

Derby County Football Club Limited

Directors' report and financial statements

For the year ended 30 June 2010

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Registered number 49139

Derby County Football Club Limited

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Derby County Football Club Limited

Company information

Directors

A D Appleby (Chairman)

T A Glick

W Luby

J Mallett

D Richardson

T Ricketts

T Vertin

Company Secretary

M Brannigan

Registered Office

Pride Park Stadium, Derby DE24 8XL

Company Number

49139

Auditors

BDO LLP, 3 Hardman Street, Spinningfields, Manchester M3 3AT

Bankers

The Co-operative Bank plc, 31 East Street, Derby DE1 2AL

Solicitors

Flint Bishop LLP, St Michael's Court, St Michael's Lane, Derby DE1 3HQ

Derby County Football Club Limited

Directors' Report

The directors present their report and the audited financial statements of Derby County Football Club Limited ('the Club') for the year ended 30 June 2010

Principal activity

The principal activity of the company is the operation of a professional football club. There have been no changes in the company's activities in the year under review and this is the activity in which the company will continue to be involved.

Business review and future developments

The financial year to 30 June 2010 saw the Club continue to improve its financial position in comparison to its recent past. The Club's ultimate shareholder, General Sports Derby (UK) Limited, remains committed to achieving success for both the football and commercial operations of the company, which can be best illustrated by the financial support during the financial year.

Between 1 July 2009 and 30 June 2010, the Club received £6.6million in share capital injections with a further £1.7million in loan capital. Subsequent to the year end date, there has been an additional £5.6million received by the Club in working capital funding.

The financial year to 30 June 2010 reported turnover of £29.8million compared to the previous year's turnover of £31.3million, the reduction of £1.5million being mainly a reflection of the success the Club had in the previous season's domestic cup competitions. The company has returned a loss of £2.2million on its ordinary activities before taxation for the financial year, which is a significant improvement on the previous year's comparable return of a loss of £14.9million. Except for the season in the Premier League, which saw a profit of £1.8million, the £2.2million loss represents steady progress towards making the Club profitable once more, as this is the best return compared to the previous three financial years.

The Club continues to invest in both its first team playing squad and its Academy programme, in a manner that strengthens the football operation without endangering the stability of the Club. Nigel Clough and his staff completed their first full season at the Club, with the first team finishing the Coca-Cola Championship season in fourteenth position with fifty-six points, an improvement by four positions and two points on the previous season. Regarding the Academy, the financial investment into this sector of the Club has increased year on year over the past three seasons, with the most visible aspect of this being the establishment of five development centres within Derby and the surrounding area.

The Club would like to thank the support Bombardier has given as its Main Sponsor for the past three seasons and welcomes buymobilephones.net, who will be the Club's Main Sponsor for the next three seasons. Buymobilephones.net has grown its allegiance to the Club from being the first Season Presenting Sponsor through to the Training Kit Sponsor during season 2009/10 and is now on the front of the first team shirt. In addition, the continued support of adidas as the Club's Official Kit Sponsor is very much appreciated.

Looking forward, it is recognised that the present economic conditions will impact on both the supporters and the Club with probable consequences on the revenues earned in future years, especially in season ticket sales, corporate hospitality and sponsorship revenues. However, the Club has succeeded in extending long term contracts with clients in both of the latter two categories and has built up contractually obligated income streams for future seasons to healthy levels.

The most pressing concern within the football industry is that of growing and unsustainable debt levels, with the constant threat of administration hanging over a number of clubs. The Club's financial position is healthy and is a direct consequence of careful planning and management. The board of directors is committed to following a path that will enable the Club to challenge for promotion whilst remaining on a sound financial footing, in spite of the volatility in the League and of the industry.

The directors do not recommend the payment of an ordinary dividend.

