



**IPSWICH TOWN FOOTBALL CLUB
COMPANY LIMITED**

**DIRECTORS' REPORT & FINANCIAL STATEMENTS
REGISTERED NUMBER 315421**

30 JUNE 2011



IPSWICH TOWN FOOTBALL CLUB
REPORT & ACCOUNTS 2011



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COMPANY INFORMATION

Directors	Simon Clegg CBE (Chief Executive) Ian Milne Martin Pitcher David Sheepshanks (resigned 30 June 2011) Jonathan Symonds
Company Secretary	Mark Andrews
Manager	Paul Jewell
Club Secretary	Sally Webb
Vice Presidents	Kevin Beeston Peter Cohen Roger Finbow John Kerr MBE DL Richard Moore David Rose David Sheepshanks
Patron	Philip Hope-Cobbold DL
Registered Office	Portman Road Ipswich IP1 2DA
Company Registration Number	315421
Banker	Barclays Bank Plc 1 Princes Street Ipswich IP1 1PB
Auditor	KPMG LLP 6 Lower Brook Street Ipswich IP4 1AP
Main Sponsor	Marcus Evans Group

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DIRECTORS' REPORT

The directors present their annual report and the audited consolidated financial statements for the year ended 30 June 2011

Principal activity and business review

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

Results and dividends

The results for the group are set out in the profit and loss account on page 8

The consolidated loss for the year after taxation amounted to £3,175,000 (2010 loss of £14,736,000)

The company's loss for the period was £1,657,000 (2010 loss £13,784,000) The directors do not recommend the payment of a dividend (2010 nil)

The loss realised for the period partially offset by higher profits on disposal of players is primarily as a result of the investment made in the first team squad following the acquisition of the group by Marcus Evans Investments Limited ('MEIL')

Key Performance Indicators

	2010/11	2009/10
League Position	13th	15th
Average League Attendance	19,615	20,841
Season Tickets	14,388	15,927
Turnover	£17.25m	£15.62m
EBITDA	£5.4m	(£5.5m)

The group measures its performance using a number of key performance indicators of both a financial and non-financial nature as discussed below

The first team finished the season in 13th place in the Championship up from 15th the season before Turnover increased from £15.6m in 2009/10 to £17.2m in 2010/11 due mainly to additional income in the form of an enhanced solidarity payment from the Premier League Gate receipts were higher than last season despite a decrease in season ticket sales due to an extended run in the Carling Cup competition and a profitable FA Cup 3rd round match at Chelsea Although the number of season tickets sold was 9.7% lower than last year our average total League attendance was only 5.9% down on last season Our attendance remained higher than the average Championship attendance for 2010/11 of 17,433 (2009/10 18,119)

Commercial revenue was 2% lower than 2009/10 although corporate sales and hospitality remained at a similar level to last season Retail sales fell further year on year in common with the general trend in the high street 2009/10 also included concert revenue associated with the Pink concert

Football League income includes additional TV fees received from the Carling Cup semi final against Arsenal

During the financial year the Club acquired 4 players at a cost of £2.1m and sold 5 players for proceeds (pre sell on clauses) of £11.7m Player sales include the initial base fee for Connor Wickham of £8.1m

Since the year end a further £1.2m has been committed on transfer fees following the acquisition of Jay Emmanuel-Thomas, Aaron Cresswell and Ryan Stevenson Thirteen players left the Club on free transfers following expiry of their contracts in June 2011 and Conor Hourihane joined Plymouth in July (no fee) Three Academy scholars signed first professional contracts in July 2011

The Club's net debt has increased from £57.0m to £66.6m over the year representing the ongoing funding and player investment provided by Marcus Evans The Club is not in debt to any financial institution

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DIRECTORS' REPORT (continued)

Principal risks and uncertainties

The directors consider that the principle risk facing both this company and the subsidiaries of Ipswich Town Football Club Limited ('the group') is the performance and the divisional status of Ipswich Town Football Club. The implications that this has on the group's ability to generate revenue streams are significant. In light of this risk and the levels of debt that the group now carries it remains dependant upon ongoing financial support from its principal shareholder MEIL. The Club is regulated by the rules of the FA, Football League, UEFA and FIFA. Any changes to the regulations of these bodies could have an impact on the group as they cover areas such as competition format, distribution of media income, player eligibility and operation of the transfer market. The board ensures compliance with the relevant rules and regulations and monitors and considers the impact closely of any potential changes.

