

YORK CITY FOOTBALL CLUB LIMITED

FINANCIAL STATEMENTS

For the period ended

30 June 2003

Company Registration Number 4689338



YORK CITY FOOTBALL CLUB LIMITED

FINANCIAL STATEMENTS

Period from 6 March 2003 to 30 June 2003

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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 M. Brown
Mr I. McAndrew

Company secretary

Mr M. Rawnsley

Registered office

Bootham Crescent
York
YO30 7AQ

YORK CITY FOOTBALL CLUB LIMITED

DIRECTORS' REPORT

Period from 6 March 2003 to 30 June 2003

The directors present their report and the unaudited financial statements of the company for the period from 6 March 2003 to 30 June 2003.

Principal activities and business review

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

The company's balance sheet as detailed on page 4 shows a deficiency of shareholders funds amounting to £69,838.

The directors and their interests in shares of the parent company

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

	Class of share	At 30 June 2003	At 6 March 2003 or later date of appointment
Mr J. McGill	"B" Ordinary Shares	<u>37,500</u>	<u>-</u>

Mr S. Beck was appointed as a director on 6 March 2003.

Mr T. Doyle was appointed as a director on 2 April 2003.

Mr J. McGill was appointed as a director on 15 March 2003.

Miss S. McGill was appointed as a director on 8 March 2003.

Mr M. Brown was appointed as a director on 8 March 2003.

Mr I. McAndrew was appointed as a director on 18 March 2003.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Signed on behalf of the directors



Mr T. Doyle
Director

9 October 2003

YORK CITY FOOTBALL CLUB LIMITED

PROFIT AND LOSS ACCOUNT

Period from 6 March 2003 to 30 June 2003

	Period from 6 Mar 03 to 30 Jun 03 £
Note	
Turnover	251,802
Cost of sales	39,829
Gross profit	211,973
Administrative expenses	544,311
Loss on ordinary activities before taxation	(332,338)
Tax on loss on ordinary activities	-
Loss for the financial period	<u>(332,338)</u>

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

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

The notes on pages 5 to 10 form part of these financial statements.

YORK CITY FOOTBALL CLUB LIMITED

BALANCE SHEET

30 June 2003

	Note	30 Jun 03 £
Fixed assets		
Intangible assets	3	211,197
Tangible assets	4	55,222
		<u>266,419</u>
Current assets		
Debtors	5	9,631
Cash at bank and in hand		105,019
		<u>114,650</u>
Creditors: Amounts falling due within one year	6	<u>386,772</u>
Net current liabilities		<u>(272,122)</u>
Total assets less current liabilities		<u>(5,703)</u>
Creditors: Amounts falling due after more than one year	7	64,135
		<u>(69,838)</u>
Capital and reserves		
Called-up equity share capital	9	250,000
Share premium account	10	12,500
Profit and loss account	11	(332,338)
Deficiency	12	<u>(69,838)</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the accounts for the period by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the financial period in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the 9 October 2003 and are signed on their behalf by:


 Mr S. Beck


 Mr T. Doyle

The notes on pages 5 to 8 form part of these financial statements.

YORK CITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 6 March 2003 to 30 June 2003

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules and on the basis that the company can continue to operate as a going concern.

At the year end date the company's liabilities exceeded its assets by £69,838.

Management accounts prepared since the year end date show the company to be profitable and the directors, having considered the company's viability for the coming 12 months, are satisfied that the company can continue to trade profitably. The directors have also estimated the company's likely cash requirements until that date and are satisfied that all working capital requirements can be met. Accordingly the accounts have been prepared on a going concern basis.

If the company were unable to continue as a going concern, the accounts would have to be adjusted to write down assets to their recoverable amount, to provide for any additional losses or liabilities that might arise and to reclassify fixed assets and long term creditors as current assets and current liabilities.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the period, 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 - between 1 and 3 years

YORK CITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 6 March 2003 to 30 June 2003

1. Accounting policies *(continued)*

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.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. Operating loss

Operating loss is stated after charging:

	Period from 6 Mar 03 to 30 Jun 03 £
Directors' emoluments	–
Staff pension contributions	5,159
Amortisation	2,673
Depreciation of owned fixed assets	4,778
Exceptional redundancy costs	<u>72,000</u>

On 31 May 2003 as part of the financial restructuring of the football club, two employees were given notice of termination of their contracts of employment. On 30 June 2003 there remained 11 months and 5 months outstanding on their contracts of employment. The accounts contain a full provision for the anticipated costs of fulfilling these contracts as the individuals concerned will play no further active role in the management of the club.

