

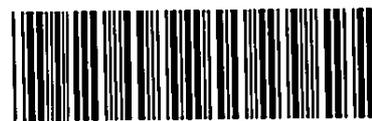
Company Registration No. 00089767

SOUTHEND UNITED FOOTBALL CLUB LIMITED

Report and Financial Statements

31 July 2013

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COMPANIES HOUSE

SOUTHEND UNITED FOOTBALL CLUB LIMITED

REPORT AND FINANCIAL STATEMENTS 2013

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SOUTHEND UNITED FOOTBALL CLUB LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

G King
D M Markscheffel
R Martin
F Van Wezel
N P Brunning (resigned 28 June 2013)
G J Lockett
S A Kavanagh (appointed 24 October 2012)

SECRETARY

H Norbury

HON. MEDICAL OFFICER

Dr A K Sinha

REGISTERED OFFICE

45 Grosvenor Road
St Albans
Hertfordshire
AL1 3AW

BANKERS

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

INDEPENDENT AUDITORS

WMT - Chartered Accountants
45 Grosvenor Road
St Albans
Hertfordshire
AL1 3AW

SOUTHEND UNITED FOOTBALL CLUB LIMITED

The directors present their annual report and the audited financial statements for the year ended 31 July 2013

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 played in League 2 of the Football League during the 2012/13 season which saw the Club reach its first Wembley Cup Final, with 32,000 Southend supporters attending the Johnstone Paint Trophy Final, unfortunately losing to Crewe. The league season saw the Club spend a significant part of the season in the play off places but the season ended poorly with the Club eventually finishing eleventh. Season 2013/14 has again seen a strong squad assembled under new manager Phil Brown with the Club hopeful of a strong finish with the potential of achieving promotion via the play-offs. On the business front the year to 31 July 2013 saw turnover increase from £3.7m to £4.2m, although in both years a significant element is made up of player trading, with operating losses before interest and taxation falling from £1.1m to £450k. The Club continues to seek improvements in its turnover and trading performance. The Directors are of the opinion that growth in revenue streams will be greatly aided by the move to the new stadium.

As shown in note 1, the Company is dependant on funding from its major shareholder and parent company, South Eastern Leisure (UK) Limited and the Directors would like to thank them for this financial support.

RISK

The company is exposed to a variety of risks. These range from the wider effects of the general economy and external competition to those more specific to the company, such as its own financial strength and size. The board regularly review these risks and their potential impact on the company. The board monitors the company's performance through use of regular financial information and management reports. The board focuses on the company's levels of profitability, liquidity and balance sheet strength.

Treasury operations and financial instruments

The company operates a treasury function which is responsible for managing the liquidity and interest risks associated with the company's activities. The company's principal financial instruments include bank overdrafts and loans, the main purpose of which is to raise finance for the company's operations. In addition the company has various other financial assets and liabilities such as trade debtors and trade creditors arising directly from operations.

Liquidity risks

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

Interest rate risk

The company is exposed to interest rate risk on bank overdrafts and loans. The company manages debt so as to reduce its exposure to changes in interest rates.

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 (2012: £Nil).

DIRECTORS

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

CHARITABLE DONATIONS

During the year the company made charitable donations of £NIL (2012: £NIL). The company provides a significant number of local charities, football teams and schools with free tickets and signed merchandise. The company also provides resources and accommodation to the Southend United Community and Educational Trust, a registered Charity. Whilst these resources are not material and have not been quantified the company is aware of its corporate social responsibilities and is proud of its efforts in the local community.

SOUTHEND UNITED FOOTBALL CLUB LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' 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,
- 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.

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


R. MARTIN
Director

30 APRIL 2014

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 for the year ended 31 July 2013 set out on pages 6 to 22. 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 auditors' 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 explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 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. 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 31 July 2013 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 of the financial statements concerning the company's ability to continue as a going concern. The directors are confident that the parent company, South Eastern Leisure (UK) Limited and its major shareholder, will continue to provide the necessary funds to the company through their financing facilities. However, there can be no certainty in these matters and this indicates the existence of a material uncertainty which may cast doubt on the company's ability to continue as a going concern. In view of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

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.

