



IPSWICH TOWN FOOTBALL CLUB COMPANY LIMITED

ANNUAL REPORT & CONSOLIDATED FINANCIAL STATEMENTS

REGISTERED NUMBER 315421

30 JUNE 2016

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IPSWICH TOWN FOOTBALL CLUB

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COMPANY INFORMATION

Directors	Mark Andrews Ian Milne Jonathan Symonds
Company Secretary	Mark Andrews
Manager	Mick McCarthy
Club Secretary	Sally Webb
Vice Presidents	Kevin Beeston Holly Bellingham Peter Cohen Roger Finbow John Kerr MBE DL Richard Moore David Rose David Sheepshanks CBE DL
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 Botanic House 100 Hills Road Cambridge CB2 1AR
Main Sponsor	Marcus Evans Group

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STRATEGIC REPORT

The directors present the strategic report for the year ended 30 June 2016.

Principal activity

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

Business Review

The group measures its performance using a number of key performance indicators, such as final position in the League, average League attendance and cash flow funding required.

Turnover decreased by £130,000 to £16,284,000 due to a reduction in commercial revenue, offset by an increase in media fees. Our average home league attendance decreased from 19,603 to 18,959.

It is a key objective of the Board to reduce ongoing losses in order to meet the Football League's Financial Fair Play rules.

Results and dividends

The results for the group are set out in the profit and loss account on page 9.

The consolidated loss for the year after taxation amounted to £6,616,000 (2015: profit of £5,481,000).

The company's loss for the year was £6,000,000 (2015: profit £4,262,000). The directors do not recommend the payment of a dividend (2015: £nil).

Principal risks and uncertainties

The directors consider that the principal 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 ("ITFC"). 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 dependent upon ongoing financial support from its principal shareholder. 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.

By order of the Board

I Minge
Director
Portman Road
Ipswich
16 December 2016



DIRECTORS' REPORT

The directors present their annual report and the audited consolidated financial statements for the year ended 30 June 2016.

Results and dividends

Details of the Company results and dividends are set out in the strategic report.

Going concern

Having reviewed the current financial position of the company, including current trading, budgets and future cash flow forecasts the directors have concluded the need for, and have received, ongoing financial support from the group's principal shareholder. Such ongoing support for at least 12 months from the date of these financial statements has been given, which will allow the company 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:

Mark Andrews
Ian Milne
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.

Political and charitable donations

During the year the group made charitable donations of £2,000 (2015: £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.

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DIRECTORS' REPORT (continued)

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

A handwritten signature in black ink, appearing to read 'I Milne'.

I Milne
Director
Portman Road
Ipswich
IP1 2DA

16 December 2016



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

The directors are responsible for preparing the Annual Report, the Directors' 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 they 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), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 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.

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

We have audited the financial statements of Ipswich Town Football Club Company Limited for the year ended 30 June 2016 set out on pages 9 to 30. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 7, 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 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2016 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 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 Strategic Report and 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 Prince (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Botanic House
100 Hills Road
Cambridge
CB2 1AR

21 December 2016

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STATEMENT OF INCOME AND RETAINED EARNINGS

For the year ended 30 June 2016

	Note	Operations (excluding player amortisation and trading) Year ended 30 June 2016	Player amortisation and trading Year ended 30 June 2016	Total Year ended 30 June 2016	Total Year ended 30 June 2015
		£ 000s	£ 000s	£ 000s	£ 000s
Turnover	2	16,284	-	16,284	16,414
Cost of sales		(20,470)	(180)	(20,650)	(20,422)
Gross loss		(4,186)	(180)	(4,366)	(4,008)
Administrative expenses		(2,356)	-	(2,356)	(2,152)
Other operating income	3	157	-	157	153
Operating Loss		(6,385)	(180)	(6,565)	(6,007)
Profit on disposal of assets	4	1	602	603	12,150
(Loss)/profit before interest and taxation		(6,384)	422	(5,962)	6,143
Interest receivable and similar income	8			-	2
Interest payable and similar charges	9			(679)	(677)
(Loss)/profit on ordinary activities before taxation	5			(6,641)	5,468
Tax on (loss)/profit on ordinary activities	10			25	13
(Loss)/profit on ordinary activities after taxation and total comprehensive income				(6,616)	5,481
Retained earnings at the start of the year				(75,832)	(81,313)
Retained earnings at the end of the year				(82,448)	(75,832)

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 12 to 30 form part of these financial statements.

