

Company Registration No. 00315421 (England and Wales)



**IPSWICH TOWN FOOTBALL CLUB COMPANY LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

# IPSWICH TOWN FOOTBALL CLUB COMPANY LIMITED



## COMPANY INFORMATION

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<b>Directors</b>	Mr B Bakay Mr M K O'Leary Mr M O'Leary Mr M Ashton Mr T Ball
<b>Company number</b>	00315421
<b>Manager</b>	Kieran McKenna
<b>Club Secretary</b>	Stuart Hayton
<b>Registered office</b>	Ipswich Town Football Club Portman Road Ipswich IP1 2DA
<b>Auditor</b>	Ensors Accountants LLP Connexions 159 Princes Street Ipswich IP1 1QJ

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# IPSWICH TOWN FOOTBALL CLUB COMPANY LIMITED



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# IPSWICH TOWN FOOTBALL CLUB COMPANY LIMITED



## STRATEGIC REPORT

**FOR THE YEAR ENDED 30 JUNE 2023**

The directors present the strategic report for the year ended 30 June 2023.

### Business review and Key Performance Indicators

The 2022/23 season was an excellent season for the Club. In only the second full season under new ownership, the Club achieved its initial goal of promotion back to the EFL Championship. Alongside this the Club continued to build on the groundwork set in the prior season, reconnecting with and rejuvenating the fanbase. As a result of this progress, the Club not only delivered on field success but also saw regular capacity crowds at Portman Road, and record replica shirt sales. This is reflective of the incredible fanbase the Club has.

The Group continues to measure its performance using several key performance indicators, such as final position in the league, average league attendance and profitability, as required by EFL regulations.

	2021/22	2022/23
League Position	11th	2nd
Turnover (£m)	14.4	21.8
Operating Profit/(Loss) (£m)	(14.3)	(18.2)
Average League Attendance	19,549	26,181
Season Ticket Sales	12,870	17,877
Wage Costs (£m)	16.4	19.8

As in the prior year, the club continues to invest across all aspects of operations, including playing staff, non-playing staff, property and infrastructure. The investment in playing staff is reflected in the carrying value of intangible assets £7.7m (£2.8m 2021/22), with playing wages increasing to £12.7m (£9.9m 2021/22). Whilst the majority of this cost increase was offset by growing revenues, led by ticket and retail incomes, the overall loss for the club increased to £18.2m (£12.8m 2021/22). This level of loss is within both the Clubs FFP projections and the business plan approved by ownership on acquisition. It is expected that, in the absence of any player trading, losses may increase further as the Club looks to compete in the Championship.

The Clubs FFP position at the end of 2022/23 season is shown below. It is noted the average 3-year loss is £6.9m, and totals £20.6m over the period. The EFL compliance threshold is a £13m per annum average loss and £39m over the 3-year period.

	2020 / 21	2021 / 22	2022 / 23
<b>Loss per Financial Statements</b>	<b>(5.2)</b>	<b>(12.6)</b>	<b>(18.2)</b>
Add back depreciation	1.0	1.1	1.4
Add back related party preference shares	0.6	0.6	0.6
Add back youth development	1.4	1.7	3.2
Add back community development	0.2	0.3	0.4
Add back women's football	0.1	0.1	0.2
Covid 19 add back		2.5	
<b>Net result</b>	<b>(1.9)</b>	<b>(6.3)</b>	<b>(12.4)</b>

# IPSWICH TOWN FOOTBALL CLUB COMPANY LIMITED



## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 JUNE 2023**

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### **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 this has on the Group's ability to generate revenue streams are significant, albeit mitigated by the financial strength and support provided by the parent company.

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. The board has summarised its FFP forecast within the Business review.

On behalf of the board

Mr T Ball  
**Director**

28 February 2024

# IPSWICH TOWN FOOTBALL CLUB COMPANY LIMITED



## DIRECTORS' REPORT

**FOR THE YEAR ENDED 30 JUNE 2023**

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The directors present their annual report and financial statements for the year ended 30 June 2023.

### Principal activities

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

### Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr B Bakay  
Mr M K O'Leary  
Mr M O'Leary  
Mr M Ashton  
Mr T Ball

### Financial instruments

#### Financial risk management

The Group's principal financial instruments include loans from fellow group companies, the main purpose of which is to finance the Group's operations. In addition, the Company has various other financial assets and liabilities such as trade receivables and trade payables arising directly from its operations.

