

REGISTERED NUMBER 34760 (England and Wales)

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2011
FOR
THE GRIMSBY TOWN FOOTBALL CLUB PLC**

THURSDAY



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THE GRIMSBY TOWN FOOTBALL CLUB PLC (REGISTERED NUMBER: 34760)

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FOR THE YEAR ENDED 31ST MAY 2011**

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THE GRIMSBY TOWN FOOTBALL CLUB PLC

**COMPANY INFORMATION
FOR THE YEAR ENDED 31ST MAY 2011**

DIRECTORS

M C Chapman
J Elsom
J S Fenty

SECRETARY:

I Fleming

REGISTERED OFFICE:

Blundell Park
Cleethorpes
N E Lincolnshire
DN35 7PY

REGISTERED NUMBER:

34760 (England and Wales)

AUDITORS:

Weaver Wroot
Chartered Certified Accountants
Statutory Auditors
Burlington House
28 Dudley Street
Grimsby
N E Lincolnshire
DN31 2AB

BANKERS:

Lloyds TSB
PO Box 72
Bailey Drive
Gillingham Business Park
Kent
ME8 0LS

SOLICITORS:

Beetenson & Gibbon
Town Hall Square
Grimsby
N E Lincolnshire
DN31 1HX

THE GRIMSBY TOWN FOOTBALL CLUB PLC (REGISTERED NUMBER: 34760)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST MAY 2011**

The directors present their report with the financial statements of the company for the year ended 31st May 2011

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a professional football club together with related and ancillary activities

REVIEW OF BUSINESS

The Directors and staff are very disappointed with the outcome of the 2010/11 season, a mid table position being well below our expectations. Poor league results coupled once again with no success in the cup competitions resulted in both gates and the income generated from match receipts, together with the associated commercial income, being substantially lower than the previous year. Relegation from the Football League has also resulted in a significant reduction in income from television and broadcasting rights.

Although wage costs have reduced, the investment made in new players with the expectation of making a promotion challenge, without any income from the transfer market has resulted in an operating loss of £936,177.

Every effort continues to be made to bring about success on the pitch, as clearly the company cannot continue to sustain operating losses at this level.

DIVIDENDS

The directors do not recommend payment of a dividend.

FIXED ASSETS

The directors are not aware of any material difference between the market value of the company's freehold land and buildings and the amount included in the financial statements.

FUTURE DEVELOPMENTS

The company's principle short term aim is to return to League football and since the end of the financial year the directors have invested in new players with the expectation of making a promotion challenge. Such investment in additional players being within the earnings cap on eligible turnover.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors set out in the table below have held office during the whole of the period from 1st June 2010 to the date of this report unless otherwise stated.

Other changes in directors holding office are as follows:

P W Furneaux - resigned 9 3 11

M Parker - resigned 1 3 11

The beneficial interests of the directors holding office at 31st May 2011 in the shares of the company, according to the register of directors' interests, were as follows:

	31 5 11	1 6 10
Ordinary shares of £100 each		
M C Chapman	5	5
J Elsom	255	5
J S Fenty	4,055	444
Ordinary shares of £50 each		
M C Chapman	-	-
J Elsom	-	-
J S Fenty	2,822	2,815

THE GRIMSBY TOWN FOOTBALL CLUB PLC (REGISTERED NUMBER: 34760)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST MAY 2011**

DIRECTORS - continued

	31 5 11	1 6 10
Ordinary shares of £25 each		
M C Chapman	-	-
J Elsom	-	-
J S Fenty	903	884
Ordinary shares of £1 each		
M C Chapman	-	-
J Elsom	-	-
J S Fenty	5,825	5,639

These directors did not hold any non-beneficial interests in any of the shares of the company

In accordance with the Articles of Association, J S Fenty will retire at the forthcoming Annual General Meeting, and being eligible, will stand for re-election

