



IPSWICH TOWN PLC  
REGISTERED NUMBER 04792070

ANNUAL DIRECTORS' REPORT  
& FINANCIAL STATEMENTS

30 June 2018

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## COMPANY INFORMATION

### Directors

Roger Finbow (Chairman)  
Elizabeth Edwards  
Philip Hope-Cobbold DL  
Ian Milne  
Richard Moore  
Peter Over

### Company Secretary

Mark Andrews

### Registered Office

Portman Road  
Ipswich  
Suffolk  
IP1 2DA

### Company Registration Number

04792070

### Banker

Barclays Bank Plc  
1 Princes Street  
Ipswich  
IP1 1PB

### Auditor

KPMG LLP  
Botanic House  
100 Hills Road  
Cambridge  
CB2 1AR



## STRATEGIC REPORT

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

### Principal activity

The principal activity of the Company is to act as a holding Company for the investment in, and to provide external finance to the Ipswich Town Football Club Company Limited Group ("ITFC").

### Business review

The Company continues to pay interest to its external loan note holders, which amounted to £57,000 (2017: £69,000) during the year. To fund these payments, the Company has back to back loan notes in place with ITFC, under which the Company received £57,000 (2017: £69,000) during the year. As at 30 June 2018, the Company had external loan notes in issue of £808,000 (2017: £969,000) and back to back loan notes with ITFC of £808,000 (2017: £969,000).

The Directors have reviewed the carrying value of the investment held in ITFC and have determined that no further impairment is required.

### Results and dividends

The results for the year are set out in the profit and loss account on page 9.

The loss after taxation amounted to £12,000 (2017: £12,000).

The directors do not recommend the payment of a dividend (2017: £nil).

### Principal risks and uncertainties

The Company's primary risks and uncertainties are closely linked to the performance of its investment in ITFC.

The principal risk to the Company is liquidity risk, which is managed by having matching back to back arrangements with ITFC which mirror its main external liabilities, being the servicing of the external loan notes. In addition any short term working capital requirements are made available by ITFC.

Therefore the financial strength of ITFC, which itself is directly linked to the success of its own first team playing squad, is one of the main factors. Poor performance by ITFC could have a negative impact on the valuation of the Company's main asset, its holding of a 12.5% stake in ITFC.

By order of the Board

R Finbow  
Chairman

Portman Road  
Ipswich  
3 November 2018



## DIRECTORS' REPORT

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

### Results and dividends

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

### Going concern

The financial position of the Company as disclosed in the balance sheet shows net assets of £33,000 (2017: £45,000) and net current liabilities of £480,000 (2017: £480,000). The Directors believe that based on their assessment of the Company's current and future available resources, these are sufficient to allow the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. Furthermore the Company has been given a letter of intent to provide ongoing support from Ipswich Town Football Club Company Limited for at least 18 months from the date of these financial statements which will allow the Company to continue in operational existence and meet their liabilities as they fall due for payment. Furthermore the Company has been given a letter of intent to provide ongoing support from Marcus Evans Worldwide Holdings Limited for at least 18 months from the date of these financial statements which will allow the Company to continue in operational existence and meet their liabilities as they fall due for payment.

### Political and charitable donations

There were no political or charitable contributions made by the Company during the year (2017: £nil).

### Creditors' payment policy

It is the Company's policy to agree the terms of payments with suppliers and pay in accordance with the agreed terms and legal obligations. Trade creditors at 30 June 2018 were £nil (2017: nil).

### Employee involvement

All staff/directors did not receive any remuneration for their services to the Company.

### Directors

The directors who held office during the year were as follows:

Roger Finbow

Ian Milne

Elizabeth Edwards

Philip Hope-Cobbold

Richard Moore

Peter Over

### Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### AGM and Auditor

In accordance with section 489 of the Companies Act 2006, a resolution for the re-appointment of KPMG LLP as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board

**R Finbow**  
Chairman

Portman Road  
Ipswich  
3 November 2018

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

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the 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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IPSWICH TOWN PLC

## Opinion

We have audited the financial statements of Ipswich Town PLC ("the company") for the year ended 30 June 2018 which comprise the Statement of Income and Retained Earnings, Balance Sheet, Cash flow Statement and related notes, including the accounting policies in note 1

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

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

## Going concern

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

## Strategic report and directors' report

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

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

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

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

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, 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;

We have nothing to report in these respects.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IPSWICH TOWN PLC (CONTINUED)**

### **Directors' responsibilities**

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

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

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

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

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

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



## STATEMENT OF INCOME AND RETAINED EARNINGS

For the year ended 30 June 2018

	Note	Year ended 30 June 2018 £000s	Year ended 30 June 2017 £000s
Turnover		-	-
Administrative expenses		-	-
<b>Operating result</b>		-	-
Interest receivable and similar income	3	57	69
Interest payable and similar charges	4	(69)	(81)
<b>Loss on ordinary activities before tax</b>	2-4	(12)	(12)
Tax on loss on ordinary activities	5	-	-
<b>Loss for the financial year and total comprehensive income</b>	11-12	(12)	(12)
<b>Retained earnings at the start of the year</b>		(3,847)	(3,835)
<b>Retained earnings at the end of the year</b>		(3,859)	(3,847)

The above results arose wholly from continuing operations.

