

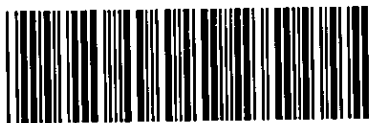
Company Registration No. 89767

SOUTHEND UNITED FOOTBALL CLUB LIMITED

Report and Financial Statements

31 July 2006

WEDNESDAY



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SOUTHEND UNITED FOOTBALL CLUB LIMITED

REPORT AND FINANCIAL STATEMENTS 2006

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SOUTHEND UNITED FOOTBALL CLUB LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

G King
D M Markscheffel
R J Osborne
D A J Wilshire
R Martin
F Van Wezel
P Robinson

SECRETARY

H Norbury

HON. MEDICAL OFFICER

Dr A K Sinha

REGISTERED OFFICE

Torrington House
47 Holywell Hill
St Albans
Hertfordshire
AL1 1HD

BANKERS

The Royal Bank of Scotland plc
Commercial Office
26 High Street
Chelmsford CM1 1YJ

INDEPENDENT AUDITORS

HLB Vantis Audit plc
Chartered Accountants
Torrington House
47 Holywell Hill
St Albans
Hertfordshire
AL1 1HD

SOUTHEND UNITED FOOTBALL CLUB LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 July 2006

ACTIVITIES

The principal activity of the company continues to be that of a Professional Football League Club.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The Club has been relegated from the Championship, but is confident of future success

RESULTS AND DIVIDENDS

The results for the year are set out in the Profit and Loss Account on page 6. The directors do not recommend the payment of a dividend (2005 - nil).

DIRECTORS AND THEIR INTERESTS

The directors who served during the year and subsequent to the year end are shown on page 1

The interests of the directors serving at the year end in the company's share capital at the start of the year, or later date of appointment, and end of the year, were as follows

	Ordinary shares of 25 pence each	
	2006 No.	2005 No.
G King	10	10
D M Markscheffel	43,997	43,997
R J Osborne	1,314	1,314
DAJ Wilshire	20	20
R Martin	-	-
F Van Wezel	21	21
P Robinson	100	100

SOUTHEND UNITED FOOTBALL CLUB LIMITED

DIRECTORS' REPORT

AUDITORS

A resolution for the reappointment of HLB Vantis Audit plc as auditors of the company will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors
and signed on behalf of the Board

A handwritten signature in black ink, appearing to read 'D. L. ...', is written over the printed word 'Director'.

Director

24 May 07

SOUTHEND UNITED FOOTBALL CLUB LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those 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, 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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

STATEMENT OF DISCLOSURE TO AUDITOR

- (a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and
- (b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the Board of Directors
and signed on behalf of the Board



Director

SOUTHEND UNITED FOOTBALL CLUB LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF SOUTHEND UNITED FOOTBALL CLUB LIMITED

We have audited the financial statements of Southend United Football Club Limited on pages 6 to 21 for the year ended 31 July 2006. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 the directors and auditors

As described in the statement of directors' responsibilities on page 4, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

- the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the company's affairs as at 31 July 2006 and of its loss for the year then ended
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.

25th May 2007

HLB Vantis Audit Plc

HLB VANTIS AUDIT PLC
TORRINGTON HOUSE
47 HOLYWELL HILL
ST. ALBANS
HERTS AL1 1HD,

SOUTHEND UNITED FOOTBALL CLUB LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 July 2006

	Note	Operations excluding player trading £	Player trading £	Total 2006 £	2005 £
TURNOVER	2	3,740,313	-	3,740,313	3,824,815
Cost of sales	4	(3,629,888)	(124,183)	(3,754,071)	(3,056,038)
Gross Profit/(loss)		110,425	(124,183)	(13,758)	768,777
Administrative expenses		(1,367,596)	-	(1,267,596)	(887,343)
Other operating income	2	89,981	-	89,981	119,149
Release of parent company loan		1,567,656	-	1,567,656	-
OPERATING PROFIT/(LOSS)	5	400,466	(124,183)	276,283	583
Profit/(loss) before interest and taxation		400,466	(124,183)	276,283	583
Other interest receivable and similar income				983	177
Interest payable and similar charges	6			(85,716)	(2,777)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION				191,550	(2,017)
Tax on profit on ordinary activities	7			-	-
Retained profit/(loss) for the year	18,21			191,550	(2,017)

