

YORK CITY SUPPORTERS' SOCIETY LIMITED
REPORT & FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2018



YORK CITY SUPPORTERS' SOCIETY LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2018

Contents	Page
Board report	1 – 2
Independent Examiner's Report	3
Income and expenditure account	4
Balance sheet	5
Notes to the financial statements	6 – 8

YORK CITY SUPPORTERS' SOCIETY LIMITED

BOARD REPORT

YEAR ENDED 30 JUNE 2018

The Board of the York City Supporters' Society Limited ("the Trust") is pleased to present its Annual Report and Financial Statements covering the year to 30 June 2018.

Principal Activities

The Trust was set up with the following principles (as described in the Trust's Rules):

- To strengthen the bonds between York City Football Club and the community which it serves and to represent the interests of the community in the running of the Club;
- To benefit the present and future members of the community served by the Club by promoting, encouraging and furthering the game of football as a recreational facility, sporting activity and focus for community involvement;
- To provide and maintain facilities for the enjoyment of professional football in the area;
- To promote coaching schemes to develop the football skills of young people and to widen the interest in football regardless of the sex or ethnic origin of those involved; and
- To further the development of the game of football nationally and internationally and the upholding of its rules.

Society Status

The Trust is incorporated with Limited Liability under the Industrial and Provident Societies Acts 1965 to 1978. The Trust was registered with the Registrar of Friendly Societies on 30 January 2002.

The Trust is an Associate Member of Supporters Direct.

Membership

At 30 June 2018 the Current Trust membership stands at 956 of which 378 (and 3 Juniors) are annual members and 578 are life members. This represents an increase of new, renewed or upgraded members of 279 in the year since 30 June 2017. Each member is allotted one share of £1 each in the Trust.

Trust Board

Trust Board members who have served during the year to 30 June 2018 are:

Martyn Jones
John Lacy - Chairman (resigned May 2018)
Mike Brown – Chairman (appointed May 2018)
Sarah Stelling
Bill Owen (resigned July 2018)
Stephen Lambert
Colin Sanderson (appointed June 2018, resigned October 2018)
Roy Clarkson (resigned August 2017)
Simon Pickering (resigned August 2017)

Review of the year

The Trust retains a 25% shareholding in the football club with additional comprehensive rights and protections relating to the new stadium development and the future finance and governance of the club. During the past year the Trust Board came under considerable pressure from the Football Club's majority shareholder (JM Packaging Ltd) to surrender its 25% stake in York City FC.

Following a meeting between the Trust Board and Jason McGill in the summer of 2017 negotiations took place on a proposal that could be put to the membership at a SGM. However, Jason McGill suspended all negotiations with the Trust and advised that all future contact with the Club must be through Financial and/or Legal advisors. The Trust board reported on the situation at the AGM in January 2018 and sought members' views. Subsequent to the meeting a further meeting took place with Jason McGill and his representative. Following that meeting it was agreed to call a Special General Meeting which was held in March 2018 at which a proposal to transfer the Trust's 25% shareholding to JM Packaging was put. The Trust membership rejected the proposal by a substantial majority.

Throughout this period the Trust has remained available to meet with representatives of the Football Club to discuss issues of mutual concern and move forward in everyone's interests. Regrettably these advances from the Trust have been met largely with silence which has forced the Trust Board to instruct Solicitors to seek the information it needs to enable it to fulfil its legal obligations.

YORK CITY SUPPORTERS' SOCIETY LIMITED

BOARD REPORT (*Continued*)

YEAR ENDED 30 JUNE 2018

Review of the year (continued)

The Trust Board are pleased to report that there has been a substantial increase in membership of the trust and this has given the Board the confidence to plan a series of fundraising events which have both raised money and enabled the Trust Board to engage more with its members than has been the case in recent years.

Review of the Trust's Financial Results

During the year ended 30 June 2018 the income recognised in the Trust's Accounts is £4,029 (2017: £1,851)

During the year ended 30 June 2018 the expenditure recognised in the Trust's Accounts is £3,707 (2017: £2,057).

The Trust had an overall surplus for the year of £322 (2017: deficit £206), being the excess of income over expenditure. As at 30 June 2018 the Trust held £10,037 (2017: £7,636) cash at bank and in hand.

Thanks

Thank you to all those people who positively contribute in whatever way. Please continue to provide positive support to the Trust and the Club.

By order of the Board



Mike Brown
Chairman

18 January 2019

YORK CITY SUPPORTERS' SOCIETY LIMITED
INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS
YEAR ENDED 30 JUNE 2018

Independent Examiner's Report to the Members of York City Supporters' Society Limited on the accounts for the year ended 30 June 2018 set out on pages 4 to 8.