Going concern

Having reviewed the current financial position of the company and its subsidiary undertakings, including current trading, budgets and future cash flow forecasts the directors have concluded the need for, and have requested, ongoing financial support from its principal shareholder MEIL. Such ongoing support for at least 12 months from the date of these financial statements has been given, which will allow the company and its subsidiary undertakings to continue in operational existence and meet their liabilities as they fall due for payment. Accordingly the directors consider it appropriate to continue to prepare these accounts on a going concern basis.

Directors

The directors who held office during the year were as follows

Simon Clegg
Ian Milne
Martin Pitcher

David Sheepshanks (resigned 30 June 2011)
Jonathan Symonds

Employee involvement

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

Disabled employees

The group 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 group would, wherever possible, make every effort to continue training and employing the person concerned.

Creditors' payment policy

It is the group's policy to agree the terms of payments with suppliers and pay in accordance with the agreed terms and legal obligations. Transfer fees and similar transactions are such that any calculation of the number of creditor days would prove meaningless.

Charitable donations

During the year the group made charitable donations of £1,500 (2010: £2,000) from the company's share of proceeds from the FA Community Shield.

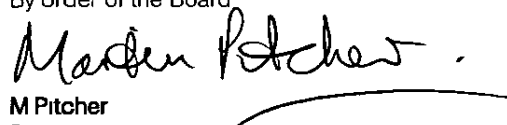
Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AGM and Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board



M Pitcher
Director

22 March 2012

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STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the parent company and of their profit or loss for that period

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK 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 group and the parent company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IPSWICH TOWN FOOTBALL CLUB

We have audited the financial statements of Ipswich Town Football Club Company Limited for the year ended 30 June 2011 set out on pages 8 to 26. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the 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 Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 June 2011 and of the group's loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

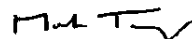
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Mark J Taylor (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
6 Lower Brook Street
Ipswich

22 March 2012

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CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 30 June 2011

	Note	Operations (excluding player amortisation and trading) year ended 30 June 2011	Player amortisation and trading year ended 30 June 2011	Total year ended 30 June 2011	Total year ended 30 June 2010
		£ 000s	£ 000s	£ 000s	£ 000s
Turnover	2	17,248	-	17,248	15,616
Cost of Sales		(20,929)	(4,204)	(25,133)	(25,372)
Gross loss		(3,681)	(4,204)	(7,885)	(9,756)
Administrative expenses		(2,981)	-	(2,981)	(3,044)
Other operating income	3	199	-	199	232
Operating loss		(6,463)	(4,204)	(10,667)	(12,568)
Profit on disposal of players	4	-	10,840	10,840	965
(Loss)/Profit before interest and taxation		(6,463)	6,636	173	(11,603)
Interest receivable and similar income	8			4	1
Interest payable and similar charges	9			(3,352)	(3,134)
Loss on ordinary activities before taxation	5			(3,175)	(14,736)
Tax on loss on ordinary activities	10			-	-
Loss on ordinary activities after taxation				(3,175)	(14,736)

The above results arose wholly from continuing operations

There were no gains or losses in either year other than the loss for the year and accordingly, no statement of total recognised gains or losses is presented

The notes on pages 11 to 26 form part of these financial statements

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CONSOLIDATED AND COMPANY BALANCE SHEETS

As at 30 June 2011

		Group		Company	
	Note	30 June 2011	30 June 2010	30 June 2011	30 June 2010
		£ 000s	£ 000s	£ 000s	£ 000s
Fixed assets					
Intangible assets	12	4,205	6,417	4,205	6,417
Tangible assets	13	25,883	26,558	2,634	2,605
Investments	14	-	-	516	516
		30,088	32,975	7,355	9,538
Current assets					
Stocks	15	189	247	189	247
Debtors	16	12,505	3,849	11,160	2,486
Cash at bank and in hand		68	212	61	205
		12,762	4,308	11,410	2,938
Creditors amounts falling due within one year	17	(10,579)	(10,667)	(6,340)	(5,850)
Net current assets/(liabilities)		2,183	(6,359)	5,070	(2,912)
Total assets less current liabilities		32,271	26,616	12,425	6,626
Creditors amounts falling due after more than one year	18	(72,832)	(64,002)	(48,407)	(40,951)
Net liabilities		(40,561)	(37,386)	(35,982)	(34,325)
Capital and reserves					
Called up share capital	19	4,512	4,512	4,512	4,512
Share premium account	20	3,175	3,175	3,175	3,175
Other reserve	20	1	1	1	1
Profit and loss account	20	(48,249)	(45,074)	(43,670)	(42,013)
Equity shareholders' deficit (including non-equity interests)		(40,561)	(37,386)	(35,982)	(34,325)