There were no gains or losses in either year other than the loss for the year and accordingly, no statement of total recognised gains or losses is presented.

The notes on pages 12 to 17 form part of these financial statements.



## BALANCE SHEET

As at 30 June 2018

	Note	30 June 2018 £000s	30 June 2017 £000s
<b>Fixed Assets</b>			
Investment	6	1,308	1,469
		<b>1,308</b>	<b>1,469</b>
<b>Current Assets</b>			
Debtors	7	40	42
Cash at bank and in hand		-	-
		<b>40</b>	<b>42</b>
Creditors: amounts falling due within one year	8	(520)	(522)
<b>Net current liabilities</b>		<b>(480)</b>	<b>(480)</b>
<b>Total assets less current liabilities</b>		<b>828</b>	<b>989</b>
Creditors: amounts falling due after more than one year	9	(795)	(944)
<b>Net assets</b>		<b>33</b>	<b>45</b>
<b>Capital and reserves</b>			
Called up share capital	10	84	84
Share Premium account		3,808	3,808
Profit and loss account	11	(3,859)	(3,847)
<b>Shareholders' funds</b>	12	<b>33</b>	<b>45</b>

The notes on pages 12 to 17 form part of these financial statements.

These financial statements were approved by the Board of Directors on 3 November 2018 and were signed on its behalf by:

R Finbow  
Chairman

J Milne  
Director

Company registration number 04792070



## CASH FLOW STATEMENT

For the year ended 30 June 2018

	Note	Year ended 30 June 2018 £000s	Year ended 30 June 2017 £000s
<b>Cash flows from operating activities</b>			
Loss for the year		(12)	(12)
Adjustments for:			
Decrease in debtors	7	2	4
(Decrease) in creditors	8/9	(151)	(165)
<b>Net cash from operating activities</b>		<b>(161)</b>	<b>(165)</b>
<b>Cash flows from financing activities</b>			
Loan notes redeemed	6	161	165
<b>Net cash from financing activities</b>		<b>161</b>	<b>165</b>
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at 1 July 2017		-	-
<b>Cash and cash equivalents at 30 June 2018</b>		<b>-</b>	<b>-</b>

The notes on pages 12 to 17 form part of these financial statements.



## NOTES

### (forming part of the financial statements)

#### 1 ACCOUNTING POLICIES

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

##### **Basis of preparation**

The financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("FRS102") as issued in August 2014. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.1

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

##### **Going concern**

The financial statements have been prepared on a going concern basis which the directors believe to be appropriate for the following reasons.

A full assessment of the current and future financial resources of the Company has been undertaken by the board of directors. As part of this assessment the directors considered all liabilities both actual and contingent as well as the following factors :

- the Company has been given a letter of intent from Ipswich Town Football Club Company Limited ("ITFC") to provide ongoing financial support for at least 18 months from the date of these financial statements;
- the Company has been given a letter of intent from Marcus Evans Worldwide Holdings Limited to provide ongoing financial support for at least 18 months from the date of these financial statements;
- ITFC has formally agreed not to seek repayment of any amounts currently made available to the Company; and
- all external loan note obligations of the Company are mirrored by back to back arrangements with ITFC and accordingly any liabilities due can be fully funded through this arrangement.

In spite of net current liabilities, the directors concluded that the current and future resources available to the Company would be sufficient to allow the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on third parties for financial support, the directors acknowledge that there can be no certainty that this support will continue indefinitely, although at the date of approval of these financial statements, they have no reason to believe that it will not do so. Furthermore the directors acknowledge that the support given under the relationship agreement is limited to liabilities arising from the Company's statutory obligations.

##### **Investments**

Investments represent the value of shares held in and loan notes issued to ITFC, less any provision for impairment. Impairment provisions are recognised when it becomes apparent that a diminution in value has occurred. Given the back to back arrangements with ITFC the loan note investment is deemed a liquid resource as the Company receives amounts from ITFC to match the outgoings of interest and capital paid to external loan note holders.

##### **Taxation**

The charge or credit for taxation is based on the result for the year and takes into account deferred taxation because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.



## 2 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Certain costs, including staff related costs, auditor's remuneration and operating leases are borne by Ipswich Town Football Club Company Limited.

The Directors did not receive any remuneration for their services to the Company. Audit fees for the year were £4,000 (2017: £4,000).