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CONSOLIDATED AND COMPANY BALANCE SHEETS

As at 30 June 2016

		Group		Company	
	Note	30 June 2016	30 June 2015	30 June 2016	30 June 2015
		£ 000s	£ 000s	£ 000s	£ 000s
Fixed assets					
Intangible assets	12	329	98	329	98
Tangible assets	13	22,010	22,362	2,217	1,955
Investments	14	-	-	516	516
		22,339	22,460	3,062	2,569
Current assets					
Stocks	15	541	419	541	419
Debtors	16	6,336	16,085	4,108	13,568
Cash at bank and in hand		91	987	91	987
		6,968	17,491	4,740	14,974
Creditors: amounts falling due within one year	17	(43,079)	(47,471)	(54,462)	(58,675)
Net current liabilities		(36,111)	(29,980)	(49,722)	(43,701)
Total assets less current liabilities		(13,772)	(7,520)	(46,660)	(41,132)
Creditors: amounts falling due after more than one year	18	(59,242)	(58,853)	(19,484)	(19,012)
Provisions for liabilities and charges	10	(130)	(155)	-	-
Net liabilities		(73,144)	(66,528)	(66,144)	(60,144)
Capital and reserves					
Called up share capital	19	4,512	4,512	4,512	4,512
Share premium account		3,175	3,175	3,175	3,175
Other reserves		1,617	1,617	1,617	1,617
Profit and loss account		(82,448)	(75,832)	(75,448)	(69,448)
Equity shareholders' deficit		(73,144)	(66,528)	(66,144)	(60,144)

These financial statements were approved by the Board of Directors on 16 December 2016 and were signed on its behalf by:

I Milne
Director

Ipswich Town Football Club Company Limited
Company Registration number 315421

The notes on pages 12 to 30 form part of these financial statements.

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CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 June 2016

	Note	Year ended 30 June 2016 £ 000s	Year ended 30 June 2015 £ 000s
Net cash outflow from operating activities	23	(7,794)	(1,937)
Returns on investments and servicing of finance	24	(9)	2
Capital expenditure (net)	24	6,657	2,526
Cash (outflow)/inflow before financing		(1,146)	591
Financing (net)	24	250	232
(Decrease)/increase in cash in the year	25	(896)	823

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

For the year ended 30 June 2016

	Note	Year ended 30 June 2016 £000s	Year ended 30 June 2015 £000s
(Decrease)/increase in cash in the year		(896)	823
Loan received	25	(2,225)	(400)
Loans repaid	25	163	168
Change in net debt resulting from cash flows		(2,958)	591
Other non cash changes	25	3,639	(1,777)
Movement in net debt in the year		681	(1,186)
Net debt at the start of the year		(87,194)	(86,008)
Net debt at the end of the period	25	(86,513)	(87,194)

The notes on pages 12 to 30 form part of these financial statements.

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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 group's financial statements.

Basis of preparation

The financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("FRS102") as issued in August 2014. The amendments to FRS102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

An explanation of how the transition to FRS102 has affected the financial position and financial performance of the Company is provided in note 28.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Going concern

The 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 principal shareholder for ongoing financial support. The principal shareholder 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 2016.

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.



NOTES (continued)

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 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.

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 2016 £ 000s	Year ended 30 June 2015 £ 000s
Gate receipts	6,500	6,500
Commercial income	4,434	4,847
Television / radio	5,350	5,067
	16,284	16,414

All turnover arises purely from operations related to the football club.