Derby County Football Club Limited

Directors' Report (continued)

Principal risks and uncertainties

Due to the principal activities of the company the revenues of the business are susceptible to the on-pitch performance of the football team

In order to compete in the world's most competitive league, significant investment is required on an ongoing basis in both financial and non-financial terms. The directors will continue to research any commercial opportunities that will create additional revenue for the Club in order to improve its long term position and prospects

The company's credit risk is relatively low and is primarily attributable to its trade debtors. Credit risk is managed by running credit checks on new customers and by monitoring payments against contractual agreements

The company is financed by a mixture of parent company capital injections and the revenue that is raised through its business activities. The objective is to ensure a mix of funding methods offering flexibility and cost effectiveness to match the needs of the company

Creditor payment policy

The company's policy is to pay all creditors in accordance with contractual and other legal obligations. Advantage is taken of available discounts for prompt payment whenever possible

Directors

The directors who held office were as follows

A D Appleby	
T A Glick	
W Luby	(appointed 11 November 2009)
J Mallett	(appointed 11 November 2009)
D Richardson	(appointed 11 November 2009)
T Ricketts	(appointed 11 November 2009)
T Vertin	(appointed 11 November 2009)
W B Wilson	(appointed 3 February 2009, resigned 11 November 2009)
A F Pearson	(resigned 28 October 2009)

Employee involvement

Within the bounds of commercial confidentiality, staff at all levels are kept fully informed of matters that affect the progress of the company and are of interest to them as employees

Disabled employees

Disabled employees are given full and fair consideration for all types of vacancy. If an existing employee becomes disabled, such steps as are practical and reasonable are taken to retain him/her in employment. Where appropriate, assistance with rehabilitation and suitable training are given. Disabled persons have equal opportunities for training, career development and promotion, except insofar as such opportunities are constrained by the practical limitations of their disability

Auditors

All of the current directors have taken all of the steps that they ought to have taken to make themselves aware of information needed by the company's auditors for the purposes of their audit and established that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware

BDO LLP have expressed their willingness to continue in office. A resolution to reappoint them will be proposed at the next annual general meeting

By order of the board



M Brannigan
Company Secretary

Date 28 February 2011

Derby County Football Club Limited

Statement of directors' responsibilities

The directors are responsible for preparing the annual report 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 UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- ♦ 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.

Derby County Football Club Limited

Report of the independent auditors

Independent auditor's report to the members of Derby County Football Club Limited

We have audited the financial statements of Derby County Football Club Limited for the year ended 30 June 2010 which comprise the profit and loss account, the note of historical cost profits and losses, the balance sheet, the cash flow statement 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).

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 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 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, 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 (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 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.

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 30 June 2010 and of its loss for the year then ended,
- ♦ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- ♦ have been prepared in accordance with the requirements of the Companies Act 2006.

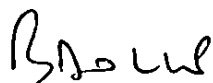
Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 by the company, 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.



Julien Rye (senior statutory auditor)

For and on behalf of BDO LLP, statutory auditor

Manchester, United Kingdom

Date 28 FEBRUARY 2011

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Derby County Football Club Limited

Profit and loss account

For the year ended 30 June 2010

	Note	Year to 30 June 2010	Year to 30 June 2009
		£000	£000
Turnover	2	29,754	31,252
Direct operating costs		(21,266)	(32,207)
Gross profit/(loss)		8,488	(955)
Administrative expenses		(8,532)	(9,676)
Operating profit/(loss) before amortisation and impairment		3,027	(2,867)
Amortisation of players' registrations, transfer fee levies and associated costs		(2,898)	(7,345)
Impairment of players' registrations, transfer fee levies and associated costs		(173)	(419)
Operating loss	3	(44)	(10,631)
Loss on sale of players' registrations		(1,373)	(2,510)
Interest receivable and similar income		26	152
Interest payable and similar charges	6	(773)	(1,941)
Loss on ordinary activities before taxation		(2,164)	(14,930)
Tax on loss on ordinary activities	7	-	-
Loss on ordinary activities after taxation	19, 20	(2,164)	(14,930)

The results shown above have been derived from continuing activities in both financial periods

The notes on pages 11 to 24 form part of these financial statements

Derby County Football Club Limited

Note of historical cost profits and losses

For the year ended 30 June 2010

	Year to 30 June 2010	Year to 30 June 2009
	£000	£000
Reported loss on ordinary activities before and after taxation	(2,164)	(14,930)
Difference between historical cost depreciation charge and actual depreciation charge for the year calculated on revalued amount	994	994
Historical cost loss on ordinary activities before and after taxation	<u>(1,170)</u>	<u>(13,936)</u>

