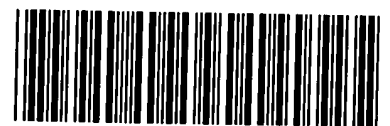


THE GRIMSBY TOWN FOOTBALL CLUB PLC
STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2017

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

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COMPANIES HOUSE

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2017**

	Page
Company Information	1
Strategic Report	2 to 3
Report of the Directors	4 to 6
Report of the Independent Auditors	7 to 8
Income Statement	9
Other Comprehensive Income	10
Balance Sheet	11
Statement of Changes in Equity	12
Cash Flow Statement	13
Notes to the Cash Flow Statement	14
Notes to the Financial Statements	15 to 23

THE GRIMSBY TOWN FOOTBALL CLUB PLC

**COMPANY INFORMATION
FOR THE YEAR ENDED 31ST MAY 2017**

DIRECTORS:

M C Chapman
P Day
J S Fenty
S Marley
J Wood

SECRETARY:

I Fleming

REGISTERED OFFICE:

Blundell Park
Cleethorpes
N E Lincolnshire
DN35 7PY

REGISTERED NUMBER:

00034760 (England and Wales)

AUDITORS:

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

BANKERS:

Lloyds Bank
50 - 52 Victoria Street West
Grimsby
N E Lincolnshire
DN31 1BL

**STRATEGIC REPORT
FOR THE YEAR ENDED 31ST MAY 2017**

The directors present their strategic report for the year ended 31st May 2017.

REVIEW OF BUSINESS

Following promotion to the Football League from the National League at the end of the previous year the club's aim for the current year was to consolidate its League status. This has been achieved.

Turnover in 2016/17 was £0.6m higher than the previous year driven mainly by the additional commercial and broadcasting opportunities that arise with having League status. The club has also generated additional income from its player trading activities. This improvement in turnover had a positive impact on operating profitability and cash availability. This has allowed the club to reduce further the historic external debt that arose before the collapse of the ITV Digital deal by the elimination of bank borrowing and make significant investment into the club's infrastructure for the Youth Academy and training ground by way of additional technical equipment, coaching and other staff together with improved facilities.

The company continues to seek to secure the long term future of the club through relocation to a purpose built new community stadium. The requirement to find a positive outcome on this issue has been reinforced by a significant fall in the value of the existing stadium during the previous year. The company is encouraged by the progress that has been made over the last year regarding this.

The Club uses a variety of performance measures in order to monitor and manage the business effectively. These are both financial and non-financial measures and include the following key performance indicators (KPIs):

	2017	2016
Turnover (£)	3,261,307	2,640,440
Average league attendance (number)	5,259	4,345
Season tickets sold (number)	3,032	2,658
Final position in league*	14th	4th

* 2015/16 promoted to the Football League via the Play Off Final

**STRATEGIC REPORT
FOR THE YEAR ENDED 31ST MAY 2017**

PRINCIPAL RISKS AND UNCERTAINTIES

The company's strategy is to continue to improve the quality of live football, engage with the local community and become a sustainable company through success on and off the pitch.

There are, therefore, a number of potential risks and uncertainties which could impact on the company. The Board meets regularly during the year and monitors these risks on a regular basis. The key business risks and uncertainties affecting the company are considered to relate to:

- first team performance and the direct impact on league status and position and ultimately revenue generation
- the recruitment and retention of key employees
- the rules and regulations of the applicable football governing bodies
- the renewal of key commercial agreements on similar or improved terms
- supporter attendance levels at first team matches
- potential reliance on the company's principal shareholder to fund operations.

The company's activities are exposed to financial risks that include credit risk and the risks associated with interest rates. The company's policy is to eliminate, as far as possible, the interest rate risk which relates to its debt finance. This is achieved by:

- monitoring compliance with the terms of its debt finance
- regularly reviewing forecasts to identify any issues that may arise.

ON BEHALF OF THE BOARD:



I Fleming - Secretary

30th October 2017

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST MAY 2017**

The directors present their report with the financial statements of the company for the year ended 31st May 2017.

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.