3 OTHER OPERATING INCOME

	Year ended 30 June 2016 £ 000s	Year ended 30 June 2015 £ 000s
Donations from:		
East Anglian Sports Association (Ipswich)	13	18
Ipswich Town Development Association	144	135
	157	153

4 PROFIT ON DISPOSAL OF PLAYERS AND ASSETS

	Year ended 30 June 2016 £ 000s	Year ended 30 June 2015 £ 000s
Proceeds for players' registrations sold or cancelled	602	12,147
Less players' registrations sold not amortised to date	-	-
	602	12,147

	Year ended 30 June 2016 £ 000s	Year ended 30 June 2015 £ 000s
Proceeds for sale of assets	1	3
Less net book value of	(-)	(-)
	1	3

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NOTES (continued)

5 (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	Year ended 30 30 June 2016	Year ended 30 June 2015
	£ 000s	£ 000s
(Loss)/profit on ordinary activities before taxation is stated		
after charging:		
Auditors' remuneration:		
Audit of the financial statements of the company pursuant to legislation	20	20
Audit of the subsidiary undertakings pursuant to legislation	7	7
Other services	12	12
Depreciation and other amounts written off tangible fixed assets:		
Owned	818	756
Leased	-	-
Amortisation of players' registrations	180	704
Amortisation of capital raising costs	38	38
Hire of plant and machinery - under operating leases	53	54
Hire of other assets - operating leases - ground rent	112	112
after crediting:		
Release of capital grant	(41)	(41)

6 REMUNERATION OF DIRECTORS

	Year ended 30 June 2016	Year ended 30 June 2015
	£ 000s	£ 000s
Directors' emoluments	65	62
Company contributions to money purchase pension scheme	7	7
	72	69

The aggregate of the emoluments of the highest paid director in the year ended 30 June 2016 were £65,000 (2015: £62,000) and company pension contributions of £7,000 (2015: £7,000) were made to a money purchase scheme on his behalf.

The figures for 2016 include one executive director (2015: 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 2016		Year ended 30 June 2015	
	Full time	Part time	Full time	Part time
Playing, training and football management	90	11	87	13
Administrative, commercial and stadium				
Maintenance	59	19	55	18
	149	30	142	31

The above numbers do not include non-executive directors. The group used an average of 391 casual staff for matchdays (2015: 431) and an average of 32 for coaching sessions (2015: 34).

The aggregate payroll costs of these persons were as follows:

	Year ended 30 June 2016 £ 000s	Year ended 30 June 2015 £ 000s
Wages and salaries	14,895	14,332
Social security costs	1,597	1,559
Other pension costs	75	75
	16,567	15,966

The above figures include benefits in kind.

8 INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 30 June 2016 £ 000s	Year ended 30 June 2015 £ 000s
Bank and other interest receivable	-	2

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NOTES (continued)

9 INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 30 June 2016 £ 000s	Year ended 30 June 2015 £ 000s
On loan notes	-	-
On other loans	115	113
Preference share dividend	564	564
	679	677

10 TAXATION

	Year ended 30 June 2016 £ 000s	Year ended 30 June 2015 £ 000s
Corporation tax at 20% (2015: 20.75%):		
UK corporation tax on loss for the year	-	-
Deferred tax:		
For the year	(25)	(13)
Adjustments in respect of prior year	-	-
Total tax credit	(25)	(13)

Factors affecting the tax charge for the current period

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 2016 £ 000s	Year ended 30 June 2015 £ 000s
Tax reconciliation		
(Loss)/profit on ordinary activities before tax	(6,641)	5,468
Current tax (credit)/charge at 20% (2015: 20.75%)	(1,328)	1,135
Effects of:		
Expenses not deductible for tax purposes	142	142
Depreciation in excess of capital allowances for the period	35	46
Impact of reduction in corporation tax rate on deferred balances	(25)	(13)
Effect of tax losses	1,173	(1,308)
Income not subject to taxation	(22)	(15)
Total tax credit for the year	(25)	(13)

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NOTES (continued)

TAXATION (CONTINUED)

The amounts provided for deferred taxation at 30 June 2016 are as follows:

	Group Year ended 30 June 2016 £ 000s	Group Year ended 30 June 2015 £ 000s	Company Year ended 30 June 2016 £ 000s	Company Year ended 30 June 2015 £ 000s
Difference between accumulated depreciation and capital allowances	130	155	-	-
Other timing differences	-	-	-	-
	130	155	-	-

The group also has unrecognised deferred tax assets of £107,000 (2015: £121,000) in respect of general provisions and £8.6m (2015: £9.0m) in respect of unrelieved trading losses.