The notes on pages 11 to 24 form part of these financial statements

Derby County Football Club Limited

Balance sheet				
at 30 June 2010				
	Note	2010	2009	
		£000	£000	£000
Company number 49139				
Fixed assets				
Intangible assets	8	4,354	7,079	
Tangible assets	9	59,053	60,481	
Investments	10	-	-	
		<u>63,407</u>	<u>67,560</u>	
Current assets				
Players' registration fees receivable		-	250	
Stocks	11	256	375	
Debtors	12	2,448	2,681	
Cash at bank and in hand		1,178	3,225	
		<u>3,882</u>	<u>6,531</u>	
Creditors' amounts falling due within one year	13	(18,505)	(27,056)	
Players' registration fees payable within one year		<u>(1,336)</u>	<u>(2,852)</u>	
Net current liabilities		<u>(15,959)</u>	<u>(23,377)</u>	
Total assets less current liabilities		<u>47,448</u>	<u>44,183</u>	
Creditors' amounts falling due after more than one year	14	(18,768)	(19,963)	
Net assets		<u>28,680</u>	<u>24,220</u>	
Financed by				
Capital and reserves				
Called up share capital	18	8,239	8,239	
Share premium account	19	14,627	8,003	
Revaluation reserve	19	37,071	38,065	
Profit and loss account	19	(31,257)	(30,087)	
Shareholders' funds	20	<u>28,680</u>	<u>24,220</u>	

The notes on pages 11 to 24 form part of these financial statements

These financial statements were approved by the board and were authorised for issue on 28 February 2011 and were signed on its behalf by



T A Glick
Director

Derby County Football Club Limited

Cash flow statement

For the year ended 30 June 2010

	Note	Year to 30 June 2010 £000	Year to 30 June 2009 £000 as restated [see note 13]
Net cash inflow from operating activities	21	1,437	195
Returns on investments and servicing of finance			
Interest received	23	26	208
Interest paid	23	(1,373)	(1,981)
Net cash outflow from returns on investments and servicing of finance		(1,347)	(1,773)
Capital expenditure			
Payments to acquire tangible fixed assets		(535)	(481)
Payments to acquire players' registrations		(4,467)	(10,599)
Proceeds from the sale of tangible fixed assets		19	15
Proceeds from the sale of players' registrations		1,483	4,413
Net cash outflow from capital expenditure		(3,500)	(6,652)
		(3,410)	(8,230)
Financing			
Capital element of hire purchase repayments		(12)	(13)
New secured loans		4,746	12,179
Repayment of secured loan		(9,995)	(15,456)
Share capital issued		6,624	7,740
Net cash inflow from financing		1,363	4,450
Decrease in cash	22	(2,047)	(3,780)

Reconciliation of net cash flow to movement in net debt

	Year to 30 June 2010 £000	Year to 30 June 2009 £000 as restated [see note 13]
Decrease in cash in the year	(2,047)	(3,780)
Cash outflow from decrease in debt	5,261	3,290
Change in net debt resulting from cash flows	3,214	(490)
New finance leases	(11)	(31)
Change in net debt	3,203	(521)
Net debt at start of year	(22,332)	(21,811)
Net debt at end of year	(19,129)	(22,332)

The notes on pages 11 to 24 form part of these financial statements

Derby County Football Club Limited

Notes

1 Principal accounting policies

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

Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain tangible fixed assets and are in accordance with applicable accounting standards

The balance sheet format as set out in the Companies Act 2006 has been amended to show players' registration fees receivable and payable separately on the face of the balance sheet. The directors believe this is an appropriate presentation given the significance of the amounts involved

The company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated accounts. These financial statements present information about the company as an individual undertaking not about its group. The company and its subsidiary undertaking are included by full consolidation in the financial statements of its ultimate United Kingdom parent company, General Sports Derby (UK) Limited, a company registered in England and Wales