## 3 INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 30 June 2018 £000s	Year ended 30 June 2017 £000s
Bank and other interest receivable	57	69
	<b>57</b>	<b>69</b>

## 4 INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 30 June 2018 £000s	Year ended 30 June 2017 £000s
On loan notes	57	69
Amortisation of capital raising costs	12	12
	<b>69</b>	<b>81</b>

## 5 TAXATION

	Year ended June 2018 £000s	Year ended 30 June 2017 £000s
Corporation tax at 19% (2017: 19.75%)		
Total tax charge	-	-

Factors affecting the tax charge for the current period

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

	Year ended 30 June 2018 £000s	Year ended 30 June 2017 £000s
Current tax reconciliation		
Loss on ordinary activities before tax	(12)	(12)
Current tax charge at 19% (2017: 19.75%)	(2)	(2)
Effects of:		
Tax losses carried forward	2	2
Total current tax charge (see above)	-	-



## 5 TAXATION (CONTINUED)

There is £34,000 (2017: £32,000) of unrecognised deferred tax on losses available for future off-set.

### Factors affecting the future tax charge

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax balances at 30 June 2018 have been calculated based on these rates.

## 6 FIXED ASSETS INVESTMENTS

Investment in Ipswich Town Football Club	Loan notes £000s	Shares £000s	Total cost of Investment £000s
Cost at 30 June 2017	969	4,245	5,214
Loan notes redeemed	(161)	-	(161)
Cost at 30 June 2018	808	4,245	5,053
<b>Provisions</b>			
Impairment provision at beginning and end of the year	-	(3,745)	(3,745)
Impairment losses	-	-	-
At end of year	-	(3,745)	(3,745)
Net book value at 30 June 2018	808	500	1,308
Net book value at 30 June 2017	969	500	1,469

The directors have reviewed the carrying value of its investment in Ipswich Town Football Club. There has been no additional write down since the £3,745,000 provision made in 2008 following the dilution of the Company's holding in Ipswich Town Football Club from its 100% holding to 12.5% holding.



## 7 DEBTORS

	Year ended 30 June 2018 £000s	Year ended 30 June 2017 £000s
Amounts owed by Ipswich Town Football Club	26	28
Preference shares - capital not called	14	14
	<b>40</b>	<b>42</b>

## 8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Year ended 30 June 2018 £000s	Year ended 30 June 2017 £000s
Accruals and deferred income	14	16
Amounts owed to Ipswich Town Football Club	506	506
	<b>520</b>	<b>522</b>

## 9 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Year ended 30 June 2018 £000s	Year ended 30 June 2017 £000s
Convertible Loan Notes 2035 (net of issue costs)	795	944

The convertible loan notes 2035 amount to £808,000 (30 June 2017: £969,000) and have been stated net of unamortised expenses of £13,000 (2017: £25,000). The expenses are amortised over the expected life of the loan notes. Depending on when they were issued these loan notes carry an annual coupon of between 6% - 7.5% payable twice yearly in arrears. The Company is entitled to redeem the loan notes prior to their scheduled maturity in 2035, subject to prior consent of the loan note holder. The convertible loan notes may be redeemed at the noteholders' option at a maximum rate of 10% per annum on 30 September of each year from, at the earliest, 30 September 2009 assuming Ipswich Town Football Club is not in the Premier League. This rate increases to a maximum of 20% per annum in any year that the Club is in the Premier League. The loan notes are convertible to ordinary shares at any time at the option of the note holders. The conversion rate is one ordinary share for each £20 of loan notes. During the year, £nil of loan notes were converted into share capital (2017: £nil).

During the year the Company redeemed £161,000 (2017: £165,000) of loan notes at par at the noteholders' option.

# IPSWICH TOWN PLC

## ANNUAL DIRECTORS' REPORT AND FINANCIAL STATEMENTS 2018



### 10 CALLED UP SHARE CAPITAL

	Number of shares	£
<b>Authorised (2018 and 2017)</b>		
Equity: Ordinary shares of 25p each	584,000	146,000
Equity: Preference Shares of £1 each	50,000	50,000
<hr/>		
<b>Allotted, called up and fully paid</b>		
Equity: Ordinary shares of 25p each	258,331	64,583
<hr/>		
<b>Allotted, called up and one quarter paid</b>		
Equity: Preference shares of £1 each	19,300	19,300
<hr/>		
<b>Total value of called up share capital</b>		<b>83,883</b>

The preference shares of £1 each, paid up as to one quarter, have the following rights:

1. a fixed cumulative dividend at the rate of 0.001 per cent per annum (net) on capital from 31 December 2020
2. full repayment of capital paid up on such Preference Shares out of the assets of the Company in the event of a return of capital and payment of arrears or accruals of the Preferential Dividend due on that date. The Preference Shares shall rank on such a return of capital in priority to all other shares of the Company from time to time in issue. The Preference Shares are non-voting unless any preferential dividend shall be in arrears by at least three months.

### 11 RESERVES

	Profit and loss account £000s
At 1 July 2017	(3,847)
Retained loss for the year	(12)
<hr/>	
<b>At 30 June 2018</b>	<b>(3,859)</b>



## 12 POST BALANCE SHEET EVENTS

Since the year end £160,500 of the Convertible Loan Notes were redeemed at the noteholders' option. ITFC loan notes of an equivalent value were also redeemed.

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