

Company Registration No. 04689338 (England and Wales)

YORK CITY FOOTBALL CLUB LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

THURSDAY



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COMPANIES HOUSE

YORK CITY FOOTBALL CLUB LIMITED

COMPANY INFORMATION

Directors	Mr J A McGill Mr I McAndrew
Secretary	Mr J A McGill
Company number	04689338
Registered office	Bootham Crescent York North Yorkshire YO30 7AQ
Auditor	Forster, Stott & Co Langton House 124 Acomb Road Holgate York YO24 4EY
Bankers	National Westminster Bank plc Wellington House Aviator Court Clifton Moor York YO30 4UZ

YORK CITY FOOTBALL CLUB LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2
Directors' responsibilities statement	3
Independent auditor's report	4 - 5
Profit and loss account	6
Statement of comprehensive income	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	11 - 23

YORK CITY FOOTBALL CLUB LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2016

The directors present the strategic report and financial statements for the year ended 30 June 2016 with the principal and continuing activity of the company being that of a football club.

Fair review of the business

The players, football management team, staff and directors would like to thank fans for their loyal support during the season although the harsh reality is the Loss incurred during the year would simply not have been sustainable without the continuing financial support of the Chairman's parent company JM Packaging Limited.

Looking to the future City of York Council have worked in partnership with York City Football Club Limited and City of York Athletic Club to provide a Community Stadium for the people of York which the Directors believe will encourage a considerably wider participation in Sport and also enable significant benefits to be gained in connection with all aspects of the Club's operational activities.

In addition when the Community Stadium comes to fruition the Directors of the Parent Company have indicated that they are prepared to consider waiving an entitlement to Interest, which during the current year amounted to £337,341 (2015 £294,726), in respect of Loans necessarily advanced to the Club.

Accordingly the Directors are optimistic that with the envisaged overall benefits from being able to participate fully within the Community Stadium the Club will be able to significantly reduce the current Loss and aim with confidence to achieve a financial break-even position each year.

In this respect the Directors are delighted to acknowledge receipt of an extremely important and operationally crucial donation of £235,000 from JM Packaging Limited (2015 £360,000) during the year.

Principal risks and uncertainties

The company does not have an overdraft facility and therefore is required to meet its day to day requirements with financial support from the parent undertaking, JM Packaging Limited, who have provided an assurance funding would be made available for 12 months from the date on which these financial statements are signed.

The acquisition of football players and their related payroll costs are considered to be the core activity risk and whilst assisting the Manager with improvements to the playing squad the Board is constantly mindful of the pitfalls that are inevitably inherent within this area of the business.

The objective is to therefore manage these costs whilst being as competitive as possible within the Club's financial limitations.

Key performance indicators

Key Performance Indicators are utilised to measure and evaluate performance against targets thereby monitoring various activities within the company.

The key performance indicators employed within the company include:

	2016	2015
Revenue Levels	£2,687,724	£2,634,338
Loss from operations	£712,424	£723,153
Staff Costs re player and other employees	£2,209,691	£2,157,666

The Board monitor these key performance indicators on a monthly or more frequent basis.

On behalf of the board

Mr J A McGill

Director

29 March 2017

YORK CITY FOOTBALL CLUB LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2016

The directors present their annual report and financial statements for the year ended 30 June 2016.

Principal activities

The principal activity of the company continued to be that of a football club.

Directors

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

Mr J A McGill

Mr R W C McGill

(Resigned 6 May 2016)

Mrs S Hicks

(Resigned 5 May 2016)

Mr I McAndrew

Results and dividends

The results for the year are set out on page 6.

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

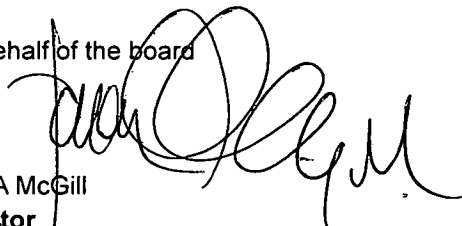
Auditor

The auditors to the company are Forster, Stott & Co and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed 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 company's auditor 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 company's auditor is aware of that information.