Going concern

The financial statements, which show net current liabilities of £16.0 million and net assets of £28.7 million have been prepared on the going concern basis, which assumes that the company will continue in operational existence for the foreseeable future

The company's borrowings at the balance sheet date, comprised bank loans and overdrafts and other loans as set out in notes 13 and 14

The directors have prepared cashflow projections for the period to 30 June 2012. These projections are prepared using assumptions which the directors consider to be appropriate to the financial position of the company as regards future expected revenues and changes in the cost base. These forecasts indicate that additional working capital financing is required to enable the company to fund its business plan and to meet its liabilities as they fall due. The directors have obtained written confirmation from ultimate parent undertaking, General Sports Derby Partners LLC, of their intention to provide such financial support as is required by the company for its continued operation for a period of at least twelve months from the date of approval of the financial statements

Given the financial projections and the support provided by the parent company, the directors consider it appropriate to prepare the financial statements on the going concern basis

Turnover

Turnover represents amounts receivable from third parties as disclosed in note 2, excluding value added tax. Match receipts are shown after deduction of net levies paid to the Football League, the Football Association and amounts due to visiting clubs. Revenue from match receipts is recognised over the course of the football season as games are played. Sponsorship and similar commercial income is recognised over the duration of the respective contracts in line with the contractual terms. Income arising from the fixed element of TV receipts is recognised over the course of the playing season. The non-fixed element of TV receipts relating to match coverage are recognised as the matches are played

Income from match receipts, sponsorship and commercial contracts, which has been received prior to the period end in respect of future football seasons, is treated as deferred income

Foreign currency

Transactions in foreign currencies are recorded at the rates of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. All exchange differences are included in the profit and loss account

Derby County Football Club Limited

Notes (continued)

1 Principal accounting policies (continued)

Signing on fees

Signing on fees and loyalty bonuses are charged to the profit and loss account in the accounting period in which payment is made. However, those instalments due in the future based on continued service are not provided for but are noted as contingent liabilities. Where signing on fees are paid to a player as a consequence of the transfer of his registration to another club, the charge is included in profit or loss on disposal of player registrations.

Transfer costs

Amounts paid to third parties for players' registrations, Football League levies, agents' commissions and compensation for management and coaching staff are capitalised as intangible assets and amortised on a straight line basis over the period of the players' or other employees' contracts. Players' registrations are written down for impairment when the carrying amount exceeds the amount recoverable through use or sale.

Profit or loss on sale of players' registrations

The profit or loss on sale of players' registrations represents the proceeds of sale less the net book value of the registration and any direct costs.

Land and buildings

The freehold buildings known as Pride Park Stadium are held at valuation based on the depreciated replacement cost of the property. The property is subject to a full valuation every five years with an interim valuation carried out in the third year of the cycle.

Depreciation of tangible assets

Depreciation is provided to write off the cost or valuation less the estimated residual value of tangible fixed assets on a straight line basis over their estimated useful economic lives as follows:

Freehold buildings	2% to 10% per annum on cost/valuation
Fixtures and fittings	2% to 20% per annum on cost
Motor vehicles	20% per annum on cost
Computers	25% per annum on cost

Freehold land is not depreciated.

The cost of fixed assets includes interest incurred on borrowings to finance specific developments in respect of the period of production.

Investments

Investments in subsidiary undertakings are stated at cost less provisions for impairment.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Capital grants

Capital grants are accounted for as deferred income in accordance with SSAP 4. They are released to the profit and loss account over the estimated life of the asset to which they relate.

Derby County Football Club Limited

Notes (continued)

1 Principal accounting policies (continued)

Pensions

Certain employees are members of the Football League Pension and Life Assurance (FLPLA) Scheme and the Football League Players' Benefit Scheme (the "Schemes"). The company continues to make contributions in respect of its share of the deficit of these defined benefit pension Schemes. Accrual of the benefits on a final salary basis was suspended with effect from 31 August 1999, when actuarial review showed a substantial deficit. As one of the number of participating employers the company is advised only of its share of the Scheme's deficit and recognises a liability in respect of this. Contributions payable to the Scheme's reduce this liability.

