

YORK CITY SUPPORTERS' SOCIETY LIMITED
REPORT & FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2023



YORK CITY SUPPORTERS' SOCIETY LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2023

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YORK CITY SUPPORTERS' SOCIETY LIMITED

BOARD REPORT

YEAR ENDED 30 JUNE 2023

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 2023.

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 2023 the Current Trust membership stands at 1,704 of which 1,044 are annual members and 660 are life members. In addition, there were a total of 24 Junior members. Each member (excluding Juniors) is allotted one share of £1 each in the Trust.

Trust Board

Trust Board members who have served during the year to 30 June 2023 are:

Martyn Jones
Mike Brown – Chairman until 31st May 2023
Sarah Stelling
Stephen Lambert
Richard Hall
Alastair Smith
Jim Calverley
Seth Sowerby – Chairman from 1st June 2023

YORK CITY SUPPORTERS' SOCIETY LIMITED

BOARD REPORT (*Continued*)

YEAR ENDED 30 JUNE 2023

Review of the year

The 2022/23 financial year was a particularly busy and challenging year for the Supporters' Trust. In 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 July 2022, the Trust transferred 51% of the shares in York City to Glen Henderson for an additional consideration. This unfortunately represented the high point of Glen Henderson's brief association with York City.

The relationship between Glen Henderson and other parties at the club soon broke down including with team manager John Askey and the Supporters' Trust's representatives on the club board, Alastair Smith & Mike Brown. This came to a head with the dismissal of John Askey in November 2022 and Henderson informing the board of his intention to sell his stake in the club in December 2022. This triggered the pre-emption clauses within the Club's articles, giving the Trust the opportunity to repurchase the shares with both parties agreeing to a price equal to the total investment made by Henderson in the Club. However, funding this would require the Trust finding new majority owners with which to share ownership of the club.

Over the following months the Trust board worked diligently to secure new partners, receiving enquires from approximately twenty parties. After a rigorous vetting and due diligence process this narrowed to three parties making formal bids before the 4th April deadline imposed by the details of the pre-emption process. Two of the bids were assessed to meet requirements but regrettably both fell through at the last minute, leaving the Trust with no viable bidder and the pre-emption period expired. We then entered a three month period where Glen Henderson had the right to sell his shares without pre-emption.

While all this was ensuing the Supporters' Trust and York City faced other challenges. The relationship with Glen Henderson had soured to the point that Henderson was no longer providing the level of funding needed to operate the club. This forced the Trust to step in and inject funds into the club in February and March 2023 to allow the Club to pay staff and players. These funds came in large part from interest free loans made to the Trust by concerned members.

In April Glen Henderson gained control of the selling process and thankfully agreed to resume meeting his funding obligations. The Supporters' Trust board continued to do its utmost to facilitate a sale, actively seeking new bidders while also working with any interested parties identified by Henderson. Through this détente two parties that the Trust had been in contact with earlier in the process emerged as viable bidders, with Henderson entering an exclusivity period with the preferred bidder (Julie-Anne and Mathew Ugglá) in early June 2023. After much hard work the sale completed on 27th June 2023 with the Trust relieved and delighted to be entering a new chapter with worthy partners in Matt & Julie-Anne.

YORK CITY SUPPORTERS' SOCIETY LIMITED

BOARD REPORT (Continued)

YEAR ENDED 30 JUNE 2023

Review of the Trust's Financial Results

During the year ended 30 June 2023 the income recognised in the Trust's Accounts is £120,983 (2022: £27,681)

During the year ended 30 June 2023 the expenditure recognised in the Trust's Accounts, before the gain on sale of investments, is £171,738 (2022: £6,101).

The Trust had an overall surplus for the year of £99,751 (2022: £21,580), being the excess of income over expenditure. As at 30 June 2023 the Trust held £17,385 (2022: £384,495) cash at bank and in hand.

Thanks

The Trust board would like to put on record its huge thanks to the many individual members and advisors who contributed their time and expertise to complete extremely complex programme of work throughout the year. We recognise that their dedication has required many personal sacrifices during this particularly challenging period.

Looking to the year ahead there is a sense of optimism as we plan for a future with a stronger Supporters' Trust and revitalised York City Football Club. In Julie-Anne Uggla and Mathew Uggla we finally have the partners we need to restore the club to its full potential.

By order of the Board

Seth Sowerby
Chairman
January 2024

YORK CITY SUPPORTERS' SOCIETY LIMITED
INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS
YEAR ENDED 30 JUNE 2023

Independent Examiner's Report to the Members of York City Supporters' Society Limited on the accounts for the year ended 30 June 2023 set out on pages 5 to 9.

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.

