

Derby County Football Club Limited

Directors' report and financial statements

For the year ended 30 June 2014



Registered number 49139

Derby County Football Club Limited

Contents

Page 2

Company information

Pages 3 - 4

Strategic Report

Pages 5 - 6

Directors' report

Page 7

Report of the independent auditors

Page 8

Profit and loss account

Page 9

Note of historical cost profits and losses

Page 10

Balance sheet

Page 11

Cash flow statement

Pages 12 - 25

Notes forming part of the financial statements

Derby County Football Club Limited

Company information

Directors

A D Appleby (Chairman)

W Luby

J Mallett

M Morris

D Richardson

T Ricketts

S J Rush

T Vertin

Company Secretary

S A Pearce

Registered Office

iPro Stadium, Derby DE24 8XL

Company Number

49139

Auditors

Smith Cooper Limited, St Helen's House, Cathedral Quarter, King Street, Derby DE1 3EE

Bankers

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

Barclays Bank PLC, 69 Albion Street, Leeds LS1 5AA

Solicitors

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

Derby County Football Club Limited

Strategic Report

Introduction

The Company operates as a professional football club, currently competing in the Championship division of the English Football League.

The Club was founded in 1884 as an off-shoot of Derbyshire County Cricket Club. As this was prior to the introduction of the Football League, up until 1888 the Club only ever competed in friendly matches and the FA Cup. In 1888, the Club was one of the founding 12 teams in the Football League, alongside the likes of Preston North End, Aston Villa, Wolverhampton Wanderers, Blackburn Rovers, Bolton Wanderers, West Bromwich Albion, Accrington FC, Everton, Burnley, Notts County and Stoke City, all clubs based across the midlands and north-west of England.

Business review and future developments

Following the arrival of a new executive team the club began the process of significant on and off field change. The long-standing manager Nigel Clough, together with his coaching and scouting teams, left the Club in September 2013. Replacing him was the former England Manager Steve McClaren who, together with his assistants Paul Simpson and Eric Steele, masterminded a significant improvement in the playing performance resulting in a play off final appearance at Wembley. The financial result of which is illustrated in these financial statements and discussed further below.

While the club was ultimately unsuccessful at Wembley strong foundations have been created. A new recruitment department, led by Chris Evans, was introduced to the Club and at the end of the season local businessman Mel Morris took a minority stake in the Club.

As a result of the success on the pitch, the financial year to 30 June 2014 reported a significant 31% increase in turnover to £20.2 million compared to the previous year's turnover of £15.4 million. Sponsorship and commercial revenue was greatly increased by £1.2 million and crowds increased by 20% resulting in match receipts being up by £0.8 million on prior year. In addition to the above, TV and central distribution revenues increased by £2.5 million, the majority of which was as a direct result of the Club reaching the play off semi finals and final.

The Club has maintained its position as being one of the best supported teams in the country with commercial relations continuing to remain strong with our existing partners and the Club continues to look for new commercial opportunities. November 2013 saw the Club announce a 10 year stadium naming rights deal worth £7.0 million. The deal with the challenger brand isotonic sports drink manufacturer iPro, saw the Stadium re-named to the "iPro Stadium". It is believed that this is one of the biggest independent deals of its kind in the history of the football league.

The main source of external funding during this financial year has continued to come from the Club's ultimate shareholder, North American Derby Partners LP. Between 1 July 2013 and 30 June 2014, it was agreed that the upside in revenues reported above was to be reinvested on the pitch, together with an additional £3.7 million, which was invested by the shareholders directly into the Club. As a result of this strategic decision, despite the increases in revenue, the company continued to return a consistent loss of £7.0 million on its ordinary activities before taxation (2013: £7.1 million), which illustrates that the shareholders remain committed to achieving success for both the football and commercial operations of the company. In addition to the current year investment of £3.7 million, all of the historic shareholder funding has been converted into equity shares during the year at a value of £22.3 million (see note 18).

The Club's Academy, headed up by Darren Wassall has continued to go from strength to strength and Darren and his team's continued hard work was rewarded in July 2014, when the Academy was granted Category One status. This is the highest ranking for Academy set-ups under the Premier League's Elite Player Performance Plan (EPPP) and the Club are only the sixth Championship club to operate a Category One youth set-up.

