

Ipswich Town Football Club Company Limited

**Directors' report and financial
statements**

Registered number 315421

30 June 2004



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Company Information

Board of Directors

David Sheepshanks
Derek Bowden
Holly Bellingham
Kevin Beeston
Roger Finbow
Philip Hope-Cobbold
John Kerr MBE DL
Richard Moore

Secretary David Rose

Registered Office Portman Road
Ipswich
IP1 2DA

Company Registration Number 315421

Bankers Barclays Bank Plc
1 Princes Street
Ipswich
IP1 1PB

Auditors KPMG LLP
6 Lower Brook Street
Ipswich
IP4 1AP

Solicitors Prettys Solicitors
Elm House
25 Elm Street
Ipswich
IP1 2AD

Ashurst
Broadwalk House
5 Appold Street
London
EC2A 2HA

Directors' report

The Directors present their annual report and the audited financial statements for the year ended 30 June 2004.

Principal activities and business review

The principal activity of the Company is the operation of a professional football club, together with related ancillary activities.

Share Capital, Ownership and Loan Notes

On 8 August 2003 the Company issued £950,000 of Convertible Loan Notes 2035 with a 6% coupon ("6% Loan Notes"). This included Loan Notes issued to the following Directors: D. Sheepshanks, £50,000, K. Beeston £50,000, R. Finbow £100,000 and R. Moore £100,000.

On 22 August 2003 a newly formed Company, Ipswich Town plc made an offer to the shareholders of Ipswich Town Football Club Company Limited to swap the 33,265 Ordinary Shares in this Company for ordinary shares in Ipswich Town plc. The takeover offer became unconditional in all respects on 25 September 2003, such that with effect from 26 September 2003, the Company became a wholly owned subsidiary of Ipswich Town plc.

On 29 September 2003, the 6% Loan Notes were cancelled in exchange for the issue in Ipswich Town plc of identical Loan Notes.

On 30 June 2004, the Company issued 44,318 ordinary shares to Ipswich Town plc at a value of £20 per share, following which there were then 77,583 ordinary shares of 25p in issue, all owned by Ipswich Town plc.

With effect from 30 September, 2003 the Company issued to Ipswich Town plc a Loan Note Loan for a value of £1,285,000. This loan is repayable in 2035 or earlier if both parties agree. The loan has an 8% coupon. On 7 December 2004 a further £1,075,000 Loan Note Loan was issued under the same terms.

Results and dividends

The results for the Company are set out in the profit and loss account on page 6.

The profit for the year before and after taxation amounted to £1,249,000 (2003 – loss of £6,047,000).

The Directors do not recommend the payment of a dividend.

Directors and Directors' interests

The Directors who served during the period and their beneficial and non beneficial interests in the share capital of the company are set out below:

	<u>At 30 June 2004</u>	<u>At 30 June 2003</u>
		<u>Or date of appointment</u>
	<u>Ordinary Shares of 25p</u>	<u>Ordinary Shares of 25p</u>
D Sheepshanks	-	1,252
D Bowden	-	150
K Beeston (appointed 26 September 2003)	-	-
H Bellingham (appointed 25 February 2004)	-	-
R Finbow	-	230
P Hope-Cobbold	-	152
J Kerr	-	4,284
R Moore	-	964
Rt. Hon Lord Ryder (retired 29 September 2003)	N/A	N/A

Directors' report (continued)

No director has any interest in the shares of the Company or any other group undertaking, other than the Ultimate Holding Company, Ipswich Town plc. The directors' interests in the shares of that Company are disclosed in the directors' report of that Company.

Employee Involvement

Within the bounds of commercial confidentiality, staff at all levels are kept fully informed of matters that affect the progress of the Company and are of interest to them as employees.

Disabled Employees

The Company gives every consideration to applications for employment from disabled persons where the requirements of the job may be adequately covered by a disabled person. If disablement were to occur whilst employed, the Club would, wherever possible, make every effort to continue training and employing the person concerned.

Charitable Donations

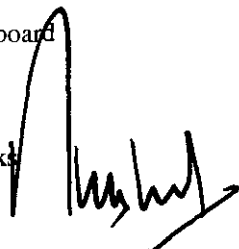
During the year the Company made charitable donations of £8,245 (2003 : £7,650) mainly from the Company's share of proceeds from the FA Community Shield.

