



IPSWICH TOWN FOOTBALL CLUB COMPANY LIMITED

ANNUAL REPORT & CONSOLIDATED FINANCIAL STATEMENTS

REGISTERED NUMBER 315421

30 JUNE 2018

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IPSWICH TOWN FOOTBALL CLUB

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COMPANY INFORMATION

Directors	Mark Andrews Ian Milne (resigned 31 January 2019)
Company Secretary	Mark Andrews
Manager	Paul Lambert
Club Secretary	Stuart Hayton
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



STRATEGIC REPORT

The directors present the strategic report for the year ended 30 June 2018.

Principal activity

The principal activity of the Group is the operation of a professional football club, together with related ancillary activities. The following companies are wholly owned subsidiaries of the Group: Ipswich Town Stadium Company, Ipswich Town Finance Company, Ipswich Town Property Company and Friends of Ipswich Town FC.

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.

	2017-18	2016-17
League Position	12 th	16 th
Turnover (£m)	17.1	17.2
Operating Profit/(Loss) (£m)	8.4	7.8
Average League Attendance	16,272	16,980
Season Ticket sales	10,144	12,022
Wage Costs	£18.53m	£17.78m

Turnover decreased by £116,000 to £17,129,000 due mainly to lower gate receipts which was offset by an increase in media revenue. Commercial revenue remained at the same level as 2016/17 (£4.35m). Our average home league attendance decreased from 16,980 to 16,272.

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 £5,165,000 (2017: £4,308,000).

The Company's loss for the year was £3,650,000 (2017: £3,164,000). The directors do not recommend the payment of a dividend (2017: £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, EFL, 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.

Brexit

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

M Andrews

Director

Portman Road

Ipswich

IP1 2DA

12 February 2019



DIRECTORS' REPORT

The directors present their annual report and the audited consolidated financial statements for the year ended 30 June 2018.

Results and dividends

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

Going concern

The directors have considered the factors that impact the Group's future development, performance, cash flows and financial position along with the Group's current liquidity in forming their conclusion on the applicability of the going concern basis.

As outlined in the strategic report, accompanying these financial statements, the Group made a loss in the year ended 30 June 2018.

Notwithstanding the net current liabilities of £44,166,000 (2017: net current liabilities £41,004,000) and a net operating cash outflow of £5,863,000 (2017: net operating cash outflow £8,539,000) the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the Group will require funding from its principal shareholder, to meet its liabilities as they fall due for that period.

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 (£92,354,000) currently made available by companies within the Group. 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 group placing reliance on its shareholders for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the Group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and consequently have prepared the financial statements on a going concern basis.

Directors

The directors who held office during the year and subsequent to year-end were as follows:

Mark Andrews

Ian Milne (resigned 31 January 2019)

Jonathan Symonds (resigned 29 March 2018)

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 (2017: £2,000) from the company's share of proceeds from the FA Community Shield. No political donations were made during the year (2017: £nil).



DIRECTORS' REPORT (continued)

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.

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 'M Andrews'.

M Andrews
Director
Portman Road
Ipswich
IP1 2DA

12 February 2019



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 2018 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 2018 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.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as the recoverability of fixed assets, the recoverability of stock and debtors and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the group's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the group's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the company or to cease their operations, and as they have concluded that the group and the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

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 a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the group's business model, including the impact of Brexit, and analysed how those risks might affect the group and company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group or the company will continue in operation.

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.

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

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.

We have nothing to report in these respects.

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.

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

13 February 2019

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CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS

For the year ended 30 June 2018

	Note	Operations (excluding player amortisation and trading) Year ended 30 June 2018	Player amortisation and trading Year ended 30 June 2018	Total Year ended 30 June 2018	Total Year ended 30 June 2017
		£ 000s	£ 000s	£ 000s	£ 000s
Turnover	2	17,129	-	17,129	17,245
Cost of sales		(22,922)	(1,119)	(24,041)	(22,927)
Gross loss		(5,793)	(1,119)	(6,912)	(5,682)
Administrative expenses		(1,637)	-	(1,637)	(2,276)
Other operating income	3	158	-	158	170
Operating Loss		(7,272)	(1,119)	(8,391)	(7,788)
Profit on disposal of assets	4	2	3,839	3,841	4,095
(Loss)/profit before interest and taxation		(7,270)	2,720	(4,550)	(3,693)
Interest receivable and similar income	8			7	-
Interest payable and similar charges	9			(632)	(646)
Loss on ordinary activities before taxation	5			(5,175)	(4,339)
Tax on loss on ordinary activities	10			10	31
Loss on ordinary activities after taxation and total comprehensive loss				(5,165)	(4,308)
Retained earnings at the start of the year				(86,756)	(82,448)
Retained earnings at the end of the year				(91,921)	(86,756)

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 27 form part of these financial statements.

