

THE GRIMSBY TOWN FOOTBALL CLUB PLC
STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2018

Weaver Wroot
Chartered Certified Accountants
Statutory Auditors
28 Dudley Street
Grimsby
N E Lincolnshire
DN31 2AB

SATURDAY



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03/11/2018
COMPANIES HOUSE

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FOR THE YEAR ENDED 31ST MAY 2018**

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THE GRIMSBY TOWN FOOTBALL CLUB PLC

**COMPANY INFORMATION
FOR THE YEAR ENDED 31ST MAY 2018**

DIRECTORS:	M C Chapman P Day J S Fenty S Marley J Wood
SECRETARY:	I Fleming
REGISTERED OFFICE:	Blundell Park Cleethorpes N E Lincolnshire DN35 7PY
REGISTERED NUMBER:	00034760 (England and Wales)
AUDITORS:	Weaver Wroot Chartered Certified Accountants Statutory Auditors 28 Dudley Street Grimsby N E Lincolnshire DN31 2AB
BANKERS:	Lloyds Bank 50 - 52 Victoria Street West Grimsby N E Lincolnshire DN31 1BL

**STRATEGIC REPORT
FOR THE YEAR ENDED 31ST MAY 2018**

The directors present their strategic report for the year ended 31st May 2018.

REVIEW OF BUSINESS

Turnover in 2017/18 was comparable to 2016/2017, both in total and across the company's various income streams. Generating a consistent level of income, together with that previously achieved from player trading activities allowed the company to increase its playing budget and to continue with the investment into the Youth Academy and training ground that commenced last year.

As part of ongoing discussions with NELC regarding relocation to a new community stadium situated at Peaks Parkway the club were asked to reconsider other potential sites due to there being no political backing for this option. This has further delayed any move away from Blundell Park. Due to this the club will commence a programme of works at the current stadium to improve the facilities available. This will include improvements to disabled access and facilities, playing facilities, providing heating to the Main Stand, work on the floodlights and refurbishment of the toilet blocks.

The Club uses a variety of performance measures in order to monitor and manage the business effectively. These are both financial and non-financial measures and include the following key performance indicators (KPIs):

	2018	2017
Turnover (£)	3,197,117	3,261,307
Average league attendance (number)	4,683	5,259
Season tickets sold (number)	2,983	3,032
Final position in league	18th	14th

PRINCIPAL RISKS AND UNCERTAINTIES

The company's strategy is to continue to improve the quality of live football, engage with the local community and become a sustainable company through success on and off the pitch.

There are, therefore, a number of potential risks and uncertainties which could impact on the company. The Board meets regularly during the year and monitors these risks on a regular basis. The key business risks and uncertainties affecting the company are considered to relate to:

- first team performance and the direct impact on league status and position and ultimately revenue generation
- the recruitment and retention of key employees
- the rules and regulations of the applicable football governing bodies
- the renewal of key commercial agreements on similar or improved terms
- supporter attendance levels at first team matches
- potential reliance on the company's principal shareholder to fund operations.

The company's activities are exposed to financial risks that include credit risk and the risks associated with interest rates. The company's policy is to eliminate, as far as possible, the interest rate risk which relates to its debt finance. This is achieved by:

- monitoring compliance with the terms of its debt finance
- regularly reviewing forecasts to identify any issues that may arise.

ON BEHALF OF THE BOARD:



I Fleming - Secretary

10th September 2018

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST MAY 2018**

The directors present their report with the financial statements of the company for the year ended 31st May 2018.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a professional football club together with related and ancillary activities.

DIVIDENDS

The directors do not recommend payment of a dividend.

FUTURE DEVELOPMENTS

The company will continue to invest prudently in the playing squad in order to remain an established EFL club, whilst also progressing its plans for relocation to the new community stadium.

DIRECTORS

The directors set out in the table below have held office during the whole of the period from 1st June 2017 to the date of this report.