All the results derive from continuing operations There are no recognised gains and losses for the current or previous financial year other than those shown above

SOUTHEND UNITED FOOTBALL CLUB LIMITED

BALANCE SHEET

31 July 2006

	Note	£	2006 £	£	2005 £
FIXED ASSETS					
Intangible assets	8		185,126		134,309
Tangible assets	9		516,648		115,321
			<u>701,774</u>		<u>249,630</u>
CURRENT ASSETS					
Stocks	10		30,154		31,856
Debtors – due within one year	11	618,323		339,899	
Debtors – due after more than one year	11,12	57,778		58,798	
			<u>676,101</u>		<u>398,697</u>
Cash at bank and in hand			1,037,008		62,225
			<u>1,743,263</u>		<u>492,778</u>
CREDITORS: amounts falling due within one year	13		(6,620,903)		(5,147,338)
NET CURRENT LIABILITIES			<u>(4,877,640)</u>		<u>(4,654,560)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			(4,175,866)		(4,404,930)
CREDITORS: amounts falling due after more than one year	14		-		-
DEFERRED GRANT INCOME	15		(37,514)		-
			<u>(4,213,380)</u>		<u>(4,404,930)</u>
CAPITAL AND RESERVES					
Called up share capital	17,21		156,674		156,674
Share premium account	21		482,469		482,469
Profit and loss account	18,21		(4,852,523)		(5,044,073)
Total equity shareholders' deficit	21		<u>(4,213,380)</u>		<u>(4,404,930)</u>

These financial statements were approved by the Board of Directors on 24 May 07

Signed on behalf of the Board of Directors

D. L. Martin

Director

SOUTHEND UNITED FOOTBALL CLUB LIMITED

CASH FLOW STATEMENT

Year ended 31 July 2006

	Note	2006 £	2005 £
Net cash outflow from operating activities	1	1,663,829	388,173
Returns on investments and servicing of finance	2	(84,733)	(2,600)
Capital expenditure and financial investment	2	(670,732)	(274,076)
Cash outflow before use of liquid resources and financing		908,364	111,497
Financing		66,419	-
Increase/(Decrease) in cash		<u>974,783</u>	<u>111,497</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

Year ended 31 July 2006

	2006 £	2005 £
Increase/(Decrease) in cash	974,783	111,497
Cash inflow from increase in debt and lease financing	<u>362,405</u>	<u>-</u>
Change in net debt resulting from cash flows	1,337,188	111,479
Release of parent company loan	<u>1,567,656</u>	<u>-</u>
Movement in net debt in the year	2,904,844	111,497
Net debt at 1 August	<u>(3,498,953)</u>	<u>(3,610,450)</u>
Net debt at 31 July	<u>(594,109)</u>	<u>(3,498,953)</u>

SOUTHEND UNITED FOOTBALL CLUB LIMITED

NOTES TO THE CASH FLOW STATEMENT

Year ended 31 July 2006

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2006 £	2005 £
Operating profit/(loss)	276,283	583
Amortisation of intangible fixed assets	124,183	48,134
Depreciation charges	125,441	20,708
Release of parent company loan	(1,567,656)	-
Decrease/(Increase) in stock	1,702	4,509
(Increase)/decrease in debtors	(277,404)	(155,962)
Increase/(decrease) in creditors	2,981,280	470,201
Net cash outflow from operating activities	<u>1,663,829</u>	<u>388,173</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2006 £	2005 £
Returns on investments and servicing of finance		
Interest received	983	177
Interest paid	(2,716)	(2,777)
Interest paid on overdue taxes	(83,000)	-
	<u>(84,733)</u>	<u>(2,600)</u>
Capital expenditure and financial investment		
Payment to acquire intangible fixed assets	(175,000)	(155,000)
Payment to acquire tangible fixed assets	(495,732)	(119,076)
	<u>(670,732)</u>	<u>(274,076)</u>
Financing		
Deferred grant income	37,514	-
Increase in borrowings	28,905	-
	<u>66,419</u>	<u>-</u>