COMPANY'S POLICY ON PAYMENT OF CREDITORS

The company does not have a standard policy for payment of suppliers but seeks the best possible terms appropriate to the transaction, giving consideration to quality, price and terms of payment. The company will continue to honour any contractual and other legal obligations to pay creditors on dates agreed in contracts and purchase orders. The cost of acquiring players' registrations and associated transactions are such that the calculation of creditors days would be distorted, therefore the company has calculated creditor days excluding these amounts. The number of creditor days was 15 (2010 22)

POLITICAL AND CHARITABLE CONTRIBUTIONS

The company's charitable donations for the year amounted to £486 (2010 £294). There were no political contributions (2010 £Nil)

EMPLOYMENT, HEALTH AND SAFETY AND ENVIRONMENTAL POLICIES

It is the company's policy that there should be no discrimination against any person on the grounds of race, sex, religion or otherwise

In accordance with the company's equal opportunity policy, disabled people are given the same consideration as others when they apply for a job. Depending on their skills and abilities, they enjoy the same career prospects and scope for realising their potential as other employees. If an existing employee becomes disabled, reasonable steps are taken to retain them in employment

Within the bounds of commercial confidentiality, staff are kept reasonably informed of matters that affect the progress of the company and are of interest to them as employees

The company maintains its own health and safety and environmental policies covering its activities. Adherence to these policies is monitored on a regular basis

SHARE CAPITAL

During the year 9,962 ordinary shares at the value of £100 have been issued

THE GRIMSBY TOWN FOOTBALL CLUB PLC (REGISTERED NUMBER: 34760)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST MAY 2011**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Weaver Wroot, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



I Fleming - Secretary

21st October 2011

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE GRIMSBY TOWN FOOTBALL CLUB PLC

We have audited the financial statements of The Grimsby Town Football Club plc for the year ended 31st May 2011 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. 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).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, 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 financial statements to identify material inconsistencies with the audited financial statements. 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 31st May 2011 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

Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in Note 24 to the financial statements concerning the company's ability to continue as a going concern. The company incurred a net loss of £936,177 during the year ended 31st May 2011 and at that date, the company had net liabilities of £1,068,704. These conditions along with the other matters explained in note 24 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE GRIMSBY TOWN FOOTBALL CLUB PLC**

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

S Nixon (Senior Statutory Auditor)
for and on behalf of Weaver Wroot
Chartered Certified Accountants
Statutory Auditors
Burlington House
28 Dudley Street
Grimsby
N E Lincolnshire
DN31 2AB

25th October 2011

Note

The maintenance and integrity of the The Grimsby Town Football Club plc web site is the responsibility of the directors, the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site

THE GRIMSBY TOWN FOOTBALL CLUB PLC

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MAY 2011**

				2011	2010
	Note	Operations excluding player trading £	Player Trading £	Total £	Total £
TURNOVER	2	1,645,940	-	1,645,940	2,266,213
Operating expenses	4	(2,557,714)	(9,407)	(2,567,121)	(2,296,093)
OPERATING (LOSS)/PROFIT	4	(911,774)	(9,407)	(921,181)	(29,880)
Loss on disposal of players' contracts		-	-	-	-
(LOSS)/PROFIT BEFORE INTEREST AND TAXATION		<u>(911,774)</u>	<u>(9,407)</u>	(921,181)	(29,880)
Interest receivable and similar income	5			-	49
Interest payable and similar charges	6			(14,996)	(10,433)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4			(936,177)	(40,264)
Taxation	7			-	-
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION				(936,177)	(40,264)
(Accumulated losses) brought forward				(2,637,427)	(2,597,163)
(ACCUMULATED LOSSES) CARRIED FORWARD				<u>(3,573,604)</u>	<u>(2,637,427)</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the losses for the current and previous years

NOTE OF HISTORICAL COST PROFITS AND LOSSES

The difference between the results and disclosed in the profit and loss account and the results on an unmodified historical cost basis is not material

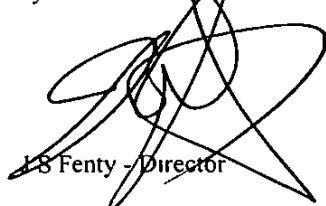
The notes form part of these financial statements

THE GRIMSBY TOWN FOOTBALL CLUB PLC (REGISTERED NUMBER: 34760)