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YORK CITY SUPPORTERS' SOCIETY LIMITED

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	Year ended 30 June 2023		Year ended 30 June 2022	
		£	£	£	£
Income					
Membership subscriptions		1,764		790	
Donations and other fundraising		93,882		26,383	
Boost The Budget Donations		6,152		-	
Player and Matchball Sponsorship		5,760		-	
Corporate Hospitality		3,420		-	
York City Football Club Consortium		10,000		-	
Shirt sales		-		-	
Beer sales		-		-	
Towel sales		-		508	
Google Ads		-		-	
Bank interest		5		-	
		<hr/>		<hr/>	
Total Income for the year			120,983		27,681
Expenditure					
AGM and SGM costs		900		315	
Badges		-		-	
Website costs		-		224	
Insurance		129		129	
Fundraising costs		358		1,680	
York City Football Club Consortium		10,000		-	
York City Football Club costs		69,912		-	
Donations to York City Football Club		83,335		-	
Marketing and Communications		3,009		1,572	
Beer costs		-		-	
Towel costs		-		420	
Dinner cost		-		-	
Membership costs		-		-	
Paypal costs		1,159		194	
FCA registration and SD membership		-		-	
Legal and professional costs		2,028		1,080	
Sundry expenses		615		487	
Google		292		-	
Profit on disposal of investments		(185,810)		-	
			<hr/>	<hr/>	
			(14,072)		6,101
Surplus/(Deficit) for the year before taxation			<hr/>		<hr/>
Taxation	2		135,055		21,580
			<hr/>		<hr/>
Surplus/(Deficit) for the year after taxation			35,304		-
			<hr/>		<hr/>
			99,751		21,580
			<hr/>		<hr/>

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

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

YORK CITY SUPPORTERS' SOCIETY LIMITED

BALANCE SHEET

AT 30 JUNE 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Investments	3		325,060		212,500
Current assets					
Debtors		145,000		-	
Cash at bank and in hand	4	17,385		384,495	
		162,385		384,495	
Creditors: amounts falling due within one year	5	(37,964)		(351,740)	
Net current assets/liabilities			124,421		32,755
Total assets less current liabilities			449,481		245,255
Creditors: amounts falling due after more than one year	6		(292,810)		(188,950)
			156,671		56,305
Capital and reserves					
Share Capital	7		1,701		1,086
Income and Expenditure account	8		154,970		55,219
			156,671		56,305

These financial statements were approved by the Board on January 2024 and signed on its behalf by:

S Sowerby Chairman

S Lambert Treasurer

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 2023

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

Corporation tax is payable on the gain made on the sale of investments.

3. Fixed Asset Investments

	2023 £	2022 £
Investment in York City Football Club Limited	325,060	212,500

As at 30 June 2022 the Trust owned 100% of the issued Ordinary "A" Shares in York City Football Club Limited, this representing 25% of the total issued share capital.

During the year the Trust purchased the 412,500 Ordinary "B" shares from JM Packaging Limited, the remaining 75% of the total issued share capital. Subsequently, 280,500 Ordinary "B" shares were sold to Glen Henderson, who subsequently become York City chairman, giving him a 51% stake in 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.

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 2023

	2023 £	2022 £
4. Cash at Bank and in Hand		
Co-Op Bank current account	15,694	383,741
Amounts on deposit	1,085	80
Paypal account	206	174
Cash	400	500
	<u>17,385</u>	<u>384,495</u>
5. Creditors		
Amounts falling due within one year:		
Deferred income (Membership subscriptions in advance)	1,220	660
Deferred income (G Henderson)	-	350,000
Accruals	1,440	1,080
Corporation tax	35,304	-
	<u>37,964</u>	<u>351,740</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
Loan from member	100,000	-
Life membership subscriptions in advance	6,710	2,850
	<u>292,810</u>	<u>188,950</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 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.

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

YORK CITY SUPPORTERS' SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2023

	2023	2022
	£	£
7. Share Capital		
Shares of £1 each		
Shares in issue at start of year	1,086	791
Net new shares issued during the year	615	295
Shares in issue at end of year	<u>1,701</u>	<u>1,086</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.

	2023	2022
	£	£
8. General fund		
At 30 June 2022	55,219	33,639
Surplus/(Deficit) for the year	99,751	21,580
At 30 June 2023	<u>154,970</u>	<u>55,219</u>

9. Related party transactions

In creditors is an amount of £100,000 received from a supporters' society member. £95,000 of this was then loaned to York City Football Club to ease its cash flow difficulties. In debtors is an amount of £145,000 owed by York City Football Club. This includes the £95,000 mentioned above plus £50,000 loaned from the society's own resources.