SOUTHEND UNITED FOOTBALL CLUB LIMITED

NOTES TO THE CASH FLOW STATEMENT

Year ended 31 July 2006

3. ANALYSIS OF NET DEBT

	1 August 2005 £	Cash flow £	Non cash movements £	31 July 2006 £
Cash at bank and in hand	62,225	974,783		1,037,008
Debt due to parent company	(3,561,097)	393,441	1,567,656	(1,600,000)
Finance leases	(81)	-	-	(81)
Debts falling due within one year	-	(31,036)	-	(31,036)
Total	(3,498,953)	1,337,188	1,567,656	(594,109)

4. LIQUID RESOURCES

Liquid resources relate to cash in hand and at bank.

SOUTHEND UNITED FOOTBALL CLUB LIMITED

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention and have been prepared in accordance with applicable accounting standards.

Going concern

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future, as the directors are confident that the parent company, South Eastern Leisure Company Limited and its major shareholder, will continue to provide the necessary funds to the company.

Turnover

Turnover represents revenue arising from the principal activities of the company within the UK net of value added tax.

Signing on fees

Signing on fees are expensed in the profit and loss account in the year in which the commitment falls due.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost, less the estimated residual value of each asset over its expected useful life as follows:

Leasehold Improvements	- 33% per annum straight line
Fixtures, fittings and equipment	- 33% per annum straight line
Motor vehicles	- 25% reducing balance

Intangible assets

The costs associated with the acquisition of players' registrations are capitalised as intangible fixed assets. These costs are fully amortised, in equal annual instalments, over the period of the respective players' contracts. Players' registrations are written down for impairment when the carrying amount exceeds the amount recoverable through use or sale.

SOUTHEND UNITED FOOTBALL CLUB LIMITED

1. ACCOUNTING POLICIES (continued)

Stocks

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

Deferred grant income

Grants receivable from the Football Trust and the former Football Grounds Improvement Trust in respect of capital expenditure are treated as deferred income and released to the profit and loss account so as to match the depreciation charged on the fixed assets purchased with the grant. Deferred income in the balance sheet represents total grants receivable less amounts released to the profit and loss account.

Deferred taxation

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

Leases and hire purchase contracts

Assets obtained under finance leases and hire purchase contracts are capitalised at their fair value on inception and depreciated over their estimated useful lives. The finance charges are allocated to the profit and loss account on a straight line basis over the term of the agreement.

Operating lease rentals are charged to income in equal annual amounts over the lease term.

Pension costs

Defined contribution pension arrangements are made for eligible employees of the company. The pension cost charged in the year represents contributions payable by the company to the relevant pension schemes.

SOUTHEND UNITED FOOTBALL CLUB LIMITED

2. TURNOVER

	2006 £	2005 £
(a) Football activities		
Gate receipts	1,309,494	1,534,557
Season tickets	485,721	305,520
Share of league and cup pools and television fees (after deducting contributions to league and association pools)	479,993	457,011
Centre of excellence	155,310	150,594
	<u>2,430,518</u>	<u>2,440,995</u>
(b) Sundry commercial income		
Sports and promotions	784,488	689,271
Souvenir shop	100,279	293,355
Rooms	145,144	133,790
Catering	225,007	209,087
Other income including donations	54,887	58,317
	<u>1,309,795</u>	<u>1,383,820</u>
Total turnover	<u>3,740,313</u>	<u>3,824,815</u>
(c) Other operating income		
Market rentals	<u>89,981</u>	<u>119,149</u>