The beneficial interests of the directors holding office at 31st May 2018 in the shares of the company, according to the register of directors' interests, were as follows:

	31.5.18	1.6.17
Ordinary shares of £100 each		
M C Chapman	5	5
P Day	25	25
J S Fenty	8,055	8,055
S Marley	32	20
J Wood	5	5
Ordinary shares of £50 each		
M C Chapman	-	-
P Day	-	-
J S Fenty	2,822	2,822
S Marley	-	-
J Wood	-	-
Ordinary shares of £25 each		
M C Chapman	-	-
P Day	-	-
J S Fenty	903	903
S Marley	-	-
J Wood	-	-
Ordinary shares of £1 each		
M C Chapman	-	-
P Day	-	-
J S Fenty	5,825	5,825
S Marley	-	-
J Wood	-	-

These directors did not hold any non-beneficial interests in any of the shares of the company.

In accordance with the Articles of Association, M C Chapman and J Wood will retire at the forthcoming Annual General Meeting, and being eligible, will stand for re-election.

POLITICAL DONATIONS AND EXPENDITURE

There have been charitable contributions of £2,523 (2017 £4,506) made by the company during the year. No political contributions have been made during the year.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST MAY 2018**

EMPLOYMENT, HEALTH AND SAFETY AND ENVIRONMENTAL POLICIES

It is the company's policy that there should be no discrimination against any person on the grounds of race, sex, religion or otherwise.

In accordance with the company's equal opportunity policy, disabled people are given the same consideration as others when they apply for a job. Depending on their skills and abilities, they enjoy the same career prospects and scope for realising their potential as other employees. If an existing employee becomes disabled, reasonable steps are taken to retain them in employment.

Within the bounds of commercial confidentiality, staff are kept reasonably informed of matters that affect the progress of the company and are of interest to them as employees.

The company maintains its own health and safety and environmental policies covering its activities. Adherence to these policies is monitored on a regular basis.

SHARE CAPITAL

During the year 4 ordinary shares at the value of £100 have been issued.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Weaver Wroot, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



I Fleming - Secretary

10th September 2018

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE GRIMSBY TOWN FOOTBALL CLUB PLC

Opinion

We have audited the financial statements of The Grimsby Town Football Club plc (the 'company') for the year ended 31st May 2018 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st May 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Emphasis of matter

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made within the accounting policies to the financial statements concerning the company's ability to continue as a going concern. The company has sustained a trading loss, before tax, of £48,820 during the year ended 31st May 2018, at that date the company had net liabilities of £604,859. These conditions along with the other matters explained within the accounting policies to the financial statements, indicate the existence of a material uncertainty which may cast doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE GRIMSBY TOWN FOOTBALL CLUB PLC

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

The maintenance and integrity of The Grimsby Town Football Club plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Use of our report

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 a Report of the Auditors 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.

Mr Scott Nixon (Senior Statutory Auditor)
for and on behalf of Weaver Wroot
Chartered Certified Accountants
Statutory Auditors
28 Dudley Street
Grimsby
N E Lincolnshire
DN31 2AB

23rd October 2018

Note:

The maintenance and integrity of the The Grimsby Town Football Club plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

THE GRIMSBY TOWN FOOTBALL CLUB PLC

**INCOME STATEMENT
FOR THE YEAR ENDED 31ST MAY 2018**

		2018	2017
	Note	Total £	Total £
TURNOVER	2	3,197,117	3,261,307
Administrative expenses	4	3,212,482	2,998,738
		<hr/> (15,365)	<hr/> 262,569
Player trading		<hr/> (33,456)	<hr/> 826,183
OPERATING (LOSS)/PROFIT	4	(48,821)	1,008,752
Interest receivable and similar income	5	1	-
Interest payable and similar charges	6	-	6,469
		<hr/>	<hr/>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(48,820)	1,082,283
Taxation	6	12,492	(12,492)
		<hr/>	<hr/>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		(36,328)	1,069,791
(Accumulated losses) brought forward		<hr/> (3,062,131)	<hr/> (4,131,922)
(ACCUMULATED LOSSES) CARRIED FORWARD		<hr/> (3,098,459)	<hr/> (3,062,131)