On behalf of the board



Mr J A McGill

Director

29 March 2017

YORK CITY FOOTBALL CLUB LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 JUNE 2016

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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

YORK CITY FOOTBALL CLUB LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF YORK CITY FOOTBALL CLUB LIMITED

We have audited the financial statements of York City Football Club Limited for the year ended 30 June 2016 set out on pages 6 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

YORK CITY FOOTBALL CLUB LIMITED

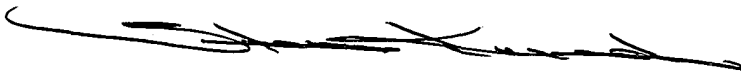
INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF YORK CITY FOOTBALL CLUB LIMITED

Matters on which we are required to report by exception

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

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



**Steven John Kilmartin FCA (Senior Statutory Auditor)
for and on behalf of Forster, Stott & Co**

29 March 2017

**Chartered Accountants
Statutory Auditor**

Langton House
124 Acomb Road
Holgate
York
YO24 4EY

YORK CITY FOOTBALL CLUB LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2016

	Notes	2016 £	2015 £
Turnover	3	2,687,724	2,634,338
Cost of sales		(2,417,396)	(2,356,263)
Gross profit		<u>270,328</u>	<u>278,075</u>
Administrative expenses		(570,989)	(639,859)
Operating loss	4	<u>(300,661)</u>	<u>(361,784)</u>
Interest receivable and similar income	6	-	1
Interest payable and similar charges	7	(411,763)	(361,370)
Loss before taxation		<u>(712,424)</u>	<u>(723,153)</u>
Taxation	8	-	-
Loss for the financial year		<u><u>(712,424)</u></u>	<u><u>(723,153)</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

YORK CITY FOOTBALL CLUB LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2016

	2016 £	2015 £
Loss for the year	(712,424)	(723,153)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(712,424)</u>	<u>(723,153)</u>

YORK CITY FOOTBALL CLUB LIMITED

BALANCE SHEET

AS AT 30 JUNE 2016

	Notes	2016		2015	
		£	£	£	£
Fixed assets					
Goodwill	9		90,081		102,447
Tangible assets	10		186,125		210,790
Investments	11		3,764,715		3,764,715
			<u>4,040,921</u>		<u>4,077,952</u>
Current assets					
Debtors	13	260,181		326,686	
Cash at bank and in hand		134,486		204,618	
		<u>394,667</u>		<u>531,304</u>	
Creditors: amounts falling due within one year	14	(5,292,115)		(4,763,440)	
Net current liabilities			<u>(4,897,448)</u>		<u>(4,232,136)</u>
Total assets less current liabilities			<u>(856,527)</u>		<u>(154,184)</u>
Creditors: amounts falling due after more than one year	15		(2,348,123)		(2,338,042)
Net liabilities			<u>(3,204,650)</u>		<u>(2,492,226)</u>
Capital and reserves					
Called up share capital	19		550,000		550,000
Share premium account			12,500		12,500
Revaluation reserve			1,753,600		1,753,600
Profit and loss reserves			(5,520,750)		(4,808,326)
Total equity			<u>(3,204,650)</u>		<u>(2,492,226)</u>

The financial statements were approved by the board of directors and authorised for issue on 29 March 2017 and are signed on its behalf by:


Mr J A McGill
Director

Company Registration No. 04689338

YORK CITY FOOTBALL CLUB LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2016

	Share capital	Share premium account	Revaluation reserve	Profit and loss reserves	Total
Notes	£	£	£	£	£
Balance at 1 July 2014	550,000	12,500	1,753,600	(4,085,173)	(1,769,073)
Year ended 30 June 2015:					
Loss and total comprehensive income for the year	-	-	-	(723,153)	(723,153)
Balance at 30 June 2015	550,000	12,500	1,753,600	(4,808,326)	(2,492,226)
Year ended 30 June 2016:					
Loss and total comprehensive income for the year	-	-	-	(712,424)	(712,424)
Balance at 30 June 2016	550,000	12,500	1,753,600	(5,520,750)	(3,204,650)