AGM and Auditors

At the Annual General Meeting held on 25 February 2004 it was resolved that in accordance with Section 366A of the Companies Act the Company would henceforth dispense with the holding of annual general meetings. Consequently Auditors will automatically remain in office until removed by the Directors or Shareholders.

By order of the board

DR Sheepshanks
Chairman
Portman Road
Ipswich



27 January 2005

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

6 Lower Brook Street
Ipswich
IP4 1AP
United Kingdom

Independent auditors' report to the members of Ipswich Town Football Club Company Limited

We have audited the financial statements on pages 6 to 21.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 company and the company'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

The directors are responsible for preparing the directors' report and, as described on page 5, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with 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 directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company'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 affairs of the company as at 30 June 2004 and of its profit of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP
Chartered Accountants
Registered Auditor

27 January 2005

Profit and loss account

For the year ended 30 June 2004

		Operations (excluding player amortisation and trading) Year ended 30 June 2004 £000	Player Amortisation and trading Year ended 30 June 2004 £000	Total Year ended 30 June 2004 £ 000	Total Year ended 30 June 2003 £000
Turnover	2	19,888	-	19,888	18,302
Cost of Sales		(17,308)	(453)	(17,761)	(32,292)
Gross profit/(loss)		2,580	(453)	2,127	(13,990)
Administrative expenses		(673)	-	(673)	(944)
Other operating income	3	133	-	133	127
Operating profit/(loss)		2,040	(453)	1,587	(14,807)
Profit on disposal of players	4	-	391	391	4,467
Profit/(loss) before interest and taxation		2,040	(62)	1,978	(10,340)
Interest receivable and similar income	8			144	26
Interest payable and similar charges:					
Interest payable	9			(387)	(655)
Amounts relating to CVA restructuring	10			(486)	5,002
Profit/(loss) on ordinary activities before taxation	5-7			1,249	(5,967)
Tax on profit/ (loss) on ordinary activities	11			-	(80)
Profit/(Loss) on ordinary activities after taxation				1,249	(6,047)

The above results relate entirely to continuing operations.

There were no recognised gains and losses for the current financial period other than those stated in the profit and loss account.

There is no material difference between the results disclosed above and their historical cost equivalents.

The notes on pages 8 to 21 form part of these financial statements.

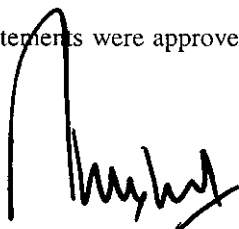
Company Balance Sheet

At 30 June 2004

	Note	30 June 2004 £000	30 June 2003 £000
Fixed assets			
Intangible assets	12	684	1,614
Tangible assets	13	3,328	3,778
Investments	14	-	-
		<u>4,012</u>	<u>5,392</u>
Current Assets			
Stocks	15	423	274
Debtors	16	6,222	3,744
Cash at bank and in hand	17	2,512	3,638
		<u>9,157</u>	<u>7,656</u>
Creditors: amounts falling due within one year	18	<u>(7,304)</u>	<u>(9,446)</u>
Net current assets/(liabilities)		<u>1,853</u>	<u>(1,790)</u>
Total assets less current liabilities		<u>5,865</u>	<u>3,602</u>
Creditors: amounts falling due after more than one year	19	<u>(7,529)</u>	<u>(7,401)</u>
Provisions for liabilities and charges	11	-	-
Net liabilities		<u>(1,664)</u>	<u>(3,799)</u>
Capital and reserves			
Called up share capital	20	19	8
Share premium account	21	885	10
Capital Redemption reserve	21	1	1
Profit and loss account	21	(2,569)	(3,818)
Shareholders' deficit (including non-equity interests)		<u>(1,664)</u>	<u>(3,799)</u>

These financial statements were approved by the board of directors on 27 January 2005 and were signed on its behalf by:

D R Sheepshanks
 Director



D Bowden
 Director



The notes on pages 8 to 21 form part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared on a going concern basis, and in accordance with applicable accounting standards and under the historical cost accounting rules.

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of Ipswich Town plc, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Ipswich Town plc, within which this company is included, can be obtained from the address given in note 27.

Intangible fixed assets and amortisation

Intangible fixed assets represent transfer fees associated with the acquisition of players' registrations which are capitalised as intangible fixed assets and amortised over the period of the player's contract. Further contingent payments are capitalised when the likelihood of the payment is probable. Provision for any impairment in value, such as through injury or loss of form, is made when it becomes apparent that the diminution in value is permanent.