DIVIDENDS

The directors do not recommend payment of a dividend.

FUTURE DEVELOPMENTS

The company will continue to invest prudently in the playing squad in order to remain an established EFL club, whilst also progressing its plans for relocation to the new community stadium.

DIRECTORS

The directors set out in the table below have held office during the whole of the period from 1st June 2016 to the date of this report unless otherwise stated.

Other changes in directors holding office are as follows:

L Mullen - resigned 5.1.17

D Roberts - resigned 15.6.16

The beneficial interests of the directors holding office at 31st May 2017 in the shares of the company, according to the register of directors' interests, were as follows:

	31.5.17	1.6.16
Ordinary shares of £100 each		
M C Chapman	5	5
P Day	25	20
J S Fenty	8,055	8,055
S Marley	20	20
J Wood	5	5
Ordinary shares of £50 each		
M C Chapman	-	-
P Day	-	-
J S Fenty	2,822	2,822
S Marley	-	-
J Wood	-	-
Ordinary shares of £25 each		
M C Chapman	-	-
P Day	-	-
J S Fenty	903	903
S Marley	-	-
J Wood	-	-
Ordinary shares of £1 each		
M C Chapman	-	-
P Day	-	-
J S Fenty	5,825	5,825
S Marley	-	-
J Wood	-	-

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

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

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST MAY 2017**

POLITICAL DONATIONS AND EXPENDITURE

There have been charitable contributions of £4,506 (2016 £2,749) made by the company during the year. No political contributions have been made during the year.

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 24 ordinary shares at the value of £100 have been issued.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, 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.

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.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST MAY 2017**

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

30th October 2017

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 2017 on pages nine to twenty three. 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 Financial Reporting Standard 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 a Report of the Auditors 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 auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page five, 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 Strategic Report and the Report of the Directors 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 31st May 2017 and of its profit 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 within the accounting policies to the financial statements concerning the company's ability to continue as a going concern. Although the company generated a trading profit, after tax, of £1,069,791 during the year ended 31st May 2017, at that date the company had net liabilities of £568,931. These conditions along with the other matters explained within the accounting policies to the financial statements, indicate the existence of a material uncertainty which may cast 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, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements, and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the company and its environment, we have not identified any material misstatements in the Strategic Report or the Report of the Directors.

**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.

The maintenance and integrity of The Grimsby Town Football Club plc website 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 website.

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

30th October 2017

THE GRIMSBY TOWN FOOTBALL CLUB PLC (REGISTERED NUMBER: 00034760)

**INCOME STATEMENT
FOR THE YEAR ENDED 31ST MAY 2017**

	Notes	2017 £	2016 £
TURNOVER	2	3,126,445	2,394,535
Administrative expenses		3,081,355	2,569,323
		<u>45,090</u>	<u>(174,788)</u>
Other operating income		1,043,662	245,905
OPERATING PROFIT	4	1,088,752	71,117
Interest payable and similar expenses	5	6,469	12,055
PROFIT BEFORE TAXATION		1,082,283	59,062
Tax on profit	6	12,492	-
PROFIT FOR THE FINANCIAL YEAR		<u>1,069,791</u>	<u>59,062</u>

The notes form part of these financial statements

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MAY 2017**

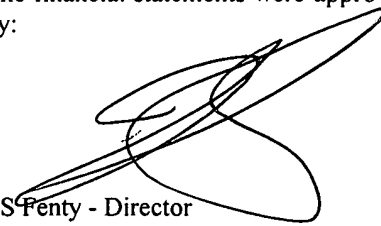
	Notes	2017 £	2016 £
PROFIT FOR THE YEAR		1,069,791	59,062
OTHER COMPREHENSIVE INCOME			
Property revaluation movement		-	(725,000)
Income tax relating to other comprehensive income		-	145,000
		<hr/>	<hr/>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		-	(580,000)
		<hr/>	<hr/>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,069,791	(520,938)
		<hr/> <hr/>	<hr/> <hr/>