Derby County Football Club Limited

Strategic 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. As discussed above, 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.

The introduction of the Football League financial fair play regulations continues to provide a significant challenge. The Club needs to balance success on the field together with the financial imperatives of this new regulatory framework. The result recorded in this financial year, together with the future forecasts puts us in a position to meet the assessment criteria.

Key performance indicators

The principal key performance indicators used by the board in assessing performance of the Club are as follows:

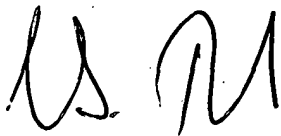
Non financial

- ♦ league position of football team
- ♦ average league attendance

Financial

- ♦ revenue by income stream
- ♦ payroll cost
- ♦ operating result before player trading and amortisation
- ♦ cash/borrowings position against budget

By order of the board



Sam Rush

President and Chief Executive Officer

Date: 26 November 2014

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 2014.

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.

Results and dividends

The loss for the period after taxation amounted to £7,041,000 (2013: £7,064,000)

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

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	
W Luby	
J Mallett	
M Morris	appointed 23 May 2014
D Richardson	
T Ricketts	
S J Rush	
T Vertin	

None of the directors who held office at the end of the financial year had any beneficial interest in the shares of the company.

The directors' beneficial interests in the ultimate parent company, General Sports Derby (UK) Limited, are shown in the financial statements of that company.

Financial instruments

The company does not use financial instruments.

Post balance sheet events

These are detailed in note 23 of the financial statements.

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.

Derby County Football Club Limited

Directors' Report (continued)

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 group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. 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 group and company and of the profit or loss of the group and 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 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.

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.

With effect from 1 April 2014 Smith Cooper LLP, the company's auditor, transferred its business to Smith Cooper Limited. The directors consent to treating the appointment of Smith Cooper LLP as extending to Smith Cooper Limited with effect from 1 April 2014. The auditors, Smith Cooper Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

By order of the board



S A Pearce

Company Secretary

Date: 26 November 2014

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 2014 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 group's and the parent 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. In addition, we read all the financial and non-financial information in the Directors' report 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 company's affairs as at 30 June 2014 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.



Andrew Delve (Senior statutory auditor)

For and on behalf of Smith Cooper LLP, Chartered Accountants & Statutory Auditors
St Helen's House, King Street Derby DE1 3EE

Date: 27.11.2014

Derby County Football Club Limited

Profit and loss account

For the year ended 30 June 2014

		Year to 30 June 2014	Year to 30 June 2013
	Note	£000	£000
Turnover	2	20,175	15,435
Direct operating costs		(20,802)	(15,383)
Gross profit		(627)	52
Administrative expenses		(7,751)	(7,439)
Operating loss before amortisation		(4,856)	(5,304)
Amortisation of players' registrations, transfer fee levies and associated costs		(2,074)	(2,083)
Impairment of players' registrations, transfer fee levies and associated costs		(581)	-
Cost of change to first team management and coaching staff		(867)	-
Operating loss	3	(8,378)	(7,387)
Profit on sale of players' registrations		635	808
Profit on sale of fixed assets		98	-
Interest receivable and similar income		14	12
Interest payable and similar charges	6	569	(500)
Loss on ordinary activities before taxation		(7,062)	(7,067)
Tax on loss on ordinary activities	7	21	3
Loss on ordinary activities after taxation	18, 19	(7,041)	(7,064)

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 2014

	Year to 30 June 2014 £000	Year to 30 June 2013 £000
Reported loss on ordinary activities after taxation	(7,041)	(7,064)
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 after taxation	(6,047)	(6,070)

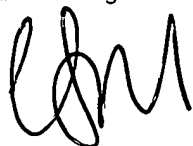
The notes on pages 11 to 24 form part of these financial statements.