**BALANCE SHEET
31ST MAY 2011**

	Notes	2011 £	2010 £
FIXED ASSETS			
Intangible assets	8	17,255	-
Tangible assets	9	<u>1,400,811</u>	<u>1,424,461</u>
		1,418,066	1,424,461
CURRENT ASSETS			
Stocks	10	52,577	42,724
Debtors	11	306,743	583,240
Cash at bank and in hand		<u>98,010</u>	<u>2,475</u>
		457,330	628,439
CREDITORS			
Amounts falling due within one year	12	<u>266,723</u>	<u>789,827</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>190,607</u>	<u>(161,388)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,608,673	1,263,073
CREDITORS			
Amounts falling due after more than one year	13	<u>2,677,377</u>	<u>2,391,800</u>
NET LIABILITIES		<u>(1,068,704)</u>	<u>(1,128,727)</u>
CAPITAL AND RESERVES			
Called up share capital	16	1,506,900	510,700
Revaluation reserve	17	998,000	998,000
Profit and loss account	17	<u>(3,573,604)</u>	<u>(2,637,427)</u>
SHAREHOLDERS' FUNDS	23	<u>(1,068,704)</u>	<u>(1,128,727)</u>

The financial statements were approved by the Board of Directors on 21st October 2011 and were signed on its behalf by


J B Fenty - Director

The notes form part of these financial statements

THE GRIMSBY TOWN FOOTBALL CLUB PLC (REGISTERED NUMBER: 34760)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MAY 2011**

	Notes	2011 £	2010 £
Net cash outflow from operating activities	1	(704,965)	(470,017)
Returns on investments and servicing of finance	2	(14,996)	(10,384)
Capital expenditure	2	<u>(17,529)</u>	<u>(3,160)</u>
		(737,490)	(483,561)
Financing	2	<u>1,298,277</u>	<u>563,527</u>
Increase in cash in the period		<u><u>560,787</u></u>	<u><u>79,966</u></u>
<hr/>			
Reconciliation of net cash flow to movement in net debt	3		
Increase in cash in the period		560,787	79,966
Cash inflow from increase in debt		<u>(302,077)</u>	<u>(563,427)</u>
Change in net debt resulting from cash flows		<u>258,710</u>	<u>(483,461)</u>
Movement in net debt in the period		258,710	(483,461)
Net debt at 1st June		<u>(2,888,077)</u>	<u>(2,404,616)</u>
Net debt at 31st May		<u><u>(2,629,367)</u></u>	<u><u>(2,888,077)</u></u>

The notes form part of these financial statements

THE GRIMSBY TOWN FOOTBALL CLUB PLC (REGISTERED NUMBER: 34760)

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MAY 2011**

1 RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2011 £	2010 £
Operating loss	(921,181)	(29,880)
Depreciation charges	28,991	28,954
Profit on disposal of fixed assets	(5,067)	-
(Increase)/Decrease in stocks	(9,853)	21,191
Decrease/(Increase) in debtors	276,497	(409,441)
Decrease in creditors	<u>(74,352)</u>	<u>(80,841)</u>
Net cash outflow from operating activities	<u>(704,965)</u>	<u>(470,017)</u>

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2011 £	2010 £
Returns on investments and servicing of finance		
Interest received	-	49
Interest paid	<u>(14,996)</u>	<u>(10,433)</u>
Net cash outflow for returns on investments and servicing of finance	<u>(14,996)</u>	<u>(10,384)</u>
Capital expenditure		
Purchase of intangible fixed assets	(23,600)	-
Purchase of tangible fixed assets	(8,229)	(3,160)
Sale of tangible fixed assets	<u>14,300</u>	<u>-</u>
Net cash outflow for capital expenditure	<u>(17,529)</u>	<u>(3,160)</u>
Financing		
New loans in year	491,677	-
Loan repayments in year	(33,500)	(38,373)
Amount introduced by directors	-	601,800
Amount withdrawn by directors	(156,100)	-
Share issue	<u>996,200</u>	<u>100</u>
Net cash inflow from financing	<u>1,298,277</u>	<u>563,527</u>

