a responsible part in the life of the clubs they support.

The Board of Directors as at 31 December 2016 were

		Meeting Attendance
Brian Burgess (Chair)	Elected until AGM in 2017	7/7
Martyn Cheney	Elected until AGM in 2018	6/7
Michael Frater	Elected until AGM in 2017	7/7
Tim Hartley	Elected until AGM in 2017	5/7
Neil Le Milliere	Elected until AGM in 2018	7/7
Peter Lloyd	Elected until AGM in 2019	7/7
Andy Walker	Elected until AGM in 2018	7/7
David Little	Elected until AGM in 2019	3/4
Oliver Holtaway	Elected until AGM in 2019	4/4
Paul Thexton	Elected until AGM in 2019	3/4
Tim Hillyer	Co-opted until AGM 2017	3/3

RETIREMENT OF DIRECTORS

Elaine Dean (1/3), Liz Hindley (3/3), Fraser MacDonald (2/3) and Kris Stewart (1/3) retired at the AGM in July 2016. After the year end Andy Walker resigned in February 2017 (8/8).

CHIEF EXECUTIVE

Ashley Brown was appointed Chief Executive in October 2016.

OUR BOARD

The Board of SD comprises up to twelve Directors democratically elected by the membership. The current governance structure seeks to ensure significant areas of SD's operations have representation on the Board, and so several of the seats on the Board are reserved for English and Welsh Trusts, Scottish Trusts and Rugby League Trusts with the remainder of the seats deemed general seats. The current governance structure was reviewed in 2016 and remained without change: there are 4 seats reserved for the E&W Council, 2 for SD Scotland, 2 Rugby League and 4 General seats but this is kept under review in 2017.

SUPPORTERS DIRECT

THE REPORT OF THE BOARD OF DIRECTORS (continued)

YEAR ENDED 31 DECEMBER 2016

In addition to the Directors democratically elected by the membership, the Board may co-opt up to 6 additional Directors. At the start of 2016 there were two co-opted Directors and this reduced to one co-opted Director following the AGM. Co-options are reviewed on an annual basis. Elected Directors serve a three-year term of office (unless elected as a result of a by-election).

Directors do not receive any remuneration for their duties although their expenses are reimbursed. None of the Directors have a beneficial interest in the shares of the Society.

THE CHAIR

The Board re-appointed Brian Burgess as their Chair in July 2015, and he remained in position for 2016. A clear division of accountability and responsibility exists between the positions of Chair and Chief Executive, with the Chair primarily responsible for running the Board and the Chief Executive responsible for operation of the organisation and the implementation of the Board's strategy.

BOARD RESPONSIBILITIES

The Board is responsible for overseeing the overall management and performance of the organisation and for approving the long-term objectives and strategy. In particular it agrees the strategy and annual budgets and monitors performance against plans and targets. In order to improve its effectiveness, the Board has set out a formal Schedule of Matters reserved for the Board. After reviewing what matters needed to be considered and when, the Board also has an established calendar of Board Meetings for the coming year. The Board met 4 times in the year, as well as a full day off-site meeting with senior staff members to consider strategy. All Directors are provided with papers in advance of meetings and any Director unable to attend, due to conflicts in their schedule, is able to relay comments via the Chair. Each meeting of the Board is attended by the Chief Executive, the Secretary and members of the Senior Management Team and the Board may request the presence of other members of the wider team as it sees fit. The Board also utilises a Directors' e-mail group between meetings to facilitate communication. In addition to regular meetings of the full Board, the Board is also assisted in carrying out its responsibilities by two sub-committees, the staffing sub-committee and the governance sub-committee. Each sub-committee is appointed by the Board and has formal terms of reference approved by the Board.

The Board appointed, in November 2016, a Company Secretary (Jo Grattrick) and an Assistant Secretary (Ian Neal) to whom all Directors have access. The Board regularly reviews its practices against the Co-operatives Code of Best Practice and evaluates the results to formulate Corporate Governance priorities.

RESPONSIBILITIES OF THE DIRECTORS

The Co-operative and Community Benefit Societies Act 2014 requires the Directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Society and at the end of the period and or the surplus or deficiency for the period then ended.

In preparing those financial statements, the Directors are required to select suitable accounting policies, as described on page 13-14, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The Directors must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue in business.

SUPPORTERS DIRECT

THE REPORT OF THE BOARD OF DIRECTORS (continued)

YEAR ENDED 31 DECEMBER 2015

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. The Directors 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Society's website.