These financial statements were approved by the Board of Directors on 22 March 2012 and were signed on its behalf by

M Pitcher
Director
Ipswich Town Football Club Company Limited
Company Registration number 315421

The notes on pages 11 to 26 form part of these financial statements

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CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 June 2011

	<i>Note</i>	Year ended 30 June 2011 £ 000s	Year ended 30 June 2010 £ 000s
Net cash outflow from operating activities	24	(4,873)	(8,408)
Returns on investments and servicing of finance	25	3	1
Capital expenditure (net)	25	(2,327)	(1,017)
Cash outflow before financing		(7,197)	(9,424)
Financing (net)	25	7,053	9,291
Decrease in cash in the period	26	(144)	(133)

The notes on pages 11 to 26 form part of these financial statements

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

For the year ended 30 June 2011

	Group		Company	
	Year ended 30 June 2011 £ 000s	Year ended 30 June 2010 £ 000s	Year ended 30 June 2011 £000s	Year ended 30 June 2010 £ 000s
Loss for the financial year	(3,175)	(14,736)	(1,657)	(13,784)
Opening shareholders' deficit	(37,386)	(22,650)	(34,325)	(20,541)
Closing shareholders' deficit	(40,561)	(37,386)	(35,982)	(34,325)

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NOTES

(forming part of the financial statements)

I ACCOUNTING POLICIES

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

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules

Notwithstanding the consolidated loss for the year of £3,175,000, these financial statements have been prepared on a going concern basis for the following reason

The company and its subsidiary undertakings remain reliant upon the group's principle shareholder Marcus Evans Investments Limited ("MEIL") for ongoing financial support. MEIL has provided the directors with an undertaking that for at least 12 months from the date of approval of these financial statements that it will continue to make available such funds as are needed by the company and its subsidiary undertakings and in particular will not seek repayment of any of the amounts currently made available. This should enable the company and its subsidiary undertakings to continue in operational existence by meeting their liabilities as they fall due.

As with any company placing reliance upon another entity for financial support the directors acknowledge that there can be no certainty that this support will continue indefinitely.

Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

Basis of consolidation

The consolidated financial statements include the financial statements of the company and its subsidiary undertakings made up to 30 June 2011.

Under section 408 of the Companies Act 2006 the company is exempt from the requirement to present its own profit and loss account.

Intangible fixed assets and amortisation

Intangible fixed assets represent transfer fees and league levies associated with the acquisition of players' registrations which are capitalised as intangible fixed assets and amortised over the period of the player's contract. 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 less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold buildings	-	over 50 years
Leasehold land and buildings	-	over 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.



NOTES (continued)

Signing on fees

Signing on fees are due to players if they are still in the service of the Club on future dates specified in their contracts. They are charged to the profit and loss account as they fall due. The element of such signing on fees not yet payable is disclosed as a commitment.

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.

Classification of financial instruments issued by the Group

Following the adoption of FRS 25, financial instruments issued by the group are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the company (or group as the case may be) to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company (or group), and
- b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Pension costs

The group operates various defined contribution schemes. The assets of the schemes are held separately from those of the group 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. The group also continues to make contributions in respect of its share of the deficit on the defined benefit section of the Football League Limited Pension and Life Assurance Scheme (suspended in 1999). As one of a participating employers the group is advised only of its share of the Scheme deficit and accordingly recognises a liability in respect of this.

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 match receipts, executive box rentals, sponsorships, commercial and other income arising from the ordinary activities of the group and excludes transfer fees receivable and value added tax. Television income is recognised in the period in which the relevant matches are televised and gate receipt income is taken to profit and loss account when the matches are played. Advance season ticket sales are included within deferred income and released to turnover in the relevant season.