Derby County Football Club Limited

Balance sheet					
at 30 June 2014					
		2014		2013	
Company number 49139	Note	£000	£000	£000	£000
Fixed assets					
Intangible assets	8		2,634		4,292
Tangible assets	9		53,236		55,142
Investments	10		-		-
			<hr/>		<hr/>
			55,870		59,434
Current assets					
Players' registration fees receivable		187		459	
Debtors	11	3,647		1,811	
Cash at bank and in hand		1,015		1,007	
		<hr/>		<hr/>	
		4,849		3,277	
Creditors: amounts falling due within one year	12	(29,152)		(30,287)	
Players' registration fees payable within one year		(2,069)		(2,997)	
		<hr/>		<hr/>	
Net current liabilities			(26,372)		(30,007)
			<hr/>		<hr/>
Total assets less current liabilities			29,498		29,427
Creditors: amounts falling due after more than one year	13		(2,315)		(17,460)
			<hr/>		<hr/>
Net assets			27,183		11,967
			<hr/>		<hr/>
Financed by:					
Capital and reserves					
Called up share capital	17		8,945		8,388
Share premium account	18		42,147		20,447
Revaluation reserve	18		33,096		34,090
Profit and loss account	18		(57,005)		(50,958)
			<hr/>		<hr/>
Shareholders' funds	19		27,183		11,967
			<hr/>		<hr/>

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 26 November 2014 and were signed on its behalf by:



S J Rush
Director

Derby County Football Club Limited

Cash flow statement				
For the year ended 30 June 2014				
		Year to 30 June 2014		Year to 30 June 2013
	Note	£000	£000	£000
Net cash outflow from operating activities	20		(1,816)	(3,689)
Returns on investments and servicing of finance				
Interest received	22	15		12
Interest paid	22	(494)		(813)
Net cash outflow from returns on investments and servicing of finance			(479)	(801)
Taxation				
Corporation tax received		-		31
Net cash inflow from taxation			-	31
Capital expenditure				
Payments to acquire tangible fixed assets		(477)		(614)
Payments to acquire players' registrations		(2,255)		(2,620)
Proceeds from the sale of tangible fixed assets		299		-
Proceeds from the sale of players' registrations		1,235		1,961
Net cash outflow from capital expenditure			(1,198)	(1,273)
			(3,493)	(5,732)
Financing				
Capital element of hire purchase repayments		(167)		(91)
New secured loans		3,724		5,969
Repayment of secured loan		(22,313)		(6,099)
Share capital issued		22,257		5,969
Net cash inflow from financing			3,501	5,748
Increase in cash	21		8	16

Reconciliation of net cash flow to movement in net debt		
	Year to 30 June 2014 £000	Year to 30 June 2013 £000
Increase/(decrease) in cash in the year	8	16
Cash outflow from decrease in debt	18,756	220
Change in net debt resulting from cash flows	18,764	236
New finance leases	(36)	(384)
Change in net debt	18,728	(148)
Net debt at start of year	(33,347)	(33,199)
Net debt at end of year	21	(14,619)

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 £26.4 million and net assets of £27.2 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 12 and 13.

The directors have prepared cashflow projections for the period to 30 June 2015. 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 is 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 the iPro 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
Computer equipment	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 instruments 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

	2014 £000	2013 £000
Match receipts	6,112	5,285
Sponsorship and advertising income	2,612	1,799
TV receipts	6,956	4,451
Commercial activities	2,902	2,529
Programme sales and related activities	171	172
Merchandising	266	314
Other receipts	1,156	885
	<hr/>	<hr/>
	20,175	15,435
	<hr/>	<hr/>

Derby County Football Club Limited

Notes (continued)

3 Operating loss

	2014 £000	2013 £000
This is stated after charging/(crediting):		
Auditors remuneration		
- audit services	16	15
- non-audit services	5	4
Depreciation		
- tangible fixed assets	2,143	2,123
Amortisation		
- players' registrations	1,536	1,646
- transfer fee levies and associated costs	538	437
- grants received	(78)	(78)
Hire of plant and machinery - rentals payable under operating leases	8	8
Foreign exchange gains	(226)	-

4 Staff numbers and costs

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

Category	2014 Number	2013 Number
Players and apprentices	58	52
Management and coaching	52	50
Groundsmen, kitchen and cleaning *	18	19
Administration and marketing *	62	54
	190	175

* includes the following part time staff:

Management and coaching	11	8
Groundsmen, kitchen and cleaning	2	4
Administration and marketing	23	15
	36	27

The costs of employment (including directors) were:

	2014 £000	2013 £000
Wages and salaries	14,515	10,599
Social security costs	1,815	1,357
Other pension costs	56	103
	16,386	12,059

Derby County Football Club Limited

Notes (continued)

5 Directors' emoluments

	2014 £000	2013 £000
Directors' emoluments	419	201
Company contributions to money purchase pension schemes	15	9
	<u>434</u>	<u>210</u>

Emoluments of the highest paid director amounted to £433,636 (2013: £158,703).

There are no directors in the company's pension scheme (2013: none).

6 Interest payable and similar charges

	2014 £000	2013 £000
On bank loans and overdrafts	448	452
Finance charges payable in respect of finance leases and hire purchase contracts	40	31
Other interest	(1,057)	17
	<u>(569)</u>	<u>500</u>

7 Taxation

	2014 £000	2013 £000
Analysis of credit in period:		
UK corporation tax:		
Current tax on loss for the period	(3)	(3)
Adjustments in respect of prior periods	(18)	-
	<u>(21)</u>	<u>(3)</u>

Derby County Football Club Limited

Notes (continued)

7 Taxation (continued)

Factors affecting the tax charge for the current period:

The current tax credit for the period is different to the standard rate of corporation tax in the UK (22.5%, 2013: 23.75%). The differences are explained below:

	2014 £000	2013 £000
Current tax reconciliation:		
Loss on ordinary activities before tax	(7,062)	(7,067)
Current tax at 22.5% (2013: 23.75%)	(1,589)	(1,678)
Effects of:		
Expenditure not deductible for tax purposes	35	4
Movements on provisions	(10)	(18)
Fixed asset timing differences	196	151
Increase in tax losses carried forward	1,365	1,538
Adjustments in respect of prior periods	(18)	-
Current tax credit	(21)	(3)

8 Intangible fixed assets

	Players' registrations £000	Transfer fee levies and associated costs £000	Total £000
Cost:			
At 1 July 2013	7,059	1,526	8,585
Additions	855	471	1,326
Disposals	(2,073)	(458)	(2,531)
At 30 June 2014	5,841	1,539	7,380
Amortisation:			
At 1 July 2013	3,579	714	4,293
Charge for the period	1,536	538	2,074
Disposals	(1,821)	(381)	(2,202)
Impairment provisions	492	89	581
At 30 June 2014	3,786	960	4,746
Net book value:			
At 30 June 2014	2,055	579	2,634
At 30 June 2013	3,480	812	4,292

Derby County Football Club Limited

Notes (continued)

9 Tangible fixed assets

	Land and buildings	Fixtures and fittings	Motor vehicles	Computer equipment	Total
	£000	£000	£000	£000	£000
Cost or valuation:					
At 1 July 2013	61,420	7,109	31	1,689	70,249
Additions	59	183	-	196	438
Disposals	(253)	(8)	-	-	(261)
At 30 June 2014	61,226	7,284	31	1,885	70,426
Depreciation:					
At 1 July 2013	8,708	5,593	31	775	15,107
Charge for the period	1,476	397	-	270	2,143
Disposals	(56)	(4)	-	-	(60)
At 30 June 2014	10,128	5,986	31	1,045	17,190
Net book value:					
At 30 June 2014	51,098	1,298	-	840	53,236
At 30 June 2013	52,712	1,516	-	914	55,142

As required under FRS 11 'Impairment of fixed assets and goodwill' the freehold buildings with a historical cost of £20,852,867 known as the iPro Stadium were valued by independent valuers Jones Lang LaSalle on 23 May 2013. 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 Directors have assessed the carrying value of the freehold buildings and determined that the current value is appropriate.

All assets are subject to depreciation with the exception of freehold land of £1,109,125 (2013: £1,109,125) which is not depreciated.

The cost of tangible fixed assets include capitalised borrowing costs of £872,678 (2013: £872,678).

The directors are not aware of any material change in the valuations of freehold land and buildings and the current valuation above reflects their best assessment of the existing open market value of the property.