The notes form part of these financial statements

BALANCE SHEET
31ST MAY 2017

	Notes	2017 £	2016 £
FIXED ASSETS			
Intangible assets	7	132,343	22,200
Tangible assets	8	674,754	672,822
		<u>807,097</u>	<u>695,022</u>
CURRENT ASSETS			
Stocks	9	48,327	76,545
Debtors	10	1,008,312	357,140
Cash at bank and in hand		142,090	149,316
		<u>1,198,729</u>	<u>583,001</u>
CREDITORS			
Amounts falling due within one year	11	2,520,157	2,599,481
NET CURRENT LIABILITIES		<u>(1,321,428)</u>	<u>(2,016,480)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(514,331)</u>	<u>(1,321,458)</u>
CREDITORS			
Amounts falling due after more than one year	12	-	(265,064)
PROVISIONS FOR LIABILITIES	14	(54,600)	(54,600)
NET LIABILITIES		<u>(568,931)</u>	<u>(1,641,122)</u>
CAPITAL AND RESERVES			
Called up share capital	15	2,274,800	2,272,400
Revaluation reserve	16	218,400	218,400
Retained earnings	16	(3,062,131)	(4,131,922)
SHAREHOLDERS' FUNDS		<u>(568,931)</u>	<u>(1,641,122)</u>

The financial statements were approved by the Board of Directors on 30th October 2017 and were signed on its behalf by:


J S Penty - Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MAY 2017

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1st June 2015	2,173,800	(4,190,984)	798,400	(1,218,784)
Changes in equity				
Issue of share capital	98,600	-	-	98,600
Total comprehensive income	-	59,062	(580,000)	(520,938)
Balance at 31st May 2016	<u>2,272,400</u>	<u>(4,131,922)</u>	<u>218,400</u>	<u>(1,641,122)</u>
Changes in equity				
Issue of share capital	2,400	-	-	2,400
Total comprehensive income	-	1,069,791	-	1,069,791
Balance at 31st May 2017	<u><u>2,274,800</u></u>	<u><u>(3,062,131)</u></u>	<u><u>218,400</u></u>	<u><u>(568,931)</u></u>

THE GRIMSBY TOWN FOOTBALL CLUB PLC (REGISTERED NUMBER: 00034760)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MAY 2017**

	Notes	2017 £	2016 £
Cash flows from operating activities			
Cash generated from operations	1	680,148	111,906
Interest paid		(6,469)	(12,055)
Net cash from operating activities		<u>673,679</u>	<u>99,851</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(172,502)	(33,300)
Purchase of tangible fixed assets		(9,763)	(5,000)
Sale of intangible fixed assets		22,200	-
Net cash from investing activities		<u>(160,065)</u>	<u>(38,300)</u>
Cash flows from financing activities			
Loan repayments in year		(313,540)	(46,647)
Movements in directors loans		(209,700)	(34,850)
Share issue		2,400	98,600
Net cash from financing activities		<u>(520,840)</u>	<u>17,103</u>
(Decrease)/increase in cash and cash equivalents		<u>(7,226)</u>	<u>78,654</u>
Cash and cash equivalents at beginning of year	2	149,316	70,662
Cash and cash equivalents at end of year	2	<u><u>142,090</u></u>	<u><u>149,316</u></u>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MAY 2017

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2017	2016
	£	£
Profit before taxation	1,082,283	59,062
Depreciation charges	47,990	18,387
Finance costs	6,469	12,055
	<u>1,136,742</u>	<u>89,504</u>
Decrease/(increase) in stocks	28,218	(7,227)
Increase in trade and other debtors	(651,172)	(7,861)
Increase in trade and other creditors	166,360	37,490
	<u>680,148</u>	<u>111,906</u>
Cash generated from operations	680,148	111,906

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31st May 2017

	31.5.17	1.6.16
	£	£
Cash and cash equivalents	<u>142,090</u>	<u>149,316</u>

Year ended 31st May 2016

	31.5.16	1.6.15
	£	£
Cash and cash equivalents	<u>149,316</u>	<u>70,662</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2017

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

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

Going Concern

In assessing the appropriateness of the going concern assumption the directors have produced detailed budgets. These budgets show that cash inflows should be sufficient to meet the company's day to day working capital requirements. The majority shareholder has also indicated his willingness and ability to support the company by providing adequate loan facilities to enable it to meet its financial obligations as they fall due for a period of twelve months from the date on which these financial statements are signed. Therefore, having made appropriate enquiries, the financial statements make no provision for any adjustment should the going concern basis not be appropriate.