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CONSOLIDATED AND COMPANY BALANCE SHEETS

As at 30 June 2018

		Group		Company	
	Note	30 June 2018	30 June 2017	30 June 2018	30 June 2017
		£ 000s	£ 000s	£ 000s	£ 000s
Fixed assets					
Intangible assets	11	1,273	2,210	1,273	2,210
Tangible assets	12	20,892	21,575	2,315	2,394
Investments	13	-	-	516	516
		22,165	23,785	4,104	5,120
Current assets					
Stocks	14	631	637	631	637
Debtors	15	8,136	2,972	6,397	1,164
Cash at bank and in hand		29	49	29	49
		8,796	3,658	7,057	1,850
Creditors: amounts falling due within one year	16	(52,962)	(44,662)	(63,128)	(55,750)
Net current liabilities		(44,166)	(41,004)	(56,071)	(53,900)
Total assets less current liabilities		(22,001)	(17,219)	(51,967)	(48,780)
Creditors: amounts falling due after more than one year	17	(60,527)	(60,134)	(20,991)	(20,528)
Provisions for liabilities and charges	10	(89)	(99)	-	-
Net liabilities		(82,617)	(77,452)	(72,958)	(69,308)
Capital and reserves					
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	20	(91,921)	(86,756)	(82,262)	(78,612)
Equity shareholders' deficit		(82,617)	(77,452)	(72,958)	(69,308)

These financial statements were approved by the Board of Directors on 12 February 2019 and were signed on its behalf by:

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

The notes on pages 13 to 27 form part of these financial statements.

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CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 June 2018

	Note	2018 £000	2017 £000
Cash flows from operating activities			
Loss for the year		(5,165)	(4,308)
Adjustments for			
Depreciation, amortisation and impairment	5	2,068	1,596
Interest receivable and similar income	8	(7)	-
Interest payable and similar charges	9	632	646
Gain on sale of tangible fixed assets	4	(2)	6
Gain on sale of intangible fixed assets	4	(3,839)	(4,101)
Taxation	10	(10)	(31)
(Increase)/decrease in trade and other debtors		(6,323)	(6,192)
Increase/(decrease) in trade and other creditors		(1,824)	493
Decrease/(increase) in stocks		2,319	(2,703)
Deferred grants		6	(96)
		(41)	(41)
Net cash from operating activities			
		(5,863)	(8,539)
Returns on Investments and servicing of finance			
Interest paid	9	(9)	(6)
		(9)	(6)
Cash flows from investing activities			
Interest received		7	-
Acquisition of tangible fixed assets	13	(228)	(459)
Acquisition of other intangible assets		(1,401)	(1,016)
Sale of tangible assets		2	2
Sale of intangible assets		1,384	7,073
Net cash from investing activities			
		(236)	5,600
Cash flows from financing activities			
Repayment of borrowings		(161)	(165)
Loans received		6,259	3,068
Payment of finance lease liabilities		(10)	-
Net cash from financing activities			
		6,088	2,903
Net decrease in cash and cash equivalents		(20)	(42)
Cash and cash equivalents at 1 July 2017		49	91
Cash and cash equivalents at 30 June 2018			
		29	49

The notes on pages 13 to 27 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 directors have considered the factors that impact the Group's future development, performance, cash flows and financial position along with the Group's current liquidity in forming their conclusion on the applicability of the going concern basis.

As outlined in the strategic report, accompanying these financial statements, the Group made a loss in the year ended 30 June 2018.

Notwithstanding the net current liabilities of £44,166,000 (2017: net current liabilities £41,004,000) and a net operating cash outflow of £5,863,000 (2017: net operating cash outflow £8,539,000) the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the Group will require funding from its principal shareholder, to meet its liabilities as they fall due for that period.

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 (£92,354,000) currently made available by companies within the Group. 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 group placing reliance on its shareholders for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the Group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and consequently have prepared 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 2018.

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.



NOTES (continued)

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 to 5 years
Motor vehicles	-	over 4 to 5 years
Fixtures, fittings and equipment	-	over 4 to 10 years

No depreciation is provided on freehold land.