The company also contributes to individuals' money purchase pension schemes with contributions being charged to the profit and loss account as they become payable.

Leases

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rentals are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as operating leases and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

Taxation

The charge for taxation is based on the result for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19. Deferred tax assets are only recognised to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of underlying timing differences.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. As such redeemable preference shares are classified as a liability as the company has to pay a coupon in perpetuity.

Dividends on these shares have been recognised as expenses and classified as interest.

2 Turnover

	2010 £000	2009 £000
Match receipts	6,319	8,266
Sponsorship and advertising income	2,252	2,370
TV receipts	15,984	14,848
Commercial activities	2,915	3,364
Programme sales and related activities	227	141
Merchandising	1,578	1,703
Other receipts	479	560
	<u>29,754</u>	<u>31,252</u>

Derby County Football Club Limited

Notes (continued)

3 Operating loss

	2010 £000	2009 £000
This is stated after charging/(crediting)		
Auditors remuneration		
- audit services	17	17
- non-audit services	8	8
Depreciation	1,969	1,966
Amortisation	2,528	6,551
- players' registrations	370	794
- transfer fee levies and associated costs	(99)	(102)
- grants received	8	8
Hire of plant and machinery - rentals payable under operating leases	(15)	-
Profit on disposal of tangible fixed assets	96	92
Foreign exchange losses		

4 Staff numbers and costs

The average number of persons employed by the company during the year was as follows

Category	2010 Number	2009 Number
Players and apprentices	54	52
Management and coaching	43	46
Groundsmen, kitchen and cleaning *	18	19
Administration and marketing *	86	85
	201	202

* includes the following part time staff

Management and coaching	13	17
Groundsmen, kitchen and cleaning	2	2
Administration and marketing	32	28
	47	47

The costs of employment (including directors) were

	2010 £000	2009 £000
Wages and salaries	14,523	19,470
Social security costs	1,774	2,437
Other pension costs	113	173
	16,410	22,080

Derby County Football Club Limited

Notes (continued)

5 Directors' emoluments

	2010 £000	2009 £000
Directors' emoluments	404	712
Company contributions to money purchase pension schemes	20	35
	<u>424</u>	<u>747</u>

Emoluments of the highest paid director amounted to £326,444 (2009: £387,407)

There are no directors in the company's pension scheme (2009: none)

6 Interest payable and similar charges

	2010 £000	2009 £000
On bank loans and overdrafts	304	1,912
Finance charges payable in respect of finance leases and hire purchase contracts	1	15
Other interest	468	14
	<u>773</u>	<u>1,941</u>

7 Taxation

	2010 £000	2009 £000
Analysis of charge in period		
UK corporation tax		
Current tax on loss for the period	-	-

Factors affecting the tax charge for the current period

The current tax charge for the period is different to the standard rate of corporation tax in the UK (28%, 2009: 28%). The differences are explained below

	2010 £000	2009 £000
Current tax reconciliation		
Loss on ordinary activities before tax	(2,164)	(14,930)
	<u>(606)</u>	<u>(4,180)</u>
Current tax at 28% (2009: 28%)		
Effects of		
Expenditure not deductible for tax purposes	12	14
Movements on provisions	87	121
Fixed asset timing differences	258	447
Increase in tax losses carried forward	249	3,598
	<u>-</u>	<u>-</u>
Current tax charge		

Derby County Football Club Limited

Notes (continued)

8 Intangible fixed assets

	Players' registrations	Transfer fee levies and associated costs	Total
	£000	£000	£000
Cost			
At 1 July 2009	12,480	2,113	14,593
Additions	2,408	544	2,952
Disposals	(6,061)	(996)	(7,057)
At 30 June 2010	8,827	1,661	10,488
Amortisation			
At 1 July 2009	6,347	1,167	7,514
Charge for the period	2,528	370	2,898
Disposals	(3,788)	(663)	(4,451)
Impairment provisions	170	3	173
At 30 June 2010	5,257	877	6,134
Net book value			
At 30 June 2010	3,570	784	4,354
At 30 June 2009	6,133	946	7,079