The notes form part of these financial statements

THE GRIMSBY TOWN FOOTBALL CLUB PLC (REGISTERED NUMBER: 00034760)

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MAY 2018**

	Notes	2018 £	2017 £
(LOSS)/PROFIT FOR THE YEAR		(36,328)	1,069,791
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(36,328)</u>	<u>1,069,791</u>

The notes form part of these financial statements

BALANCE SHEET
31ST MAY 2018

	Notes	2018 £	2017 £
FIXED ASSETS			
Intangible assets	8	-	132,343
Tangible assets	9	708,583	674,754
		<u>708,583</u>	<u>807,097</u>
CURRENT ASSETS			
Stocks	10	53,564	48,327
Debtors	11	286,066	1,008,312
Cash at bank and in hand		724,608	142,090
		<u>1,064,238</u>	<u>1,198,729</u>
CREDITORS			
Amounts falling due within one year	12	2,323,080	2,520,157
NET CURRENT LIABILITIES		<u>(1,258,842)</u>	<u>(1,321,428)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(550,259)</u>	<u>(514,331)</u>
PROVISIONS FOR LIABILITIES	13	54,600	54,600
NET LIABILITIES		<u>(604,859)</u>	<u>(568,931)</u>
CAPITAL AND RESERVES			
Called up share capital	14	2,275,200	2,274,800
Revaluation reserve	15	218,400	218,400
Retained earnings	15	(3,098,459)	(3,062,131)
SHAREHOLDERS' FUNDS		<u>(604,859)</u>	<u>(568,931)</u>

The financial statements were approved by the Board of Directors on 10th September 2018 and were signed on its behalf by:


J S Rents - Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MAY 2018

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1st June 2016	2,272,400	(4,131,922)	218,400	(1,641,122)
Changes in equity				
Issue of share capital	2,400	-	-	2,400
Total comprehensive income	-	1,069,791	-	1,069,791
Balance at 31st May 2017	<u>2,274,800</u>	<u>(3,062,131)</u>	<u>218,400</u>	<u>(568,931)</u>
Changes in equity				
Issue of share capital	400	-	-	400
Total comprehensive income	-	(36,328)	-	(36,328)
Balance at 31st May 2018	<u><u>2,275,200</u></u>	<u><u>(3,098,459)</u></u>	<u><u>218,400</u></u>	<u><u>(604,859)</u></u>

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MAY 2018**

	Notes	2018 £	2017 £
Cash flows from operating activities			
Cash generated from operations	1	763,799	680,148
Interest paid		-	(6,469)
Tax paid		(12,492)	-
Net cash from operating activities		<u>751,307</u>	<u>673,679</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		-	(172,502)
Purchase of tangible fixed assets		(45,918)	(9,763)
Sale of intangible fixed assets		76,728	22,200
Interest received		1	-
Net cash from investing activities		<u>30,811</u>	<u>(160,065)</u>
Cash flows from financing activities			
Loan repayments in year		-	(313,540)
Movements in directors loans		(200,000)	(209,700)
Share issue		400	2,400
Net cash from financing activities		<u>(199,600)</u>	<u>(520,840)</u>
Increase/(decrease) in cash and cash equivalents		<u>582,518</u>	<u>(7,226)</u>
Cash and cash equivalents at beginning of year	2	142,090	149,316
Cash and cash equivalents at end of year	2	<u><u>724,608</u></u>	<u><u>142,090</u></u>

