



# IPSWICH TOWN FOOTBALL CLUB COMPANY LIMITED

ANNUAL REPORT&CONSOLIDATED FINANCIALSTATEMENTS

REGISTEREDNUMBER315421

30 JUNE 2017

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# IPSWICH TOWN FOOTBALL CLUB

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### COMPANY INFORMATION

|                             |                                                                                                                                                 |
|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| Directors                   | Mark Andrews<br>Ian Milne<br>Jonathan Symonds                                                                                                   |
| Company Secretary           | Mark Andrews                                                                                                                                    |
| Manager                     | Mick McCarthy                                                                                                                                   |
| Club Secretary              | Sally Webb                                                                                                                                      |
| Vice Presidents             | Kevin Beeston<br>Holly Bellingham<br>Peter Cohen<br>Roger Finbow<br>John Kerr MBE DL<br>Richard Moore<br>David Rose<br>David Sheepshanks CBE DL |
| Patron                      | Philip Hope-Cobbold DL                                                                                                                          |
| Registered Office           | Portman Road<br>Ipswich<br>IP1 2DA                                                                                                              |
| Company Registration Number | 315421                                                                                                                                          |
| Banker                      | Barclays Bank Plc<br>1 Princes Street<br>Ipswich<br>IP1 1PB                                                                                     |
| Auditor                     | KPMG LLP<br>Botanic House<br>100 Hills Road<br>Cambridge<br>CB2 1AR                                                                             |
| Main Sponsor                | Marcus Evans Group                                                                                                                              |



## STRATEGIC REPORT

The directors present the strategic report for the year ended 30 June 2017.

### 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 increased by £961,000 to £17,245,000 due to an increase in media fees offset by a reduction in gate receipts and commercial revenue. Our average home league attendance decreased from 18,959 to 16,980.

It is a key objective of the Board to reduce ongoing losses in order to meet the Football League's Profit and Sustainability rules.

### Results and dividends

The results for the group are set out in the statement of income and retained earnings on page 10.

The consolidated loss for the year after taxation amounted to £4,308,000 (2016: £6,616,000).

The Company's loss for the year was £3,164,000 (2016: £6,000,000). The directors do not recommend the payment of a dividend (2016: £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. The Group is monitoring the impact of the UK's decision to leave the European Union. In the short term this has seen the value of sterling weaken against the Euro and consequently increasing the cost of player transfers from the EU. The most significant risk to the Group would appear to be a downturn to the UK or wider economy impacting ticket revenues and sponsorship agreements.

By order of the Board

Director

Portman Road  
Ipswich

28 February 2018



## DIRECTORS' REPORT

The directors present their annual report and the audited consolidated financial statements for the year ended 30 June 2017.

### Results and dividends

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

### Going concern

Having reviewed the current financial position of the group, 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. In forming this opinion, they have taken account of the ultimate parent undertaking, MEWH, providing financial support and are satisfied it has the ability to provide this support. 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 (2016: £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 be 'I Milne'.

**I Milne**  
**Director**  
Portman Road  
Ipswich  
IP1 2DA

28 February 2018



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

The directors are responsible for preparing the Strategic 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 each of the group and parent company 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;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or to have no realistic alternative but to do so.

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 are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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

## Opinion

We have audited the financial statements of Ipswich Town Football Club Company Limited ("the company") for the year ended 30 June 2017 which comprise the Consolidated Statement of Income and Retained Earnings, Consolidated and Company Balance Sheets, Consolidated Cash flow Statement and related notes, including the accounting policies in note 1.

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 2017 and of the group's loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

## Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

## Matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

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

## **Directors' responsibilities**

As explained more fully in their 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

## **The purpose of our audit work and to whom we owe our responsibilities**

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.