This report is made solely to the society's members, as a body. My examination work has been undertaken so that I might state to the society's members those matters I am required to state to them in an examiners' report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the society and the society's members as a body, for my work, for this report, or for the opinions I have formed.

Respective responsibilities of Society Board Members and the examiner

The Society Board Members consider that an audit is not required for this year as an appropriate resolution was approved by members at the last AGM and that an independent examination is therefore appropriate.

It is my responsibility to:

- examine the accounts
- follow the procedures laid down in the General Directions given by Supporters Direct; and
- state whether particular matters have come to my attention.

Basis of Independent Examiner's statement

My examination was carried out in accordance with General Directions given by Supporters Direct. An examination includes a review of the accounting records kept by the Society and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the Society Board Members concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the accounts.

Independent examiner's statement

In the course of my examination, no matter has come to my attention:

- a) which gives me reasonable cause to believe that, in any material respect, the Society Board Members have not met the requirements to ensure that:
- i) proper accounting records are kept;
 - ii) accounts are prepared which agree with the accounting records and comply with generally accepted accounting requirements; or
- b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

I can also confirm that, in my opinion, the accounts have been properly prepared in accordance with the Industrial and Provident Societies Act 1965 and the Friendly and Provident Societies Act 1968.

Consolidation

The Society has not prepared group accounts as it has obtained exemption from doing so from the Chief Registrar of Friendly Societies on the grounds that the businesses of the Society and subsidiary company differ so greatly that they cannot be treated as a single entity.

In my opinion the grounds for exemption have applied during the current financial year.

18 January 2019

B Davis FCA
Townends Accountants LLP
Chartered Accountants
York

YORK CITY SUPPORTERS' SOCIETY LIMITED

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2018

	Notes	Year ended 30 June 2018		Year ended 30 June 2017	
		£	£	£	£
Income					
Membership subscriptions		3,459		1,284	
Donations and other fundraising		570		567	
Bank interest		0		0	
		<hr/>		<hr/>	
Total Income for the year			4,029		1,851
Expenditure					
AGM and SGM costs		140		0	
Badges		890		0	
Website costs		208		2,250	
Insurance		0		(1,575)	
Fundraising costs		350		0	
Expenditure on Foundation Tournament		0		350	
Membership costs		368		0	
Leaflets		511		0	
Paypal costs		299		67	
Keith Walwyn shirt		200		0	
FCA registration and SD membership		305		0	
Legal and professional costs		366		930	
Sundry expenses		70		15	
Bank charges		0		20	
		<hr/>		<hr/>	
			3,707		2,057
			<hr/>		<hr/>
Surplus/(deficit) for the year before taxation			322		(206)
Taxation	2		-		-
			<hr/>		<hr/>
Surplus/(deficit) for the year after taxation			322		(206)
			<hr/>		<hr/>

There are no recognised gains or losses other than the surplus/deficit for the year

The notes on pages 6 to 8 form part of these financial statements

YORK CITY SUPPORTERS' SOCIETY LIMITED

BALANCE SHEET

AT 30 JUNE 2018

	Notes	2018	2017
		£	£
Fixed assets			
Investments	3	212,500	212,500
Current assets			
Debtors		0	1,856
Cash at bank and in hand	4	10,037	7,636
		<u>10,037</u>	<u>9,492</u>
Creditors: amounts falling due within one year	5	<u>(880)</u>	<u>(3,566)</u>
Net current assets/liabilities		9,157	5,926
Total assets less current liabilities		<u>221,657</u>	<u>218,426</u>
Creditors: amounts falling due after more than one year	6	<u>(189,550)</u>	<u>(186,920)</u>
		<u>32,107</u>	<u>31,506</u>
Capital and reserves			
Share Capital	7	956	677
Income and Expenditure account	8	31,151	30,829
		<u>32,107</u>	<u>31,506</u>

These financial statements were approved by the Board on 18 January 2019 and signed on its behalf by:



M Brown

Chairman



S Lambert

Treasurer

The notes on pages 6 to 8 form part of these financial statements.

YORK CITY SUPPORTERS' SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2018

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and on a going concern basis.

Income

Income represents the donations, subscriptions and other fundraising events during the period inclusive of value added tax where applicable.

Life time memberships are taken to income and expenditure account over a period of 10 years.

Investments

Investments are stated at cost.