YORK CITY FOOTBALL CLUB LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash generated from operations	23	325,534		248,280	
Interest paid		(411,763)		(361,370)	
		<u> </u>		<u> </u>	
Net cash outflow from operating activities		(86,229)		(113,090)	
Investing activities					
Purchase of tangible fixed assets		(800)		(75,998)	
Interest received		-		1	
		<u> </u>		<u> </u>	
Net cash used in investing activities			(800)		(75,997)
Financing activities					
Repayment of borrowings		21,000		21,001	
Payment of finance leases obligations		(4,103)		(3,762)	
		<u> </u>		<u> </u>	
Net cash generated from financing activities			16,897		17,239
			<u> </u>		<u> </u>
Net decrease in cash and cash equivalents			(70,132)		(171,848)
Cash and cash equivalents at beginning of year		204,618		376,466	
		<u> </u>		<u> </u>	
Cash and cash equivalents at end of year		134,486		204,618	
		<u> </u>		<u> </u>	

YORK CITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

1 Accounting policies

Company information

York City Football Club Limited is a private company limited by shares incorporated in England and Wales. The registered office is Bootham Crescent, York, North Yorkshire, YO30 7AQ.

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 £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 30 June 2016 are the first financial statements of York City Football Club Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 July 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources available to continue in operational existence for the foreseeable future although this ability is entirely dependant upon financial support being maintained by the Parent Company, JM Packaging Limited, who have provided an assurance funding would be made available for 12 months from the date on which these financial statements are signed.

Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 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.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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.

1.4 Intangible fixed assets - goodwill

Goodwill arising on the acquisition of a subsidiary undertaking is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

YORK CITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

1 Accounting policies

(Continued)

1.5 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:

Land and buildings Leasehold	over 10 years
Fixtures, fittings & equipment	over 10 years
Motor vehicles	25% reducing balance

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 credited or charged to profit or loss.

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

1.7 Impairment of fixed assets

At each reporting period end date, the company 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.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

YORK CITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

1 Accounting policies

(Continued)

1.8 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.

1.9 Financial instruments

The company 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 company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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 and cash 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, 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.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal 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 company 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.

YORK CITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

1 Accounting policies

(Continued)

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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans 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 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.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

1.10 Equity instruments

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

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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.

YORK CITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

1 Accounting policies

(Continued)

1.12 Retirement benefits

The company is a member of the Football League pension scheme. Contributions payable are charged to the profit and loss account in the year they are payable.

1.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2016 £	2015 £
Turnover		
Football Club Activities	2,687,724	2,634,338
	<u> </u>	<u> </u>
Other significant revenue		
Interest income	-	1
	<u> </u>	<u> </u>

4 Operating loss

	2016 £	2015 £
Operating loss for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	3,000	3,000
Depreciation of owned tangible fixed assets	22,572	22,090
Depreciation of tangible fixed assets held under finance leases	2,894	3,859
Amortisation of intangible assets	12,366	12,366
	<u> </u>	<u> </u>

YORK CITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

5 Employees

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

	2016 Number	2015 Number
Sales	8	8
Administration	13	14
Playing & and Management	64	63
	<u>85</u>	<u>85</u>

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	2,034,425	1,962,252
Social security costs	171,953	191,091
Pension costs	3,313	4,323
	<u>2,209,691</u>	<u>2,157,666</u>

6 Interest receivable and similar income

	2016 £	2015 £
Interest income		
Interest on bank deposits	-	1
	<u>-</u>	<u>1</u>

7 Interest payable and similar charges

	2016 £	2015 £
Interest on bank overdrafts and loans	861	1,129
Interest on finance leases and hire purchase contracts	1,125	1,465
Interest payable to group undertakings	388,777	337,776
Other interest	21,000	21,000
	<u>411,763</u>	<u>361,370</u>