Factors affecting the future tax charge

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. The deferred tax balances as at 30 June 2016 have been calculated based on these rates. An additional reduction to 17% (effective 1 April 2020) was announced in the budget on 16 March 2016. This will reduce the company's future current tax charge accordingly.

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 £6,000,000 (2015: £4,262,000 profit).

12 INTANGIBLE FIXED ASSETS

Group and Company

	Total £ 000s
Cost	
At 1 July 2015	345
Additions	411
Disposals	(211)
At 30 June 2016	545
Amortisation	
At 1 July 2015	247
Charged in year	180
Disposals	(211)
At 30 June 2016	216
Net Book Value	
At 30 June 2016	329
At 30 June 2015	98

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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 2015	1,929	30,328	72	9,168	41,497
Additions	-	-	-	466	466
Disposals	-	-	-	-	-
At 30 June 2016	1,929	30,328	72	9,634	41,963
Depreciation					
At 1 July 2015	468	9,936	59	8,672	19,135
Charged in year	39	607	6	166	818
On disposals	-	-	-	-	-
At 30 June 2016	507	10,543	65	8,838	19,953
Net Book Value					
At 30 June 2016	1,422	19,785	7	796	22,010
At 30 June 2015	1,461	20,392	13	496	22,362

Freehold land is not depreciated.

Finance leases £nil.

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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 2015	1,929	72	6,635	8,636
Additions	-	-	466	466
Disposals	-	-	-	-
At 30 June 2016	1,929	72	7,101	9,102
Depreciation				
At 1 July 2015	468	59	6,154	6,681
Charged in year	39	6	159	204
On disposals	-	-	-	-
At 30 June 2016	507	65	6,313	6,885
Net Book Value				
At 30 June 2016	1,422	7	788	2,217
At 30 June 2015	1,461	13	481	1,955

Freehold land is not depreciated.

Finance leases £nil.

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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
Ipswich Town Property Company Limited	100%	Property holding company	£1 1 ordinary share of £1
Friends of Ipswich Town FC Limited	100%	Charitable company	Limited by guarantee

Investment in subsidiaries:	Shares 000s	Total cost of investment £ 000s
At 30 June 2015	516	516
Movements in year	-	-
At 30 June 2016	516	516

15 STOCKS

	Group		Company	
	2016 £ 000s	2015 £ 000s	2016 £ 000s	2015 £ 000s
Goods for sale	541	419	541	419

16 DEBTORS

	Group		Company	
	2016 £ 000s	2015 £ 000s	2016 £ 000s	2015 £ 000s
Trade debtors	3,062	10,689	3,062	10,689
Other debtors	2,818	3,200	114	216
Amounts due from subsidiaries	-	-	476	467
Amounts due from Marcus Evans BV	-	1,616	-	1,616
Amounts due from Marcus Evans (Guernsey)	-	233	-	233
Prepayments and accrued income	456	347	456	347
	6,336	16,085	4,108	13,568

Included in trade debtors are amounts totalling £2,913,000 (2015: £10,089,000) in respect of transfer fees receivable.