GOVERNANCE STRUCTURES

SD has three subsidiary democratic bodies: the England & Wales Football Council, the Scottish Council and the Rugby League Council (which was previously the Rugby League Advisory Group). These bodies assist the board by monitoring activity against budgets, development plans and other KPIs in their particular area and contributing ideas and suggestions regarding SD strategy in their area for consideration by the board.

In May 2016 the steering group set up to review options with the European network for a separate SD Europe organisation fed back and the option to incorporate SD Europe was approved by the Board, subject to a suitable financial review and proposal. This option was approved by the members at the July AGM.

Separation of SD Europe was completed on 1st November 2016.

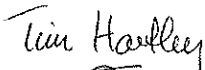
AUDITORS

A resolution to appoint PKF Littlejohn LLP as auditors will be put to the members at the Annual General Meeting.

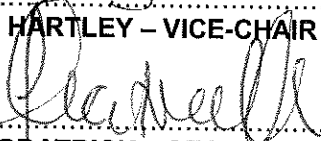
Signed on behalf of the Directors



.....
BRIAN BURGESS – CHAIR



.....
TIM HARTLEY – VICE-CHAIR



.....
JO GRATRICK – SECRETARY

Registered Office:

1st Floor
CAN Mezzanine
49-51 East Road
LONDON
N1 6AH

Approved by the Directors on 07th June 2017

SUPPORTERS DIRECT

BUSINESS REVIEW

YEAR ENDED 31 DECEMBER 2016

ACHIEVEMENTS AND PROGRESS

Another strong year supporting our member trusts and promoting good governance in sport throughout 2016 for SD. It was also a year of change with the completion of the move for SD Europe to become an independent organisation. During the year SD further strengthened its ties with the Rugby Football League, as well as supporting a small number of other sports clubs.

During the year SD continued to press for reform of the game and the FA responded with the beginning of its own internal review which saw changes announced in 2017 and a commitment for ongoing reform beyond.

We have continued to search for other funding streams to help us deliver more projects and support across our network, with some notable successes such as Power to Change towards the end of the year.

The organisation received further challenges on funding during 2016 but has responded positively and provided a small surplus for the areas of the business being retained. The accounts also show a significant loss for discontinued business which is effectively the movement of funds away from the single organisation to the new SD Europe entity.

England and Wales

2016 was another busy year across England and Wales.

- We provided over 700 hours of one to one support with our members in England and Wales, approximately 75% of which was to Supporters Trusts who don't own their club and the rest to supporter owned clubs. This covered a range of issues from tactical advice, support with running an effective Trust and ground development and protection.
- We continued to provide extra specialist support with 15 members and new clubs benefitting from support through our consultancy SDCD.
- We helped convert 6 clubs to community ownership – Bradford Park Avenue, Ton Pentre AFC, Peachaven & Telscombe, Grays Athletic, Bath City and Altrincham Kersal Rugby Club.
- We set up 5 new Supporters Trusts at Bolton Wanderers, Yeovil Town, Morecambe, Nottingham Forest and Cardiff Blues Rugby Club.
- We continued to cement ourselves as market leaders for community shares in sport, coordinating 4 community share offers raising well over £500k.
- We held a network review for football in England and Wales with representatives from members supporting clubs at different levels with the game resulting in strengthened representation for all these members in our Council. Reports and updates are now received for PL, EFL, Non-league and supporter owned clubs.
- We organized 6 network, and 7 training events for members including a member's day at Wembley Stadium.
- We launched a new set of model rules for Supporters Trusts.
- We co-hosted the Supporters Summit with the FSF with over 300 attendees attending an event which showcased several successful campaigns from the membership
- We secured funding from Power to Change to provide enhanced network support to community owned clubs.
- The Richard Lillicrap Award was won by Ben Hughes an FC United of Manchester supporter who has been running the excellent Supporters Direct weekly podcast
- The newly named Brian Lomax Cup was comprehensively won 5-0 by Ton Pentre AFC who beat Newport County, and the SD Shield saw newly supporter owned Peachaven & Telscombe overcome East Sussex neighbours Lewes 1-0

In addition we have continued to lead the argument for greater supporter involvement and ownership as part of the Government's Expert Working Group (which published its commitments in January). Although the report contained far from everything we lobbied for, it has resulted in a number of commitments from the football authorities including the groundbreaking commitment that leaders of all clubs in the PL and EFL must meet with supporters (including a Trust) at least twice a year. We lobbied hard to see these implemented alongside our members and have seen the EFL include these commitments in their rule book and supporting guidance for the 2016/17 season.