Tangible fixed assets and depreciation

Depreciation is provided to write off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold buildings	-	Evenly over the estimated life of 50 years
Computer equipment	-	over 3 years
Motor vehicles	-	over 4 to 5 years
Fixtures, fittings and equipment	-	over 4 to 10 years

No depreciation is provided on freehold land.

Grants

Grants receivable relating to capital expenditure are treated as deferred income in the balance sheet and released to the profit and loss account over the estimated useful economic lives of the assets to which they relate.

Grants of a revenue nature are credited to the profit and loss account in the period to which they relate.

Signing on fees

Signing on fees are charged to cost of sales over the duration of the player's contract. If a players' registration is fully written down as a result of a permanent diminution in value, the amortisation of the signing on fee is accelerated accordingly. Any adjustment arising on the disposal of a player's registration is included as part of the profit or loss on disposal.

Leases and hire purchase contracts

Assets acquired under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their useful economic lives. The outstanding future lease obligations are included in creditors and the interest element is charged to the profit and loss account over the period of the lease. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Notes (continued)

1 Accounting policies (continued)

Pension costs

The Company operates various defined contribution schemes. The assets of the schemes are held separately from those of the Company in independently administered funds. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period. Amounts due to the Football League Limited Pension and Life Assurance Scheme (suspended in 1999), a defined benefit scheme, are charged to the profit and loss account as advised by the scheme's Actuary.

Stock

Stocks are stated at the lower of cost and net realisable value.

Taxation

The charge or credit for taxation is based on the result for the year and takes into account deferred taxation because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Turnover

Turnover represents commercial income (comprising executive box rentals, sponsorships, retail sales and other commercial income), fees charged to a subsidiary, Ipswich Town Stadium Company Limited, for the provision of football matches at the Stadium and central and local television and radio rights and other league sponsorships. Television income is recognised in the period in which the relevant matches are televised and football match fees are charged on a by-match basis.

Notes (continued)

2 Turnover

	Year Ended 30 June 2004 £ 000's	Year Ended 30 June 2003 £ 000's
Charges to Subsidiary for games played	3,250	3,625
Commercial income	8,019	6,956
Television/radio and share of Premier League sponsorships	8,619	7,669
TV Rights from UEFA games	-	52
	19,888	18,302

3 Other operating income

	Year Ended 30 June 2004 £ 000's	Year Ended 30 June 2003 £ 000's
Donations from:		
East Anglian Sports Association (Ipswich)	69	65
Ipswich Town Development Association	64	62
	133	127

4 Profit on disposal of players

	Year Ended 30 June 2004 £ 000's	Year Ended 30 June 2003 £ 000's
Proceeds for players' registrations sold or cancelled	873	9,905
Less players' registrations sold not amortised to date	(482)	(5,438)
	391	4,467

Notes (continued)

7 Staff numbers and costs (continued)

The aggregate payroll costs of these persons were as follows:

	Year Ended 30 June 2004 £ 000's	Year Ended 30 June 2003 £ 000's
Wages and salaries	12,716	18,501
Social security costs	1,314	1,750
Other pension costs	242	273
	14,272	20,524

The above figures include benefits in kind but exclude £339,000 (2003: £313,000) of staff costs recharged to a subsidiary.

8 Interest receivable and similar income

	Year Ended 30 June 2004 £ 000's	Year Ended 30 June 2003 £ 000's
Bank and other interest receivable	144	26

9 Interest payable and similar charges

	Year Ended 30 June 2004 £ 000's	Year Ended 30 June 2003 £ 000's
On bank loans, overdrafts and loan notes	380	635
Finance charges payable in respect of finance leases and hire purchase contracts	7	20
	387	655

Notes (continued)

10 Amounts relating to CVA restructuring

	Year Ended 30 June 2004 £ 000's	Year Ended 30 June 2003 £ 000's
Net (deficit)/ surplus arising from entering a CVA	(383)	5,894
Costs of administration/ further fees	(103)	(892)
	(486)	5,002

On 10 February 2003 the Company was granted an Administration order by the High Court leading to the appointment of Administrators. The Administration Order allowed the Company to retain its Football League status, to continue trading and formulate and prepare a company voluntary arrangement (CVA). On 2 May 2003, the Company's creditors and members approved a CVA whereby debts due to creditors were rescheduled.