**Mark Prince (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
Botanic House  
100 Hills Road  
Cambridge  
CB2 1AR  
28 February 2018

# IPSWICH TOWN FOOTBALL CLUB

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### CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS

For the year ended 30 June 2017

|                                                                           | Note | Operations<br>(excluding<br>player<br>amortisation<br>and trading)<br>Year ended<br>30 June 2017 | Player<br>amortisation<br>and trading<br>Year ended<br>30 June 2017 | Total<br>Year ended<br>30 June 2017 | Total<br>Year ended<br>30 June 2016 |
|---------------------------------------------------------------------------|------|--------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|-------------------------------------|-------------------------------------|
|                                                                           |      | £ 000s                                                                                           | £ 000s                                                              | £ 000s                              | £ 000s                              |
| Turnover                                                                  | 2    | 17,245                                                                                           | -                                                                   | 17,245                              | 16,284                              |
| Cost of sales                                                             |      | (22,253)                                                                                         | (674)                                                               | (22,927)                            | (20,650)                            |
| Gross loss                                                                |      | (5,008)                                                                                          | (674)                                                               | (5,682)                             | (4,366)                             |
| Administrative expenses                                                   |      | (2,276)                                                                                          | -                                                                   | (2,276)                             | (2,356)                             |
| Other operating income                                                    | 3    | 170                                                                                              | -                                                                   | 170                                 | 157                                 |
| Operating Loss                                                            |      | (7,114)                                                                                          | (674)                                                               | (7,788)                             | (6,565)                             |
| (Loss)/profit on disposal of assets                                       | 4    | (6)                                                                                              | 4,101                                                               | 4,095                               | 603                                 |
| (Loss)/profit before interest and taxation                                |      | (7,120)                                                                                          | 3,427                                                               | (3,693)                             | (5,962)                             |
| Interest receivable and similar income                                    |      |                                                                                                  |                                                                     | -                                   | -                                   |
| Interest payable and similar charges                                      | 8    |                                                                                                  |                                                                     | (646)                               | (679)                               |
| Loss on ordinary activities before taxation                               | 5    |                                                                                                  |                                                                     | (4,339)                             | (6,641)                             |
| Tax on loss on ordinary activities                                        | 9    |                                                                                                  |                                                                     | 31                                  | 25                                  |
| Loss on ordinary activities after taxation and total comprehensive income |      |                                                                                                  |                                                                     | (4,308)                             | (6,616)                             |
| Retained earnings at the start of the year                                |      |                                                                                                  |                                                                     | (82,448)                            | (75,832)                            |
| Retained earnings at the end of the year                                  |      |                                                                                                  |                                                                     | (86,756)                            | (82,448)                            |

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 13 to 28 form part of these financial statements.

# IPSWICH TOWN FOOTBALL CLUB

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### CONSOLIDATED AND COMPANY BALANCE SHEETS

As at 30 June 2017

|                                                                |      | Group        |              | Company      |              |
|----------------------------------------------------------------|------|--------------|--------------|--------------|--------------|
|                                                                | Note | 30 June 2017 | 30 June 2016 | 30 June 2017 | 30 June 2016 |
|                                                                |      | £ 000s       | £ 000s       | £ 000s       | £ 000s       |
| <b>Fixed assets</b>                                            |      |              |              |              |              |
| Intangible assets                                              | 11   | 2,210        | 329          | 2,210        | 329          |
| Tangible assets                                                | 12   | 21,575       | 22,010       | 2,394        | 2,217        |
| Investments                                                    | 13   | -            | -            | 516          | 516          |
|                                                                |      | 23,785       | 22,339       | 5,120        | 3,062        |
| <b>Current assets</b>                                          |      |              |              |              |              |
| Stocks                                                         | 14   | 637          | 541          | 637          | 541          |
| Debtors                                                        | 15   | 2,972        | 6,336        | 1,164        | 4,108        |
| Cash at bank and in hand                                       |      | 49           | 91           | 49           | 91           |
|                                                                |      | 3,658        | 6,968        | 1,850        | 4,740        |
| <b>Creditors: amounts falling due within one year</b>          | 16   | (44,662)     | (43,079)     | (55,750)     | (54,462)     |
| <b>Net current liabilities</b>                                 |      | (41,004)     | (36,111)     | (53,900)     | (49,722)     |
| <b>Total assets less current liabilities</b>                   |      | (17,219)     | (13,772)     | (48,780)     | (46,660)     |
| <b>Creditors: amounts falling due after more than one year</b> | 17   | (60,134)     | (59,242)     | (20,528)     | (19,484)     |
| <b>Provisions for liabilities and charges</b>                  | 9    | (99)         | (130)        | -            | -            |
| <b>Net liabilities</b>                                         |      | (77,452)     | (73,144)     | (69,308)     | (66,144)     |
| <b>Capital and reserves</b>                                    |      |              |              |              |              |
| Called up share capital                                        | 18   | 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                                        |      | (86,756)     | (82,448)     | (78,612)     | (75,448)     |
| <b>Equity shareholders' deficit</b>                            |      | (77,452)     | (73,144)     | (69,308)     | (66,144)     |