In rugby league, we continued to build our partnership with the Rugby Football League. As well as helping a number of Supporters Trusts we ran our Voice of the Fans event, again hosted at the excellent Heritage Quay, where we had a key note speech from Brian Barwick, the Chairman of the Rugby Football League. We ran the Supporters Direct Community Champion award, for the second year, for the person who was deemed to have gone over and above what a typical fan would do, which was won by Dave Naylor from Oldham who runs the Clubs website and social media output in his spare time. Dave was presented with this award at the prestigious Kingston Press Championship awards dinner at the Queens Hotel in Leeds.

SD Scotland.

2016 was another year of progress for SD Scotland.

We were delighted to start a partnership with the Scottish FA and Scottish Government through which SD Scotland are providing a developmental role for Supporter Liaison Officers in Scottish football. The partnership sees SD Scotland take on a developmental role in the position's growth and implementation within Scottish football, designed to improve relationships between clubs and their supporters. SD Scotland's work as part of the agreement has seen us present about the role at the Scottish FA's Professional Game Board, Congress, Convention and to all SPFL clubs via the SPFL's Divisional Meetings. With this, we held our first 'SLO Development Day' which was attended by Police Scotland, the Scottish FA and 8 SPFL clubs.

We held our annual Supporters Summit at which the Sports Minister for Scotland discussed the Scottish Government's commitment to supporter involvement via their consultation on the issue.

We were delighted to announce continued funding for our anti-discrimination Colours of our Scarves programme. With this continued funding, SD Scotland has been working in partnership with the Scottish FA to build on work conducted with Braidhurst High School of Football over the last two years. With this, the offer of a 2 hour delivery workshop for the players and coaches will be extended to remaining 27 Schools of Football across Scotland. Additionally, our work has included a variety of workshops, focus groups and mentoring schemes for sports participants, sport coaches and organisers alike, with workshop and delivery projects tailored to the specific needs of the individual, club or association. SD Scotland played out a profile building game against politicians prior to the Supporters Summit (eventually won 2-1 against a Parliamentary team).

SD Scotland launched their consultancy service Club Development Scotland with the help of Bryan Jackson who had previously helped facilitate the community ownership of Dundee, Hearts, Portsmouth and Dunfermline. Launched at Motherwell FC, home to Scotland's most recent community owned club, the launch saw SD Scotland and the community ownership movement get some significant media profile including a feature on STV's News at 6 and an interview on 'Scotland Tonight'. Head of SD Scotland, Andrew Jenkin, also completed the Community Shares licensed practitioner training course with Community Shares Scotland which will help the organisation increase their consultancy revenues.

April saw the launch of the Annual Scottish Supporters Survey which received an overwhelming and record level of responses with over 14,000 fans participating in the survey and offering their views on the state of the game in Scotland. The results were analysed and

SD Scotland presented the results to both the Professional Game Board and Scottish FA Congress.

Finally, we were pleased to further develop our work within the 'Scottish Supporters Network' aspect of our fan representation role within Scotland. Alongside the annual supporter's survey and presentation of results, we held our first Advisory Group meeting through which individuals were invited to offer feedback and advice on how we can progress our work within the area going forward.

In between our activities, we were delighted to welcome two new SPFL clubs to the community owned family in Scotland with high profile clubs Motherwell and St Mirren, the latter having used Club Development Scotland's services, both announcing they would be becoming at least 50+1% owned by their supporters through deals.

All of the above points to a positive future with strong and valuable relationships with the games governing bodies and positions of influence in SD Scotland's continued seat on the Scottish FA Congress. Clearly there is more work to be done though.

Long term funding is still an issue but the new funding from the Scottish FA and development of consultancy income is a reason for optimism. With Scottish Government financial support inconsistent, the priority for the organisation financially is to develop additional streams of income through consultancy and commercial streams. While to date this has been minimal, increased efforts are being made in these departments.

SD Europe

One of the key outcomes of the Supporters Direct governance review (2015-16), which was supported by UEFA, was agreement that SD Europe should become an independent, pan-European organisation in its own right. Much of 2016, as a result, focused on the process that saw SD Europe formally register in Ireland in September 2016 ahead of the formal transfer of activities and business on November 1. The financial impact of this transfer is shown as discontinued activities on the income and expenditure account. Supporters Direct was one of seven national organisations to sign the SD Europe constitution and is amongst its 12 initial national members. SD Europe's first AGM was held in Malmö, Sweden in November 2016, at which Diego Riva (Italy), Shay Golub (Israel), Sofia Bohlin (Sweden) and Mike Derham (Ireland) were deemed elected to the new organisation's board. The next AGM will be held in the Autumn of 2017.