The notes form part of these financial statements

THE GRIMSBY TOWN FOOTBALL CLUB PLC (REGISTERED NUMBER: 34760)

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MAY 2011**

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1 6 10 £	Cash flow £	At 31 5 11 £
Net cash			
Cash at bank and in hand	2,475	95,535	98,010
Bank overdraft	<u>(465,252)</u>	<u>465,252</u>	<u>-</u>
	<u>(462,777)</u>	<u>560,787</u>	<u>98,010</u>
 Debt			
Debts falling due within one year	(33,500)	(16,500)	(50,000)
Debts falling due after one year	<u>(2,391,800)</u>	<u>(285,577)</u>	<u>(2,677,377)</u>
	<u>(2,425,300)</u>	<u>(302,077)</u>	<u>(2,727,377)</u>
 Total	<u>(2,888,077)</u>	<u>258,710</u>	<u>(2,629,367)</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2011

1 ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold property and in accordance with applicable accounting standards

Turnover

Turnover represents all income arising from the ordinary activities of the company and excludes transfer fees receivable and Value Added Tax. Match receipts are shown after deduction of League and Football Association levies and amounts due to visiting clubs

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation net of depreciation and provisions for impairment. No depreciation has been provided on freehold property, as Blundell Park continues to be valued in the financial statements at an amount equivalent to the likely net disposal proceeds. Depreciation in respect of other tangible fixed assets is provided for at the following rates on a straight line basis calculated to write-off the cost or valuation, less any estimated residual value, of each asset over its useful economic life

Motor vehicles	25%
Computer equipment	33%
Fixtures, fittings and equipment	15%

Stocks

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

Grants

Grants received in respect of expenditure on safety work which is charged to the profit and loss account are dealt with in the profit and loss account in the year of receipt. Grants received in respect of safety work of a capital nature are treated as deferred income and released to the profit and loss account by instalments over the expected useful economic life of the related assets

Taxation

The charge for taxation is based upon the results for the year and takes into account taxation deferred through timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised without discounting in respect of these timing differences which have arisen but not reversed by the balance sheet date except as otherwise required by FRS 19

Leases

Assets held under finance leases are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful economic life. The capital element of obligations are recorded as liabilities, the interest element being charged to the profit and loss account evenly over the period of the lease

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

Player trading

The costs associated with the acquisition of players' registrations are capitalised as intangible fixed assets. These costs are fully amortised in equal annual instalments over the period of the players' contracts including any agreed extensions. Players' registrations are written down for impairment when the amortised value exceeds the amount recoverable through use or sale. Future costs which may become due are recognised within the original cost of acquisition if, in the opinion of the directors, it is probable that these costs will be incurred. Where similar circumstances arise from the disposal of players' registrations, these future receipts are not recognised as part of the proceeds of disposal until such time as the events upon which these receipts are dependent, are known to have occurred. No value is recognised in the financial statements for players developed within the company

THE GRIMSBY TOWN FOOTBALL CLUB PLC (REGISTERED NUMBER: 34760)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MAY 2011

1 ACCOUNTING POLICIES - continued

Signing on fees

Signing on fees are charged to the profit and loss account in the accounting period when they become due under the terms of the players' initial contract. Instalments due in the future are not provided for but are noted as contingent liabilities. Signing on fees paid as a consequence of the transfer of a players' registration are included in the profit and loss on disposal of players' registrations.

Deferred income

Deferred income comprises amounts received from sponsorship and season ticket income, which is released to the profit and loss account on a straight line basis over the period to which it relates.