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NOTES (continued)

2 TURNOVER

	Year ended 30 June 2011 £ 000s	Year ended 30 June 2010 £ 000s
Gate receipts	6,638	6,386
Commercial income	5,106	5,222
Television / radio	5,504	4,008
	17,248	15,616

3 OTHER OPERATING INCOME

	Year ended 30 June 2011 £ 000s	Year ended 30 June 2010 £ 000s
Donations from		
East Anglian Sports Association (Ipswich)	39	48
Ipswich Town Development Association	160	184
	199	232

4 PROFIT ON DISPOSAL OF PLAYERS

	Year ended 30 June 2011 £ 000s	Year ended 30 June 2010 £ 000s
Proceeds for players' registrations sold or cancelled	11,068	1,143
Less players' registrations sold not amortised to date	(228)	(178)
	10,840	965

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NOTES (continued)

5 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	Year ended 30 June 2011	Year ended 30 June 2010
	£ 000s	£ 000s
Loss on ordinary activities before taxation is stated		
after charging		
Auditors' remuneration	19	19
Audit of the financial statements of the company pursuant to legislation	7	7
Audit of the subsidiary undertakings pursuant to legislation	-	-
Other services relating to taxation	-	-
Depreciation and other amounts written off tangible fixed assets		
Owned	1,003	1,023
Leased	16	22
Amortisation of players' registrations	4,204	5,051
Amortisation of capital raising costs	38	38
Hire of plant and machinery - under operating leases	49	49
Hire of other assets - operating leases - ground rent	112	112
- shop & warehouse rent	34	56
after crediting		
Release of capital grant	(41)	(41)

6 REMUNERATION OF DIRECTORS

	Year ended 30 June 2011	Year ended 30 June 2010
	£ 000s	£ 000s
Directors' emoluments	193	219
Company contributions to money purchase pension scheme	30	30
	223	249

The aggregate of the emoluments of the highest paid director in the year ended 30 June 2011 was £193,000 (2010 £219,000) and company pension contributions of £30,000 (2010 £30,000) were made to a money purchase scheme on his behalf

The figures for 2011 include one executive director (2010 one)

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NOTES (continued)

7 STAFF NUMBERS AND COSTS

The average number of persons employed by the group during the year, analysed by category, was as follows

	Year ended 30 June 2011		Year ended 30 June 2010	
	Full time	Part time	Full time	Part time
Playing, training and football management	53	5	52	6
Administrative, commercial and stadium maintenance	65	26	67	24
	118	31	119	30

The above numbers do not include non-executive directors. The group used an average of 398 casual staff for matchdays (2010 406) and an average of 17 for coaching sessions (2010 14). 13 Youth trainees (2010 13) are also excluded from the numbers.

The aggregate payroll costs of these persons were as follows

	Year ended 30 June 2011 £ 000s	Year ended 30 June 2010 £ 000s
Wages and salaries	15,673	15,289
Social security costs	1,729	1,636
Other pension costs	150	157
	17,552	17,082

The above figures include benefits in kind.

8 INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 30 June 2011 £ 000s	Year ended 30 June 2010 £ 000s
Bank and other interest receivable	4	1

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NOTES (continued)

9 INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 30 June 2011 £ 000s	Year ended 30 June 2010 £ 000s
On loan notes	2,437	2,272
On other loans	351	298
Preference share dividend	564	564
	3,352	3,134

10 TAXATION

	Year ended 30 June 2011 £ 000s	Year ended 30 June 2010 £ 000s
Corporation tax at 27.5%		
UK corporation tax on loss for the year	-	-

Factors affecting the tax charge for the current period

The current tax charge for the year is higher (2010: higher) than the standard rate of corporation tax in the UK 27.5% (2010: 28%). 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:

	Year ended 30 June 2011 £ 000s	Year ended 30 June 2010 £ 000s
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	(3,175)	(14,736)
Current tax credit at 27.5% (2010: 28%)	(873)	(4,126)
Effects of:		
Expenses not deductible for tax purposes	161	157
Depreciation in excess of capital allowances for the period	128	141
Effect of tax losses	667	3,890
Movement in short term timing differences	(48)	(22)
Income not subject to taxation	(35)	(40)
Total current tax (see above)	-	-

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NOTES (continued)

TAXATION (CONTINUED)

The group also has unprovided deferred tax assets of £320,000 (2010 £383,000) in respect of general provisions, £752,000 (2010 £185,000) arising on decelerated capital allowances and £10.4m (2010 £10.7m) in respect of unrelieved trading losses

Factors affecting the future tax charge

On 23 March 2011 the Chancellor announced the reduction in the main rate of UK corporation tax to 26 percent with effect from 1 April 2011. This change became substantively enacted on 29 March 2011 and therefore the effect of the rate reduction creates a reduction in the deferred tax asset which has been included in the figures above.