Main achievements

1) The Erasmus+ project 'Clubs and Supporters for Better Governance in Football' was launched. The project is designed to promote EU principles on good governance in sport through a training, education and exchange programme involving member-run football clubs and NSOs from seven EU states over two years. The programme will address three core topics: Good Governance, Financial Sustainability, and Member and Volunteer engagement, with two workshops held in 2016. Firstly, FC United of Manchester hosted three days' of discussion focused on good governance and transparency before Malmö FF invited project partners to Sweden in November for a range of sessions focused on sustainable finance.

2) SD Europe was awarded observer status on three EU Expert Groups (on good governance, match-fixing and the economic dimension of sport) and the Council of Europe Standing Committee of the European Convention on Spectator Violence for a renewable period of three years. This will help to consolidate the involvement of supporters' organisations in discussions about issues that affect fans across Europe. As part of the latter role, SD Europe was invited as part of the Council of Europe delegation to a conference in Zagreb and a consultative visit to Russia.

3) The inaugural European club supporter liaison officer (SLO) network meeting was held in 2016 to enable 11 club SLOs from 11 countries to exchange best-practice examples and potential answers to the challenges faced by SLOs at European and domestic level. This will be followed up in June 2017 with a similar event focused on building and enhancing Europe's SLO community.

SUPPORTERS DIRECT

AUDITORS' REPORT TO THE MEMBERS OF SUPPORTERS DIRECT

YEAR ENDED 31 DECEMBER 2016

We have audited the financial statements of Supporters Direct for the year ended 31 December 2016 which comprise the Income and Expenditure Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the society's members, as a body, in accordance with Section 87(2) and Section 98(7) of the Co-operative and Community Benefit Societies Act 2014. 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 DIRECTORS AND AUDITORS

As explained more fully in the Statement of Board of Directors' Responsibilities the society's directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Boards Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Society's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Report of the Board of Directors' to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the society's affairs as at 31 December 2016 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Co-operative and Community Benefits Societies Act 2014 require us to report to you if, in our opinion:

- proper books of account have not been kept; or
- a satisfactory system of control over transactions has not been kept; or
- the Society's Financial Statements are not in agreement with the accounting records;
or
- we have not obtained all the information and explanations necessary for the purposes of our audit.



Eric Hindson (Senior statutory auditor)
For and on behalf of PKF Littlejohn LLP
Statutory auditor

1 Westferry Circus
Canary Wharf
London E14 4HD

7th June 2017

INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31 DECEMBER 2016

	Note	Year ended 31.12.16			Year ended 31.12.15		
		Continuing operations £	Discontinued operations £	Total £	Continuing operations £	Discontinued operations £	Total £
Income	3	655,245	218,917	874,162	664,625	232,744	897,369
Cost of sales		117,353	135,231	252,584	145,080	107,589	252,669
Gross surplus		537,892	83,686	621,578	519,545	125,155	644,700
Administrative expenses		530,860	114,635	645,495	541,018	128,760	669,778
Restructure Costs – European Separation		-	61,777	61,777	-	-	-
Operating (deficit)/ surplus		7,032	(92,726)	(85,694)	(21,473)	(3,605)	(25,078)
Other interest receivable and similar income		181	-	181	218	-	218
(Deficit)/ surplus before taxation		7,213	(92,726)	(85,513)	(21,255)	(3,605)	(24,860)
Taxation	5	(44)	-	(44)	(1)	-	(1)
(DEFICIT)/ SURPLUS AFTER TAXATION	12	7,169	(92,726)	(85,557)	(21,256)	(3,605)	(24,861)

The Society has no recognised gains and losses for the year 2016 or 2015 other than the deficit/surplus for the above financial years.

The notes on pages 13 to 19 form part of these financial statements

SUPPORTERS DIRECT

BALANCE SHEET

31 DECEMBER 2016

	Note	At 31.12.16 £	At 31.12.15 £	£
Fixed assets				
Tangible assets	6		198	942
Current assets				
Debtors	7	51,066	79,637	
Cash at bank and in hand		<u>259,263</u>	<u>411,897</u>	
		310,329	491,534	
Creditors: amounts falling due within one year	8	<u>131,598</u>	<u>227,990</u>	
Net Current Assets			<u>178,731</u>	<u>263,544</u>
			<u>178,929</u>	<u>264,486</u>
Capital and reserves				
Called up share capital	10		114	114
Trust development Fund	11		103,000	103,000
Income and expenditure account	12		<u>75,815</u>	<u>161,372</u>
Shareholders' funds			<u>178,929</u>	<u>264,486</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime under the Companies Act 2006.