Consolidation

The Society has not prepared group accounts as it has obtained exemption from doing so from the Chief Registrar of Friendly Societies on the grounds that the businesses of the Society and subsidiary company differ so greatly that they cannot be treated as a single entity.

2. Taxation

There is no taxation due on the surplus for the year.

3. Fixed Asset Investments

	2018 £	2017 £
Investment in York City Football Club Limited	212,500	212,500

As at 30 June 2006 the Trust owned 100% of the issued Ordinary "A" Shares in York City Football Club Limited. In addition, at 30 June 2006 there were in issue 37,500 Ordinary "B" Shares which were held by Trust member and Football Club director, Mr J. McGill. Consequently, the Trust owned 85% of the total issued share capital of York City Football Club Limited.

The current market value of the Trust's investment has not been quantified and therefore no adjustment has been made to the cost to reflect any change to its value that might have taken place.

On 6th June 2006 at the Special General Meeting of Trust members, 78% of voting members approved the motion for the Trust Board to complete the arrangements such that, in overview, Jason McGill's company J M Packaging Limited ("JMP") holds 75% ownership of York City Football Club Limited for £1 million of cash investment in the Club, and the Trust holds 25% ownership plus certain special additional shareholder rights.

As at 30 June 2014 the Trust owned 25% of the total issued share capital in York City Football Club Limited. At 30 June 2014 there were in issue in York City Football Club Limited, 137,500 Ordinary "A" shares (fully owned by York City Supporters' Society Limited) and 412,500 Ordinary "B" shares (fully owned by JMP).

The most recent accounts figures for York City Football Club Limited have been made available to the Trust.

YORK CITY SUPPORTERS' SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2018

	2018 £	2017 £
4. Cash at Bank and in Hand		
Co-Op Bank current account	9,245	7,180
Amounts on deposit	80	80
Paypal account	212	376
Cash	500	0
	<u>10,037</u>	<u>7,636</u>
5. Creditors		
Amounts falling due within one year:		
Deferred income (Membership subscriptions in advance)	520	250
Accruals	360	3316
	<u>880</u>	<u>3,566</u>
6. Creditors		
Amounts falling due after more than one year:		
York City Supporters' Society Loan Notes 2003 Issue	176,900	176,900
Bootham Crescent Loan Notes 2004 Issue	9,200	9,200
Life membership subscriptions in advance	3,450	820
	<u>189,550</u>	<u>186,920</u>

In February 2003 the Trust launched a Loan Notes Issue as part of its fundraising efforts for the 'Rescue Package' for York City Football Club.

Key features of the Loan Notes 2003 Issue include:

- Loan Notes issued to Noteholders in denominations of £100;
- Loan Notes are non-interest bearing and unsecured;
- The monies are only repayable to Noteholders in very limited circumstances; and
- Loan Notes are only transferable with the prior written consent of the Trust Secretary.

In the opinion of the Trust Board, there will be no redemptions of Loan Notes in the foreseeable future.

In June 2004 the Trust launched a Loan Notes Issue to provide supporters and friends of York City the opportunity to make a contribution towards the proposed arrangements for the Trust/Club to gain ownership of Bootham Crescent.

Key features of the Loan Notes 2004 Issue include:

- Loan Notes issued to Noteholders in denominations of £100;
- Loan Notes are non-interest bearing and unsecured;
- The monies are only repayable to Noteholders in very limited circumstances; and
- Loan Notes are only transferable with the prior written consent of the Trust Secretary.

YORK CITY SUPPORTERS' SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2018

	2018	2017
	£	£
7. Share Capital		
Shares of £1 each		
Shares in issue at start of year	677	556
Net new shares issued during the year	279	121
	<u>956</u>	<u>677</u>
Shares in issue at end of year	<u>956</u>	<u>677</u>

The shares of the Trust have the nominal value of £1 each and may not be transferred or withdrawn. No member may hold more than one share individually or jointly.

If a member ceases to be a member, the share registered in the name of that member is cancelled and the amount subscribed for the share becomes the property of the Trust.

Shares do not carry any right to interest, dividend or bonus.

The members have the rights and powers available to them under the law relating to Industrial and Provident Societies and are to decide in particular the issues specifically reserved to them by the Trust's Rules.

	2018	2017
	£	£
8. General fund		
At 30 June 2017	30,829	31,035
(Deficit) surplus for the year	322	(206)
	<u>31,151</u>	<u>30,829</u>
At 30 June 2018	<u>31,151</u>	<u>30,829</u>

9. Related party transactions

No donations were made to York City Football Club Limited (2017 £0), the company in which the Society has an interest.