Derby County Football Club Limited

Notes (continued)

9 Tangible fixed assets

	Land and buildings	Fixtures and fittings	Motor vehicles	Computers	Total
	£000	£000	£000	£000	£000
Cost or valuation					
At 1 July 2009	61,411	5,772	31	608	67,822
Additions	-	428	-	118	546
Disposals	-	(76)	-	-	(76)
At 30 June 2010	61,411	6,124	31	726	68,292
Depreciation					
At 1 July 2009	2,783	4,052	29	477	7,341
Charge for the period	1,481	417	1	71	1,970
Disposals	-	(72)	-	-	(72)
At 30 June 2010	4,264	4,397	30	548	9,239
Net book value					
At 30 June 2010	57,147	1,727	1	178	59,053
At 30 June 2009	58,628	1,720	2	131	60,481

Freehold buildings with an historical cost of £20,852,867 known as Pride Park Stadium were valued by independent valuers King Sturge LLP on 11 December 2007. The valuation was prepared on a depreciated replacement cost basis and was made in accordance with the Royal Institution of Chartered Surveyors Asset Statements of Valuation Practice and Guidance Notes. Based on this valuation the stadium has been revalued to £55,000,000. The current net book value of the stadium is £51,492,808 and the depreciated historical cost £14,420,925.

All assets are subject to depreciation with the exception of freehold land of £1,109,125 (2009: £1,109,125) which is not depreciated.

The cost of tangible fixed assets include capitalised borrowing costs of £872,678 (2009: £872,678).

Included within fixed assets are land and buildings and fixtures and fittings which are held under hire purchase or finance leases, as follows:

	2010		2009	
	Net book value £000	Depreciation charge £000	Net book value £000	Depreciation charge £000
Land and buildings	-	-	3,912	99
Fixtures and fittings	10	2	34	20
	10	2	3,946	119

Derby County Football Club Limited

Notes (continued)

10 Investments

Net book value	£000
At 1 July 2009 and 30 June 2010	-

The original cost of investments was £7,500,000 which have been fully written down in prior years

Investments comprise the following subsidiary undertaking

Company	Country of incorporation	Percentage of ordinary £1 shares held	Principal activity
Derby County Stadium Limited	England and Wales	100%	Dormant company

11 Stocks

	2010 £000	2009 £000
Finished goods	251	373
Consumable stocks	5	2
	<u>256</u>	<u>375</u>

12 Debtors

	2010 £000	2009 £000
Trade debtors	1,173	1,156
Other debtors	488	226
Prepayments and accrued income	787	1,299
	<u>2,448</u>	<u>2,681</u>

13 Creditors - amounts falling due within one year

	2010 £000	2009 £000 as restated
Bank loans and overdrafts (secured - see note 14)	17	6,949
Obligations under finance leases and hire purchase contracts (see note 15)	12	11
Other loans	4,746	3,044
Trade creditors	1,778	2,615
Other taxes and social security costs	1,236	2,277
Other creditors	3,258	3,246
Accruals and deferred income	7,458	8,914
	<u>18,505</u>	<u>27,056</u>

Other loans include £2,999,075 (2009 £3,043,794) which is secured on future income streams. The comparative figure has been restated in the prior year as it was previously disclosed in deferred income as this is considered to fairly reflect a more appropriate classification.

Derby County Football Club Limited

Notes (continued)

14 Creditors amounts falling due after more than one year

	2010 £000	2009 £000
Bank loans and overdrafts (secured)	15,090	15,109
Obligations under finance leases and hire purchase contracts (see note 15)	8	10
Other creditors	231	406
Accruals and deferred income	3,005	4,004
Preference shares of £1 each	434	434
	<u>18,768</u>	<u>19,963</u>

In accordance with FRS 25 the preference shares have been classified as a liability

Included within accruals and deferred income are amounts relating to capital expenditure grants received, as follows

	£000
Amounts received or valuation	
At 1 July 2009 and at 30 June 2010	<u>3,325</u>
Amortisation	
At 1 July 2009	1,121
Amortised in the period	<u>99</u>
At 30 June 2010	<u>1,220</u>
Net book value	
At 30 June 2010	<u>2,105</u>
At 30 June 2009	<u>2,204</u>