Grants

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

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

Signing on fees

Signing on fees are 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.

Other operating income

Income from the East Anglian Association and Ipswich Town Development Association being donations to the Club is recognised in the financial year for the season to which it relates.

Investments

In the company's financial statements, investments in subsidiary undertakings are stated at cost.



NOTES (continued)

Deferred 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.

2 TURNOVER

	Year ended 30 June 2018 £ 000s	Year ended 30 June 2017 £ 000s
Season and Match day ticket sales	4,704	5,125
Commercial income	4,350	4,352
Football League distributions and televised games	8,075	7,768
	17,129	17,245

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

3 OTHER OPERATING INCOME

	Year ended 30 June 2018 £ 000s	Year ended 30 June 2017 £ 000s
Donations from:		
East Anglian Sports Association (Ipswich)	25	16
Ipswich Town Development Association	133	154
	158	170

4 PROFIT ON DISPOSAL OF PLAYERS AND ASSETS

	Year ended 30 June 2018 £ 000s	Year ended 30 June 2017 £ 000s
Proceeds for players' registrations sold or cancelled	4,093	4,101
Less net book value of assets	(254)	-
	3,839	4,101

	Year ended 30 June 2018 £ 000s	Year ended 30 June 2017 £ 000s
Proceeds for sale of assets	2	4
Less net book value of assets	-	(10)
	2	(6)



NOTES (continued)

5 EXPENSES AND AUDITOR'S REMUNERATION

	Year ended 30 30 June 2018	Year ended 30 June 2017
	£ 000s	£ 000s
(Loss) on ordinary activities before taxation is stated		
after charging:		
Auditors' remuneration:		
Audit of the financial statements of the company pursuant to legislation	23	24
Audit of the subsidiary undertakings pursuant to legislation	8	8
Other non-audit services	7	7
Depreciation and other amounts written off tangible fixed assets:		
Owned	911	884
Amortisation of players' registrations	1,119	674
Amortisation of capital raising costs	38	38
Hire of plant and machinery - under operating leases	102	85
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 2018	Year ended 30 June 2017
	£ 000s	£ 000s
Directors' emoluments	122	69
Company contributions to money purchase pension scheme	8	7
	130	76

The aggregate of the emoluments of the highest paid director in the year ended 30 June 2018 were £72,000 (2017: £69,000) and company pension contributions of £8,000 (2017: £7,000) were made to a money purchase scheme on his behalf.

The figures for 2018 include two executive directors (2017: 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 2018		Year ended 30 June 2017	
	Full time	Part time	Full time	Part time
Playing, training and football management	96	13	91	12
Administrative, commercial and stadium	61	23	61	22
Maintenance				
	157	36	152	34

The above numbers do not include non-executive directors. The group used an average of 358 casual staff for matchdays (2017: 353) and an average of 55 for coaching sessions (2017: 40).

The aggregate payroll costs of these persons were as follows:

	Year ended 30 June 2018 £ 000s	Year ended 30 June 2017 £ 000s
Wages and salaries	16,609	15,913
Social security costs	1,826	1,765
Other pension costs	100	101
	18,535	17,779

The above figures include benefits in kind and apprentice levy.

8 INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 30 June 2018 £ 000s	Year ended 30 June 2017 £ 000s
Bank and other interest receivable	7	-

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NOTES (continued)

9 INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 30 June 2018 £ 000s	Year ended 30 June 2017 £ 000s
On other loans	68	82
Preference share dividend	564	564
	632	646

10 TAXATION

	Year ended 30 June 2018 £ 000s	Year ended 30 June 2017 £ 000s
Corporation tax at 19% (2017: 19.75%):		
UK corporation tax on loss for the year	-	-
Deferred tax:		
For the year	(10)	(31)
Adjustments in respect of prior year	-	-
Total tax credit	(10)	(31)

Factors affecting the tax credit for the period, and which account for the difference between the actual rate and the standard rate, are explained below.

