

COMPANY REGISTRATION NUMBER 4689338

YORK CITY FOOTBALL CLUB LIMITED
FINANCIAL STATEMENTS
For the year ended
30 June 2005



YORK CITY FOOTBALL CLUB LIMITED

FINANCIAL STATEMENTS

Year ended 30 June 2005

CONTENTS	PAGES
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	3
Independent auditors' report to the shareholders	4 to 5
Profit and loss account	6
Group balance sheet	7
Balance sheet	8
Group cash flow cash flow statement	9
Notes to the financial statements	10 to 19
The following pages do not form part of the financial statements	
Detailed profit and loss account	20
Notes to the detailed profit and loss account	21

YORK CITY FOOTBALL CLUB LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Mr S. Beck
Mr T. Doyle
Mr J. McGill
Miss S. McGill
Mr I. McAndrew
Mr P. Davis

Company secretary

Mr M. Rawnsley

Registered office

Bootham Crescent
York
YO30 7AQ

YORK CITY FOOTBALL CLUB LIMITED

DIRECTORS' REPORT

Year ended 30 June 2005

The directors present their report and the financial statements of the group for the year ended 30 June 2005.

Principal activities and review of the business

The principal activity of the group during the year was that of a football club.

The company's balance sheet as detailed on page 8 shows a deficiency of shareholders funds amounting to £69,437.

Results and dividends

The trading results for the year and the group's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

The directors and their interests

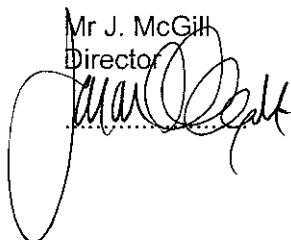
The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Class of share	At 30 June 2005	At 1 July 2004 or later date of appointment
Mr J. McGill	Ordinary Class "B" Shares	<u>37,500</u>	<u>37,500</u>

Mr P. Davis was appointed as a director on 13 June 2005.

Mr M. Brown retired as a director on 5 July 2004.

Signed on behalf of the directors

Mr J. McGill
Director


YORK CITY FOOTBALL CLUB LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

Year ended 30 June 2005

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that year. In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on page 10, and then apply them consistently;

make judgements and 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; and

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

YORK CITY FOOTBALL CLUB LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF YORK CITY FOOTBALL CLUB LIMITED

Year ended 30 June 2005

We have audited the financial statements of York City Football Club Limited for the year ended 30 June 2005 on pages 6 to 19 which have been prepared under the historical cost convention and the accounting policies set out on page 10.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the group is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

YORK CITY FOOTBALL CLUB LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF YORK CITY FOOTBALL CLUB LIMITED *(continued)*

Year ended 30 June 2005

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs and of the group as at 30 June 2005 and of the loss of the group for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Robinson & Co

York

02/02/2006

ROBINSON & CO
Chartered Accountants
& Registered Auditors

YORK CITY FOOTBALL CLUB LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 30 June 2005

	Note	2005 £	2004 £
Group turnover	2	1,255,317	1,894,594
Cost of sales		162,426	283,404
Gross profit		1,092,891	1,611,190
Administrative expenses		1,139,059	1,529,725
Operating (loss)/profit	3	(46,168)	81,465
Interest receivable		817	2,505
Interest payable and similar charges	5	(38,218)	—
(Loss)/profit on ordinary activities before taxation		(83,569)	83,970
Tax on (loss)/profit on ordinary activities		—	—
Retained (Loss)/profit for the financial year	6	(83,569)	83,970

All of the activities of the group are classed as continuing.

The group has no recognised gains or losses other than the results for the year as set out above.

The company has taken advantage of section 230 of the Companies Act 1985 not to publish its own Profit and Loss Account.

The notes on pages 10 to 19 form part of these financial statements.

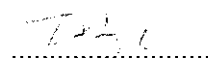
YORK CITY FOOTBALL CLUB LIMITED


GROUP BALANCE SHEET

30 June 2005

	Note	2005 £	2004 £
Fixed assets			
Intangible assets	7	487,865	200,504
Tangible assets	8	2,412,825	49,222
		<u>2,900,690</u>	<u>249,726</u>
Current assets			
Stocks	10	4,563	6,304
Debtors	11	47,206	102,592
Cash at bank and in hand		52,786	51,234
		<u>104,555</u>	<u>160,130</u>
Creditors: Amounts falling due within one year	12	<u>191,376</u>	<u>395,724</u>
Net current liabilities		(86,821)	(235,594)
Total assets less current liabilities		<u>2,813,869</u>	<u>14,132</u>
Creditors: Amounts falling due after more than one year	13	2,349,022	-
Called-up equity share capital	17	250,000	250,000
Share premium account	18	12,500	12,500
Profit and loss account	18	(331,937)	(248,368)
		<u>2,279,585</u>	<u>14,132</u>
Minority Interest		534,284	-
		<u>2,813,869</u>	<u>14,132</u>

These financial statements were approved by the directors on the 21/3/05 and are signed on their behalf by:


Mr T. Doyle


Miss S. McGill

The notes on pages 10 to 19 form part of these financial statements.