Analysis of debt excluding finance leases

	2010 £000	2009 £000 as restated (see note 13)
Debt can be analysed as falling due		
In one year or less, or on demand	4,763	9,992
Between one and two years	17	14
Between two and five years	54	47
In five years or more	15,453	15,482
	<u>20,287</u>	<u>25,535</u>

As security over the bank loans and overdrafts, the company's bankers have fixed and floating charges over the whole of the company's undertakings and assets

Interest on bank loans due after more than 5 years is charged at a rate of 2½% over Bank of England base rate

Derby County Football Club Limited

Notes (continued)

15 Obligations under finance leases and hire purchase contracts

	2010 £000	2009 £000
Gross obligations repayable		
Within one year	13	11
Between one and two years	9	10
	<u>22</u>	<u>21</u>
Finance charges repayable		
Within one year	1	-
Between one and two years	1	-
	<u>2</u>	<u>-</u>
Net obligations repayable		
Within one year	12	11
Between one and two years	8	10
	<u>20</u>	<u>21</u>

16 Operating leases

Annual commitments under non-cancellable operating leases are as follows

	2010 Land and buildings £000	2010 Other £000	2009 Land and buildings £000	2009 Other £000
Expiring				
Within one year	-	-	-	-
Between two and five years	-	8	-	8
Over five years	31	-	31	-
	<u>31</u>	<u>8</u>	<u>31</u>	<u>8</u>

Derby County Football Club Limited

Notes (continued)

17 Provisions for liabilities and charges

Deferred taxation (assets)/liabilities are provided as follows

	2010 £000	2009 £000
Differences between accumulated depreciation and capital allowances	357	119
Other timing differences	(300)	(119)
Tax losses	(57)	-
	<u>-</u>	<u>-</u>

Deferred tax asset not recognised

Approximately £70.5 million of accumulated tax losses are potentially available for relief against tax charges on future profits of the company, resulting in a potential deferred tax asset not recognised of £19.7 million, and are subject to effective agreement with HM Revenue & Customs

18 Called up share capital

	2010 £000	2009 £000
Authorised		
9,080,000 ordinary shares of £1 each	9,080	9,080
920,000 2½% non-voting preference shares of £1 each	920	920
	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid		
8,239,003 (8,239,002) ordinary shares of £1 each	8,239	8,239
433,568 2½% non-voting preference shares of £1 each (see note 14)	-	-
	<u>8,239</u>	<u>8,239</u>

The ordinary shares and the preference shares rank equally on winding up. If there is a surplus on winding up after the repayment of share capital it will be paid either to the Football Association Benevolent Fund, or a company in Derbyshire with similar objectives to this company, or to a local charity and not to the shareholders.

On 30 June 2010 the company issued one £1 ordinary share for a total consideration of £6,623,587. This transaction capitalised previous financing from parent undertaking Gellaw 101 Limited.

Derby County Football Club Limited

Notes (continued)

19 Reserves

	Share premium account £000	Revaluation reserve £000	Profit and loss account £000
At 1 July 2009	8,003	38,065	(30,087)
Loss for the year	-	-	(2,164)
Issue of share capital (see note 18)	6,624	-	-
Transfers	-	(994)	994
	<hr/>	<hr/>	<hr/>
At 30 June 2010	14,627	37,071	(31,257)
	<hr/>	<hr/>	<hr/>

The transfer relates to the difference between the actual depreciation charge and the historic cost depreciation charge

20 Reconciliation of movements in shareholders' funds

	2010 £000	2009 £000
Opening shareholders' funds	24,220	31,410
Loss for the year	(2,164)	(14,930)
Issue of share capital (see note 18)	6,624	7,740
	<hr/>	<hr/>
Closing shareholders' funds	28,680	24,220
	<hr/>	<hr/>