These financial statements were approved by the Directors on 7th June 2017 and are signed on their behalf by:



.....
BRIAN BURGESS - CHAIR



.....
TIM HARTLEY - VICECHAIR



.....
JO GRATRICK - SECRETARY

The notes on pages 13 to 19 form part of these financial statements

SUPPORTERS DIRECT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

1. GENERAL INFORMATION

Supporters Direct Limited ("the Society") is a trade association limited by guarantee and is registered and domiciled in England. The liability of members in the event of winding up is £1 per member. There were 114 members as at 31 December 2016. The address of the registered office is CAN Mezzanine, 49-51 East Road, London, N1 6AH. The Society's registered number is 29581R.

2. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical costs convention and in accordance with Section 1A of FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland. The Society transitioned to FRS 102 on 1 January 2015.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

Turnover

The turnover shown in the Income and Expenditure Account represents grants and fees receivable in the period.

Tangible fixed assets and depreciation

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method

Fixture and fittings	33.33% straight line
Office equipment	33.33% straight line

Pensions costs

The Society is a member of a multi-employer plan. It is not possible to attribute the assets and liabilities of the defined benefit pension scheme to the Company, therefore the service cost and net interest cost of the scheme is charged to the Income and Expenditure Account.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Foreign currency transactions

Functional and presentation currency

The Society's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at the period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'finance (expense)/income'. All other foreign exchange gains and losses are presented in the profit and loss account within 'other operating (losses)/gains'.

Discontinued operations

On 1 November 2016, the Society transferred the business undertaken by its internal division, known as Supporters Direct Europe, to the European Supporters Alliance. The reserves surplus of the Supporters Direct Europe division at 31 October 2016 has been provided for in respect of this transfer and is included as part of creditors at the 31 December 2016. Discontinued operations in the Income and Expenditure Account relate to the activities of Supporters Direct Europe.

Going concern

In the opinion of the Directors, the Society has sufficient cash reserves to meet its working capital requirements for the foreseeable future. There are no material uncertainties that cast significant doubt upon the entity's ability to continue as a going concern.

SUPPORTERS DIRECT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

3. INCOME

	Year ended 31.12.16	Year ended 31.12.15
	£	£
Grants	720,950	765,519
Consultancy and other commercial income	142,007	112,346
Membership fees and donations	10,913	18,249
Other income	292	1,255
	<u>874,162</u>	<u>897,369</u>

	Year ended 31.12.16	Year ended 31.12.15
	£	£
General income	153,201	97,126
England & Wales	479,548	390,000
Europe	185,823	232,233
Scotland	55,590	178,010
	<u>874,162</u>	<u>897,369</u>

4. NET OPERATING SURPLUS/(DEFICIT)

	Year ended 31.12.16	Year ended 31.12.15
This is stated after charging/(crediting):		
Depreciation of owned fixed assets	744	3,197
Staff pension costs	18,798	18,973
Auditors' remuneration	6,750	6,518
Under accrual of prior year auditors' remuneration		60
Foreign exchange differences	(15,326)	11,413
Board expenses	5,398	11,064
	<u>5,398</u>	<u>11,064</u>

5. TAXATION ON ORDINARY ACTIVITIES

The Board does not consider that the core activities of the company are subject to tax. By far the majority of the income is received from grants and are not considered to be taxable. The Board does however accept that corporation tax is payable on interest received and a provision in the accounts relates to the tax on that interest.

SUPPORTERS DIRECT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

6. TANGIBLE FIXED ASSETS

Cost

As at 1 January 2016	10,252
Additions during year	<u>-</u>
At 31 December 2016	<u>10,252</u>

Depreciation

At 1 January 2016	9,310
Charge for year	<u>744</u>
At 31 December 2016	<u>10,054</u>

NET BOOK VALUE

At 31 December 2016	<u>198</u>
At 31 December 2015	<u>942</u>

7. DEBTORS

	31.12.16	31.12.15
	£	£
Trade debtors	30,056	39,476
Prepayments and accrued income	13,609	29,602
Other debtors	<u>7,401</u>	<u>10,559</u>
	<u>51,066</u>	<u>79,637</u>

8. CREDITORS: Amounts falling due within one year

	31.12.16	31.12.15
	£	£
Trade creditors	1,372	33,484
Accruals and deferred income	56,044	165,642
Taxes and social security costs	8,995	6,719
Other creditors	<u>65,187</u>	<u>22,145</u>
	<u>131,598</u>	<u>227,990</u>

SUPPORTERS DIRECT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

9. EMPLOYEE REMUNERATION

The average number of employees during the year was 11 (2015: 11).