Under the arrangement preferential creditors were to receive 50% of the amounts owed: 20% was paid in September 2003 with further payments of 10% due in each of the following three years. Further sums would be payable should the Company achieve promotion. Unsecured creditors were to receive 5% of the amounts owed, this was paid in September 2003. Again further sums would be payable should the Company achieve promotion. Upon receipt by a participating creditor of a final dividend under the CVA, the Company will be released and discharged from all liabilities to the creditor in respect of amounts due at 10 February 2003.

Accordingly the agreed restructuring of debts gave rise to a write back in the Company's books of amounts due to preferential and unsecured creditors, totalling £5,894,000. The costs of administration totalled £892,000. In the year ended 30 June 2004 further write offs and costs relating to the period of administration, including professional fees, have arisen totalling a net £486,000.

There are no more costs expected from the period of administration.

11 Taxation

	Year Ended 30 June 2004 £ 000's	Year Ended 30 June 2003 £ 000's
UK Corporation tax at 30%		
Prior year under provision	-	80
Deferred taxation credit	-	-
	-	80

Notes (continued)

11 Taxation (continued)

Factors affecting the tax charge for the current period

The current tax charge for the year is lower than the standard rate of corporation tax in the UK 30%, (2003: 30%). Factors affecting the tax charge for the period, and which account for the difference between the actual rate and the standard rate, are explained below.

	2004 £ 000's	2003 £ 000's
Profit on ordinary activities before tax	1,249	(5,967)
<i>Current tax reconciliation</i>		
Current tax charge (credit) at 30% (2003:30%)	375	(1,790)
Effects of:		
Expenses not deductible for tax purposes	(525)	758
Surplus arising on restructuring	-	(1,789)
Capital allowances less than depreciation	67	77
Effect of tax losses	201	2,726
Movement in short term timing differences	(118)	18
Current tax charge (above)	-	-

The amounts provided for deferred taxation at 30 June 2004 are as follows:

	2004 £ 000's	2003 £ 000's
Difference between accumulated depreciation and capital allowances	258	169
Losses available for future off-set	(258)	(169)
	-	-

The Company also has approximately £9.2 million of losses available for future offset which have not been provided.

Notes (continued)

12 Intangible fixed assets

	Player registrations £ 000's
<i>Cost</i>	
At 1 July 2003	19,796
Additions	5
Disposals	(10,758)
At 30 June 2004	9,043
<i>Amortisation</i>	
At 1 July 2003	18,182
Additions	453
Disposals	(10,276)
At 30 June 2004	8,359
<i>Net book value</i>	
At 30 June 2004	684
At 30 June 2003	1,614

In accordance with FRS 11 "Impairment of fixed assets and goodwill" the Directors have undertaken a review of the carrying value of player registrations. Certain player values formally identified as being permanently impaired have now been partially written back. Accordingly the amortisation charge has been reduced by £450,000 in the year (2003: charge of £2,599,000).

Notes (continued)

13 Tangible fixed assets

	Freehold, Land and Buildings £ 000's	Motor Vehicles £ 000's	Fixtures, Fittings and Equipment £ 000's	Total £ 000's
<i>Cost or valuation</i>				
At 1 July 2003	1,935	367	4,821	7,123
Additions	-	-	129	129
Disposals	-	(45)	(44)	(89)
At 30 June 2004	1,935	322	4,906	7,163
<i>Ammortisation</i>				
At 1 July 2003	58	242	3,045	3,345
Additions	29	28	485	542
Disposals	-	(30)	(22)	(52)
At 30 June 2004	87	240	3,508	3,835
<i>Net book value</i>				
At 30 June 2004	1,848	82	1,398	3,328
At 30 June 2003	1,877	125	1,776	3,778

Freehold land is not depreciated.

Included in the total net book value of motor vehicles and fixtures, fittings and equipment are the following amounts relating to assets held under finance leases and similar hire purchase contracts.

	Motor Vehicles £ 000's	Fixtures, Fittings and Equipment £ 000's
Net book value		
At 30 June 2004	64	130
At 30 June 2003	215	134
Depreciation		
Year to 30 June 2004	21	33
Year to 30 June 2003	73	35

Notes (continued)

14 Fixed asset investments

Investment in Group undertakings

The company has the following subsidiary companies, all of which are registered in England and Wales.