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NOTES (continued)

17 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2016 £ 000s	2015 £ 000s	2016 £ 000s	2015 £ 000s
Trade creditors	1,562	1,317	1,562	1,317
Transfer fees payable	158	402	158	402
Other taxation and social security	1,908	3,488	1,908	3,488
Loan from Marcus Evans Worldwide Holdings	30,303	33,942	30,303	33,942
Loan from Marcus Evans Group Services Ltd	3,650	1,425	3,650	1,425
Amounts due to Marcus Evans (Guernsey) Ltd	45	-	45	-
Amounts due to Marcus Evans UK Ltd	11	7	11	7
Amounts due to Marcus Evans NL	5	-	5	-
Amounts owed to subsidiaries	-	-	15,678	15,991
Other creditors	172	446	172	446
Accruals and deferred income	5,265	6,444	970	1,657
	43,079	47,471	54,462	58,675

18 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2016 £ 000s	2015 £ 000s	2016 £ 000s	2015 £ 000s
Amounts due to Marcus Evans International KFT				
- Loan Notes 2026, net of issue costs	38,106	38,068	-	-
- Loan interest	-	-	-	-
- Other Loans	4,975	4,975	4,975	4,975
Amounts due to Marcus Evans Worldwide Holdings				
- Preference share dividend	4,811	4,247	4,811	4,247
Amounts due to Ipswich Town plc	1,174	1,345	1,134	1,297
Accruals and deferred income	1,528	1,533	-	-
Other creditors	596	633	512	441
Preference shares	8,052	8,052	8,052	8,052
	59,242	58,853	19,484	19,012

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 (2015: £38,000) leaving an unamortised amount of £384,000.

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19 CALLED UP SHARE CAPITAL

	Number of shares	£
2016: Ipswich Town Football Club Company Limited		
Authorised		
Equity: Ordinary shares of 25p each	19,000,000	4,750,000
Debt: Preference shares of 25p each	35,000,000	8,750,000
Allotted, called up and fully paid		
Equity: Ordinary shares of 25p each	18,047,872	4,511,968
Debt: Preference shares of 25p each	32,208,112	8,052,028
2015: Ipswich Town Football Club Company Limited		
	Number of shares	£
Authorised		
Equity: Ordinary shares of 25p each	19,000,000	4,750,000
Debt: Preference shares of 25p each	35,000,000	8,750,000
Allotted, called up and fully paid		
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 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 £nil (2015: £30,000) 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 2016-17 season, it is required to make additional payments to players, coaches, staff, players' former clubs, season ticket holders and certain Convertible Loan Note holders.

(c) Players' Contracts

Signing on fees of up to a maximum of £296,000 (2015: £314,000) 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 £473,000 (2015: £372,000) which are conditional upon one or more future events.

21 LEASING COMMITMENTS

a) Total future minimum lease payments under non-cancellable operating leases are as follows:

	30 June 2016		30 June 2015	
Group	Land and buildings £ 000s	Other £ 000s	Land and buildings £ 000s	Other £ 000s
One year or less	172	28	172	8
Two to five years	686	26	686	2
Over five years	8,760	-	8,932	-
	9,618	54	9,790	10

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

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NOTES (continued)

22 PENSIONS

a) Defined contribution schemes

Total contributions charged to the profit and loss account during the year amounted to £75,000 (2015: £75,000).

b) Defined benefit scheme

	30 June 2016 £ 000s	30 June 2015 £ 000s
Provision at start of year	520	399
Payments in year	(84)	(81)
Interest and expenses	38	31
Increase in provision	120	171
Provision at end of year	594	520

The Group is advised of its share of deficit in the Scheme. The most recent actuarial valuation of the Scheme was at August 2014 and indicated that the contribution required from the Group towards making good this deficit was £592,000 as at 1 September 2014 (the total deficit in the Scheme at this date was £21.8 million). The Group's share of deficit is being paid off over a period of six years commencing September 2014. In accordance with FRS102, a liability of £594,194 has been recorded in the financial statements equal to the net present value of the future deficit reduction payments. Payments for the year amounted to £84,000 (2015: £81,000) and the profit and loss account charge was £38,000 (2015: £202,000).