The Chancellor also proposed changes to further reduce the main rate of corporation tax by one per cent per annum to 23 per cent by 1 April 2014. The reduction to 25% has been substantively enacted in July 2011, however the further reductions have not yet been substantively enacted. The reduction to 25% and subsequent reductions are not included in the figures above as at 30 June 2011. The overall effect of the further reductions from 26 per cent to 23 per cent, if these applied to the deferred tax balance at 30 June 2011, would be to further reduce the deferred tax asset by approximately £190,000.

11 PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent Company is not presented as part of these financial statements. The parent Company's loss for the year amounted to £1,657,000 (2010 £13,784,000).

12 INTANGIBLE FIXED ASSETS

Group and Company

	Total £ 000s
Cost	
At 1 July 2010	14,013
Additions	2,220
Disposals	(6,041)
At 30 June 2011	10,192
Amortisation	
At 1 July 2010	7,596
Charged in year	4,204
Disposals	(5,813)
At 30 June 2011	5,987
Net Book Value	
At 30 June 2011	4,205
At 30 June 2010	6,417

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NOTES (continued)

13 TANGIBLE FIXED ASSETS

Group

	Freehold Land and Buildings	Long Leasehold Land and Buildings	Motor Vehicles	Fixtures, Fittings and Equipment	Total
	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s
Cost					
At 1 July 2010	2,714	30,305	80	8,288	41,387
Additions	10	23	-	311	344
At 30 June 2011	2,724	30,328	80	8,599	41,731
Depreciation					
At 1 July 2010	274	6,902	45	7,608	14,829
Charged in year	38	607	8	366	1,019
At 30 June 2011	312	7,509	53	7,974	15,848
Net Book Value					
At 30 June 2011	2,412	22,819	27	625	25,883
At 30 June 2010	2,440	23,403	35	680	26,558

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

Group

	Motor Vehicles £ 000s	Fixtures, Fittings and Equipment £ 000s
Net book values		
At 30 June 2011	-	17
At 30 June 2010	-	33
Depreciation		
Year to 30 June 2011	-	16
Year to 30 June 2010	2	20

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NOTES (continued)

13 TANGIBLE FIXED ASSETS (CONTINUED)

Company

	Freehold Land and Buildings £ 000s	Motor Vehicles £ 000s	Fixtures, Fittings and Equipment £ 000s	Total £ 000s
Cost				
At 1 July 2010	2,386	80	5,756	8,222
Additions	10	-	311	321
At 30 June 2011	2,396	80	6,067	8,543
Depreciation				
At 1 July 2010	274	45	5,298	5,617
Charged in year	38	8	246	292
On disposals	-	-	-	-
Transfers	-	-	-	-
At 30 June 2011	312	53	5,544	5,909
Net Book Value				
At 30 June 2011	2,084	27	523	2,634
At 30 June 2010	2,112	35	458	2,605

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

Company

	Motor Vehicles £ 000s	Fixtures, Fittings and Equipment £ 000s
Net book values		
At 30 June 2011	-	-
At 30 June 2010	-	-
Depreciation		
Year to 30 June 2011	2	4
Year to 30 June 2010	2	4

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NOTES (continued)

14 FIXED ASSET INVESTMENTS

Company – 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	515,620 ordinary shares of £1
Ipswich Town Property Company Limited	100%	Property holding company	1 ordinary share of £1

Investment in subsidiaries	Shares £ 000s	Total cost of investment £ 000s
At 30 June 2010	516	516
Movements in year	-	-
At 30 June 2011	516	516

15 STOCKS

	Group		Company	
	2011 £ 000s	2010 £ 000s	2011 £ 000s	2010 £ 000s
Goods for sale	189	247	189	247

16 DEBTORS

	Group		Company	
	2011 £ 000s	2010 £ 000s	2011 £ 000s	2010 £ 000s
Trade debtors	9,850	1,068	9,850	1,068
Other debtors	2,297	2,268	209	100
Amounts due from subsidiaries	-	-	743	805
Prepayments and accrued income	358	513	358	513
	12,505	3,849	11,160	2,486