These financial statements were approved by the Board of Directors on 28 February 2018 and were signed on its behalf by:

**I Milne**  
**Director**

Ipswich Town Football Club Company Limited  
Company Registration number 315421

The notes on pages 13 to 28 form part of these financial statements.

**IPSWICH TOWN FOOTBALL CLUB**  
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## CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 June 2017

|                                                 | Note | Year ended<br>30 June 2017<br>£ 000s | Year ended<br>30 June 2016<br>£ 000s |
|-------------------------------------------------|------|--------------------------------------|--------------------------------------|
| Net cash outflow from operating activities      | 22   | (8,539)                              | (7,794)                              |
| Returns on investments and servicing of finance | 23   | (6)                                  | (9)                                  |
| Capital expenditure (net)                       | 23   | 5,600                                | 6,657                                |
| Cash outflow before financing                   |      | (2,945)                              | (1,146)                              |
| Financing (net)                                 | 23   | 2,903                                | 250                                  |
| Decrease in cash in the year                    | 24   | (42)                                 | (896)                                |

## RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

For the year ended 30 June 2017

|                                              | Note | Year ended<br>30 June 2017<br>£000s | Year ended<br>30 June 2016<br>£000s |
|----------------------------------------------|------|-------------------------------------|-------------------------------------|
| Decrease in cash in the year                 |      | (42)                                | (896)                               |
| Loan received                                | 24   | (3,040)                             | (2,225)                             |
| Loans repaid                                 | 24   | 165                                 | 163                                 |
| Change in net debt resulting from cash flows |      | (2,917)                             | (2,958)                             |
| Other non cash changes                       | 24   | 168                                 | 3,639                               |
| Movement in net debt in the year             |      | (2,749)                             | 681                                 |
| Net debt at the start of the year            |      | (86,513)                            | (87,194)                            |
| Net debt at the end of the year              | 24   | (89,262)                            | (86,513)                            |

The notes on pages 13 to 28 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 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 presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

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 a letter of support detailing their intention to provide support 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. In forming this opinion, they have taken account of the ultimate parent undertaking, MEWH, providing financial support and are satisfied it has the ability to provide this support. 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 2017.

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.

# IPSWICH TOWN FOOTBALL CLUB

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### NOTES (continued)

#### 2 TURNOVER

|                    | Year ended<br>30 June 2017<br>£ 000s | Year ended<br>30 June 2016<br>£ 000s |
|--------------------|--------------------------------------|--------------------------------------|
| Gate receipts      | 5,125                                | 6,500                                |
| Commercial income  | 4,352                                | 4,434                                |
| Television / radio | 7,768                                | 5,350                                |
|                    | <hr/>                                | <hr/>                                |
|                    | 17,245                               | 16,284                               |

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

#### 3 OTHER OPERATING INCOME

|                                           | Year ended<br>30 June 2017<br>£ 000s | Year ended<br>30 June 2016<br>£ 000s |
|-------------------------------------------|--------------------------------------|--------------------------------------|
| Donations from:                           |                                      |                                      |
| East Anglian Sports Association (Ipswich) | 16                                   | 13                                   |
| Ipswich Town Development Association      | 154                                  | 144                                  |
|                                           | <hr/>                                | <hr/>                                |
|                                           | 170                                  | 157                                  |

#### 4 PROFIT ON DISPOSAL OF PLAYERS AND ASSETS

|                                                       | Year ended<br>30 June 2017<br>£ 000s | Year ended<br>30 June 2016<br>£ 000s |
|-------------------------------------------------------|--------------------------------------|--------------------------------------|
| Proceeds for players' registrations sold or cancelled | 4,101                                | 602                                  |
|                                                       | <hr/>                                | <hr/>                                |
|                                                       | 4,101                                | 602                                  |