YORK CITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 6 March 2003 to 30 June 2003

3. Intangible fixed assets

	Goodwill £
Cost	
Additions	213,870
At 30 June 2003	<u>213,870</u>
Amortisation	
Charge for the period	2,673
At 30 June 2003	<u>2,673</u>
Net book value	
At 30 June 2003	<u>211,197</u>

On 28 March 2003, York City Football Club Limited completed the purchase of the football club business and certain assets and liabilities from York City Association and Athletic Club plc (In Administration) for consideration of £181,000. £60,000 of the consideration had already been settled by York City Supporters' Trust on behalf of the company. £83,333 was settled on 28 March 2003 and the balance of £37,667 is to be paid over the following 24 months.

Assets acquired by York City Football Club Limited:

	£
Tangible fixed assets	60,000
Other current assets	184,271
Liabilities	<u>(277,141)</u>
Excess liabilities acquired	(32,870)
Consideration	<u>181,000</u>
 Goodwill	 <u>213,870</u>

YORK CITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 6 March 2003 to 30 June 2003

4. Tangible fixed assets

	Fixtures & Fittings £
Cost	
Additions	60,000
At 30 June 2003	<u>60,000</u>
Depreciation	
Charge for the period	4,778
At 30 June 2003	<u>4,778</u>
Net book value	
At 30 June 2003	<u>55,222</u>

5. Debtors

	30 Jun 03 £
Trade debtors	<u>9,631</u>

6. Creditors: Amounts falling due within one year

	30 Jun 03 £
Bank loans and overdrafts	3,926
Trade creditors	45,459
Other creditors including taxation and social security:	
PAYE and social security	27,613
VAT	7,057
Other creditors	128,660
Accruals and deferred income	174,057
	<u>386,772</u>

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

	30 Jun 03 £
Other creditors	<u>64,135</u>

YORK CITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 6 March 2003 to 30 June 2003

8. Related party transactions

As a necessary part of the rescue package that enabled the continuance of a professional football club in York, now run by York City Football Club Limited, Mr J. McGill, a company director, acquired the freehold of 33 Grosvenor Terrace, York from York City Association Football and Athletic Club plc (In Administration).

Accommodation is provided for the club's youth team players at 33 Grosvenor Terrace for which a monthly rental of £1,000 is paid to Mr McGill in respect of this facility.

Since 28 March 2003, the company has received £62,833 as a donation from York City Supporters' Society Limited the company's parent undertaking.

9. Share capital

Authorised share capital:

	30 Jun 03 £
250,000 "A" Ordinary shares of £1 each	250,000
250,000 "B" Ordinary shares of £1 each	250,000
	<u>500,000</u>

Allotted, called up and fully paid:

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

On 6 March 2003 the York City Supporters Trust subscribed for the initial £1 Ordinary Share in York City Football Club Limited.

On 28 March 2003, York City Football Club Limited completed the purchase of the football club business and certain assets and liabilities from York City Association Football and Athletic Club plc (In Administration) for consideration of £181,000.

Subsequently, the £1 Ordinary Share was reclassified as a £1 Ordinary 'A' Share and the Trust subscribed for a further 212,499 Ordinary 'A' Shares of £1 each at par. The consideration for these shares was settled by way of cash provided by the Trust to "Save York City".

As part of the Trust's overall rescue package, Trust Member Jason McGill subscribed for 37,500 'B' Ordinary Shares of £1 each in York City Football Club Limited for cash consideration of £50,000. The 'B' Ordinary Shares in York City Football Club Limited have restricted voting rights and are only transferable in very limited circumstances. Therefore, the Trust owns 85% of the total issued share capital of York City Football Club Limited.

YORK CITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 6 March 2003 to 30 June 2003

10. Share premium account

	Period from 6 Mar 03 to 30 Jun 03 £
Premium on shares issued in the period	12,500
Balance carried forward	<u>12,500</u>

11. Profit and loss account

	Period from 6 Mar 03 to 30 Jun 03 £
Accumulated loss for the financial period	(332,338)
Balance carried forward	<u>(332,338)</u>

12. Reconciliation of movements in shareholders' funds

	30 Jun 03	
	£	£
Loss for the financial period		(332,338)
New equity share capital subscribed	250,000	
Premium on new share capital subscribed	<u>12,500</u>	
		<u>262,500</u>
Net reduction to funds		(69,838)
Closing shareholders' equity deficit		<u>(69,838)</u>

13. Ultimate parent company

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