YORK CITY FOOTBALL CLUB LIMITED

BALANCE SHEET

30 June 2005

	Note	2005 £	2004 £
Fixed assets			
Intangible assets	7	191,784	200,504
Tangible assets	8	60,825	49,222
Investments	9	1,991,373	—
		<u>2,243,982</u>	<u>249,726</u>
Current assets			
Stocks	10	4,563	6,304
Debtors	11	169,630	102,592
Cash at bank and in hand		52,786	51,234
		<u>226,979</u>	<u>160,130</u>
Creditors: Amounts falling due within one year	12	<u>191,376</u>	<u>395,724</u>
Net current assets/(liabilities)		35,603	(235,594)
Total assets less current liabilities		<u>2,279,585</u>	<u>14,132</u>
Creditors: Amounts falling due after more than one year	13	2,349,022	—
Called-up equity share capital	17	250,000	250,000
Share premium account	18	12,500	12,500
Profit and loss account	18	(331,937)	(248,368)
		<u>2,279,585</u>	<u>14,132</u>

These financial statements were approved by the directors on the 21/6/05 and are signed on their behalf by:

.....
Mr T. Doyle

.....
Miss S. McGill

The notes on pages 10 to 19 form part of these financial statements.

YORK CITY FOOTBALL CLUB LIMITED
GROUP CASH FLOW CASH FLOW STATEMENT

Year ended 30 June 2005

	Note	2005 £	2004 £
Net cash (outflow)/inflow from operating activities	20	(302,386)	11,771
Returns on investments and servicing of finance	20	(37,401)	2,505
Capital expenditure and financial investment	20	(19,890)	—
Acquisitions and disposals			
Acquisition of shares in group undertakings		(1,991,373)	—
Net cash outflow from acquisitions and disposals		(1,991,373)	—
Cash (outflow)/inflow before financing		(2,351,050)	14,276
Financing	20	2,352,602	(64,135)
Increase/(decrease) in cash	20	<u>1,552</u>	<u>(49,859)</u>

The notes on pages 10 to 19 form part of these financial statements.

YORK CITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2005

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 230 of the Companies Act 1985.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill - 5% straight line

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings - over 10 years

Stocks

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

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

YORK CITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2005

2. Turnover

The turnover and loss before tax are attributable to the one principal activity of the group.

An analysis of turnover is given below:

	2005 £	2004 £
United Kingdom	<u>1,255,317</u>	<u>1,894,594</u>

3. Operating (loss)/profit

Operating (loss)/profit is stated after charging:

	2005 £	2004 £
Directors' emoluments	—	—
Amortisation	10,740	10,693
Depreciation of owned fixed assets	6,118	6,000
Depreciation of assets held under hire purchase agreements	<u>149</u>	<u>—</u>

4. Particulars of employees

The average number of staff employed by the group during the financial year amounted to:

	2005 No	2004 No
Number of playing and coaching staff	40	45
Number of administrative staff	8	10
	<u>48</u>	<u>55</u>

The aggregate payroll costs of the above were:

	2005 £	2004 £
Wages and salaries	760,608	950,376
Social security costs	56,691	92,119
Other pension costs	11,010	30,431
	<u>828,309</u>	<u>1,072,926</u>

5. Interest payable and similar charges

	2005 £	2004 £
Interest payable on bank borrowing	44	—
Finance charges	116	—
Other similar charges payable	38,058	—
	<u>38,218</u>	<u>—</u>

6. Loss attributable to members of the parent company

The (loss)/profit dealt with in the accounts of the parent company was £(83,569) (2004 - £83,970).