Name of Company	% owned	Nature of Business	Shares held
Ipswich Town Stadium Company Limited	100%	Provision of stadium facilities	1 ordinary share of £1
Ipswich Town Finance Company Limited	100%	Issuer of loan notes	1 ordinary share of £1
Ipswich Town Property Company Limited	100%	Property holding company	1 ordinary share of £1
Ipswich Town Football Club Education and Sports Trust	100%	Charitable Trust	See below

Ipswich Town Football Club Education and Sports Trust is a Company Limited by Guarantee. The Company was incorporated on 29 March 2003, but did not trade until the business and trading assets of the Ipswich Town Community Project was transferred on 1 July 2004.

15 Stocks

	2004 £ 000's	2003 £ 000's
Goods for sale	423	274

16 Debtors

	2004 £ 000's	2003 £ 000's
Trade debtors	768	534
Other debtors	938	545
Amounts due from fellow group undertakings	4,356	2,497
Prepayments and accrued income	160	168
	6,222	3,744

Included in trade debtors are amounts totalling £200,000 (2003:£375,000) in respect of transfer fees receivable.

17 Bank accounts

Of the cash balances held as at 30 June 2004 £155,000 (2003: £1,523,000), was held by the CVA Supervisors to meet obligations arising from the Administration period.

Notes (continued)

18 Creditors: amounts falling due within one year

	2004 £ 000's	2003 £ 000's
Bank loans	587	1,121
Directors loans (see note 26)	-	350
Obligations under finance leases and hire purchase contracts (see note 19)	63	121
Trade creditors	740	963
Other taxation and social security	1,026	832
Other creditors	197	163
Amounts due to subsidiary companies	-	-
Amounts owed under CVA (see note 10)	379	1,107
Accruals and deferred income	4,312	4,789
	7,304	9,446

Included in trade creditors are amounts totalling £105,000 (2003:£105,000) in respect of transfer fees payable. Bank loans include a loan secured on the training ground.

19 Creditors: amounts falling due after more than one year

	2004 £ 000's	2003 £ 000's
Bank loans	4,977	5,285
Accruals and deferred income	-	605
Other creditors	190	339
Obligations under finance leases and hire purchase contracts	11	78
Amounts owed under CVA (see note 10)	719	1,096
Amounts due to parent company	1,285	-
Accruals and deferred income	347	-
	7,529	7,401

Bank loans include £4,483,000 secured against future Media income streams of which £1,983,000 is due after more than five years. This carries an interest rate of 3% over base. The remaining £1,081,000 is a loan secured against freehold land and buildings of which £72,000 is due after more than five years. This carries an interest rate of 2% over base.

Amounts due to parent company represents a Loan Note Loan due in 2035. This carries an interest rate of 8%.

Notes (continued)

19 Creditors: amounts falling due after more than one year (Continued)

The maturity of obligations under finance leases and hire purchase contracts is as follows:

	30 June 2004 £ 000's	30 June 2003 £ 000's
Within one year	80	140
In the second to fifth years	11	88
	91	228
Less future year charges	(17)	(29)
	74	199

20 Called up share capital

	Number of Shares	£
<i>Authorised</i>		
Equity: Ordinary shares of 25p each		
30 June 2004	200,000	50,000
30 June 2003	40,000	10,000
<i>Allotted, called up and fully paid</i>		
Equity: Ordinary shares of 25p each		
30 June 2004	77,583	19,396
30 June 2003	33,265	8,316

On 30 June 2004, the Company issued 44,318 Ordinary Shares to Ipswich Town plc at a value of £20 per share.

21 Reserves

	Share Premium Account	Capital Redemption Reserve	Profit And Loss Account
	£ 000's	£ 000's	£ 000's
At 1 July 2003	10	1	(3,818)
Retained profit for the year	-	-	1,249
Issue of new shares	875	-	-
At 30 June 2004	885	1	(2,569)

Notes (continued)

22 Contingent liabilities

a) Player Transfers

The Company is contractually bound to pay additional amounts in respect of transferred players should certain criteria be met. The maximum amount of this contingent liability is £50,000 (2003: £50,000) excluding amounts which have been provided for.

b) Obligations under Company Voluntary Arrangement (CVA) dated 2 May 2003

As set out in note 10 the company has obligations to pay additional amounts to certain creditors should the club achieve promotion in any of the 3 years ending 30 June 2006. Under the CVA preferential creditors will receive a 40% distribution instead of a 10% distribution for each year that the company is in the FA Premier League up to 30 June 2007 (subject to a maximum of 100% distribution). Unsecured creditors will receive a further 5% distribution for each year the club is in the FA Premier league up to 30 June 2007. The maximum contingent liability is estimated at £2.4 million.