  

|                               | Year ended<br>30 June 2017<br>£ 000s | Year ended<br>30 June 2016<br>£ 000s |
|-------------------------------|--------------------------------------|--------------------------------------|
| Proceeds for sale of assets   | 4                                    | 1                                    |
| Less net book value of assets | (10)                                 | -                                    |
|                               | <hr/>                                | <hr/>                                |
|                               | (6)                                  | 1                                    |

# IPSWICH TOWN FOOTBALL CLUB

## ANNUAL REPORT & ACCOUNTS 2017



### NOTES (continued)

#### 5 EXPENSES AND AUDITOR'S REMUNERATION

|                                                                          | Year ended 30<br>30 June 2017 | Year ended<br>30 June 2016 |
|--------------------------------------------------------------------------|-------------------------------|----------------------------|
|                                                                          | £ 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 non-audit services                                                 | 12                            | 12                         |
| Depreciation and other amounts written off tangible fixed assets:        |                               |                            |
| Owned                                                                    | 884                           | 818                        |
| Amortisation of players' registrations                                   | 674                           | 180                        |
| Amortisation of capital raising costs                                    | 38                            | 38                         |
| Hire of plant and machinery - under operating leases                     | 85                            | 53                         |
| Hire of other assets - operating leases - ground rent                    | 112                           | 112                        |
| after crediting:                                                         |                               |                            |
| Release of capital grant                                                 | (41)                          | (41)                       |

#### 6 REMUNERATION OF DIRECTORS

|                                                        | Year ended<br>30 June 2017 | Year ended<br>30 June 2016 |
|--------------------------------------------------------|----------------------------|----------------------------|
|                                                        | £ 000s                     | £ 000s                     |
| Directors' emoluments                                  | 69                         | 65                         |
| Company contributions to money purchase pension scheme | 7                          | 7                          |
|                                                        | 76                         | 72                         |

The aggregate of the emoluments of the highest paid director in the year ended 30 June 2017 were £69,000 (2016: £65,000) and company pension contributions of £7,000 (2016: £7,000) were made to a money purchase scheme on his behalf.

The figures for 2017 include one executive director (2016: one).



## 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 2017 |           | Year ended 30 June 2016 |           |
|-------------------------------------------|-------------------------|-----------|-------------------------|-----------|
|                                           | Full time               | Part time | Full time               | Part time |
| Playing, training and football management | 91                      | 12        | 90                      | 11        |
| Administrative, commercial and stadium    |                         |           |                         |           |
| Maintenance                               | 61                      | 22        | 59                      | 19        |
|                                           | 152                     | 34        | 149                     | 30        |

The above numbers do not include non-executive directors. The group used an average of 353 casual staff for matchdays (2016: 391) and an average of 40 for coaching sessions (2016: 32).

The aggregate payroll costs of these persons were as follows:

|                       | Year ended<br>30 June 2017<br>£ 000s | Year ended<br>30 June 2016<br>£ 000s |
|-----------------------|--------------------------------------|--------------------------------------|
| Wages and salaries    | 15,913                               | 14,895                               |
| Social security costs | 1,765                                | 1,597                                |
| Other pension costs   | 101                                  | 75                                   |
|                       | 17,779                               | 16,567                               |

The above figures include benefits in kind.

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**NOTES (continued)**

**8 INTEREST PAYABLE AND SIMILAR CHARGES**

|                           | Year ended<br>30 June 2017<br>£ 000s | Year ended<br>30 June 2016<br>£ 000s |
|---------------------------|--------------------------------------|--------------------------------------|
| On other loans            | 82                                   | 115                                  |
| Preference share dividend | 564                                  | 564                                  |
|                           | <b>646</b>                           | <b>679</b>                           |

**9 TAXATION**

|                                         | Year ended<br>30 June 2017<br>£ 000s | Year ended<br>30 June 2016<br>£ 000s |
|-----------------------------------------|--------------------------------------|--------------------------------------|
| Corporation tax at 19.75% (2016: 20%):  |                                      |                                      |
| UK corporation tax on loss for the year | -                                    | -                                    |
| Deferred tax:                           |                                      |                                      |
| For the year                            | (31)                                 | (25)                                 |
| Adjustments in respect of prior year    | -                                    | -                                    |
| Total tax credit                        | <b>(31)</b>                          | <b>(25)</b>                          |