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

	Year ended 30 June 2016 £ 000s	Year ended 30 June 2015 £ 000s
Operating loss	(6,565)	(6,007)
Amortisation of players' registrations	180	704
Depreciation	818	756
Release of capital grant	(41)	(41)
Amortisation of capital raising costs	38	38
(Increase)/decrease in stocks	(122)	38
Decrease/(increase) in debtors	2,573	(622)
(Decrease)/increase in creditors	(4,675)	3,197
Net cash outflow from operating activities	(7,794)	(1,937)

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NOTES (continued)

24 ANALYSIS OF CASH FLOWS

	30 June 2016		30 June 2015	
	£ 000s	£ 000s	£ 000s	£ 000s
Return on investments and servicing of finance:				
Interest received	-		2	
Interest paid	(9)		(-)	
		(9)		2
Capital expenditure:				
Payment to acquire tangible fixed assets	(466)		(113)	
Receipts from sale of tangible fixed assets	1		3	
Payments to acquire players registrations	(780)		(536)	
Receipts from transfer of players registrations	7,902		3,172	
		6,657		2,526
Financing:				
Loans received	425		400	
Loans repaid	(175)		(168)	
		250		232

25 ANALYSIS OF DEBT

	At 1 July 2015 £ 000s	Cash flow £ 000s	Other non cash changes £ 000s	At 30 June 2016 £ 000s
Cash at bank	(987)	896		(91)
Loan Notes 2026 Gross	38,490	-	-	38,490
Other loans	40,342	2,225	(3,639)	38,928
Convertible Loan Notes	1,297	(163)	-	1,134
Preference shares	8,052	-	-	8,052
Net debt	87,194	2,958	(3,639)	86,513

26 RELATED PARTY TRANSACTIONS

At the year end £43.4m (2015: £43.4m) was due to Marcus Evans International Kft in respect of acquisition debt and subsequent interest charges incurred but not paid. Interest has not been charged on the Loan Notes 2026 from 1 July 2014.

Additionally the company owed Marcus Evans Worldwide Holdings £30.3m (2015: £33.9m) following the transfer of debt balances from other group companies during the year and Marcus Evans Group Services £3.7m (2015: £1.4m) for interest-free loans provided since acquisition. A cumulative preference share dividend of £4.81m (2015: £4.25m) in favour of MEWH has been accrued in accordance with the share rights representing 7% per annum on capital invested (see note 19).

In November 2011 the freehold land at the Club's training ground was sold to Marcus Evans (Guernsey) Limited for £1.32m. The Club leases the training ground from Marcus Evans (Guernsey) Limited.

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

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27 POST BALANCE SHEET EVENTS

Player movements

Since the year end the group has acquired the registrations of Adam Webster, Grant Ward and Leon Best and transferred Daryl Murphy to Newcastle United.

The following players registrations have been cancelled since the year end: Piotr Malarczyk and Cameron Stewart.

28 EXPLANATION OF TRANSITION TO FRS102 FROM OLD UK GAAP

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 102.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 30 June 2016 and the comparative information presented in these financial statements for the year ended 30 June 2015.

In preparing its FRS 102 balance sheet the Company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP). An explanation of how the transition from UK GAAP to FRS 102 has affected the Company's financial position and financial performance is set out in the following table and note that accompany the table.

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Reconciliation of Group equity