SOUTHEND UNITED FOOTBALL CLUB LIMITED

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Director's emoluments during the year were £nil (2005: £nil) and employer pension scheme payments were made of £nil (2005: £nil)

	2006	2005
	No.	No.
Average number of persons employed		
Playing, training and coaching	52	44
Establishment and ground maintenance	28	22
Directors	7	7
	<u>87</u>	<u>73</u>

	£	£
Staff costs during the year (including directors)		
Wages and salaries	2,607,739	1,915,351
Social security costs	277,312	178,372
Pension costs	4,600	4,855
Healthcare costs	52,163	34,756
Other Staff Costs	2,749	6,754
	<u>2,944,563</u>	<u>2,140,088</u>

4. COST OF SALES

	2006	2005
	£	£
Wages	2,531,186	1,903,866
Other expenses	1,222,885	1,152,172
	<u>3,754,071</u>	<u>3,056,038</u>

SOUTHEND UNITED FOOTBALL CLUB LIMITED

5. OPERATING PROFIT

	2006 £	2005 £
Operating profit is after charging:		
Depreciation of tangible assets		
- owned assets	125,441	20,708
Amortisation of players' registrations	124,183	48,134
Auditors' remuneration	12,000	13,592
And after crediting:		
Income from property	<u>89,981</u>	<u>119,149</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2006 £	2005 £
Bank loans, overdrafts and other loan	2,716	2,777
Interest on overdue tax	<u>83,000</u>	<u>-</u>
	<u>85,716</u>	<u>2,777</u>

7. TAX ON LOSS ON ORDINARY ACTIVITIES

No tax charge arises in the year on the losses incurred. There are losses brought forward against the current year and future profits of the same trade.

8. INTANGIBLE FIXED ASSETS

	£
Players' registrations	
Cost	
At 1 August 2005	342,000
Additions	<u>175,000</u>
At 31 July 2006	<u>517,000</u>
Amortisation	
At 1 August 2005	207,691
Charge for the year	<u>124,183</u>
At 31 July 2006	<u>331,874</u>
Net book value	
At 31 July 2006	<u>185,126</u>
At 31 July 2005	<u>134,309</u>

SOUTHEND UNITED FOOTBALL CLUB LIMITED

9. TANGIBLE FIXED ASSETS

	Leasehold Improve- ments £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost				
At 1 August 2005	70,767	894,772	11,500	977,039
Additions	152,857	373,911	-	526,768
Disposals	-	-	(11,500)	(11,500)
At 31 July 2006	223,624	1,268,683	-	1,492,307
Accumulated depreciation				
At 1 August 2005	-	850,218	11,500	861,718
Charge for the year	40,599	84,842	-	125,441
Disposals	-	-	(11,500)	-
At 31 July 2006	40,599	935,060	-	975,659
Net book value				
At 31 July 2006	183,025	333,623	-	516,648
At 31 July 2005	70,767	44,554	-	115,321

10. STOCKS

	2006 £	2005 £
Playing kit	600	600
Bar stocks	12,717	10,541
Catering	9,837	3,207
Shop stock	7,000	17,508
	30,154	31,856

11. DEBTORS

	2006 £	2005 £
Due within one year:		
Trade debtors	276,555	146,682
Other debtors	97,421	58,342
Prepayments and accrued income	244,347	134,875
	618,323	339,899
Debtors due after more than one year (see note 12)	57,778	58,798
Total debtors	676,101	398,697

SOUTHEND UNITED FOOTBALL CLUB LIMITED

12. DEBTORS - DUE AFTER MORE THAN ONE YEAR

	2006	2005
	£	£
Leasehold property equity shares	<u>57,778</u>	<u>58,798</u>

During 1987, the company entered into a joint venture agreement ("the agreement") to build a block of flats on land owned by the company. The agreement specified that both parties would retain equity shares in each unit of leasehold property which would be realised no later than five years from the date of sale of each unit. The equity shares allowed the joint venture partners to participate in the agreed values of the leasehold interests on sale and any subsequent increase in value if sold within five years of granting the lease.