2 TURNOVER

Turnover all of which arises from the company's principal activity can be analysed into its main components as follows

	2011 £	2010 £
Match receipts	596,466	841,733
Television and broadcasting <i>Parachute payments and Football League Distributions</i>	<u>382,481</u>	<u>604,495</u>
Football	<u>978,947</u>	<u>1,446,228</u>
Sponsorship	273,957	359,270
Retailing and merchandise	108,459	150,010
Catering	<u>284,577</u>	<u>310,705</u>
Commercial	<u>666,993</u>	<u>819,985</u>
Total	<u>1,645,940</u>	<u>2,266,213</u>

THE GRIMSBY TOWN FOOTBALL CLUB PLC (REGISTERED NUMBER: 34760)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MAY 2011**

3 STAFF COSTS

The directors are reimbursed for expenses but receive no remuneration in their capacity as directors

The average number of persons employed by the company during the year was as follows

	2011	2010
Full-time	53	56
Part-time	34	32
Match day staff	<u>204</u>	<u>209</u>
	<u><u>291</u></u>	<u><u>297</u></u>

Aggregate cost of employment being as follows

	2011 £	2010 £
Wages and salaries	1,635,370	1,885,009
Social Security costs	130,704	141,602
Other pension costs	57,239	169,736
Expenses and other costs	<u>47,388</u>	<u>51,485</u>
	<u><u>1,870,701</u></u>	<u><u>2,247,832</u></u>

Outstanding pension contributions at 31st May 2011 amounted to £NIL (2010 £3,276)

4 OPERATING LOSS

Profit (loss) on ordinary activities before taxation

	2011 £	2010 £
Analysis of operating expenses -		
Staff costs (Note 3)	1,870,701	2,247,832
Depreciation of tangible fixed assets		
Owned	22,646	28,954
Profit on disposal	(5,067)	-
Other operating charges	721,526	657,383
Other operating income	<u>(52,092)</u>	<u>(81,401)</u>
	<u><u>2,557,714</u></u>	<u><u>2,852,768</u></u>

Profit (loss) on ordinary activities before taxation is stated after charging

	2011 £	2010 £
Auditors' remuneration		
Audit	5,000	5,000
Other services	4,000	4,000
Operating lease costs	<u><u>12,430</u></u>	<u><u>(7,408)</u></u>

THE GRIMSBY TOWN FOOTBALL CLUB PLC (REGISTERED NUMBER: 34760)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MAY 2011**

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	2011	2010
	£	£
Deposit account interest	<u>-</u>	<u>49</u>

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2011	2010
	£	£
Bank interest	<u>14,996</u>	<u>10,433</u>

7 TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31st May 2011 nor for the year ended 31st May 2010

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	2011	2010
	£	£
Loss on ordinary activities before tax	<u>(936,177)</u>	<u>(40,264)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2010 - 28%)	(262,130)	(11,274)
Effects of		
Expenses not deductible for tax purposes	5,301	4,698
Income not chargeable to tax	(11,940)	(13,518)
Capital allowances etc for the year in excess of depreciation	462	2,973
Tax losses incurred (utilised) in the year	<u>268,307</u>	<u>17,121</u>
Current tax charge	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

The company has unrecognised deferred tax assets in respect of tax losses and accelerated capital allowances. The assets have not been recognised as the likelihood of the company recovering these assets in the foreseeable future is considered to be remote. Unrelieved Corporation tax losses at 31st May 2011 amounted to £5.3m

THE GRIMSBY TOWN FOOTBALL CLUB PLC (REGISTERED NUMBER: 34760)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MAY 2011**

8 INTANGIBLE FIXED ASSETS

	Players Contracts £
COST	
Additions	<u>23,600</u>
At 31st May 2011	<u>23,600</u>
AMORTISATION	
Amortisation for year	<u>6,345</u>
At 31st May 2011	<u>6,345</u>
NET BOOK VALUE	
At 31st May 2011	<u>17,255</u>

9 TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION				
At 1st June 2010	2,344,146	431,701	38,326	2,814,173
Additions	-	8,229	-	8,229
Disposals	-	-	(23,325)	(23,325)
At 31st May 2011	<u>2,344,146</u>	<u>439,930</u>	<u>15,001</u>	<u>2,799,077</u>
DEPRECIATION				
At 1st June 2010	969,146	396,819	23,747	1,389,712
Charge for year	-	17,300	5,346	22,646
Eliminated on disposal	-	-	(14,092)	(14,092)
At 31st May 2011	<u>969,146</u>	<u>414,119</u>	<u>15,001</u>	<u>1,398,266</u>
NET BOOK VALUE				
At 31st May 2011	<u>1,375,000</u>	<u>25,811</u>	<u>-</u>	<u>1,400,811</u>
At 31st May 2010	<u>1,375,000</u>	<u>34,882</u>	<u>14,579</u>	<u>1,424,461</u>

