

YORK CITY SUPPORTERS' SOCIETY LIMITED
REPORT & FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2022



YORK CITY SUPPORTERS' SOCIETY LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2022

Contents	Page
Board report	1 – 3
Independent Examiner's Report	4
Income and expenditure account	5
Balance sheet	6
Notes to the financial statements	7 – 9

YORK CITY SUPPORTERS' SOCIETY LIMITED

BOARD REPORT

YEAR ENDED 30 JUNE 2022

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 2022.

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 the Football Supporters Association.

Membership

At 30 June 2022 the Current Trust membership stands at 1086 of which 489 are annual members and 597 are life members. In addition, there were a total of 34 Junior members. Each member (excluding Juniors) is allotted one share of £1 each in the Trust. It should be noted that shortly after the year end, membership increased significantly to over 1700.

Trust Board

Trust Board members who have served during the year to 30 June 2022 are:

Martyn Jones

Mike Brown – Chairman

Sarah Stelling

Stephen Lambert

Richard Hall

Review of the year

The 2021/22 financial year was a particularly busy and historic year for the Supporters' Trust. In a year that marked our 20th anniversary we engaged in a series of complex negotiations with JM Packaging Ltd ("JMP"), the majority shareholder of York City Football Club Ltd ("York City") and various other parties.

This work included a legal review of the sale of land at Bootham Crescent, culminating in Trust consent to sell the land to Persimmon Homes Ltd for £7 million being granted in March 2022. Further, the Trust negotiated a settlement of historic debts owed by York City to JMP, which resulted in their writing off of several million pounds and various other compromises.

Having indicated their intention to sell their majority shareholding in York City, the Trust agreed to provide JMP with a 3-month moratorium on our historic pre-emption rights, to enable them to sell their shares on their own terms. In the event that JMP had secured Heads of Terms with a prospective investor by 30th June 2022, a further 2-month extension would have been provided to facilitate completion of a sale (subject to various conditions being met).

Running alongside the preparation of associated legal agreements with JMP, York City and Bootham Crescent Holdings Ltd ("BCH"), the Trust conducted a review of York City's finances and its various contractual obligations. We also worked with various parties, including York City directors and advisors to prepare a budget forecast for the 2022/23 season and an associated action plan.

In the period March to June 2022, the Trust and its legal team completed a due diligence review of Glen Henderson, a prospective investor partner with whom the Trust had been in discussions for a number of years. This included certain background checks, proof of funds, the legitimacy of the source of funds and a series of meetings and interviews with Glen. This resulted in the Trust board approving entering an Option & Dividend Agreement and Partnership Agreement with Glen on 6th June 2022. These agreements included preservation of all existing Trust shareholder rights and provision of future funding for York City.

On 1st July 2022, JMP's solicitors advised the Trust that no buyer had been secured and that JMP's shares in York City were now available to the Trust for a consideration of £350,000. Having secured the necessary funding from Glen Henderson, on 5th July 2022 the Trust completed the purchase of JMP's 75% stake in York City. On 6th June 2022, the Trust transferred 51% of the shares in York City to Glen Henderson for an additional consideration.

Whilst the Trust's vision and mission for York City has subsequently faltered under Glen Henderson's majority ownership, we remain confident that the football club will have a bright future once fresh investment and stronger leadership is secured. The Trust board remain committed to continuing to work hard to facilitate that end goal, no matter what the challenges.

YORK CITY SUPPORTERS' SOCIETY LIMITED

BALANCE SHEET

AT 30 JUNE 2022

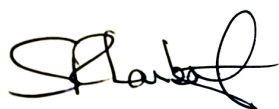
	Notes	2022	2021
		£	£
Fixed assets			
Investments	3	212,500	212,500
Current assets			
Stock		-	420
Cash at bank and in hand	4	384,495	12,552
		<u>384,495</u>	<u>12,972</u>
Creditors: amounts falling due within one year	5	<u>(351,740)</u>	<u>(1,882)</u>
Net current assets/liabilities		<u>32,755</u>	<u>11,090</u>
Total assets less current liabilities		<u>245,255</u>	<u>223,590</u>
Creditors: amounts falling due after more than one year	6	<u>(188,950)</u>	<u>(189,160)</u>
		<u>56,305</u>	<u>34,430</u>
Capital and reserves			
Share Capital	7	1,086	791
Income and Expenditure account	8	55,219	33,639
		<u>56,305</u>	<u>34,430</u>

These financial statements were approved by the Board on

and signed on its behalf by:



MBrown
Chairman



S Lambert
Treasurer



S Plaxton
Secretary

The notes on pages 7 to 9 form part of these financial statements.

YORK CITY SUPPORTERS' SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2022

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

	2022 £	2021 £
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).

After the year end the Trust purchased the 412,500 Ordinary "B" shares from JM Packaging Limited.

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 2022

	2022	2021
	£	£
4. Cash at Bank and in Hand		
Co-Op Bank current account	383,741	11,643
Amounts on deposit	80	80
Paypal account	174	329
Cash	500	500
	<hr/>	<hr/>
	384,495	12,552
	<hr/>	<hr/>
5. Creditors		
Amounts falling due within one year:		
Deferred income (Membership subscriptions in advance)	660	610
Deferred income (G Henderson)	350,000	-
Accruals	1,080	1,272
	<hr/>	<hr/>
	351,740	1,882
	<hr/>	<hr/>
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	2,850	3,060
	<hr/>	<hr/>
	188,950	189,160
	<hr/>	<hr/>

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 2022

	2022	2021
	£	£
7. Share Capital		
Shares of £1 each		
Shares in issue at start of year	791	903
Net new shares issued during the year	295	(112)
Shares in issue at end of year	<u>1,086</u>	<u>791</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.

	2022	2021
	£	£
8. General fund		
At 30 June 2021	33,639	33,406
Surplus/(Deficit) for the year	21,580	233
At 30 June 2022	<u>55,219</u>	<u>33,639</u>

9. Related party transactions

In creditors is an amount of £350,000 received from Mr G Henderson. This was to enable York City Supporters' Society to purchase the remaining 75% of the shareholding in York City Football Club from JM Packaging which took place on 5th July 2022. 51% of these shares were then sold to Mr G Henderson on 6th July 2022 and Mr G Henderson became chairman of York City Football Club on 20th July 2022.