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 at least 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 102.

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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MAY 2017

1. ACCOUNTING POLICIES - continued

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.

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, season tickets and other 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:

	2017	2016
	£	£
Match day	1,194,217	1,164,271
Media	968,219	258,613
Commercial	964,009	971,651
Other Income	134,862	245,905
	<u>3,261,307</u>	<u>2,640,440</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MAY 2017

3. EMPLOYEES AND DIRECTORS

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:

	2017	2016
Full-time	59	52
Part-time	27	18
Match day staff	129	118
	<u>215</u>	<u>188</u>

Aggregate cost of employment being as follows:

	2017 £	2016 £
Wages and salaries	2,089,763	1,611,290
Social Security costs	166,252	134,607
Other pension costs	34,057	24,900
Expenses and other costs	46,461	14,180
	<u>2,336,533</u>	<u>1,784,977</u>

Outstanding pension contributions at 31st May 2017 amounted to £1,948 (2016 £1,778)

	2017 £	2016 £
Directors' remuneration	<u>-</u>	<u>-</u>

4. OPERATING PROFIT

Included in administrative expenses are the following:-:

	2017 £	2016 £
Amortisation of players registrations	40,159	11,100
Depreciation of tangible fixed assets	7,831	7,287
Operating lease costs	20,824	9,135
Auditors' remuneration:		
Audit	5,000	5,000
Other services	2,080	2,100
	<u>75,894</u>	<u>29,622</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2017 £	2016 £
Bank interest	<u>6,469</u>	<u>12,055</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MAY 2017

6. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2017 £	2016 £
Current tax:		
UK corporation tax	12,492	-
	<u>12,492</u>	<u>-</u>
Tax on profit	<u>12,492</u>	<u>-</u>

Reconciliation of total tax charge included in profit and loss

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

	2017 £	2016 £
Profit before tax	1,082,283	59,062
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2016 - 20%)	216,457	11,812
Effects of:		
Expenses not deductible for tax purposes	3,852	4,359
Income not chargeable to tax	(11,336)	(16,407)
Capital allowances etc. for the year in excess of depreciation	(935)	(211)
Tax losses incurred (utilised) in the year	(195,546)	447
Total tax charge	<u>12,492</u>	<u>-</u>

Tax effects relating to effects of other comprehensive income

There were no tax effects for the year ended 31st May 2017.

	Gross £	2016 Tax £	Net £
Property revaluation movement	(725,000)	145,000	(580,000)

Unrelieved Corporation tax losses at 31st May 2017 amounted to £5.3m.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MAY 2017

7. INTANGIBLE FIXED ASSETS

	Players registrations £
COST	
At 1st June 2016	33,300
Additions	172,502
Disposals	(33,300)
	<hr/>
At 31st May 2017	172,502
AMORTISATION	
At 1st June 2016	11,100
Amortisation for year	40,159
Eliminated on disposal	(11,100)
	<hr/>
At 31st May 2017	40,159
NET BOOK VALUE	
At 31st May 2017	<hr/> <hr/> 132,343
At 31st May 2016	<hr/> <hr/> 22,200

8. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION				
At 1st June 2016	1,619,146	450,244	27,501	2,096,891
Additions	-	9,763	-	9,763
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st May 2017	1,619,146	460,007	27,501	2,106,654
DEPRECIATION				
At 1st June 2016	969,146	435,505	19,418	1,424,069
Charge for year	-	4,706	3,125	7,831
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st May 2017	969,146	440,211	22,543	1,431,900
NET BOOK VALUE				
At 31st May 2017	<hr/> <hr/> 650,000	<hr/> <hr/> 19,796	<hr/> <hr/> 4,958	<hr/> <hr/> 674,754
At 31st May 2016	<hr/> <hr/> 650,000	<hr/> <hr/> 14,739	<hr/> <hr/> 8,083	<hr/> <hr/> 672,822

