

PORTSMOUTH SUPPORTERS SOCIETY LIMITED

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH JUNE 2017

taylorcocks

3 Acorn Business Centre
Northarbour Road
Cosham
Portsmouth
PO6 3TH

PORTSMOUTH SUPPORTERS SOCIETY LIMITED

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2017

CONTENTS

Page

Society Information

1

Report of the Society Board

2 to 3

Independent Auditors' Report to the Members

4 to 5

Income and Expenditure Account

6

Balance Sheet

7

Notes to the Financial Statements

8 to 11

Detailed Income and Expenditure Account

12

PORTSMOUTH SUPPORTERS SOCIETY LIMITED

SOCIETY INFORMATION

FOR THE YEAR ENDED 30TH JUNE 2017

Society Board	Ashley Brown	(Chairman, re-elected 22nd September 2016)
	Eric Coleborn	(Co-opted)
	Simon Colebrook	(Treasurer)
	Harrison Dunks	(Co-opted 31st October)
	Johnny Ertl	
	John Kimbell	(Re-elected 22nd September 2016)
	Clare Martin	
	Scott McLachlan	
	Phil Sandys	(Elected 22nd September 2016)
	Bradley Saunders	(Co-opted, resigned 31st October 2016)
	Michael Saunders	
	Mark Trapani	
	Pamela Wilkins	(Vice Chairman)

Society Board Officers

Secretary Dr Mark Farwell

Assistant secretary/ Legal advisor

Jo Collins

Membership secretary Steve Hatton

Registered Office Fratton Park
Frogmore Road
Southsea
PO4 8RA

Registered Number IP030872 (England and Wales)

Auditors Taylorcocks Chartered Accountants
3 Acorn Business Centre
Northarbour Road
Cosham
Portsmouth
PO6 3TH

PORTSMOUTH SUPPORTERS SOCIETY LIMITED

REPORT OF THE SOCIETY BOARD

FOR THE YEAR ENDED 30TH JUNE 2017

The board presents its report with the financial statements of the Society for the year ended 30th June 2017.

Principal Activity

The principal activity of the Society in the year under review was the involvement in running Portsmouth Football Club ("the Club") as a community owned football club. The Club is now owned by Portsmouth Community Football Club Limited, a Company limited by shares, registered number 07940335, set up originally by the Society, which is governed by a Shareholders Agreement dated the 19th April 2013. Under this agreement the Society appoints three directors to the Company's Board. Three other individual shareholders of the Company, who share the same ideals as the Society, are also directors of the Board.

Society Board

Details of the Society Board are shown on page 1.

Responsibilities of the Society Board

The board are responsible for preparing the Society Board Report and the financial statements in accordance with applicable law and regulations.

Company law requires the board to prepare financial statements for each financial year. Under that law the board 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 board 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 society and of the profit or loss of the society for that period. In preparing those financial statements, the board are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the society will continue in business.

The board are responsible for keeping adequate accounting records that are sufficient to show and explain the society's transactions and disclose with reasonable accuracy at any time the financial position of the society and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PORTSMOUTH SUPPORTERS SOCIETY LIMITED

REPORT OF THE SOCIETY BOARD (*continued*)

FOR THE YEAR ENDED 30TH JUNE 2017


In so far as the board are aware:

- there is no relevant audit information of which the society's auditor is unaware; and
- the board have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to re-appoint Taylorcocks as auditor for the ensuing year will be proposed at the annual general meeting.

Signed On Behalf of the Society Board



.....
Board member

Approved by the board on 3/9/17

PORTSMOUTH SUPPORTERS SOCIETY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PORTSMOUTH SUPPORTERS SOCIETY LIMITED

FOR THE YEAR ENDED 30TH JUNE 2017

We have audited the financial statements of Portsmouth Supporters Society Limited for the year ended 30th June 2017 which comprise the Income and Expenditure Account, the Balance Sheet, 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the society's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the society's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the society and the society's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of society board and auditor

As explained more fully in the Society Board Responsibilities Statement set out on page 2, the Society Board is responsible for the preparation of the financial statements which 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 (APB'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 society's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Society Board; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Society Board 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 society's affairs as at 30th June 2017 and of its income and expenditure for the period then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and with the Co-operative and Community Benefit Societies Act 2014.