**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<br>30 June 2017<br>£ 000s | Year ended<br>30 June 2016<br>£ 000s |
|------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Tax reconciliation                                               | £ 000s                               | £ 000s                               |
| Loss on ordinary activities before tax                           | (4,339)                              | (6,641)                              |
| Current tax credit at 19.75% (2016: 20%)                         | (857)                                | (1,328)                              |
| Effects of:                                                      |                                      |                                      |
| Expenses not deductible for tax purposes                         | (29)                                 | 142                                  |
| Depreciation in excess of capital allowances for the period      | 64                                   | 35                                   |
| Impact of reduction in corporation tax rate on deferred balances | (31)                                 | (25)                                 |
| Effect of tax losses                                             | 846                                  | 1,173                                |
| Income not subject to taxation                                   | (24)                                 | (22)                                 |
| Total tax credit for the year                                    | <b>(31)</b>                          | <b>(25)</b>                          |

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### NOTES (continued)

#### TAXATION (CONTINUED)

The amounts provided for deferred taxation at 30 June 2017 are as follows:

|                                                                    | Group<br>Year ended<br>30 June 2017<br>£ 000s | Group<br>Year ended<br>30 June 2016<br>£ 000s | Company<br>Year ended<br>30 June 2017<br>£ 000s | Company<br>Year ended<br>30 June 2016<br>£ 000s |
|--------------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------|-------------------------------------------------|-------------------------------------------------|
| Difference between accumulated depreciation and capital allowances | 130                                           | 130                                           | -                                               | -                                               |
| Other timing differences                                           | -                                             | -                                             | -                                               | -                                               |
|                                                                    | 130                                           | 130                                           | -                                               | -                                               |

The group also has unrecognised deferred tax assets of £121,000 (2016: £107,000) in respect of general provisions and £8.6m (2016: £8.6m) in respect of unrelieved trading losses.

#### Factors affecting the future tax charge

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax balances at 30 June 2017 has been calculated based on these rates.

### 10 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 £3,164,000 (2016: £6,000,000).

### 11 INTANGIBLE FIXED ASSETS

#### Group and Company

|                 | Total<br>£ 000s |
|-----------------|-----------------|
| Cost            |                 |
| At 1 July 2016  | 545             |
| Additions       | 2,555           |
| Disposals       | (11)            |
| At 30 June 2017 | 3,089           |
| Amortisation    |                 |
| At 1 July 2016  | 216             |
| Charged in year | 674             |
| Disposals       | (11)            |
| At 30 June 2017 | 879             |
| Net Book Value  |                 |
| At 30 June 2017 | 2,210           |
| At 30 June 2016 | 329             |

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**NOTES (continued)**

**12 TANGIBLE FIXED ASSETS**

Group

|                 | Freehold<br>Land and<br>Buildings | Long<br>Leasehold<br>Land and<br>Buildings | Motor<br>Vehicles | Fixtures,<br>Fittings<br>and<br>Equipment | Total  |
|-----------------|-----------------------------------|--------------------------------------------|-------------------|-------------------------------------------|--------|
|                 | £ 000s                            | £ 000s                                     | £ 000s            | £ 000s                                    | £ 000s |
| Cost            |                                   |                                            |                   |                                           |        |
| At 1 July 2016  | 1,929                             | 30,328                                     | 72                | 9,634                                     | 41,963 |
| Additions       | -                                 | -                                          | -                 | 459                                       | 459    |
| Disposals       | -                                 | -                                          | (11)              | (39)                                      | (50)   |
| At 30 June 2017 | 1,929                             | 30,328                                     | 61                | 10,054                                    | 42,372 |
| Deprecation     |                                   |                                            |                   |                                           |        |
| At 1 July 2016  | 507                               | 10,543                                     | 65                | 8,838                                     | 19,953 |
| Charged in year | 38                                | 607                                        | 4                 | 235                                       | 884    |
| On disposals    | -                                 | -                                          | (11)              | (29)                                      | (40)   |
| At 30 June 2017 | 545                               | 11,150                                     | 58                | 9,044                                     | 20,797 |
| Net Book Value  |                                   |                                            |                   |                                           |        |
| At 30 June 2017 | 1,384                             | 19,178                                     | 3                 | 1,010                                     | 21,575 |
| At 30 June 2016 | 1,422                             | 19,785                                     | 7                 | 796                                       | 22,010 |

Freehold land is not depreciated.