The net book value of tangible fixed assets includes £nil (2016 £nil) in respect of assets held under finance agreements.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MAY 2017

8. TANGIBLE FIXED ASSETS - continued

Cost or valuation at 31st May 2017 is represented by:

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2016	273,000	-	-	273,000
Cost	1,346,146	460,007	27,501	1,833,654
	<u>1,619,146</u>	<u>460,007</u>	<u>27,501</u>	<u>2,106,654</u>

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

	2017 £	2016 £
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>

The company's freehold property was valued on the 23rd September 2016 by an external valuer, Mr Andrew Clark BSc FRICS MCIArb, of Clark Weightman Limited Chartered Surveyors and Commercial Property Consultants. The valuation was prepared in accordance with the requirements of the RICS Valuation Standards and FRS15. The valuation has been based on the assumption that the property continues to be owner occupied for the purposes of the Company's business, although it is envisaged that it will be redeveloped in the near future as part of the relocation to a new community stadium, with the market value being derived from comparable recent transactions for development land on an arms length basis.

9. STOCKS

	2017 £	2016 £
Goods for resale	<u>48,327</u>	<u>76,545</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade debtors	847,994	80,537
Other debtors	129,441	241,083
Prepayments	30,877	35,520
	<u>1,008,312</u>	<u>357,140</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MAY 2017

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Bank loan (see note 13)	-	48,476
Trade creditors	219,960	141,706
Current corporation tax	12,492	-
Social security and other taxes	88,977	141,785
Other creditors	60,044	11,441
Directors' loans	2,000,000	2,209,700
Accrued expenses	127,387	34,657
Deferred income	11,297	11,716
	<u>2,520,157</u>	<u>2,599,481</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.

There are no set repayment terms for any loans provided to the Company by its directors and no interest is being charged on the loans in accordance with the terms of a protocol agreement covering directors responsibilities and obligations in respect of corporate governance and finance.

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2017	2016
	£	£
Bank loans	-	265,064
	<u>-</u>	<u>265,064</u>

13. LOANS

An analysis of the maturity of loans is given below:

	2017	2016
	£	£
Amounts falling due within one year or on demand:		
Bank loan	-	48,476
	<u>-</u>	<u>48,476</u>
Amounts falling due between one and two years:		
Bank loan - 1-2 years	-	50,228
	<u>-</u>	<u>50,228</u>
Amounts falling due between two and five years:		
Bank loan - 2-5 years	-	214,836
	<u>-</u>	<u>214,836</u>

14. PROVISIONS FOR LIABILITIES

	2017	2016
	£	£
Deferred tax	54,600	54,600
	<u>54,600</u>	<u>54,600</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MAY 2017

14. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1st June 2016	54,600
Balance at 31st May 2017	<u>54,600</u>

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2017 £	2016 £
19,589	Ordinary	£100	1,959,800	1,957,400
5,100	Ordinary	£50	255,000	255,000
1,600	Ordinary	£25	40,000	40,000
20,000	Ordinary	£1	20,000	20,000
			<u>2,274,800</u>	<u>2,272,400</u>

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

5 Ordinary shares of £100

16. RESERVES

	Retained earnings £	Revaluation reserve £	Totals £
At 1st June 2016	(4,131,922)	218,400	(3,913,522)
Profit for the year	<u>1,069,791</u>		<u>1,069,791</u>
At 31st May 2017	<u>(3,062,131)</u>	<u>218,400</u>	<u>(2,843,731)</u>

17. 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.

18. CAPITAL COMMITMENTS

The board will continue to assess the treatment of costs incurred in respect of the new community 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.

19. RELATED PARTY DISCLOSURES

Loans from directors are disclosed in Note 11. The maximum liability during the year amounted to £2,209,700 (2016 £2,244,550).

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

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MAY 2017**

20. ULTIMATE CONTROLLING PARTY

The company is considered to be controlled by Mr J S Fenty by reason of his shareholdings and financial commitment to the company.