The Group reviews forecasts regularly to identify funding requirements and manage the Group funding levels accordingly to reduce liquidity risk. Credit risk is reduced by negotiating appropriate terms with debtors and creditors, and monitoring on an ongoing basis.

#### Post reporting date events

Post balance sheet events are discussed in note 25 to the financial statements.

### Future developments

Following promotion to the Championship the Clubs aim is to continually improve in all aspects of performance both on and off the pitch and to improve its position within the English football pyramid.

### Auditor

In accordance with the company's articles, a resolution proposing that Ensors Accountants LLP be reappointed as auditor of the group will be put at a General Meeting.

### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

### Medium-sized companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the medium-sized companies exemption.

# **IPSWICH TOWN FOOTBALL CLUB COMPANY LIMITED**



## **DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 30 JUNE 2023***

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On behalf of the board

Mr T Ball  
**Director**

28 February 2024

# **IPSWICH TOWN FOOTBALL CLUB COMPANY LIMITED**



## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 30 JUNE 2023***

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the 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 group and company, and of the profit or loss of the group 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



# IPSWICH TOWN FOOTBALL CLUB COMPANY LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF IPSWICH TOWN FOOTBALL CLUB COMPANY LIMITED

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#### Opinion

We have audited the financial statements of Ipswich Town Football Club Company Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2023 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including 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 group's and the parent company's affairs as at 30 June 2023 and of the group's 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

#### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

# **IPSWICH TOWN FOOTBALL CLUB COMPANY LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF IPSWICH TOWN FOOTBALL CLUB COMPANY LIMITED**

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

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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 is 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 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 the directors either intend to liquidate the parent company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's 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 an auditor's report 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our audit was designed to include tests of detail together with an assessment of the control environment to enable us to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud. This included work on areas where we consider there is a higher risk of fraud including transactions with related parties, revenue recognition, management override of systems and control and accounting estimates.

# **IPSWICH TOWN FOOTBALL CLUB COMPANY LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF IPSWICH TOWN FOOTBALL CLUB COMPANY LIMITED**

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In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known, actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws or regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.
- robustly challenged accounting estimates to ensure no indication of management bias.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **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 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.

**Barry Gostling (Senior Statutory Auditor)**  
**For and on behalf of Ensors Accountants LLP**

29 February 2024

**Chartered Accountants**  
**Statutory Auditor**

Connexions  
159 Princes Street  
Ipswich  
IP1 1QJ

# IPSWICH TOWN FOOTBALL CLUB COMPANY LIMITED



## GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 £'000	2022 £'000
<b>Turnover</b>	<b>3</b>	21,754	14,439
Other operating income		908	106
Operating expenses		(42,499)	(28,938)
<b>Operating loss</b>	<b>4</b>	(19,837)	(14,393)
Interest payable and similar expenses	<b>8</b>	(602)	(590)
Profit on disposal of player registrations	<b>9</b>	2,268	2,338
<b>Loss before taxation</b>		(18,171)	(12,645)
Tax on loss	<b>10</b>	-	-
<b>Loss for the financial year</b>	<b>21</b>	(18,171)	(12,645)

Loss for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

# IPSWICH TOWN FOOTBALL CLUB COMPANY LIMITED



## GROUP BALANCE SHEET

AS AT 30 JUNE 2023

		2023	2022
	Notes	£'000	£'000
<b>Fixed assets</b>			
Intangible assets	11	7,684	2,778
Tangible assets	12	25,636	19,840
		<u>33,320</u>	<u>22,618</u>
<b>Current assets</b>			
Stocks	14	1,516	577
Debtors	15	5,221	2,049
Cash at bank and in hand		2,632	1,546
		<u>9,369</u>	<u>4,172</u>
<b>Creditors: amounts falling due within one year</b>	16	<u>(12,016)</u>	<u>(10,243)</u>
<b>Net current liabilities</b>		<u>(2,647)</u>	<u>(6,071)</u>
<b>Total assets less current liabilities</b>		<u>30,673</u>	<u>16,547</u>
<b>Creditors: amounts falling due after more than one year</b>	17	<u>(14,275)</u>	<u>(11,442)</u>
<b>Net assets</b>		<u>16,398</u>	<u>5,105</u>
<b>Capital and reserves</b>			
Called up share capital	20	39,308	18,262
Share premium account	21	17,093	8,675
Profit and loss reserves	21	(40,003)	(21,832)
<b>Total equity</b>		<u>16,398</u>	<u>5,105</u>