23 Commitments

a) Annual commitments under non-cancellable operating leases are as follows

	30 June 2004		30 June 2003	
	Land and Buildings £ 000's	Other £ 000's	Land and Buildings £ 000's	Other £ 000's
Operating leases which expire:				
Within one year	-	10	18	59
In the second to fifth years inclusive	76	28	42	7
Over five years	15	-	15	-
	91	38	75	66

b) There are no capital commitments at the end of the financial period for which no provision has been made.

24 Pension commitments

Certain staff of the Company are members of either the Football League Limited Pension and Life Assurance Scheme ('FLLPLAS'), comprising both defined benefit (suspended from 31 August 1999) and defined contribution sections, or the Football League and F.A. Premier League Group Pension Plan, a defined contribution scheme.

Ipswich Town Football Club Company Limited is one of a number of participating employers in the FLLPLAS, it is not possible to allocate any actuarial surplus or deficit and consequently contributions are expensed in the profit and loss account as they become payable. The assets of the schemes are held separately from those of the Company, being invested with insurance companies.

Following a review of the Minimum Funding Requirement (MFR) of the FLLPLAS, accrual of benefits of the final salary section of the scheme was suspended as at 31 August 1999. In light of the exceptional circumstances affecting the scheme, the trustees of the scheme commissioned an independent actuary's report on the MFR position and a substantial deficit was identified. Under the Pensions Act 1985 participating employers will be required to contribute to the deficiency. The Company was advised by the Premier League that a basis of apportionment of the deficit had been approved by the trustees and their advisors, although in practice there are a number of important issues which remain to be resolved that could impact on the final qualification of this liability. The allocation notified to Ipswich Town Football Club was £334,000 and accordingly provision for this amount was made in the financial statements for the period ending 30 June 2001. A further review of the deficit resulted in a further provision of £126,000 in the year ended 30 June 2003 and a further £17,000 in the current year. The charge for the normal pension cost is £242,000 (2003: £273,000). At the year end contributions totalling £60,000 (2003: £51,000) were outstanding.

Notes (continued)

25 Post balance sheet events

Since the year end a number of significant events have occurred which are material to the Company's financial position which are summarised below:

a) Ipswich Town Football Club Education and Sports Trust

On 1 July 2004 the business and trading assets of the Community Project were transferred to Ipswich Town Football Club Education and Sports Trust, a 100% subsidiary of Ipswich Town Football Club Company Limited. This is a Charitable Trust whose main aims are to advance education and assist in promoting community participation in healthy recreation. The Trust will also provide facilities for such recreation in the interests of social welfare with the object of improving the conditions of life for those for whom the facilities are provided.

b) Player movements

Since the year end the Company has acquired the registrations of J DeVos and K Horlock on free transfers and has acquired the registration of Darren Currie for a fee of £250,000. In addition the Company has transferred out for no fee or cancelled the registrations of M Bent, M Reuser, J Wright, A Armstrong, C Bart-Williams, J McGreal, C Makin and G Santos.

26 Related party disclosures

During the year ended 30 June 2004 the Group incurred fees of £293,000 (2003: £129,000) to Ashurst for legal services, part of which related to services provided to the Company. Mr R Finbow, a Director of the Company, is a partner in this firm.

During the year ended 30 June 2003 certain directors loaned a total of £350,000 to the Company. They comprised Mr D Sheepshanks, Mr R Finbow, Mr J Kerr and Mr R Moore. These loans were non-interest bearing. In August 2003 £250,000 of these loans were exchanged for Convertible Loan Notes 2035, and £100,000 was repaid.

27 Ultimate Holding Company

On 26 September, 2003, Ipswich Town plc acquired full ownership of the Company.

The consolidated accounts of Ipswich Town plc are available to the public and can be obtained from Portman Road, Ipswich, IP1 2DA.