	Note	UK GAAP	1 July 2014 Effect of transition to FRS 102	FRS 102	UK GAAP	30 June 2015 Effect of transition to FRS 102	FRS 102
		£000s	£000s	£000s	£000s	£000s	£000s
Fixed Assets							
Intangible assets		655	-	655	98	-	98
Tangible assets		23,005	-	23,005	22,362	-	22,362
Investment		-	-	-	-	-	-
		<u>23,660</u>	<u>-</u>	<u>23,660</u>	<u>22,460</u>	<u>-</u>	<u>22,460</u>
Current Assets							
Stocks		457	-	457	419	-	419
Debtors		4,081	-	4,081	16,085	-	16,085
Cash at bank and in hand		164	-	164	987	-	987
		<u>4,702</u>	<u>-</u>	<u>4,702</u>	<u>17,491</u>	<u>-</u>	<u>17,491</u>
Creditors: amounts due within one year	a	(8,423)	(34,907)	(43,330)	(12,097)	(35,374)	(47,471)
Net current assets/(liabilities)		<u>(3,721)</u>	<u>(34,907)</u>	<u>(38,628)</u>	<u>5,394</u>	<u>(35,374)</u>	<u>(29,980)</u>
Total assets less current liabilities		<u>19,939</u>	<u>(34,907)</u>	<u>(14,968)</u>	<u>27,854</u>	<u>(35,374)</u>	<u>(7,520)</u>
Creditors: amounts falling due after more than one year	a	(93,396)	34,907	(58,489)	(94,227)	35,374	(58,853)
Provision for liabilities and charges		(168)	-	(168)	(155)	-	(155)
Net liabilities		<u>(73,625)</u>	<u>-</u>	<u>(73,625)</u>	<u>(66,528)</u>	<u>-</u>	<u>(66,528)</u>
Capital and reserves							
Called up share capital		4,512	-	4,512	4,512	-	4,512
Share premium account		3,175	-	3,175	3,175	-	3,175
Other reserves		1	-	1	1,617	-	1,617
Profit and loss account		(81,313)	-	(81,313)	(75,832)	-	(75,832)
Equity shareholders' deficit		<u>(73,625)</u>	<u>-</u>	<u>(73,625)</u>	<u>(66,528)</u>	<u>-</u>	<u>(66,528)</u>

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Reconciliation of Company equity

		1 July 2014 Effect of transition		30 June 2015 Effect of transition to FRS 102		
	Note	UK GAAP	to FRS 102	FRS 102	UK GAAP	FRS 102
		£000s	£000s	£000s	£000s	£000s
Fixed Assets						
Intangible assets		655	-	655	98	98
Tangible assets		1,983	-	1,983	1,955	1,955
Investment		516	-	516	516	516
		<u>3,154</u>	<u>-</u>	<u>3,154</u>	<u>2,569</u>	<u>2,569</u>
Current Assets						
Stocks		457	-	457	419	419
Debtors		1,953	-	1,953	13,568	13,568
Cash at bank and in hand		164	-	164	987	987
		<u>2,574</u>	<u>-</u>	<u>2,574</u>	<u>14,974</u>	<u>14,974</u>
Creditors: amounts due within one year	a	(4,278)	(49,006)	(53,284)	(7,310)	(51,365)
Net current assets/(liabilities)		<u>(1,704)</u>	<u>(49,006)</u>	<u>(50,710)</u>	<u>7,664</u>	<u>(51,365)</u>
Total assets less current liabilities		<u>1,450</u>	<u>(49,006)</u>	<u>(47,556)</u>	<u>10,233</u>	<u>(51,365)</u>
Creditors: amounts falling due after more than one year	A	(67,472)	49,006	(18,466)	(70,377)	51,365
Provision for liabilities and charges		-	-	-	-	-
Net liabilities		<u>(66,022)</u>	<u>-</u>	<u>(66,022)</u>	<u>(60,144)</u>	<u>(60,144)</u>
Capital and reserves						
Called up share capital		4,512	-	4,512	4,512	4,512
Share premium account		3,175	-	3,175	3,175	3,175
Other reserves		1	-	1	1,617	1,617
Profit and loss account		(73,710)	-	(73,710)	(69,448)	(69,448)
Equity shareholders' deficit		<u>(66,022)</u>	<u>-</u>	<u>(66,022)</u>	<u>(60,144)</u>	<u>(60,144)</u>

Notes to the reconciliation of equity

- a) Under UK GAAP, amounts owed to Marcus Evans Group and subsidiary companies were included as falling due after more than one year. In accordance with FRS 102, a transitional adjustment has been made for these amounts to be recognised as falling due within one year as there is no formal loan agreement in place for repayment of amounts owed.

Leasing commitments

Under UK GAAP, amounts due under non-cancellable leases were disclosed as annual payments due. FRS102 requires that the total minimum lease payments are disclosed.

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29 ULTIMATE CONTROL OF THE COMPANY

At 30 June 2016 Mr M Evans by virtue of his ownership of Marcus Evans Worldwide Holdings (IOM) (registered in the Isle of Man), 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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