The financial statements were approved by the board of directors and authorised for issue on 28 February 2024 and are signed on its behalf by:

Mr T Ball  
Director

# IPSWICH TOWN FOOTBALL CLUB COMPANY LIMITED



## COMPANY BALANCE SHEET

AS AT 30 JUNE 2023

		2023	2022
	Notes	£'000	£'000
<b>Fixed assets</b>			
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Tangible assets	12	25,636	19,840
		<u>33,320</u>	<u>22,618</u>
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Called up share capital	20	39,308	18,262
Share premium account	21	17,093	8,675
Profit and loss reserves	21	(40,003)	(21,832)
<b>Total equity</b>		<u><u>16,398</u></u>	<u><u>5,105</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £18,170.792 (2022 - £13,104,339 profit). The company accounting profit arose due to the simplification of the ITFC Group. See note 13 for further details of this.

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 28 February 2024 and are signed on its behalf by:

Mr T Ball  
Director

Company registration number 00315421 (England and Wales)

# IPSWICH TOWN FOOTBALL CLUB COMPANY LIMITED



## GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2023

		Share capital	Share premium account	Other reserve	Profit and loss reserves	Total
	Notes	£'000	£'000	£'000	£'000	£'000
<b>Balance at 1 July 2021</b>		4,512	3,175	5,000	(9,187)	3,500
<b>Year ended 30 June 2022:</b>						
Loss and total comprehensive income for the year		-	-	-	(12,645)	(12,645)
Issue of share capital	20	13,750	5,500	-	-	19,250
Other movements	21	-	-	(5,000)	-	(5,000)
<b>Balance at 30 June 2022</b>		18,262	8,675	-	(21,832)	5,105
<b>Year ended 30 June 2023:</b>						
Loss and total comprehensive income for the year		-	-	-	(18,171)	(18,171)
Issue of share capital	20	21,046	8,418	-	-	29,464
<b>Balance at 30 June 2023</b>		39,308	17,093	-	(40,003)	16,398

# IPSWICH TOWN FOOTBALL CLUB COMPANY LIMITED



## COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2023

		Share capital	Share premium account	Other reserve	Profit and loss reserves	Total
	Notes	£'000	£'000	£'000	£'000	£'000
<b>Balance at 1 July 2021</b>		4,512	3,175	5,000	(34,936)	(22,249)
<b>Year ended 30 June 2022:</b>						
Profit and total comprehensive income for the year		-	-	-	13,104	13,104
Issue of share capital	20	13,750	5,500	-	-	19,250
Other movements		-	-	(5,000)	-	(5,000)
<b>Balance at 30 June 2022</b>		18,262	8,675	-	(21,832)	5,105
<b>Year ended 30 June 2023:</b>						
Loss and total comprehensive income for the year		-	-	-	(18,171)	(18,171)
Issue of share capital	20	21,046	8,418	-	-	29,464
<b>Balance at 30 June 2023</b>		39,308	17,093	-	(40,003)	16,398



# IPSWICH TOWN FOOTBALL CLUB COMPANY LIMITED



## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	27		(15,483)		(11,421)
Interest paid			(38)		(26)
<b>Net cash outflow from operating activities</b>			(15,521)		(11,447)
<b>Investing activities</b>					
Purchase of intangible assets		(8,006)		(3,392)	
Proceeds from disposal of intangibles		2,404		2,646	
Purchase of tangible fixed assets		(7,341)		(2,094)	
Proceeds from disposal of tangible fixed assets		89		30	
<b>Net cash used in investing activities</b>			(12,854)		(2,810)
<b>Financing activities</b>					
Proceeds from issue of shares		29,464		14,250	
Repayment of borrowings		(3)		(41)	
<b>Net cash generated from financing activities</b>			29,461		14,209
<b>Net increase/(decrease) in cash and cash equivalents</b>			1,086		(48)
Cash and cash equivalents at beginning of year			1,546		1,594
<b>Cash and cash equivalents at end of year</b>			2,632		1,546

# IPSWICH TOWN FOOTBALL CLUB COMPANY LIMITED



## NOTES TO THE GROUP FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 30 JUNE 2023**

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### **1 Accounting policies**

#### **Company information**

Ipswich Town Football Club Company Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Ipswich Town Football Club, Portman Road, Ipswich, IP1 2DA.