Finance leases £nil.

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NOTES (continued)

12 TANGIBLE FIXED ASSETS (CONTINUED)

Company

|                        | Freehold<br>Land and<br>Buildings<br>£ 000s | Motor<br>Vehicles<br>£ 000s | Fixtures<br>Fittings<br>and<br>Equipment<br>£ 000s | Total<br>£ 000s |
|------------------------|---------------------------------------------|-----------------------------|----------------------------------------------------|-----------------|
| <b>Cost</b>            |                                             |                             |                                                    |                 |
| At 1 July 2016         | 1,929                                       | 72                          | 7,101                                              | 9,102           |
| Additions              | -                                           | -                           | 459                                                | 459             |
| Disposals              | -                                           | (11)                        | (39)                                               | (50)            |
| <b>At 30 June 2017</b> | <b>1,929</b>                                | <b>61</b>                   | <b>7,521</b>                                       | <b>9,511</b>    |
| <b>Depreciation</b>    |                                             |                             |                                                    |                 |
| At 1 July 2016         | 507                                         | 65                          | 6,313                                              | 6,885           |
| Charged in year        | 38                                          | 4                           | 230                                                | 272             |
| On disposals           | -                                           | (11)                        | (29)                                               | (40)            |
| <b>At 30 June 2017</b> | <b>545</b>                                  | <b>58</b>                   | <b>6,514</b>                                       | <b>7,117</b>    |
| <b>Net Book Value</b>  |                                             |                             |                                                    |                 |
| At 30 June 2017        | 1,384                                       | 3                           | 1,007                                              | 2,394           |
| <b>At 30 June 2016</b> | <b>1,422</b>                                | <b>7</b>                    | <b>788</b>                                         | <b>2,217</b>    |

Freehold land is not depreciated.

Finance leases £nil.



## NOTES (continued)

### 13 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<br>000s | Total cost of<br>investment<br>£ 000s |
|-------------------|----------------|---------------------------------------|
| At 30 June 2016   | 516            | 516                                   |
| Movements in year | -              | -                                     |
| At 30 June 2017   | 516            | 516                                   |

### 14 STOCKS

|                | Group          |                | Company        |                |
|----------------|----------------|----------------|----------------|----------------|
|                | 2017<br>£ 000s | 2016<br>£ 000s | 2017<br>£ 000s | 2016<br>£ 000s |
| Goods for sale | 637            | 541            | 637            | 541            |

### 15 DEBTORS

|                                | Group          |                | Company        |                |
|--------------------------------|----------------|----------------|----------------|----------------|
|                                | 2017<br>£ 000s | 2016<br>£ 000s | 2017<br>£ 000s | 2016<br>£ 000s |
| Trade debtors                  | 258            | 3,062          | 258            | 3,062          |
| Other debtors                  | 2,367          | 2,818          | 80             | 114            |
| Amounts due from subsidiaries  | -              | -              | 479            | 476            |
| Prepayments and accrued income | 347            | 456            | 347            | 458            |
|                                | 2,972          | 6,336          | 1,164          | 4,108          |

Included in trade debtors are amounts totalling £17,000 (2016: £2,913,000) in respect of transfer fees receivable.