PORTSMOUTH SUPPORTERS SOCIETY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PORTSMOUTH SUPPORTERS SOCIETY LIMITED
(continued)

FOR THE YEAR ENDED 30TH JUNE 2017

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- proper books of account have not been kept by the society in accordance with the requirements of the legislation;
- a satisfactory system of control over transactions has not been maintained by the society in accordance with the requirements of the legislation;
- the revenue account or the other accounts (if any) to which our report relates, and the balance sheet are not in agreement with the books of account of the society; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Taylor Cocks
taylorcocks

Statutory Auditor

Office: Portsmouth

Date.....*7/9/17*.....

PORTSMOUTH SUPPORTERS SOCIETY LIMITED

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30TH JUNE 2017

	Note	Year ended 30 June 2017 £	Year ended 30 June 2016 £
INCOME	2	9,636	28,723
Administrative expenses		<u>38,191</u>	<u>23,740</u>
OPERATING DEFICIT		(28,555)	4,983
Interest receivable and similar income		-	17
DEFICIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(28,555)	5,000
Less tax on bank interest received		-	3
(DEFICIT)/SURPLUS FOR THE FINANCIAL PERIOD		<u>(28,555)</u>	<u>4,997</u>
ANALYSIS OF SURPLUS/(DEFICIT)			
Surplus/(Deficit) on General Activities		6,335	5,926
Surplus/(Deficit) on York2Pompey			
Fundraising		-	(929)
Surplus/(Deficit) on Takeover Bid		(34,890)	-
		<u>(28,555)</u>	<u>4,997</u>

PORTSMOUTH SUPPORTERS SOCIETY LIMITED


BALANCE SHEET

AS AT 30TH JUNE 2017

	Note	2017		2016	
		£	£	£	£
FIXED ASSETS					
Investments	4		2,750,000		2,750,000
CURRENT ASSETS					
Cash at bank		49,210		53,465	
Debtors	5	100		400	
		<u>49,310</u>		<u>53,865</u>	
CREDITORS: Amounts falling due within one year	6	<u>24,047</u>		<u>47</u>	
NET CURRENT ASSETS			<u>25,263</u>		<u>53,818</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,775,263</u>		<u>2,803,818</u>
CAPITAL AND RESERVES					
Community share capital	7		2,750,000		2,750,000
Reserves	8		<u>25,263</u>		<u>53,818</u>
SHAREHOLDERS FUNDS			<u>2,775,263</u>		<u>2,803,818</u>

The financial statements have been prepared in accordance with the provisions of the Co-operative and Community Benefit Societies Act 2014.

These financial statements were approved by the board and authorised for issue on 3/9/17, and are signed on their behalf by:


.....

Board member


.....

Board member


.....
Secretary

PORTSMOUTH SUPPORTERS SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2017

1. ACCOUNTING POLICIES

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic and Ireland" ("FRS 102"). The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies are set out below.

These financial statements for the year ended 30 June 2017 are the first financial statements of Portsmouth Supporters Society Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 July 2015. The transition to FRS 102 has not affected the financial position or performance of the company.

Consolidation

In the opinion of the board, the investment held in Portsmouth Community Football Club Limited does not constitute control, and the results of that company are not consolidated in these accounts as a result.

Income

Income includes all amounts received in the period in respect of membership fees, donations (general and PayPal), sale of merchandise and other income.

2. INCOME

The income received by the Society is as follows:

	2017	2016
	£	£
Membership fees	8,971	9,409
Donations to acquire shares in Portsmouth Football Club Limited	-	-
Other donations and fundraising events	665	19,314
	<u>9,636</u>	<u>28,723</u>

The donations made to the Society to acquire shares in Portsmouth Football Club Limited ("the Company") reflect individual investments of £1,000 made by members of the Society. These donations were made to enable the Society to purchase a proportion of the share capital of the Company and do not represent an individual investment in the Company.

PORTSMOUTH SUPPORTERS SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2017

3. TAXATION

The tax charge on the bank interest received for the period was £nil (2016 - £3).

4. FIXED ASSET INVESTMENTS

Investments in Portsmouth Community Football Club Limited

	£
COST	
At 1st July 2016	2,750,000
Additions	-
At 30th June 2017	<u>2,750,000</u>
NET BOOK VALUE	
At 30th June 2017	<u>2,750,000</u>
At 31st June 2016	<u>2,750,000</u>

The investment represents 48.5% of the issued share capital of Portsmouth Community Football Club Limited, a company incorporated in England which operates as a professional football club.