Included in trade debtors are amounts totalling £9,300,000 (2010 £370,000) in respect of transfer fees receivable

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NOTES (continued)

17 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2011 £ 000s	2010 £ 000s	2011 £ 000s	2010 £ 000s
Trade creditors	1,542	438	1,542	438
Transfer fees payable	1,772	2,319	1,772	2,319
Other taxation and social security	913	955	913	955
Other creditors	1,168	1,046	1,168	1,046
Accruals and deferred income	5,184	5,909	945	1,092
	10,579	10,667	6,340	5,850

18 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2011 £ 000s	2010 £000s	2011 £ 000s	2010 £ 000s
Transfer fees payable	250	1,882	250	1,882
Amounts due to Marcus Evans International KFT	33,247	30,910	-	-
Amounts due to Marcus Evans Investments Limited	-	-	-	-
- Loan Note interest	2,046	1,908	-	-
- Other Loans	4,911	4,503	4,911	4,503
- Preference share dividend	1,992	1,429	1,992	1,429
Amounts due to Marcus Evans BV	17,932	11,130	17,932	11,130
Amounts due to Ipswich Town plc	1,974	2,081	1,920	2,035
Accruals and deferred income	1,652	1,750	-	-
Other creditors	776	357	152	282
Preference shares	8,052	8,052	8,052	8,052
Amounts owed to subsidiaries	-	-	13,198	11,638
	72,832	64,002	48,407	40,951

Issue costs of £921,000 incurred in respect of the original issue of the Loan Notes 2026 have been capitalised as part of the Loan Note balance. This is being amortised over the expected life of the Loan Notes 2026. The charge for the current period was £38,000 (2010: £38,000) leaving an unamortised amount of £575,000.



NOTES (continued)

19 CALLED UP SHARE CAPITAL

	Number of shares	£
2011 Ipswich Town Football Club Company Limited		
<i>Authorised</i>		
Equity Ordinary shares of 25p each	19,000,000	4,750,000
Debt Preference shares of 25p each	35,000,000	8,750,000
<i>Allotted, called up and fully paid</i>		
Equity Ordinary shares of 25p each	18,047,872	4,511,968
Debt Preference shares of 25p each	32,208,112	8,052,028

	Number of shares	£
2010 Ipswich Town Football Club Company Limited		
<i>Authorised</i>		
Equity Ordinary shares of 25p each	19,000,000	4,750,000
Debt Preference shares of 25p each	35,000,000	8,750,000
<i>Allotted, called up and fully paid</i>		
Equity Ordinary shares of 25p each	18,047,872	4,511,968
Debt Preference shares of 25p each	32,208,112	8,052,028

The redeemable Preference Shares of 25p each have the following rights -

- a fixed cumulative dividend at the rate of 7.0 per cent per annum (net) on capital provided there are profits available for distribution. The dividend accrues on daily basis and shall be payable on 31 July in respect of each 12 month period ended 30 June
- redemption of all or some of the Preference Shares outstanding at any time after the expiration of a period of five consecutive seasons of the Premier League during which time the company remains in the Premier League. The Preference Shares shall rank on such a return of capital in priority to all other shares of the Company from time to time in issue

The Preference Shares are non-voting unless the business of the meeting includes consideration of a resolution which varies the rights attached to the Preference Shares

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NOTES (continued)

20 RESERVES

Group	Share premium account £ 000s	Other reserve £ 000s	Profit and loss account £ 000s
At 1 July 2010	3,175	1	(45,074)
Retained loss for the year	-	-	(3,175)
At 30 June 2011	3,175	1	(48,249)

Company	Share premium account £ 000s	Other reserve £ 000	Profit and loss account £ 000
At 1 July 2010	3,175	1	(42,013)
Retained loss for the year	-	-	(1,657)
At 30 June 2011	3,175	1	(43,670)

21 CONTINGENT LIABILITIES

(a) Player Transfers

The Club 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 £345,000 (2010 £950,000) excluding amounts which have been provided for.

(b) Obligations on promotion to the Premier League

Should the Club be promoted to the Premier League at the end of the 2011-12 season, it is required to make additional payments to players, coaches, staff, players' former clubs, season ticket holders and certain Convertible Loan Note holders of £12.6m (2010 £12.4m). In addition, £800,000 of the 2035 convertible loan notes would become payable.