8 Taxation

YORK CITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

8 Taxation

(Continued)

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:

	2016 £	2015 £
Loss before taxation	(712,424)	(723,153)
Expected tax credit based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.75%)	(142,485)	(150,054)
Tax effect of income not taxable in determining taxable profit	(55,524)	(90,627)
Unutilised tax losses carried forward	-	68,430
Group relief	194,967	173,174
Effect of depreciation	5,093	5,384
Capital allowances	(2,051)	(6,307)
Taxation for the year	-	-

9 Intangible fixed assets

	Goodwill £
Cost	
At 1 July 2015 and 30 June 2016	247,321
Amortisation and impairment	
At 1 July 2015	144,874
Amortisation charged for the year	12,366
At 30 June 2016	157,240
Carrying amount	
At 30 June 2016	90,081
At 30 June 2015	102,447

YORK CITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

10 Tangible fixed assets

	Land and buildings Leasehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost				
At 1 July 2015	170,640	131,950	31,595	334,185
Additions	-	800	-	800
At 30 June 2016	170,640	132,750	31,595	334,985
Depreciation and impairment				
At 1 July 2015	19,854	87,556	15,984	123,394
Depreciation charged in the year	17,064	4,499	3,903	25,466
At 30 June 2016	36,918	92,055	19,887	148,860
Carrying amount				
At 30 June 2016	133,722	40,695	11,708	186,125
At 30 June 2015	150,785	44,394	15,611	210,790

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2016 £	2015 £
Motor vehicles	8,684	11,578
Depreciation charge for the year in respect of leased assets	2,894	3,859

11 Fixed asset investments

	Notes	2016 £	2015 £
Investments in subsidiaries	12	3,764,715	3,764,715

YORK CITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

11 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 July 2015 & 30 June 2016	3,764,715
Carrying amount	
At 30 June 2016	3,764,715
At 30 June 2015	3,764,715

12 Subsidiaries

Details of the company's subsidiaries at 30 June 2016 are as follows:

Name of undertaking	Country of incorporation	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Bootham Crescent Holdings Limited	England & Wales	Property	Ordinary	86.00	

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Bootham Crescent Holdings Limited	-	4,377,576

Bootham Crescent Holdings Limited was dormant during the year. The investment revaluation during 2012 was undertaken by J.A. McGill, a director of the company, on an open market basis.

13 Debtors

	2016	2015
Amounts falling due within one year:	£	£
Trade debtors	50,797	122,270
Other debtors	15,236	13,515
Prepayments and accrued income	71,724	68,477
	137,757	204,262

YORK CITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

13 Debtors		(Continued)	
		2016	2015
		£	£
Amounts falling due after more than one year:			
Amounts due from subsidiary undertakings		122,424	122,424
Total debtors		<u>260,181</u>	<u>326,686</u>
14 Creditors: amounts falling due within one year		2016	2015
		£	£
	Notes		
Obligations under finance leases	17	11,789	4,973
Payments received on account		212,331	301,953
Trade creditors		101,637	116,428
Amounts due to group undertakings		4,752,152	4,078,872
Other taxation and social security		69,740	100,754
Other creditors		12,000	12,000
Accruals and deferred income		132,466	148,460
		<u>5,292,115</u>	<u>4,763,440</u>
15 Creditors: amounts falling due after more than one year		2016	2015
		£	£
	Notes		
Obligations under finance leases	17	-	10,919
Other borrowings	16	2,348,123	2,327,123
		<u>2,348,123</u>	<u>2,338,042</u>
Amounts included above which fall due after five years are as follows:			
Payable other than by instalments		<u>(2,348,123)</u>	<u>(2,327,123)</u>
16 Loans and overdrafts		2016	2015
		£	£
Other loans		<u>2,348,123</u>	<u>2,327,123</u>
Payable after one year		<u>2,348,123</u>	<u>2,327,123</u>

YORK CITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

16 Loans and overdrafts (Continued)

The loan is secured by a charge over freehold property, a football stadium and land, which is owned by Bootham Crescent Holdings Limited, a subsidiary of the company, with interest being payable at bank base rate plus 0.5%.