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**NOTES (continued)**

**16 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                            | Group          |                | Company        |                |
|--------------------------------------------|----------------|----------------|----------------|----------------|
|                                            | 2017<br>£ 000s | 2016<br>£ 000s | 2017<br>£ 000s | 2016<br>£ 000s |
| Trade creditors                            | 1,828          | 1,562          | 1,828          | 1,562          |
| Transfer fees payable                      | 1,163          | 158            | 1,163          | 158            |
| Other taxation and social security         | 313            | 1,908          | 313            | 1,908          |
| Loan from Marcus Evans Worldwide Holdings  | 30,135         | 30,303         | 30,135         | 30,303         |
| Loan from Marcus Evans Group Services Ltd  | 4,365          | 3,650          | 4,365          | 3,650          |
| Loan from Marcus Evans Holdings (IOM) Ltd  | 2,325          | -              | 2,325          | -              |
| Amounts due to Marcus Evans (Guernsey) Ltd | 45             | 45             | 45             | 45             |
| Amounts due to Marcus Evans UK Ltd         | 18             | 11             | 18             | 11             |
| Amounts due to Marcus Evans NL             | -              | 5              | -              | 5              |
| Amounts due to Marcus Evans Holland Ltd    | 24             | -              | 24             | -              |
| Amounts owed to subsidiaries               | -              | -              | 14,598         | 15,678         |
| Other creditors                            | 223            | 172            | 223            | 172            |
| Accruals and deferred income               | 4,223          | 5,265          | 713            | 970            |
|                                            | 44,662         | 43,079         | 55,750         | 54,462         |

**17 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

|                                                | Group          |                | Company        |                |
|------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                | 2017<br>£ 000s | 2016<br>£ 000s | 2017<br>£ 000s | 2016<br>£ 000s |
| Amounts due to Marcus Evans International KFT  |                |                |                |                |
| - Loan Notes 2026, net of issue costs          | 38,144         | 38,106         | -              | -              |
| - Other Loans                                  | 4,975          | 4,975          | 4,975          | 4,975          |
| Amounts due to Marcus Evans Worldwide Holdings |                |                |                |                |
| - Preference share dividend                    | 5,374          | 4,811          | 5,374          | 4,811          |
| Transfer fees payable                          | 733            | -              | 733            | -              |
| Amounts due to Ipswich Town plc                | 1,005          | 1,174          | 969            | 1,134          |
| Accruals and deferred income                   | 1,426          | 1,528          | -              | -              |
| Other creditors                                | 425            | 596            | 425            | 512            |
| Preference shares                              | 8,052          | 8,052          | 8,052          | 8,052          |
|                                                | 60,134         | 59,242         | 20,528         | 19,484         |

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 (2016: £38,000) leaving an unamortised amount of £346,000.

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### 18 CALLED UP SHARE CAPITAL

|                                                  | Number of shares | £         |
|--------------------------------------------------|------------------|-----------|
| 2017: 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 |
| <hr/>                                            |                  |           |
| 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 |
| <hr/>                                            |                  |           |
| 2016: 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 |
| <hr/>                                            |                  |           |
| 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 |
| <hr/>                                            |                  |           |

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.



## NOTES (continued)

### 19 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 £261,000 (2016: £nil) 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 2017-18 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 £160,000 (2016: £296,000) 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 £225,000 (2016: £473,000) which are conditional upon one or more future events.

### 20 LEASING COMMITMENTS

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

| Group             | 30 June 2017                    |                 | 30 June 2016                    |                 |
|-------------------|---------------------------------|-----------------|---------------------------------|-----------------|
|                   | Land and<br>buildings<br>£ 000s | Other<br>£ 000s | Land and<br>buildings<br>£ 000s | Other<br>£ 000s |
| One year or less  | 172                             | 19              | 172                             | 28              |
| Two to five years | 686                             | 17              | 686                             | 26              |
| Over five years   | 8,589                           | -               | 8,760                           | -               |
|                   | 9,447                           | 36              | 9,618                           | 54              |



## NOTES (continued)

### 21 PENSIONS

a) Defined contribution schemes

Total contributions charged to the profit and loss account during the year amounted to £75,000 (2016: £75,000).

b) Defined benefit scheme

|                            | 30 June 2017<br>£ 000s | 30 June 2016<br>£ 000s |
|----------------------------|------------------------|------------------------|
| Provision at start of year | 594                    | 520                    |
| Payments in year           | (88)                   | (84)                   |
| Interest and expenses      | 7                      | 38                     |
| Increase in provision      | 2                      | 120                    |
| Provision at end of year   | 515                    | 594                    |

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 currently pays total contributions of £88,956 per annum and based on the actuarial valuation assumptions will be sufficient to pay off the deficit by 31 August 2022. In accordance with FRS102, a liability of £514,531 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 £88,000 (2016: £84,000) and the profit and loss account charge was £7,000 (2016: £38,000).