As at 30th June 2016 Portsmouth Community Football Club Limited had net assets of £4,497,957 (2015 - £4,896,171) and incurred a loss in the year to 30th June 2016 of £492,214 (2015 – profit of £2,118).

5. DEBTORS

	2017	2016
	£	£
Other debtors	100	400
	<u>100</u>	<u>400</u>

6. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Accruals	24,000	-
Taxation	47	47
	<u>24,047</u>	<u>47</u>

PORTSMOUTH SUPPORTERS SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2017

7. COMMUNITY SHARE CAPITAL

	2017	2016
	£	£
Balance at 1st July 2016	2,750,000	2,696,000
Issue of £1,000 Community shares	-	54,000
Balance at 30th June 2017	<u>2,750,000</u>	<u>2,750,000</u>

The Community shares represent funds received by the Trust for the purpose of acquiring and increasing the investment in Portsmouth Community Football Club ("The Club"). Community shareholders do not have any right or entitlement to distributions on the solvent dissolution or winding up of the Trust beyond the payment of outstanding interest and repayment of paid-up share capital.

Withdrawals of Community share capital may only be made as a result of further investment by new participants, and are entirely at the discretion of the Board, subject to the availability of reserves. In any event the total withdrawals in any year will be limited to no more than 5% of the total.

8. RESERVES

	2017	2016
	£	£
Balance at 1st July 2016	53,818	102,821
Surplus/(deficit) for the period	(28,555)	4,997
Issue of £1,000 Community shares	-	(54,000)
Balance at 30th June 2017	<u>25,263</u>	<u>53,818</u>

9. CONTROLLING PARTY

In the opinion of the Society Board there is no controlling party of the Society.

PORTSMOUTH SUPPORTERS SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2017

10. SALE OF THE SOCIETY'S SHARES IN PORTSMOUTH COMMUNITY FOOTBALL CLUB LIMITED

On 22 May 2017, the Community Shareholders of the Society voted to sell the shares held in Portsmouth Community Football Club Limited to The Tornante Company. The proceeds from this sale will be £2.75m and will be received in the year to 30 June 2018.

The Society will incur estimated legal fees of £72,000 in the course of this sale, of which £24,000 has been accrued within the Income and Expenditure Account for the year ended 30 June 2017. The remainder will be incurred in the following year. The Tornante Company have agreed to reimburse the society with 75% of the legal costs of the sale up to a cap of £60,000, and this will be reflected in the Financial Statements of the Society in the year in which it is received.

Subsequent to the receipt of the proceeds of the sale, and pending approval by the members at the 2017 AGM, the Society Board will invite applications for the withdrawal of funds by Community Shareholders.

PORTSMOUTH SUPPORTERS SOCIETY LIMITED

DETAILED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30TH JUNE 2017

	Year ended 2017 £	Year ended 2016 £
INCOME		
Membership fees and donations	8,971	9,409
Income from general fundraising	665	494
Income from York2Pompey fundraising	-	18,820
	<u>9,636</u>	<u>28,723</u>
EXPENDITURE		
Donations (including match tickets)	-	110
Printing, postage and stationery	636	221
Travelling expenses	224	123
Licences, insurance and subscriptions	100	100
General fundraising costs	-	350
Website, marketing and advertising	1,030	1,502
IT costs	324	324
Legal and professional fees	460	460
Refund of over payments	-	300
Sundry expenses	-	17
Takeover Bid costs	34,890	-
York2Pompey Donations	-	19,750
Bank charges and PayPal fees	527	483
	<u>38,191</u>	<u>23,740</u>
	<u>38,191</u>	<u>23,740</u>
OPERATING (DEFICIT)/SURPLUS	(28,555)	4,983
Other interest receivable	-	17
(DEFICIT)/SURPLUS ON ORDINARY ACTIVITIES	(28,555)	5,000
ANALYSIS OF SURPLUS/(DEFICIT)		
Surplus/(Deficit) on General Activities	6,335	5,926
Surplus/(Deficit) on York2Pompey Fundraising	-	(929)
Surplus/(Deficit) on Takeover Bid	(34,890)	-
	<u>(28,555)</u>	<u>4,997</u>