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MAY 2018

1. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2018	2017
	£	£
(Loss)/profit before taxation	(48,820)	1,082,283
Depreciation charges	67,704	47,990
Finance costs	-	6,469
Finance income	(1)	-
	<hr/>	<hr/>
	18,883	1,136,742
(Increase)/decrease in stocks	(5,237)	28,218
Decrease/(increase) in trade and other debtors	734,738	(651,172)
Increase in trade and other creditors	15,415	166,360
	<hr/>	<hr/>
Cash generated from operations	763,799	680,148
	<hr/>	<hr/>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31st May 2018

	31.5.18	1.6.17
	£	£
Cash and cash equivalents	724,608	142,090
	<hr/>	<hr/>

Year ended 31st May 2017

	31.5.17	1.6.16
	£	£
Cash and cash equivalents	142,090	149,316
	<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2018**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

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

Going Concern

In assessing the appropriateness of the going concern assumption the directors have produced detailed budgets. These budgets show that cash inflows should be sufficient to meet the company's day to day working capital requirements. The majority shareholder has also indicated his willingness and ability to support the company by providing adequate loan facilities to enable it to meet its financial obligations as they fall due for a period of twelve months from the date on which these financial statements are signed. Therefore, having made appropriate enquiries, the financial statements make no provision for any adjustment should the going concern basis not be appropriate.

Turnover

Turnover represents all income arising from the ordinary activities of the company and excludes transfer fees receivable and Value Added Tax. Match receipts are shown after deduction of League and Football Association levies and amounts due to visiting clubs.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation net of depreciation and provisions for impairment. No depreciation has been provided on freehold property, as Blundell Park continues to be valued in the financial statements at an amount at least equivalent to the likely net disposal proceeds. Depreciation in respect of other tangible fixed assets is provided for at the following rates on a straight line basis calculated to write-off the cost or valuation, less any estimated residual value, of each asset over its useful economic life.

Motor vehicles	25%
Computer equipment	33%
Fixtures, fittings and equipment	15%

Stocks

Stocks are valued at the lower of cost or net realisable value after making due allowance for obsolete and slow moving items.

Grants

Grants received in respect of expenditure on safety work which is charged to the profit and loss account are dealt with in the profit and loss account in the year of receipt. Grants received in respect of safety work of a capital nature are treated as deferred income and released to the profit and loss account by instalments over the expected useful economic life of the related assets.

Taxation

The charge for taxation is based upon the results for the year and takes into account taxation deferred through timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised without discounting in respect of these timing differences which have arisen but not reversed by the balance sheet date except as otherwise required by FRS 102.

Leases

Assets held under finance leases are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful economic life. The capital element of obligations are recorded as liabilities, the interest element being charged to the profit and loss account evenly over the period of the lease.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company contributes to defined contribution pension schemes for certain employees, the assets of which are held separately from those of the company in independently administered funds. Pension costs represent contributions payable by the company in the year.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MAY 2018

1. ACCOUNTING POLICIES - continued

Player trading

The costs associated with the acquisition of players' registrations are capitalised as intangible fixed assets. These costs are fully amortised in equal annual instalments over the period of the players' contracts including any agreed extensions. Players' registrations are written down for impairment when the amortised value exceeds the amount recoverable through use or sale. Future costs which may become due are recognised within the original cost of acquisition if, in the opinion of the directors, it is probable that these costs will be incurred. Where similar circumstances arise from the disposal of players' registrations, these future receipts are not recognised as part of the proceeds of disposal until such time as the events upon which these receipts are dependent, are known to have occurred. No value is recognised in the financial statements for players developed within the company.

Signing on fees

Signing on fees are charged to the profit and loss account in the accounting period when they become due under the terms of the players' initial contract. Instalments due in the future are not provided for but are noted as contingent liabilities. Signing on fees paid as a consequence of the transfer of a players' registration are included in the profit and loss on disposal of players' registrations.

Deferred income

Deferred income comprises amounts received from sponsorship, season tickets and other income, which is released to the profit and loss account on a straight line basis over the period to which it relates.