The net book value of tangible fixed assets includes £nil (2009 £nil) in respect of assets held under finance agreements

Cost or valuation at 31st May 2011 is represented by

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2006	2,344,146	-	-	2,344,146
Cost	-	439,930	15,001	454,931
	<u>2,344,146</u>	<u>439,930</u>	<u>15,001</u>	<u>2,799,077</u>

THE GRIMSBY TOWN FOOTBALL CLUB PLC (REGISTERED NUMBER: 34760)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MAY 2011**

9 TANGIBLE FIXED ASSETS - continued

If freehold property had not been revalued it would have been included at the following historical cost

	2011 £	2010 £
Cost	<u>1,346,146</u>	<u>1,346,146</u>
Aggregate depreciation	<u>969,146</u>	<u>969,146</u>
Value of land in freehold land and buildings	<u>377,000</u>	<u>377,000</u>

Freehold property was valued on a vacant possession basis on 27th June 2011 by Clark Weightman Limited

The freehold property was valued at between £1 1m and £1 5m and it is therefore the opinion of the directors that the valuation shown in the financial statements continues to be equivalent to the likely net disposal proceeds

10 STOCKS

	2011 £	2010 £
Goods for resale	<u>52,577</u>	<u>42,724</u>

11 DEBTORS

	2011 £	2010 £
Amounts falling due within one year		
Trade debtors	235,965	231,840
Other debtors	53,931	89,958
Prepayments	<u>16,847</u>	<u>11,442</u>
	<u>306,743</u>	<u>333,240</u>
Amounts falling due after more than one year		
Trade debtors	<u>-</u>	<u>250,000</u>
Aggregate amounts	<u>306,743</u>	<u>583,240</u>

12 CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Bank loan and overdrafts (see note 14)	50,000	465,252
Other loans (see note 14)	-	33,500
Trade creditors	68,324	95,654
Social security and other taxes	48,200	91,672
Other creditors	1,599	8,091
Accrued expenses	55,340	76,977
Deferred income	<u>43,260</u>	<u>18,681</u>
	<u>266,723</u>	<u>789,827</u>

THE GRIMSBY TOWN FOOTBALL CLUB PLC (REGISTERED NUMBER: 34760)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MAY 2011**

12 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

Bank loan (2010 overdraft) is secured by way of an unlimited debenture creating a fixed and floating charge over all of the company's assets and undertakings

13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2011 £	2010 £
Bank loans	441,677	-
Loans from Directors and companies in which they have an interest	2,034,700	2,391,800
Other loans	<u>201,000</u>	<u>-</u>
	<u><u>2,677,377</u></u>	<u><u>2,391,800</u></u>

Mr J S Fenty has provided financial guarantees amounting to £325,000. These guarantees, together with his loans, are secured by way of a debenture, dated 6th July 2007, creating a fixed and floating charge over all of the company's assets.

Other loans represent amounts due to a former director.

There are no set repayment terms for any loans advanced to the company by its directors or former directors and companies in which they have an interest. No interest is being charged on the loans.

14 LOANS

An analysis of the maturity of loans is given below:

	2011 £	2010 £
Amounts falling due within one year or on demand		
Bank overdrafts	-	465,252
Bank loan	50,000	-
Sky	<u>-</u>	<u>33,500</u>
	<u><u>50,000</u></u>	<u><u>498,752</u></u>
Amounts falling due between one and two years		
Bank loan - 1-2 years	<u><u>100,000</u></u>	<u><u>-</u></u>
Amounts falling due between two and five years		
Bank loan - 2-5 years	<u><u>341,677</u></u>	<u><u>-</u></u>
Amounts falling due in more than five years		
Repayable otherwise than by instalments		
Loans from Directors and companies in which they have interest	2,034,700	2,391,800
Other loans	<u>201,000</u>	<u>-</u>
	<u><u>2,235,700</u></u>	<u><u>2,391,800</u></u>