	Year ended 30 June 2018 £ 000s	Year ended 30 June 2017 £ 000s
Tax reconciliation		
Loss on ordinary activities before tax	(5,175)	(4,339)
Current tax credit at 19% (2017: 19.75%)	(983)	(857)
Effects of:		
Expenses not deductible for tax purposes	265	(29)
Depreciation in excess of capital allowances for the period	67	64
Impact of reduction in corporation tax rate on deferred balances	(10)	(31)
Effect of tax losses	671	846
Income not subject to taxation	(20)	(24)
Total tax credit for the year	(10)	(31)

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NOTES (continued)

TAXATION (CONTINUED)

The amounts provided for deferred taxation at 30 June 2018 are as follows:

	Group Year ended 30 June 2018 £ 000s	Group Year ended 30 June 2017 £ 000s	Company Year ended 30 June 2018 £ 000s	Company Year ended 30 June 2017 £ 000s
Difference between accumulated depreciation and capital allowances	89	99	-	-
Other timing differences	-	-	-	-
	89	99	-	-

The group also has unrecognised deferred tax assets of £168,000 (2017: £121,000) in respect of general provisions and £8.5m (2017: £8.6m) in respect of unrelieved trading losses.

Factors affecting the future tax charge

Reductions in the UK corporation tax rate from 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2018) were substantively enacted on 26 October 2015. 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 2018 have been calculated based on these rates.

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 £3,650,000 (2017: £3,164,000).

12 INTANGIBLE FIXED ASSETS

Group and Company

	Total £ 000s
Cost	
At 1 July 2017	3,089
Additions	436
Disposals	(760)
At 30 June 2018	2,765
Amortisation	
At 1 July 2017	879
Charged in year	1,119
Disposals	(506)
At 30 June 2018	1,492
Net Book Value	
At 30 June 2018	1,273
At 30 June 2017	2,210

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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 2017	1,929	30,328	61	10,054	42,372
Additions	-	-	-	228	228
Disposals	-	-	(18)	-	(18)
At 30 June 2018	1,929	30,328	43	10,282	42,582
Deprecation					
At 1 July 2017	545	11,150	58	9,044	20,797
Charged in year	38	602	3	268	911
On disposals	-	-	(18)	-	(18)
At 30 June 2018	583	11,752	43	9,312	21,690
Net Book Value					
At 30 June 2018	1,346	18,576	-	970	20,892
At 30 June 2017	1,384	19,178	3	1,010	21,575

Freehold land is not depreciated.

Finance leases £nil (2017: £nil)



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 2017	1,929	61	7,521	9,511
Additions	-	-	228	228
Disposals	-	(18)	-	(18)
At 30 June 2018	1,929	43	7,749	9,721
Depreciation				
At 1 July 2017	545	58	6,514	7,117
Charged in year	38	3	266	307
On disposals	-	(18)	-	(18)
At 30 June 2018	583	43	6,780	7,406
Net Book Value				
At 30 June 2018	1,346	-	969	2,315
At 30 June 2017	1,384	3	1,007	2,394

Freehold land is not depreciated.

Finance leases £nil (2017: £nil)



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 at Portman Road, Ipswich IP1 2DA.

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 2017	516	516
Movements in year	-	-
At 30 June 2018	516	516

15 STOCKS

	Group		Company	
	2018 £ 000s	2017 £ 000s	2018 £ 000s	2017 £ 000s
Goods for sale	631	637	631	637

16 DEBTORS

	Group		Company	
	2018 £ 000s	2017 £ 000s	2018 £ 000s	2017 £ 000s
Trade debtors	4,476	3,062	4,476	3,062
Other debtors	2,918	2,818	697	114
Amounts due from subsidiaries	-	-	482	476
Prepayments and accrued income	742	456	742	458
	8,136	6,336	6,397	4,108

Included in trade debtors are amounts totalling £3,358,000 (2017: £17,000) in respect of transfer fees receivable.



NOTES (continued)

17 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2018 £ 000s	2017 £ 000s	2018 £ 000s	2017 £ 000s
Trade creditors	2,223	1,828	2,223	1,828
Transfer fees payable	607	1,163	607	1,163
Other taxation and social security	1,375	313	1,375	313
Loan from Marcus Evans Worldwide Holdings	38,173	30,135	38,173	30,135
Loan from Marcus Evans Group Services Ltd	-	4,365	-	4,365
Loan from Marcus Evans Holdings (IOM) Ltd	5,035	2,325	5,035	2,325
Amounts due to Marcus Evans (Guernsey) Ltd	45	45	45	45
Amounts due to Marcus Evans UK Ltd	6	18	6	18
Amounts due to Marcus Evans Holland Ltd	-	24	-	24
Amounts owed to subsidiaries	-	-	13,628	14,598
Other creditors	210	223	210	223
Accruals and deferred income	5,288	4,223	1,826	713
	52,962	44,662	63,128	55,750

18 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2018 £ 000s	2017 £000s	2018 £ 000s	2017 £ 000s
Amounts due to Marcus Evans International KFT				
- Loan Notes 2026, net of issue costs	38,182	38,144	-	-
- Other Loans	4,975	4,975	4,975	4,975
Amounts due to Marcus Evans Worldwide Holdings				
- Preference share dividend	5,938	5,374	5,938	5,374
Transfer fees payable	453	733	453	733
Amounts due to Ipswich Town plc	841	1,005	808	969
Accruals and deferred income	1,321	1,426	-	-
Other creditors	765	425	765	425
Preference shares	8,052	8,052	8,052	8,052
	60,527	60,134	20,991	20,528

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 (2017: £38,000) leaving an unamortised amount of £308,000.