2. TURNOVER

Turnover all of which arises from the company's principal activity can be analysed into its main components as follows:

	2018	2017
	£	£
Matchday	1,074,706	1,194,217
Media	1,029,620	968,219
Commercial	958,326	964,009
Other Income	134,465	134,862
	<u>3,197,117</u>	<u>3,261,307</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MAY 2018

3. EMPLOYEES AND DIRECTORS

The directors are reimbursed for expenses but receive no remuneration in their capacity as directors.

The average number of persons employed by the company during the year was as follows:

	2018	2017
Full-time	69	59
Part-time	27	27
Match day staff	123	129
	<u>219</u>	<u>215</u>

Aggregate cost of employment being as follows:

	2018 £	2017 £
Wages and salaries	2,361,552	2,089,763
Social Security costs	192,450	166,252
Other pension costs	41,162	34,057
Expenses and other costs	41,982	46,461
	<u>2,637,146</u>	<u>2,336,533</u>

Outstanding pension contributions at 31st May 2018 amounted to £1,963 (2017 £1,948)

	2018 £	2017 £
Directors' remuneration	-	-

4. OPERATING (LOSS)/PROFIT

Included in administrative expenses are the following:-:

	2018 £	2017 £
Amortisation of players registrations	55,615	40,159
Depreciation of tangible fixed assets	12,089	7,831
Operating lease costs	27,004	20,824
Auditors' remuneration:		
Audit	5,000	5,000
Other services	1,525	2,080

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2018 £	2017 £
Deposit account interest	1	-

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018 £	2017 £
Bank interest	-	6,469

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MAY 2018

7. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the loss for the year was as follows:

	2018 £	2017 £
Current tax:		
UK corporation tax	(12,492)	12,492
Tax on (loss)/profit	<u>(12,492)</u>	<u>12,492</u>

Reconciliation of total tax (credit)/charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2018 £	2017 £
(Loss)/profit before tax	<u>(48,820)</u>	<u>1,082,283</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 20%)	(9,276)	216,457
Effects of:		
Expenses not deductible for tax purposes	3,770	3,852
Income not chargeable to tax	(3,885)	(11,336)
Capital allowances etc. for the year in excess of depreciation	(6,855)	(935)
Tax losses incurred (utilised) in the year	<u>3,754</u>	<u>(195,546)</u>
Total tax (credit)/charge	<u>(12,492)</u>	<u>12,492</u>

Unrelieved Corporation tax losses at 31st May 2018 amounted to £5.3m.

8. INTANGIBLE FIXED ASSETS

	Players registrations £
COST	
At 1st June 2017	172,502
Disposals	<u>(172,502)</u>
At 31st May 2018	-
AMORTISATION	
At 1st June 2017	40,159
Amortisation for year	55,615
Eliminated on disposal	<u>(95,774)</u>
At 31st May 2018	-
NET BOOK VALUE	
At 31st May 2018	-
At 31st May 2017	<u>132,343</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MAY 2018

9. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION				
At 1st June 2017	1,619,146	460,007	27,501	2,106,654
Additions	-	45,918	-	45,918
At 31st May 2018	1,619,146	505,925	27,501	2,152,572
DEPRECIATION				
At 1st June 2017	969,146	440,211	22,543	1,431,900
Charge for year	-	8,964	3,125	12,089
At 31st May 2018	969,146	449,175	25,668	1,443,989
NET BOOK VALUE				
At 31st May 2018	650,000	56,750	1,833	708,583
At 31st May 2017	650,000	19,796	4,958	674,754

The net book value of tangible fixed assets includes £nil (2017: £nil) in respect of assets held under finance agreements.