The group consists of Ipswich Town Football Club Company Limited and all of its subsidiaries.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

#### **1.2 Basis of consolidation**

The consolidated group financial statements consist of the financial statements of the parent company Ipswich Town Football Club Company Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 30 June 2023. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

# IPSWICH TOWN FOOTBALL CLUB COMPANY LIMITED



## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

### 1 Accounting policies

(Continued)

#### 1.3 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 2023. Notwithstanding the net current liabilities of £2,647,000 (2022: £6,071,000) 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 owners, to meet its liabilities as they fall due for that period. The ultimate parent entity has provided the directors with a letter of support detailing their intention to provide financial support for at least 12 months from the date of approval of these financial statements, in particular that it will continue to make available such funds as are needed by the company to continue in operational existence by meeting their liabilities as they fall due. The directors are satisfied the ultimate parent entity has ability to provide the level of support required.

Consequently, at the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods). the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Turnover from sale of services 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.

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.

#### 1.5 Intangible fixed assets other than goodwill

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.

The profit or loss on disposal of a player's registration is calculated as the difference between the present value of the transfer fee received, less the net book value at the date of player sale and less any direct costs of the transfer.

# IPSWICH TOWN FOOTBALL CLUB COMPANY LIMITED



## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

### 1 Accounting policies

(Continued)

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	over 50 years
Fixtures, fittings and equipment	over 4 to 10 years
Motor vehicles	over 4 to 5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

#### 1.7 Fixed asset investments

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

#### 1.9 Stocks

Stocks are stated at the lower of cost and net realisable value. The cost of stock is calculated using the purchase price on a weighted average basis.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# IPSWICH TOWN FOOTBALL CLUB COMPANY LIMITED



## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

### 1 Accounting policies

(Continued)

#### 1.11 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors, cash, amounts due from fellow group companies and bank balances are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

##### **Basic financial liabilities**

Basic financial liabilities, including trade and other creditors, transfer fees payable, amounts due from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors and transfer fees payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

# IPSWICH TOWN FOOTBALL CLUB COMPANY LIMITED



## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

### 1 Accounting policies

(Continued)

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

#### **1.12 Equity instruments**

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

#### **1.13 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

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.

#### **1.14 Retirement benefits**

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.

#### **1.15 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

#### **1.16 Deferred income**

Deferred income relating to ticket revenues received in advance is shown within accruals and deferred income.

# IPSWICH TOWN FOOTBALL CLUB COMPANY LIMITED



## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The following have been identified as being significant judgements and estimates:

#### Depreciation of tangible fixed assets

Tangible fixed assets are depreciated to write off the cost of the asset, less any residual value, over its useful life.

Estimates of useful lives are based on the nature of the asset and management's experience. The actual useful lives of assets may vary depending on a range of factors.

#### Impairment of fixed assets

When assessing fixed assets for impairment management apply judgement in determining whether there have been any indications of impairment, such as whether there has been loss of form of a player, and a reliable basis to determine the recoverable amount of the investment which may involve estimates of future cash flows and events.

### 3 Turnover

	2023	2022
	£'000	£'000
<b>Turnover analysed by class of business</b>		
Season and match day ticket sales	8,005	5,705
Commercial income	5,403	3,378
Merchandise	4,451	2,277
Football League distributions and televised games	3,895	3,079
	<u>21,754</u>	<u>14,439</u>

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

### 4 Operating loss

	2023	2022
	£'000	£'000
Operating loss for the year is stated after charging:		
Depreciation of owned tangible fixed assets	1,456	1,158
Amortisation of intangible assets	2,964	1,317
Operating lease charges	112	266
Release of capital grant	(41)	(41)
	<u></u>	<u></u>

# IPSWICH TOWN FOOTBALL CLUB COMPANY LIMITED



## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

### 5 Auditor's remuneration

	2023 £'000	2022 £'000
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	22	21
Audit of the financial statements of the company's subsidiaries	-	6
	<u>22</u>	<u>27</u>
<b>For other services</b>		
Taxation compliance services	3	4
	<u>3</u>	<u>4</u>

### 6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group and Company	
	2023 Number	2022 Number
Playing, training and football management	125	127
Administrative, commercial and stadium maintenance	76	69
Total	<u>201</u>	<u>196</u>

Their aggregate remuneration comprised:

	Group and Company	
	2023 £'000	2022 £'000
Wages and salaries	17,438	14,695
Social security costs	2,156	1,630
Pension costs	203	107
	<u>19,797</u>	<u>16,432</u>

### 7 Directors' remuneration

	2023 £'000	2022 £'000
Remuneration for qualifying services	-	83
Company pension contributions to defined contribution schemes	-	8
	<u>-</u>	<u>91</u>



# IPSWICH TOWN FOOTBALL CLUB COMPANY LIMITED



## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

### 7 Directors' remuneration

(Continued)

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 0 (2022 - 1).