21 Reconciliation of operating result to net cash inflow from operating activities

	2010 £000	2009 £000 as restated (see note 13)
Operating loss	(44)	(10,631)
Profit on sale of tangible fixed assets	(15)	-
Amortisation of players' registrations, transfer levies and associated costs	2,898	7,345
Depreciation of tangible fixed assets	1,969	1,966
Impairment provisions	173	419
Amortisation of deferred grant income	(99)	(102)
Exchange adjustments	-	92
Decrease/(increase) in stock	119	(221)
Decrease in debtors	232	1,731
Decrease in creditors	(3,796)	(404)
	<hr/>	<hr/>
Net cash inflow from operating activities	1,437	195
	<hr/>	<hr/>

Derby County Football Club Limited

Notes (continued)

22 Analysis of changes in net debt

	At 1 June 2009 £000 as restated (see note 13)	Cash flows £000	Other changes £000	At 30 June 2010 £000
Cash at bank	3,225	(2,047)	-	1,178
	3,225	(2,047)	-	1,178
Debt due within one year	(9,993)	5,230	-	(4,763)
Debt due in more than one year	(15,543)	19	-	(15,524)
Hire purchase	(21)	12	(11)	(20)
	(25,557)	5,261	(11)	(20,307)
Total	(22,332)	3,214	(11)	(19,129)

23 Returns on investments and servicing of finance

	2010 £000	2009 £000
Interest received	26	208
Interest paid		
- interest on bank loans and overdrafts	(1,056)	(1,963)
- interest on finance leases	(1)	(15)
- other interest	(316)	(3)
	(1,373)	(1,981)
	(1,347)	(1,773)

24 Pension commitments

Certain employees of the company participate in the Football League Pension and Life Assurance (FLPLA) Scheme and the Football League Players' Benefit Scheme. Both schemes are defined benefit schemes co-sponsored by the FA Premier League and the Football League.

Accrual of the benefits on a final salary basis was suspended with effect from 31 August 1999, when actuarial review showed a substantial deficit. As one of the number of participating employers the company is advised only of its share of the Scheme's deficit and recognises a liability in respect of this.

The latest valuation of the scheme deficit has shown further underfunding of the scheme and accordingly an additional provision of £78,360 was made in the financial statements for the year ended 30 June 2009. The liability stands at £71,830 as at 30 June 2010 and is included within other creditors.

Contributions paid to individuals' money purchase pension schemes were £113,137 (2009: £94,709). Outstanding contributions included within creditors as at 30 June 2010 were £17,847.

Derby County Football Club Limited

Notes (continued)

25 Contingent liabilities

	2010 £000	2009 £000
Signing and other bonuses due to players under the terms of their contracts	204	710
Maximum liability under sell on clauses	1,809	1,463

The Club has entered into agreements with other football clubs in respect of the sale of players from which the Club may receive receipts contingent upon a number of circumstances including the number of appearances made by the players sold

26 Post balance sheet events

Players registrations

In the period since the end of the financial year the company has entered into agreements to dispose of players with a net book value of £475,415 for net proceeds of £770,618 and has made purchases, inclusive of Football League levies and agents commissions, of £699,742

27 Related party transactions

During the year management charges of £189,124 (2009 £375,000) payable to General Sports and Entertainment LLC were incurred. At the year end £15,000 (2009 £62,500) remained outstanding and is included within accruals. These charges relate to all the management and consultancy services that the Club has utilised within the twelve month period to 30 June 2010.

The reported charge for the period ending 30 June 2011 will be materially reduced in comparison to the charge reported above. This reflects the lesser need to rely on these third party services as the current management personnel become more established within the industry.

During the year loan interest charges of £152,013 (2009 £nil) payable to General Sports and Entertainment LLC were incurred. This amount remained outstanding at the year end and is included within accruals.

28 Ultimate controlling parties

At 30 June 2010 the company's ultimate parent undertaking was General Sports Derby Partners LLC, a company incorporated in the United States. The company's immediate parent undertaking is Gellaw 101 Limited, which in turn is now wholly owned by General Sports Derby (UK) Limited. Both companies are incorporated in England and Wales and General Sports Derby (UK) Limited prepares accounts which consolidate the results of Derby County Football Club Limited. These consolidated accounts are available from Companies House.