(c) Players Contracts

Signing on fees of up to a maximum of £652,000 (2010 £483,000) will become due to certain players if they are still under contract with the Club on specific future dates. In addition the Club is committed to pay bonuses to certain players up to £1,002,000 (2010 £198,000) which are conditional upon one or more future events.

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NOTES (continued)

22 COMMITMENTS

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

Group	30 June 2011		30 June 2010	
	Land and buildings £ 000s	Other £ 000s	Land and buildings £ 000s	Other £ 000s
Operating leases which expire				
Within one year	32	6	-	22
In the second to fifth years inclusive	-	15	-	6
Over five years	112	-	112	-
	144	21	112	28

Company - Nil

b) There are no capital commitments at the end of the financial year, therefore no provision has been made

23 PENSION COMMITMENTS

Certain staff of the group 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 FA 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 group, 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 1995 participating employers will be required to contribute to the deficiency. The group 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 £nil for the current year (2010 £151,000).

The charge for the normal pension cost is £189,000 (2010 £194,000). At the year end, contributions totalling £20,000 (2010 £30,000) were outstanding and as at 30 June 2011 the group had a liability of £205,000 (2010 £231,000).

24 RECONCILIATION OF OPERATING LOSS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Year ended 30 June 2011	Year ended 30 June 2010
	£ 000s	£ 000s
Operating loss	(10,667)	(12,568)
Amortisation of players' registrations	4,204	5,051
Depreciation	1,019	1,045
Release of capital grant	(41)	(41)
Amortisation of capital raising costs	38	38
Decrease/(increase) in stocks	58	(41)
Decrease in debtors	276	477
Increase/(decrease) in creditors	240	(2,369)
Net cash out flow from operating activities	(4,873)	(8,408)

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NOTES (continued)

25 ANALYSIS OF CASH FLOWS

	30 June 2011		30 June 2010	
	£ 000s	£ 000s	£ 000s	£ 000s
Return on investments and servicing of finance				
Interest received	4		1	
Interest paid	(1)		-	
		3		1
Capital expenditure				
Payment to acquire tangible fixed assets	(318)		(347)	
Receipts from sale of tangible fixed assets	-		18	
Payments to acquire players registrations	(4,147)		(2,776)	
Receipts from transfer of players registrations	2,138		2,088	
		(2,327)		(1,017)
Financing				
Loans received/(repaid)	7,053		9,291	
		7,053		9,291

26 ANALYSIS OF DEBT

	At 1 July 2010 £ 000s	Cash flow £ 000s	Other non cash changes £ 000s	At 30 June 2011 £ 000s
Bank cash	(212)	144	-	(68)
Loan Notes 2026 Gross	31,523	-	2,298	33,821
Other loans	15,633	7,053	157	22,843
Convertible Loan Notes	2,035	(115)	-	1,920
Preference shares	8,052	-	-	8,052
Net debt	57,031	7,082	2,455	66,568

27 RELATED PARTY TRANSACTIONS

Marcus Evans Investments Limited ('MEIL')

At the year end £56.7m (2010: £47.2m) was due to the parent company MEIL for intra-group loans provided to Ipswich Town Football Club. The parent company owed the Club £27,283 for facilities provided at Ipswich Town Football Club (2010: £51,809). In May 2008 MEIL agreed a five year sponsorship agreement with the Club for a sum of £1.5m.

Additionally £2.04m of interest had accrued on the intra-group loans and a cumulative preference share dividend of £1.99m in favour of MEIL had been accrued in accordance with the share rights representing 7% per annum on capital invested (see note 17).

The above related party transactions have been conducted on normal commercial terms.

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NOTES (continued)

28 POST BALANCE SHEET EVENTS

Player movements

Since the year end the group has acquired the registrations of Aaron Cresswell, Nathan Ellington, Lee Bowyer, Jay Emmanuel-Thomas, Ibrahima Sonko, Jimmy Bullard, Richard Wright and Ryan Stevenson. The following players registrations have been cancelled since the year end: Luciano Civelli, Marton Fulop, Colin Healy, Shane O'Connor, Ivar Ingimarsson and Tamas Priskin.

29 ULTIMATE CONTROL OF THE COMPANY

At 30 June 2011 Mr M Evans by virtue of his ownership of MEIL, the group's immediate parent company which holds 87.5% of the issued share capital of the company, is considered to be the ultimate controller of the Company.



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