10. SHARE CAPITAL

Allotted, called up and fully paid:

	31.12.16 No	31.12.15 No	31.12.16 £	31.12.15 £
Allotted, called up and fully paid: Ordinary shares of £1 each	<u>114</u>	<u>114</u>	<u>114</u>	<u>114</u>

The shares of the Society have the nominal value of £1 each and may not be transferred or withdrawn.

If a member ceases to be a member, the share registered in the name of that member is to be cancelled and the amount subscribed for the share is to become the property of the Society.

Shares do not carry any right to interest, dividend or bonus.

11. TRUST DEVELOPMENT FUND

	31.12.16 £	31.12.15 £
At 1 January	103,000	103,000
Transfer (to)/from the Income and Expenditure account	<u>-</u>	<u>-</u>
At 31 December	<u>103,000</u>	<u>103,000</u>

The development reserves have been designated by the Board for future investment to develop SD's sustainability and resilience as an organisation. The Board has identified business development and communications as particular areas in which to invest but can determine other purposes for which the funds could be used towards this overall purpose. The funds are held on deposit and cannot be spent without explicit authorisation of the Board.

12. INCOME AND EXPENDITURE ACCOUNT

	Year ended 31.12.16 £	Year ended 31.12.15 £
At 1 January	161,372	186,233
Deficit for year	<u>(85,557)</u>	<u>(24,861)</u>
At 31 December	<u>75,815</u>	<u>161,372</u>

The surpluses of the Society are not available to be distributed either directly or indirectly in any way whatsoever among the members of the Society.

The following pages do not form part of the statutory financial statements and are not, therefore, the subject of the independent auditors' report on pages 9 and 10.

SUPPORTERS DIRECT

NOTES TO THE INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31 DECEMBER 2016

	Year ended 31.12.16 £	Year ended 31.12.15 £
Income		
Grant income - England & Wales	479,548	447,830
Grant income - Scotland	55,590	120,180
Grant income – UEFA	143,531	189,509
Grant income – European Commission	42,292	-
Grant income – Rugby League	8,000	8,000
Other income	292	7,025
Sponsorship	5,000	25,092
SLO project - Scotland	30,000	-
SLO project – Europe	32,493	42,724
Membership fees and donations	10,913	16,449
Consultancy and fees receivable	66,503	40,560
	<u>874,162</u>	<u>897,369</u>
Cost of sales		
Consultancy	97,229	109,019
Outsourced services	40,334	26,695
Conference and seminar costs	16,275	36,869
Grants & legal/registration costs	23,122	4,120
Legal helpline	6,200	12,000
UK entertainment	617	106
Travel & related costs	55,976	63,541
Research & analysis	12,831	319
	<u>252,584</u>	<u>252,669</u>

SUPPORTERS DIRECT

NOTES TO THE INCOME AND EXPENDITURE ACCOUNT (continued)

YEAR ENDED 31 DECEMBER 2016

	Year ended 31.12.16 £	Year ended 31.12.15 £
Administrative expenses		
Salaries, including NI and ex gratia	408,653	434,806
Pension contributions	18,798	18,973
Pension exit fee	(1,993)	-
Staff recruitment, training and welfare	9,696	8,527
Management expenses	38,355	-
Consultancy	95,609	78,982
Rent and service charge	32,013	51,059
Rates, light, heat and power	2,223	2,591
Restructure costs	-	7,726
Telephone and internet	7,469	7,590
Stationery, postage, printing and supplies	5,292	9,383
Computer and equipment costs	10,707	2,617
Insurance	2,954	3,104
Depreciation	744	3,197
Bank charges	1,974	1,661
Travel costs	976	585
Meeting costs	310	1,041
Bad debt provision	20	6,230
Bad debt write off	3,633	-
Foreign exchange differences	(15,326)	11,413
Audit fees	8,056	6,578
Secretarial fees	400	-
Legal and professional fees	9,368	2,912
Board travel costs	4,112	7,806
Board meeting costs	1,129	1,632
Charitable donations	-	355
Sundry expenses	323	1,010
	<u>645,495</u>	<u>669,778</u>