### 8 Interest payable and similar expenses

	2023 £'000	2022 £'000
Dividends on redeemable preference shares not classified as equity	564	564
Other interest on financial liabilities	38	26
Total finance costs	602	590

### 9 Profit on disposal of player registrations

	2023 £'000	2022 £'000
Proceeds for players' registrations sold or cancelled	2,423	2,669
Sell on fees	(19)	(23)
Less net book value of assets	(136)	(308)
Profit on disposal of player registrations	2,268	2,338

### 10 Taxation

The actual charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2023 £'000	2022 £'000
Loss before taxation	(18,171)	(12,645)
Expected tax credit based on the standard rate of corporation tax in the UK of 20.50% (2022: 19.00%)	(3,725)	(2,403)
Tax effect of expenses that are not deductible in determining taxable profit	119	107
Tax effect of income not taxable in determining taxable profit	-	(20)
Change in unrecognised deferred tax assets	3,606	2,316
Taxation charge	-	-

The group has unused tax losses of £92,055,000 (2022: £73,884,000)

# IPSWICH TOWN FOOTBALL CLUB COMPANY LIMITED



## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

### 11 Intangible fixed assets

Group and Company	Player registration fees
	£'000
<b>Cost</b>	
At 1 July 2022	8,559
Additions	8,006
Disposals	(420)
At 30 June 2023	16,145
<b>Amortisation and impairment</b>	
At 1 July 2022	5,781
Amortisation charged for the year	2,964
Disposals	(284)
At 30 June 2023	8,461
<b>Carrying amount</b>	
At 30 June 2023	7,684
At 30 June 2022	2,778

### 12 Tangible fixed assets

Group	Leasehold land and buildings	Assets under construction	Fixtures, fittings and equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
At 30 June 2022	32,257	-	13,196	15	45,468
Additions	8	3,088	4,211	34	7,341
Disposals	(9)	-	(6,517)	-	(6,526)
At 30 June 2023	32,256	3,088	10,890	49	46,283
<b>Depreciation and impairment</b>					
At 30 June 2022	14,876	-	10,737	15	25,628
Depreciation charged in the year	625	-	824	7	1,456
Eliminated in respect of disposals	-	-	(6,437)	-	(6,437)
At 30 June 2023	15,501	-	5,124	22	20,647
<b>Carrying amount</b>					
At 30 June 2023	16,755	3,088	5,766	27	25,636
At 30 June 2022	17,381	-	2,459	-	19,840

# IPSWICH TOWN FOOTBALL CLUB COMPANY LIMITED



## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

### 12 Tangible fixed assets

(Continued)

Company	Leasehold land and buildings	Assets under construction	Fixtures, fittings and equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
At 30 June 2022	18,714	-	10,663	15	29,392
Additions	8	3,088	4,211	34	7,341
Disposals	(9)	-	(6,517)	-	(6,526)
At 30 June 2023	18,713	3,088	8,357	49	30,207
<b>Depreciation and impairment</b>					
At 30 June 2022	1,333	-	8,204	15	9,552
Depreciation charged in the year	625	-	824	7	1,456
Eliminated in respect of disposals	-	-	(6,437)	-	(6,437)
At 30 June 2023	1,958	-	2,591	22	4,571
<b>Carrying amount</b>					
At 30 June 2023	16,755	3,088	5,766	27	25,636
At 30 June 2022	17,381	-	2,459	-	19,840

### 13 Subsidiaries

Details of the company's subsidiaries at 30 June 2023, all of which are registered in England and Wales at Portman Road, Ipswich IP1 2DA, are as follows:

Name of undertaking	Nature of business	Class of shares held	% Held Direct
Ipswich Town Stadium Company Limited	Dormant company	Ordinary	100.00
Ipswich Town Finance Company Limited	Dormant company	Ordinary	100.00
Ipswich Town Property Company Limited	Dormant company	Ordinary	100.00

During the previous year a simplification of the ITFC Group was completed. The intra-group balances were realised or formerly waived and the Company received dividend income amounting to the remaining reserves of the subsidiaries. This created a Company accounting profit but all dividends and loan waivers were eliminated on consolidation of the ITFC Group. These subsidiaries have remained dormant during the year.