Cost or valuation at 31st May 2018 is represented by:

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2016	273,000	-	-	273,000
Cost	1,346,146	505,925	27,501	1,879,572
	1,619,146	505,925	27,501	2,152,572

If freehold property had not been revalued it would have been included at the following historical cost:

	2018 £	2017 £
Cost	1,346,146	1,346,146
Aggregate depreciation	969,146	969,146
Value of land in freehold land and buildings	377,000	377,000

The company's freehold property was valued on the 23rd September 2016 by an external valuer, Mr Andrew Clark BSc FRICS MCI Arb, of Clark Weightman Limited Chartered Surveyors and Commercial Property Consultants. The valuation was prepared in accordance with the requirements of the RICS Valuation Standards and FRS15. The valuation has been based on the assumption that the property continues to be owner occupied for the purposes of the Company's business, although it is envisaged that it will be redeveloped in the near future as part of the relocation to a new community stadium, with the market value being derived from comparable recent transactions for development land on an arms length basis.

10. STOCKS

	2018 £	2017 £
Goods for resale	53,564	48,327

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MAY 2018

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade debtors	167,058	847,994
Other debtors	72,816	129,441
Tax	12,492	-
Prepayments	33,700	30,877
	<u>286,066</u>	<u>1,008,312</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade creditors	52,684	219,960
Current corporation tax	-	12,492
Social security and other taxes	99,587	88,977
Other creditors	70,281	60,044
Directors' loans	1,800,000	2,000,000
Accrued expenses	120,371	127,387
Deferred income	180,157	11,297
	<u>2,323,080</u>	<u>2,520,157</u>

Mr J S Fenty has provided financial guarantees amounting to £325,000. These guarantees, together with his loans, are secured by way of a debenture, dated 6th July 2007, creating a fixed and floating charge over all of the company's assets.

There are no set repayment terms for any loans provided to the Company by its directors and no interest is being charged on the loans in accordance with the terms of a protocol agreement covering directors responsibilities and obligations in respect of corporate governance and finance.

13. PROVISIONS FOR LIABILITIES

	2018	2017
	£	£
Deferred tax	<u>54,600</u>	<u>54,600</u>
		Deferred tax
		£
Balance at 1st June 2017		<u>54,600</u>
Balance at 31st May 2018		<u>54,600</u>

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:
Number: Class:

		Nominal value:	2018	2017
			£	£
19,602	Ordinary	£100	1,960,200	1,959,800
5,100	Ordinary	£50	255,000	255,000
1,600	Ordinary	£25	40,000	40,000
20,000	Ordinary	£1	20,000	20,000
			<u>2,275,200</u>	<u>2,274,800</u>

The following shares were issued during the year for cash at par:

4 Ordinary shares of £100

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MAY 2018

15. RESERVES

	Retained earnings £	Revaluation reserve £	Totals £
At 1st June 2017	(3,062,131)	218,400	(2,843,731)
Deficit for the year	(36,328)		(36,328)
At 31st May 2018	<u>(3,098,459)</u>	<u>218,400</u>	<u>(2,880,059)</u>

16. CONTINGENT LIABILITIES

There are potential liabilities and assets in respect of the company's player trading. Due to the variable nature of these amounts it is not possible to calculate the maximum potential liability or asset.

17. CAPITAL COMMITMENTS

The board will continue to assess the treatment of costs incurred in respect of the new community stadium development, excluding those in respect of the planning process, as to whether these should be classed as capital or revenue expenditure. There are no known capital commitments authorised by the board.

18. RELATED PARTY DISCLOSURES

Loans from directors are disclosed in Note 12. The maximum liability during the year amounted to £2,000,000 (2017 £2,209,700).

During the year the company received goods and services to the value of £16,815 from Cool Energy Holding Limited. The company benefited from favourable terms in respect of these transactions. At 31st May 2018 Mr J S Fenty owned 100% of the issued share capital of Cool Energy Holding Limited.

All transactions with related parties are disclosed on an aggregate basis.

19. ULTIMATE CONTROLLING PARTY

The company is considered to be controlled by Mr J S Fenty by reason of his shareholdings and financial commitment to the company.