### 22 RECONCILIATION OF OPERATING LOSS TO NET CASH FLOW FROM OPERATING ACTIVITIES

|                                            | Year ended<br>30 June 2017<br>£ 000s | Year ended<br>30 June 2016<br>£ 000s |
|--------------------------------------------|--------------------------------------|--------------------------------------|
| Operating loss                             | (7,788)                              | (6,565)                              |
| Amortisation of players' registrations     | 674                                  | 180                                  |
| Depreciation                               | 884                                  | 818                                  |
| Release of capital grant                   | (41)                                 | (41)                                 |
| Amortisation of capital raising costs      | 38                                   | 38                                   |
| Increase in stocks                         | (96)                                 | (122)                                |
| Decrease in debtors                        | 493                                  | 2,573                                |
| Decrease in creditors                      | (2,703)                              | (4,675)                              |
| Net cash outflow from operating activities | (8,539)                              | (7,794)                              |

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**NOTES (continued)**

**23 ANALYSIS OF CASH FLOWS**

|                                                 | 30 June 2017 |        | 30 June 2016 |        |
|-------------------------------------------------|--------------|--------|--------------|--------|
|                                                 | £ 000s       | £ 000s | £ 000s       | £ 000s |
| Return on investments and servicing of finance: |              |        |              |        |
| Interest paid                                   | (6)          |        | (9)          |        |
|                                                 |              | (6)    |              | (9)    |
| Capital expenditure:                            |              |        |              |        |
| Payment to acquire tangible fixed assets        | (459)        |        | (466)        |        |
| Receipts from sale of tangible fixed assets     | 2            |        | 1            |        |
| Payments to acquire players registrations       | (1,016)      |        | (780)        |        |
| Receipts from transfer of players registrations | 7,073        |        | 7,902        |        |
|                                                 |              | 5,600  |              | 6,657  |
| Financing:                                      |              |        |              |        |
| Loans received                                  | 3,068        |        | 425          |        |
| Loans repaid                                    | (165)        |        | (175)        |        |
|                                                 |              | 2,903  |              | 250    |

**24 ANALYSIS OF DEBT**

|                        | At<br>1 July 2016<br>£ 000s | Cash flow<br>£ 000s | Other<br>non cash<br>changes<br>£ 000s | At<br>30 June 2017<br>£ 000s |
|------------------------|-----------------------------|---------------------|----------------------------------------|------------------------------|
| Cash at bank           | (91)                        | 42                  | -                                      | (49)                         |
| Loan Notes 2026 Gross  | 38,490                      | -                   | -                                      | 38,490                       |
| Other loans            | 38,928                      | 3,040               | (168)                                  | 41,800                       |
| Convertible Loan Notes | 1,134                       | (165)               | -                                      | 969                          |
| Preference shares      | 8,052                       | -                   | -                                      | 8,052                        |
| Net debt               | 86,513                      | 2,917               | (168)                                  | 89,262                       |

**25 RELATED PARTY TRANSACTIONS**

At the year end £43.4m (2016: £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 i) Marcus Evans Worldwide Holdings £30.1m (2016: £30.3m) following the transfer of debt balances from other group companies during the year ii) Marcus Evans Group Services £4.4m (2016: £3.7m) and iii) Marcus Evans (IOM) Holdings £2.3m (2016: nil) for interest-free loans provided since acquisition. A cumulative preference share dividend of £5.37m (2016: £4.81m) 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.



## **26 POST BALANCE SHEET EVENTS**

### **Player movements**

Since the year end the group has acquired the registrations of Tom Adeyemi, Martin Waghorn, Aaron Drinan, Chris Goteni, Stephen Gleeson, Mustapha Carayol and Barry Cotter. The following players have been transferred since the year end: Adam McDonnell, George Fowler and Kieffer Moore.

### **Contingent asset - legal case re Ipswich Town Football Club v Suffolk Constabulary**

On 10 October 2017 the Court of Appeal issued judgment in favour of the Club in the above matter. Suffolk Constabulary filed an application to appeal the order which was refused by the Supreme Court on 1 February 2018. The final settlement of the claim is subject to agreement.

## **27 ULTIMATE CONTROL OF THE COMPANY**

At 30 June 2017 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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