Thus the equity share debtor of £57,778 (2005 - £58,798) represents the amounts due to the company, after provisions, in respect of its share in the total sale price of each unit of leasehold property

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006	2005
	£	£
Directors loan accounts	75,000	-
Bank loans and overdraft	31,036	-
Amount owed to associated company	1,000,000	-
Trade creditors	571,182	326,098
Amount owed to parent undertaking	1,600,000	3,138,751
Obligations under finance leases	81	81
Other taxation and social security	1,309,550	883,524
Other creditors	70,956	141,456
Accruals and deferred income	1,963,098	657,428
	<u>6,620,903</u>	<u>5,147,338</u>

SOUTHEND UNITED FOOTBALL CLUB LIMITED

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2006 £	2005 £
Net obligations under finance leases and hire purchase contracts	<u>-</u>	<u>-</u>
Finance lease obligations Within one year (note 13)	<u>81</u>	<u>81</u>

15. DEFERRED GRANT INCOME

	2006 £	2005 £
At 1 August 2005	-	-
Stadium improvement grant received	40,964	-
Grants released to the profit and loss account	<u>3,450</u>	<u>-</u>
At 31 July 2006	<u>37,514</u>	<u>-</u>

16. DEFERRED TAXATION

A deferred tax asset of £2,061,313 (2005 £1,084,446) in respect of fixed assets and short-term timing differences and losses has not been provided for due to the uncertainty of sufficient profits in the foreseeable future

17. CALLED UP SHARE CAPITAL

	2006 £	2005 £
Authorised		
1,216,000 ordinary shares of 25p each (2005 - 1,216,000)	<u>304,000</u>	<u>304,000</u>
Called up, allotted and fully paid		
626,696 ordinary shares of 25p each (2005 - 626,696)	<u>156,674</u>	<u>156,674</u>

SOUTHEND UNITED FOOTBALL CLUB LIMITED

18. PROFIT AND LOSS ACCOUNT

	£
At 1 August 2005	(5,044,073)
Retained profit/(loss) for the financial year	191,550
At 31 July 2006	<u>(4,852,523)</u>

19. CONTINGENT ASSETS/LIABILITIES

Contingent liabilities

Under the terms of certain contracts for the purchase of players' registrations future payments may be due, dependent on the future transfer values attained for certain players. It is not possible to quantify the maximum liability that could be payable.

20. OPERATING LEASE COMMITMENTS

At 31 July 2006, the company was committed to making the following payments during the next year in respect of operating leases.

	2006		2005	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Leases which expire				
Within 1 year	-	-	-	938
Within 2 to 5 years	520,000	-	502,500	-
	<u>520,000</u>	<u>-</u>	<u>502,500</u>	<u>938</u>

Although the Company is committed to making rent payments of £520,000 under the terms of the lease, in practice no amounts have been payable in recent years.

21. COMBINED RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT AND STATEMENT OF MOVEMENTS ON RESERVES

	Issued share capital	Share premium account	Profit and loss account	Total 2006	Total 2005
	£	£	£	£	£
Balance at 1 August	156,674	482,469	(5,044,073)	(4,404,930)	(4,402,913)
Retained profit/(loss) for the year	-	-	191,550	191,550	(2,017)
Balance at 31 July	<u>156,674</u>	<u>482,469</u>	<u>(4,852,523)</u>	<u>(4,213,380)</u>	<u>(4,404,930)</u>

SOUTHEND UNITED FOOTBALL CLUB LIMITED

22. RELATED PARTY TRANSACTIONS

R J Osborne is a partner of Rickard Keen & Co, Chartered Accountants, who were engaged to provide the company with taxation advice during the year to the value of £Nil (2005 - £Nil). At the year-end £Nil (2005 - £204) of those fees remained outstanding to Rickard Keen and these amounts are included within trade creditors. During the year the company made hospitality, room hire and sponsorship sales of £4,205 (2005 - £11,944). At the year-end £2,750 (2005 - £80) remained outstanding.