THE GRIMSBY TOWN FOOTBALL CLUB PLC (REGISTERED NUMBER: 34760)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MAY 2011**

15 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

		Other operating leases
	2011 £	2010 £
Expiring		
Within one year	12,055	12,055
Between one and five years	<u>23,425</u>	<u>-</u>
	<u>35,480</u>	<u>12,055</u>

16 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value	2011 £	2010 £
11,919	Ordinary	£100	1,191,900	195,700
5,100	Ordinary	£50	255,000	255,000
1,600	Ordinary	£25	40,000	40,000
20,000	Ordinary	£1	<u>20,000</u>	<u>20,000</u>
			<u>1,506,900</u>	<u>510,700</u>

The following shares were issued during the year
for cash at par

9,962 Ordinary shares of £100

17 RESERVES

	Profit and loss account £	Revaluation reserve £	Totals £
At 1st June 2010	(2,637,427)	998,000	(1,639,427)
Deficit for the year	<u>(936,177)</u>	<u>-</u>	<u>(936,177)</u>
At 31st May 2011	<u>(3,573,604)</u>	<u>998,000</u>	<u>(2,575,604)</u>

18 CONTINGENT LIABILITIES

There are potential liabilities and assets in respect of the company's player trading. Due to the variable nature of these amounts it is not possible to calculate the maximum potential liability or asset.

19 CAPITAL COMMITMENTS

The board will continue to assess the treatment of costs incurred in respect of the new stadium development, excluding those in respect of the planning process, as to whether these should be classed as capital or revenue expenditure. There are no known capital commitments authorised by the board.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MAY 2011

20 RELATED PARTY DISCLOSURES

With the exception of reimbursed expenses, during the year goods and services have been provided by directors and companies in which they have an interest amounting to £NIL (2010 £3,048), sponsorship income received by the company amounted to £NIL (2010 £1,210). There were debtors outstanding at 31st May 2011 of £NIL (2010 £273). Loans from directors and companies in which they have an interest are disclosed in Note 14. The maximum liability during the year amounted to £2,034,700 (2010 £2,391,800).

All transactions with related parties are disclosed on an aggregate basis.

During the year pension contributions of £50,000 relating to the contingent liability in respect of Mr J S Fenty have been paid, the outstanding amount being £112,500 (2010 £162,500).

21 POST BALANCE SHEET EVENTS

3,501 £100 ordinary shares have been issued since the end of the year.

Since the end of the year players registrations have been disposed of for a consideration of £150,000 and players registrations have been acquired at a cost of £30,000.

There have been no other material post balance sheet events that in the opinion of the directors require disclosure in the financial statements.

22 ULTIMATE CONTROLLING PARTY

On 8th July 2011 the company issued 3,500 ordinary shares of £100 each to Mr M Parker, as a result of which his shareholding represented 53.8% of the issued share capital and he had a controlling interest in the company. Subsequently Mr M Parker gifted 5,000 ordinary shares of £100 each to the Grimsby Town Supporters Trust. As a consequence of this the company is now considered to be controlled by Mr J S Fenty by reason of his shareholding and financial commitment to the company.

23 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Loss for the financial year	(936,177)	(40,264)
Shares issued during year	996,200	100
Net addition/(reduction) to shareholders' funds	60,023	(40,164)
Opening shareholders' funds	(1,128,727)	(1,088,563)
Closing shareholders' funds	<u>(1,068,704)</u>	<u>(1,128,727)</u>

24 GOING CONCERN

The Directors are not at present in a position to provide the necessary assurances that the company will have sufficient facilities to finance its operations and other obligations for at least twelve months from the date of approval of these financial statements, but they are endeavouring to seek the funding necessary to provide the company with financial security.

However, as it is unlikely that any adjustments that would be required to the financial statements from an inability to prepare these on a going concern basis, would materially effect the company's balance sheet no such adjustments are included in these financial statements.