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

	2014		2013	
	Net book value £000	Depreciation charge £000	Net book value £000	Depreciation charge £000
Fixtures and fittings	165	21	203	10
Computers	218	57	239	48
	383	78	442	58

Derby County Football Club Limited

Notes (continued)

10 Investments

Net book value: **£000**

At 1 July 2013 and 30 June 2014 -

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 Debtors

	2014 £000	2013 £000
Trade debtors	2,211	901
Other debtors	595	285
Prepayments and accrued income	805	625
Amounts due from group undertakings	36	-
	<u>3,647</u>	<u>1,811</u>

12 Creditors: amounts falling due within one year

	2014 £000	2013 £000
Bank loans and overdrafts (secured - see note 13)	15,000	56
Obligations under finance leases and hire purchase contracts (see note 14)	102	167
Other loans (see note 13)	-	18,533
Trade creditors	1,488	1,704
Other taxes and social security costs	1,444	1,048
Other creditors	3,120	3,136
Accruals and deferred income	7,998	5,643
	<u>29,152</u>	<u>30,287</u>

Other loans include £nil (2013: £18,532,979) which is due to immediate parent company Gellaw 101 Limited.

Due to the nature of the company's bank loan facility with the Co Operative Bank plc being of an "on demand" nature, the director's believe it is more appropriate to classify the £15,000,000 facility as falling due within one year, as opposed to after more than one year as previously stated.

Derby County Football Club Limited

Notes (continued)

13 Creditors: amounts falling due after more than one year

	2014 £000	2013 £000
Bank loans and overdrafts (secured)	-	15,000
Obligations under finance leases and hire purchase contracts (see note 14)	97	164
Other creditors	-	-
Accruals and deferred income	1,784	1,862
Preference shares of £1 each	434	434
	<hr/>	<hr/>
	2,315	17,460
	<hr/>	<hr/>

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 2013 and at 30 June 2014	3,325
	<hr/>
Amortisation:	
At 1 July 2013	1,463
Amortised in the period	78
	<hr/>
At 30 June 2014	1,541
	<hr/>
Net book value:	
At 30 June 2014	1,784
	<hr/>
At 30 June 2013	1,862
	<hr/>

Analysis of debt excluding finance leases

	2014 £000	2013 £000
Debt can be analysed as falling due:		
In one year or less, or on demand	15,000	18,589
Between one and two years	-	-
Between two and five years	-	15,000
In five years or more	434	434
	<hr/>	<hr/>
	15,434	34,023
	<hr/>	<hr/>

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 in one year or less is charged at a rate of 2½% over Bank of England base rate.

Derby County Football Club Limited

Notes (continued)

14 Obligations under finance leases and hire purchase contracts

	2014 £000	2013 £000
Gross obligations repayable:		
Within one year	122	207
Between one and two years	106	186
	<u>228</u>	<u>393</u>
Finance charges repayable:		
Within one year	20	40
Between one and two years	9	22
	<u>29</u>	<u>62</u>
Net obligations repayable:		
Within one year	102	168
Between one and two years	97	163
	<u>199</u>	<u>331</u>

15 Operating leases

Annual commitments under non-cancellable operating leases are as follows:

	2014 Land and buildings £000	2014 Other £000	2013 Land and buildings £000	2013 Other £000
Expiring:				
Within one year	-	8	-	8
Between two and five years	-	-	-	-
Over five years	31	-	31	-
	<u>31</u>	<u>8</u>	<u>31</u>	<u>8</u>

16 Deferred taxation

The company has unprovided deferred taxation assets/(liabilities) as follows:

	2014 £000	2013 £000
Differences between accumulated depreciation and capital allowances	479	(30)
Other timing differences	115	137
Tax losses	19,312	19,746
	<u>19,906</u>	<u>19,853</u>

Derby County Football Club Limited

Notes (continued)

17 Called up share capital

	2014 £000	2013 £000
Allotted, called up and fully paid:		
8,944,667 / 8,388,232 ordinary shares of £1 each	8,945	8,388
433,568 2½% non-voting preference shares of £1 each (see note 13)	-	-
	<u>8,945</u>	<u>8,388</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.