### 14 Stocks

	Group 2023 £'000	2022 £'000	Company 2023 £'000	2022 £'000
Finished goods and goods for resale	1,516	577	1,516	577

# IPSWICH TOWN FOOTBALL CLUB COMPANY LIMITED



## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

### 15 Debtors

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
<b>Amounts falling due within one year:</b>				
Trade debtors	2,621	1,333	2,621	1,333
Amounts owed by group undertakings	52	-	52	-
Other debtors	498	284	498	284
Prepayments and accrued income	2,050	432	2,050	432
	<u>5,221</u>	<u>2,049</u>	<u>5,221</u>	<u>2,049</u>

### 16 Creditors: amounts falling due within one year

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Transfer fees payable	2,055	1,435	2,055	1,435
Trade creditors	1,021	1,017	1,021	1,017
Amounts owed to group undertakings	-	1,694	-	1,694
Other taxation and social security	1,274	1,271	1,274	1,271
Other creditors	423	780	423	780
Accruals and deferred income	7,243	4,046	7,243	4,046
	<u>12,016</u>	<u>10,243</u>	<u>12,016</u>	<u>10,243</u>

### 17 Creditors: amounts falling due after more than one year

		Group		Company	
		2023	2022	2023	2022
	Notes	£'000	£'000	£'000	£'000
Other borrowings	18	8,446	8,449	8,446	8,449
Transfer fees payable		2,988	600	2,988	600
Preference dividends payable		1,268	705	1,268	705
Other creditors		517	588	517	588
Accruals and deferred income		1,056	1,100	1,056	1,100
		<u>14,275</u>	<u>11,442</u>	<u>14,275</u>	<u>11,442</u>

Amounts included above which fall due after five years are as follows:

Payable other than by instalments	8,052	8,052	8,052	8,052
	<u>8,052</u>	<u>8,052</u>	<u>8,052</u>	<u>8,052</u>

# IPSWICH TOWN FOOTBALL CLUB COMPANY LIMITED



## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

### 17 Creditors: amounts falling due after more than one year

(Continued)

Included in accruals and deferred income is £1,055,000 (2022: £1,097,000) in relation to historic capital grants received for the development of the stadium which is being released to the income statement over the estimated useful life of the assets to which they relate.

### 18 Loans and overdrafts

	Group 2023 £'000	2022 £'000	Company 2023 £'000	2022 £'000
Preference shares	8,052	8,052	8,052	8,052
Loans from related parties	394	397	394	397
	<u>8,446</u>	<u>8,449</u>	<u>8,446</u>	<u>8,449</u>
Payable after one year	<u>8,446</u>	<u>8,449</u>	<u>8,446</u>	<u>8,449</u>

Loans from related parties are in respect of an arrangement whereby an entity, with a participating interest in the Company issued loan notes and the proceeds were lent to the Company under the same terms. Under these terms the Company made loan repayments of £3,000 (2022: £41,000) and was charged interest of £25,000 (2022: £26,000) during the year.

# IPSWICH TOWN FOOTBALL CLUB COMPANY LIMITED



## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

### 19 Retirement benefit schemes

#### Group and company

	2023	2022
	£'000	£'000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	203	107

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

#### Defined benefit schemes

	2023	2022
	£'000	£'000
Provision at start of year	601	748
Payments in year	(118)	(112)
Interest and expenses	17	5
Remeasurement	(28)	(40)
Provision at end of year	472	601

The Group participates in the Football League Pension and Life Assurance Scheme ("the Scheme"). The Scheme is a funded multi-employer defined benefit scheme, with 92 participating employers, and where members may have periods of service attributable to several participating employers. The Group is unable to identify its share of the assets and liabilities of the Scheme and therefore accounts for its contributions as if they were paid to a defined contribution scheme.

The last actuarial valuation was carried out at 31 August 2020 where the total deficit on the ongoing valuation basis was £27.5 million. The results of the 2020 valuation were rolled forward to 30 June 2023 on the same assumptions as detailed above, and the Club's notional share of the deficit was £470,000 (2022: £566,000).