YORK CITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2005

7. Intangible fixed assets

Group	Goodwill £
Cost	
At 1 July 2004	213,870
Additions	298,101
At 30 June 2005	<u>511,971</u>
Amortisation	
At 1 July 2004	13,366
Charge for the year	10,740
At 30 June 2005	<u>24,106</u>
Net book value	
At 30 June 2005	<u>487,865</u>
At 30 June 2004	<u>200,504</u>
 Company	 Goodwill £
Cost	
At 1 July 2004	213,870
Additions	2,020
At 30 June 2005	<u>215,890</u>
Amortisation	
At 1 July 2004	13,366
Charge for the year	10,740
At 30 June 2005	<u>24,106</u>
Net book value	
At 30 June 2005	<u>191,784</u>
At 30 June 2004	<u>200,504</u>

YORK CITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2005

8. Tangible fixed assets

Group	Investment Property £	Fixtures & Fittings £	Total £
Cost			
At 1 July 2004	-		
Additions	2,352,000		
Disposals	-	(1,800)	(1,800)
At 30 June 2005	2,352,000		
Depreciation			
At 1 July 2004	-		
Charge for the year	-		
At 30 June 2005	-		
Net book value			
At 30 June 2005	2,352,000		
At 30 June 2004			

Hire purchase agreements

Included within the net book value of £60,825 is £17,900 (2004 - £Nil) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £149 (2004 - £Nil).

Company	Fixtures & Fittings £
Cost	
At 1 July 2004	60,000
Additions	19,670
Disposals	(1,800)
At 30 June 2005	77,870
Depreciation	
At 1 July 2004	10,778
Charge for the year	6,267
At 30 June 2005	17,045
Net book value	
At 30 June 2005	60,825
At 30 June 2004	49,222

Hire purchase agreements

Included within the net book value of £60,825 is £17,900 (2004 - £Nil) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £149 (2004 - £Nil).

YORK CITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2005

9. Investments

Company	Group companies
	£
Cost	
Additions	1,991,373
At 30 June 2005	<u>1,991,373</u>
Net book value	
At 30 June 2005	<u>1,991,373</u>

The company owns 76% of the issued share capital of Bootham Crescent Holdings Limited.

10. Stocks

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Stock	<u>4,563</u>	<u>6,304</u>	<u>4,563</u>	<u>6,304</u>

11. Debtors

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Trade debtors	1,315	89,279	1,315	89,279
Amounts owed by group undertakings	-	-	122,424	-
Other debtors	13,023	7,333	13,023	7,333
Prepayments and accrued income	32,868	5,980	32,868	5,980
	<u>47,206</u>	<u>102,592</u>	<u>169,630</u>	<u>102,592</u>

12. Creditors: Amounts falling due within one year

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Trade creditors	38,697	38,318	38,697	38,318
Hire purchase agreements	3,580	-	3,580	-
Directors' loan accounts	15,000	23,000	15,000	23,000
Other creditors including taxation and social security:				
PAYE and social security	10,403	25,887	10,403	25,887
VAT	4,148	43,510	4,148	43,510
Other creditors	23,138	66,288	23,138	66,288
Accruals and deferred income	96,410	198,721	96,410	198,721
	<u>191,376</u>	<u>395,724</u>	<u>191,376</u>	<u>395,724</u>

YORK CITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2005

13. Creditors: Amounts falling due after more than one year

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Bank loans and overdrafts	300,000	—	300,000	—
Hire purchase agreements	14,022	—	14,022	—
Other creditors	2,035,000	—	2,035,000	—
	<u>2,349,022</u>	<u>—</u>	<u>2,349,022</u>	<u>—</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Bank loans and overdrafts	300,000	—	300,000	—
Other creditors	2,000,000	—	2,000,000	—
	<u>2,300,000</u>	<u>—</u>	<u>2,300,000</u>	<u>—</u>

The bank loan is repayable in January 2007. The bank loan and other creditor is secured by a charge over the Investment Properties of the subsidiary undertaking, Bootham Crescent Holdings Limited and is interest only and interest is payable annually at 0.5% above bank base rate.

14. Creditors - capital instruments

Creditors include finance capital which is due for repayment as follows:

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Amounts repayable:				
In more than one year but not more than two years	300,000	—	300,000	—
In more than five years	2,000,000	—	2,000,000	—
	<u>2,300,000</u>	<u>—</u>	<u>2,300,000</u>	<u>—</u>

15. Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows:

	2005	2004
	£	£
Group and Company		
Amounts payable within 1 year	3,580	—
Amounts payable between 1 and 2 years	3,580	—
Amounts payable between 3 and 5 years	10,442	—
	<u>17,602</u>	<u>—</u>

YORK CITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2005

16. Related party transactions

During the year the company obtained a loan from Mr J. McGill's company, JM Packaging Limited. Interest is charged on the loan at normal commercial rates. The balance outstanding on the loan at 30 June 2005 was £300,000 and the interest charged during the year was £3,058.