17 Finance lease obligations

	2016	2015
	£	£
Future minimum lease payments due under finance leases:		
Within one year	11,789	4,973
In two to five years	-	10,919
	11,789	15,892
	11,789	15,892

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets.

18 Retirement benefit schemes

	2016	2015
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	3,313	4,323
	3,313	4,323
	3,313	4,323

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

19 Share capital

	2016	2015
	£	£
Ordinary share capital		
Authorised		
175,000 Ordinary A of £1 each	175,000	175,000
412,500 Ordinary B of £1 each	412,500	412,500
300,000 Ordinary C of £1 each	300,000	300,000
	887,500	887,500
	887,500	887,500
Issued and fully paid		
137,500 Ordinary A of £1 each	137,500	137,500
412,500 Ordinary B of £1 each	412,500	412,500
	550,000	550,000
	550,000	550,000

A fixed cumulative preferential dividend of £33,000 per year accrues on all Ordinary B shares but it is not payable until the disposal of the property held by the company's subsidiary. The balance outstanding in respect of unpaid dividends at 30 June 2016 is £330,000 (2015 £297,000).

YORK CITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

20 Related party transactions

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

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

The company has use of the property owned by its subsidiary, Bootham Crescent Holdings Limited, on a rent free basis.

J A McGill and R McGill are also directors of JM Packaging Limited, the parent company. During the year the Company had a loan from JM Packaging Limited with Interest charged at 11% in respect of the initial tranche of £650,000 and 6% in respect of the balance. Interest payable during the year was £ (2015 £294,726) and an amount of £ (2015 £43,050) was also due in respect of non-payment of preferential dividends relating to the B Ordinary Shares. The amount outstanding in respect of the loan at 30 June 2016 was £ (2015 £4,078,872).

J A McGill and Ms S Hicks are also directors of York City Football Club Foundation Limited a charity to promote participation in sport across North Yorkshire. During the year the charity was charged £50,000 (2015 £50,000) for the use of facilities at Bootham Crescent. At 30 June 2016 £ (2015 £12,315) was outstanding and is included within debtors.

21 Directors' transactions

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

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

The company has use of the property owned by its subsidiary, Bootham Crescent Holdings Limited, on a rent free basis.

J A McGill and R McGill are also directors of JM Packaging Limited, the parent company. During the year the Company had a loan from JM Packaging Limited with Interest charged at 11% in respect of the initial tranche of £650,000 and 6% in respect of the balance. Interest payable during the year was £337,361 (2015 £294,726) and an amount of £51,415 (2015 £43,050) was also due in respect of non-payment of preferential dividends relating to the Ordinary B Shares. The amount outstanding in respect of the loan at 30 June 2016 was £4,752,153 (2015 £4,078,872)

J A McGill and Ms S Hicks are also directors of York City Football Club Foundation Limited a charity to promote participation in sport across North Yorkshire. During the year the charity was charged £50,000 for the use of facilities at Bootham Crescent. At 30 June 2016 £12,315 (2015 £12,315) was outstanding and is included within debtors.

22 Controlling party

The parent company is JM Packaging Limited, a company registered in England & Wales which owns 75% of the total issued share capital of the company.

YORK CITY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

23 Cash generated from operations	2016 £	2015 £
Loss for the year after tax	(712,424)	(723,153)
Adjustments for:		
Finance costs	411,763	361,370
Investment income	-	(1)
Amortisation and impairment of intangible assets	12,366	12,366
Depreciation and impairment of tangible fixed assets	25,466	25,949
Movements in working capital:		
Decrease/(increase) in debtors	66,504	(73,991)
Increase in creditors	521,859	645,740
Cash generated from operations	<u>325,534</u>	<u>248,280</u>