The Group currently pays total contributions of £119,000 per annum (increasing by 5% pa on each 1 September) and based on the actuarial valuation assumptions will be sufficient to pay off the deficit by 30 June 2027. As at 30 June 2023, based on an appropriate discount rate of 6.39% per annum (2022: 3.35% the present value of the Club's outstanding contribution is £472,000 (2022: £601,000). This amounts to £124,000 (2022: £118,000) due within one year and £348,000 (2022: £482,000) due after more than one year and is included within other creditors.

**FOR THE YEAR ENDED 30 JUNE 2023**

<b>Group and company</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>	<b>£'000</b>	<b>£'000</b>
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary shares of 25p each	157,230,015	73,047,872	39,308	18,262
<b>Preference share capital</b>				
<b>Issued and fully paid</b>				
Redeemable preference shares of 25p each	32,208,112	32,208,112	8,052	8,052
Preference shares classified as liabilities			8,052	8,052

- 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.

During the year 84,182,143 Ordinary Shares of aggregate nominal value £21,045,536 were allotted for a consideration of £29,463,750 paid by the Parent Company.

Includes all current and prior period retained realised profits and losses.

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 £691,000 (2022: £652,000) excluding amounts which have been provided for and those which are considered to have a remote likelihood of becoming due.

# IPSWICH TOWN FOOTBALL CLUB COMPANY LIMITED



## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

### 23 Operating lease commitments

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Within one year	264	112	264	112
Between two and five years	446	446	446	446
In over five years	7,349	7,461	7,349	7,461
	<u>8,059</u>	<u>8,019</u>	<u>8,059</u>	<u>8,019</u>

Following the simplification of the ITFC group in the previous year, the company has stepped in as a party to the lease of the stadium with a subsidiary company.

### 24 Controlling party

The parent company is Gamechanger 20 Limited, a company registered in England and Wales, by virtue of its majority shareholding in the company. Its registered office is Ipswich Town Football Club, Portman Road, Ipswich, England, IP1 2DA.

The directors consider ORG Az Secondary Opportunity Fund, L.P. as the ultimate parent entity. The directors do not consider there to be an ultimate controlling party.

### 25 Events after the reporting date

#### Player movements

Since the year end the group has acquired player registrations totalling £4,130,000 including contingent payments.

#### Capital funding

Since the year end £15,005,500 has been received from the parent company for share issues prior to board resolutions formally allotting the shares.



# IPSWICH TOWN FOOTBALL CLUB COMPANY LIMITED



## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

### 26 Related party transactions

#### Transactions with related parties

#### Entities with control over the entity

The Redeemable Preference Shares (see note 20) are held by the Parent Company. Preference share dividends of £1,268,000 (2022: £705,000) have accrued to the Parent Company in accordance with the share rights (see note 20).

Key management remuneration is borne by the parent company. A management charge of £450,000 has been incurred in the year.

#### Other related parties

During the year the Club provided management and administrative services to a charity, the Ipswich Town Foundation, in which two Directors of the Club served as trustees during the year, (2022: 2). A notional charge of £75,000 was incurred relating to these services. This was not recharged and is considered a donation in kind, (2022: £53,000). The Club also provides payroll and accounting services to the Foundation, including making payments to third party suppliers. At the year end the Company was due £123,000 (2022 £98,000) from the Foundation.

### 27 Cash absorbed by group operations

	2023 £'000	2022 £'000
Loss for the year after tax	(18,171)	(12,645)
<b>Adjustments for:</b>		
Finance costs	602	590
Amortisation and impairment of intangible assets	2,964	1,317
Depreciation and impairment of tangible fixed assets	1,455	1,158
Profit on disposal of player registrations	(2,268)	(2,338)
<b>Movements in working capital:</b>		
Increase in stocks	(939)	(218)
(Increase)/decrease in debtors	(3,172)	1,179
Increase/(decrease) in creditors	4,046	(464)
<b>Cash absorbed by operations</b>	<b>(15,483)</b>	<b>(11,421)</b>

### 28 Analysis of changes in net debt - group

	1 July 2022 £'000	Cash flows £'000	30 June 2023 £'000
Cash at bank and in hand	1,546	1,086	2,632
Borrowings excluding overdrafts	(8,449)	3	(8,446)
	<b>(6,903)</b>	<b>1,089</b>	<b>(5,814)</b>

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