Mr J. McGill's company JM Packaging Limited also provided sponsorship to the company of £2,000 (2004: £2,000)

During the year, the company has received £36,087 (2004: £42,531) as donations from York City Supporters' Society Limited the company's parent undertaking.

Each of the company's directors purchased from the company, at full market value, a season ticket for the seats occupied by them on a matchday.

None of the company's directors charge the company for their daily expenses incurred in managing football club business.

17. Share capital

Authorised share capital:

	2005	2004
	£	£
250,000 "A" Ordinary shares of £1 each	250,000	250,000
250,000 "B" Ordinary shares of £1 each	250,000	250,000
	<u>500,000</u>	<u>500,000</u>

Allotted, called up and fully paid:

	2005		2004	
	No	£	No	£
"A" Ordinary shares of £1 each	212,500	212,500	212,500	212,500
"B" Ordinary shares of £1 each	37,500	37,500	37,500	37,500
	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>

YORK CITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2005

18. Reserves

Group	Share premium account £	Profit and loss account £
Balance brought forward	12,500	(248,368)
Loss for the year	—	(83,569)
Balance carried forward	<u>12,500</u>	<u>(331,937)</u>

Company	Share premium account £	Profit and loss account £
Balance brought forward	12,500	(248,368)
Loss for the year	—	(83,569)
Balance carried forward	<u>12,500</u>	<u>(331,937)</u>

19. Shareholders Funds

	2005 £	2004 £
(Loss)/Profit for the financial year	(83,569)	83,970
Opening shareholders' equity funds/(deficit)	<u>14,132</u>	<u>(69,838)</u>
Closing shareholders' equity (deficit)/funds	<u>(69,437)</u>	<u>14,132</u>

20. Notes to the statement of cash flows

Reconciliation of operating (loss)/profit to net cash (outflow)/inflow from operating activities

	2005 £	2004 £
Operating (loss)/profit	(46,168)	81,465
Amortisation	10,740	10,693
Depreciation	6,267	6,000
Decrease/(increase) in stocks	1,741	(6,304)
Increase in debtors	(67,038)	(92,961)
(Decrease)/increase in creditors	(207,928)	12,878
Net cash (outflow)/inflow from operating activities	<u>(302,386)</u>	<u>11,771</u>

YORK CITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2005

20. Notes to the statement of cash flows (continued)

Returns on investments and servicing of finance

	2005	2004
	£	£
Interest received	817	2,505
Interest paid	(38,102)	—
Interest element of hire purchase	(116)	—
Net cash (outflow)/inflow from returns on investments and servicing of finance	<u>(37,401)</u>	<u>2,505</u>

Capital expenditure

	2005	2004
	£	£
Payments to acquire intangible fixed assets	(2,020)	—
Payments to acquire tangible fixed assets	(17,870)	—
Net cash outflow from capital expenditure	<u>(19,890)</u>	<u>—</u>

Financing

	2005	2004
	£	£
Repayment of bank loans	300,000	—
Capital element of hire purchase	17,602	—
Net inflow/(outflow) from other long-term creditors	2,035,000	(64,135)
Net cash inflow/(outflow) from financing	<u>2,352,602</u>	<u>(64,135)</u>

Reconciliation of net cash flow to movement in net debt

	2005	2004
	£	£
Increase/(decrease) in cash in the period	1,552	(49,859)
Net cash (inflow) from bank loans	(300,000)	—
Cash outflow in respect of hire purchase	(17,602)	—
Net cash (inflow) from/outflow from other long-term creditors	<u>(2,035,000)</u>	<u>64,135</u>
	<u>(2,351,050)</u>	<u>14,276</u>
Change in net debt	(2,351,050)	14,276
Net funds at 1 July 2004	51,234	36,958
Net debt at 30 June 2005	<u>(2,299,816)</u>	<u>51,234</u>

YORK CITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2005

20. Notes to the statement of cash flows (continued)

Analysis of changes in net debt

	At 1 Jul 2004 £	Cash flows £	At 30 Jun 2005 £
Net cash:			
Cash in hand and at bank	51,234	9,055	60,289
Overdrafts	—	(7,503)	(7,503)
	<u>51,234</u>	<u>1,552</u>	<u>52,786</u>
Debt:			
Debt due after 1 year	—	(2,335,000)	(2,335,000)
Hire purchase agreements	—	(17,602)	(17,602)
	—	<u>(2,352,602)</u>	<u>(2,352,602)</u>
Net debt	<u>51,234</u>	<u>(2,351,050)</u>	<u>(2,299,816)</u>

21. Ultimate parent company

The company is a subsidiary of York City Supporters' Society Limited, an Industrial and Provident Society which owns 85% of the total issued share capital of the company.