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19 CALLED UP SHARE CAPITAL

	Number of shares	£
2018: 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
2017: 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.

20 RESERVES

	Profit and loss account £000s
Group	
At 1 July 2017	(86,756)
Retained loss for the year	(5,165)
At 30 June 2018	(91,921)
	Profit and loss account £000s
Company	
At 1 July 2017	(78,612)
Retained loss for the year	(3,650)
At 30 June 2018	(82,262)



NOTES (continued)

21 CONTINGENT LIABILITIES

(a) Player Transfers

The Club is contractually bound to pay additional amounts in respect of transferred players should certain criteria be met. The maximum amount of this contingent liability is £560,000 (2017: £261,000) 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 2018-19 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 £nil (2017: £160,000) 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 £200,000 (2017: £225,000) which are conditional upon one or more future events.

22 LEASING COMMITMENTS

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

Group	30 June 2018		30 June 2017	
	Land and buildings £ 000s	Other £ 000s	Land and buildings £ 000s	Other £ 000s
One year or less	172	18	172	19
Two to five years	686	2	686	17
Over five years	8,417	-	8,589	-
	9,275	20	9,447	36

Company	30 June 2018		30 June 2017	
	Land and buildings £ 000s	Other £ 000s	Land and buildings £ 000s	Other £ 000s
One year or less	60	18	60	19
Two to five years	240	2	240	17
Over five years	510	-	570	-
	810	20	870	36



NOTES (continued)

23 PENSIONS

a) Defined contribution schemes

Total contributions charged to the profit and loss account during the year amounted to £77,000 (2017: £75,000).

b) Defined benefit scheme

	30 June 2018 £ 000s	30 June 2017 £ 000s
Provision at start of year	515	594
Payments in year	(93)	(88)
Interest and expenses	6	7
Increase in provision	430	2
Provision at end of year	858	515

The Group is advised of its share of deficit in the Scheme. The most recent actuarial valuation of the Scheme was at August 2017 and indicated that the contribution required from the Group towards making good this deficit was £724,026 as at 30 June 2018. The total deficit in the Scheme at 31 August 2017 was £30.4 million. The Group currently pays total contributions of £93,408 per annum (increasing by 5% pa from 1 September 2018 and thereafter) and based on the actuarial valuation assumptions will be sufficient to pay off the deficit by 31 May 2026. In accordance with FRS102, a liability of £858,391 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 £93,000 (2017: £88,000) and the profit and loss account charge was £6,000 (2017: £7,000).

24 RELATED PARTY TRANSACTIONS

At the year end £43.4m (2017: £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 £38.2m (2017: £30.1m) following the transfer of debt balances from other group companies during the year ii) Marcus Evans Group Services £nil (2017: £4.4m) and iii) Marcus Evans (IOM) Holdings £5.0m (2017: £2.3m) for interest-free loans provided since acquisition. A cumulative preference share dividend of £5.93m (2017: £5.37m) 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 rental charge is £60,000pa (2017: £60,000pa).

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

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25 POST BALANCE SHEET EVENTS

Player movements

Since the year end the group has acquired the registrations of Gwion Edwards, Ellis Harrison, Ryley Scott, Jon Nolan, Aristote Nsiala, Kayden Jackson, Janoi Donacien, Simon Dawkins, James Collins and Alan Judge. The following players have been transferred since the year end: Martyn Waghorn and Joe Garner.

Legal case re Ipswich Town Football Club v Suffolk Constabulary

A settlement agreement was signed on 3 July 2018 and a final payment was received by the Company from Suffolk Constabulary on 9 July 2018 in full and final settlement of the claim. This has been provided for in the financial statements.

On 26 October 2018 Paul Lambert was appointed as first team manager after Paul Hurst left the Club.

26 ULTIMATE CONTROL OF THE COMPANY

At 30 June 2018 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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