During the year the company made advertising and sponsorship sales of £25,293 (2005 - £23,914) to Universal Cycles Limited, a company in which D M Markscheffel, a director of this company, has a controlling interest. At the year-end £28,870 (2005 - £1,845) remained outstanding.

Sales were made to D M Markscheffel personally during the year amounting to £90. At the year end no balance was outstanding with D M Markscheffel.

P Robinson is a partner of Paul Robinson & Co Solicitors, who were engaged to provide the company with legal advice during the year to the value of £8,255 (2005 - £1,034). At the year-end £6,434 (2005 - £2,969) of those fees remained outstanding and are included within trade creditors. During the year the company provided advertising and hospitality sales of £8,124 (2005 - £4,426). At the year-end £8,225 (2005 - £6,450) remained outstanding.

F Van Wezel is a director of Hi-Tec Sports Plc, a sportswear manufacturing company in which he has a controlling interest. During the year the company purchased sporting equipment to the value of £nil (2005 - £nil). At the year-end £Nil (2005 - £378) was outstanding and is included within trade creditors. The company provided sponsorship and hospitality sales during the year of £25,120 (2005 - £5,091) of which £17,625 (2005 - £5,875) remained outstanding at the year-end.

South Eastern Leisure UK Limited

South Eastern Leisure UK Limited ("SEL") is the direct parent undertaking. During the year SEL has agreed to waive its entitlement to £1,567,656 due under the existing loan arrangement. The amount owed to SEL at the year end was £1,600,000 (2005 - £3,138,752). This amount is included in creditors falling due within one year. The company leases the training ground from SEL and the Roots Hall ground from South Eastern Leisure Co Limited (SEL Co) a subsidiary company of SEL. Rent is charged amounting to £nil (2005 - £nil).

Martin Dawn plc

R Martin is a director of Martin Dawn plc. Martin Dawn plc is a joint venture partner in SEL. A management charge of £65,000 (2005 - £60,000) and recharged expenses of £94,804 (2005 - £41,048) were charged by Martin Dawn plc to the company during the year. At the year-end £nil (2005 - £17,027) was owed to Martin Dawn plc.

Southend United Community and Education Trust

G King is a director of Southend United Community and Education Trust. During the year the company made sales of £1,540 (2005 - £Nil) to the trust and purchases of £3,108 (2005 - £Nil). At the year end the company was owed £1,192 (2005 - £Nil) by the Trust.

Mezcal Investments

Mezcal Investments Limited owns 50% of SEL. During the year the company received loans from Mezcal Investments Limited amounting to £1,000,000 (2005 - £Nil). At the year end £1,000,000 remained outstanding.

SOUTHEND UNITED FOOTBALL CLUB LIMITED

23. PENSION COSTS

Players

Eligible players are members of the Football League Limited Players Retirement Income Scheme. No employers' contributions are made but the club deducts amounts from players' salaries and pays them into the scheme on their behalf. The scheme is defined contribution in nature. Total pension costs charged during the year amounted to £2,749 (2005 - £2,354). At the year-end £nil (2005 - £nil) of outstanding pension contributions were included in other creditors.

Administration & Support

The company contributes towards a Stakeholder Pension Scheme. During the year contributions of £4,600 (2005 - £4,855) were made

24. CONTROLLING PARTY

The ultimate controlling party is Mr R Martin, Chairman of the direct controlling undertaking, South Eastern Leisure UK Limited (SEL), and majority shareholder of Martin Dawn Plc, which has a 50% shareholding in SEL