The Company made an allotment of 556,435 ordinary shares of £1 each at £40.00 per share. The difference between the total consideration of £22,257,400 and the nominal value of £556,435 has been credited to the share premium account (£21,700,965).

18 Reserves

	Share premium account £000	Revaluation reserve £000	Profit and loss account £000
At 1 July 2013	20,447	34,090	(50,958)
Loss for the year	-	-	(7,041)
Issue of share capital (see note 17)	21,700	-	-
Transfers	-	(994)	994
	<u>42,147</u>	<u>33,096</u>	<u>(57,005)</u>
At 30 June 2014	42,147	33,096	(57,005)

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

19 Reconciliation of movements in shareholders' funds

	2014 £000	2013 £000
Opening shareholders' funds	11,967	13,062
Loss for the year	(7,041)	(7,064)
Issue of share capital	22,257	5,969
	<u>27,183</u>	<u>11,967</u>
Closing shareholders' funds	27,183	11,967

Derby County Football Club Limited

Notes (continued)

20 Reconciliation of operating result to net cash outflow from operating activities

	2014 £000	2013 £000
Operating loss	(8,378)	(7,387)
Amortisation of players' registrations, transfer levies and associated costs	2,074	2,083
Depreciation of tangible fixed assets	2,143	2,123
Impairment provisions	582	-
Amortisation of deferred grant income	(78)	(78)
Decrease in stock	-	72
Increase in debtors	(1,835)	(91)
Increase/(decrease) in creditors	3,676	(411)
Net cash outflow from operating activities	(1,816)	(3,689)

21 Analysis of changes in net debt

	At 1 June 2013 £000	Cash flows £000	Other changes £000	At 30 June 2014 £000
Cash at bank	1,007	8	-	1,015
	1,007	8	-	1,015
Debt due within one year	(18,589)	18,589	(15,000)	(15,000)
Debt due in more than one year	(15,434)	-	15,000	(434)
Hire purchase	(331)	167	(36)	(200)
	(34,354)	18,756	(36)	(15,634)
Total	(33,347)	18,764	(36)	(14,619)

22 Returns on investments and servicing of finance

	2014 £000	2013 £000
Interest received	15	12
Interest paid		
- interest on bank loans and overdrafts	(449)	(452)
- interest on finance leases	(40)	(31)
- other interest	(5)	(330)
	(494)	(813)
	(479)	(801)

Derby County Football Club Limited

Notes (continued)

23 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 £41,600 was made in the financial statements for the year ended 30 June 2012. The liability stands at £80,545 as at 30 June 2014 and is included within other creditors.

Contributions paid to individuals' money purchase pension schemes were £41,491 (2013: £103,037). Outstanding contributions included within creditors as at 30 June 2014 were £23,082.

24 Contingent liabilities

	2014 £000	2013 £000
Signing and other bonuses due to players under the terms of their contracts	552	797
Maximum liability under sell on clauses	2,673	2,601

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.

25 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 £nil for net proceeds of £119,077 and has made purchases, inclusive of Football League levies and agents commissions, of £6,777,057.

Financing

In the period since the financial year end, funding of £5.1 million has been received from Gellaw 101 Limited.

Derby County Football Club Limited

Notes (continued)

26 Related party transactions

During the year management charges of £42,000 (2013: £60,000) payable to General Sports and Entertainment LLC were incurred. At the year end £nil (2013: £85,000) remained outstanding and is included within trade creditors. These charges relate to all the management and consultancy services that the Club has utilised within the twelve month period to 30 June 2014.

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with members of the group headed by General Sports Derby (UK) Limited on the grounds that 100% of the voting rights in the company are controlled within that group and the company is included in consolidated financial statements.

27 Ultimate controlling parties

At 30 June 2014 the company's majority and ultimate parent undertaking was North American Derby Partners LP, a limited partnership registered in Delaware. The company's immediate parent undertaking is Gellaw 101 Limited, which in turn is now wholly owned by Global Derby (UK) Limited. Both companies are incorporated in England and Wales and Global Derby (UK) Limited prepares accounts which consolidate the results of Derby County Football Club Limited. These consolidated accounts are available from Companies House.