SOUTHEND UNITED FOOTBALL CLUB LIMITED

INDEPENDENT AUDITORS' REPORT (Cont.)

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, 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

WMT

Graham Wintle (Senior Statutory Auditor)
For and on behalf of WMT
Chartered Accountants
Statutory Auditor
45 Grosvenor Road
St Albans
Hertfordshire
AL1 3AW

30 April 2014

SOUTHEND UNITED FOOTBALL CLUB LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 July 2013

	Note	Operations excluding player trading £	Player trading £	Total 2013 £	Total 2012 £
TURNOVER	2	3,562,500	716,979	4,279,479	3,785,300
Cost of sales	4	<u>(3,710,297)</u>	<u>0</u>	<u>(3,710,297)</u>	<u>(3,648,589)</u>
Gross Profit/(loss)		(147,797)	716,979	569,182	136,711
Administrative expenses		(1,050,625)		(1,050,625)	(1,321,297)
Other operating income	2	<u>30,829</u>		<u>30,829</u>	<u>32,935</u>
OPERATING PROFIT/(LOSS)	5	<u>(1,167,593)</u>	<u>716,979</u>	<u>(450,614)</u>	<u>(1,151,651)</u>
Profit/(loss) before interest and taxation		<u>(1,167,593)</u>	<u>716,979</u>	<u>(450,614)</u>	<u>(1,151,651)</u>
Interest payable and similar charges	6			<u>(163,566)</u>	<u>(24,808)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION				<u>(614,180)</u>	<u>(1,176,459)</u>
Tax on loss on ordinary activities	7				
Retained loss for the year	16,19			<u><u>(614,180)</u></u>	<u><u>(1,176,459)</u></u>

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.

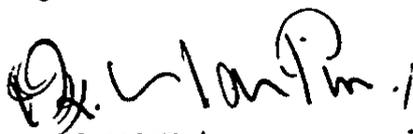
SOUTHEND UNITED FOOTBALL CLUB LIMITED

BALANCE SHEET 31 July 2013

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Intangible assets	8		37,057		39,132
Tangible assets	9		86,094		91,728
			<u>123,151</u>		<u>130,860</u>
CURRENT ASSETS					
Stocks	10	11,903		16,535	
Debtors – due within one year	11	368,288		334,379	
Debtors – due after more than one year	11,12	<u>11,240</u>		<u>11,660</u>	
			391,431		362,574
Cash at bank and in hand			<u>26,387</u>		<u>10,410</u>
			417,818		372,984
CREDITORS: amounts falling due within one year	13		<u>(11,768,788)</u>		<u>(11,117,483)</u>
NET CURRENT LIABILITIES			<u>(11,350,970)</u>		<u>(10,744,499)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			(11,227,819)		(10,613,639)
			<u>(11,227,819)</u>		<u>(10,613,639)</u>
CAPITAL AND RESERVES					
Called up share capital	15,19		169,488		169,488
Share premium account	19		676,702		676,702
Profit and loss account	16,19		<u>(12,074,009)</u>		<u>(11,459,829)</u>
Total equity shareholders' deficit	19		<u>(11,227,819)</u>		<u>(10,613,639)</u>

These financial statements were approved by the Board of Directors on *30 April 2014*

Signed on behalf of the Board of Directors



R MARTIN
Director

Company Registration No. 00089767

SOUTHEND UNITED FOOTBALL CLUB LIMITED

CASH FLOW STATEMENT Year ended 31 July 2013

	Note	2013 £	2012 £
Net cash inflow/(outflow) from operating activities	1	(437,103)	(207,877)
Returns on investments and servicing of finance	2	(163,566)	(24,808)
Capital expenditure and financial investment	2	622,854	226,082
Cash inflow/(outflow) before use of liquid resources and financing		21,516	(6,603)
Financing	2	-	(137,500)
Increase/(Decrease) in cash		<u>22,185</u>	<u>(144,103)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT Year ended 31 July 2013

	2013 £	2012 £
Increase/(Decrease) in cash	22,185	(144,103)
Cash inflow from increase in debt and lease financing	<u>(956,573)</u>	<u>(330,198)</u>
Movement in net debt in the year	<u>(934,388)</u>	<u>(474,301)</u>
Net debt at 1 August 2012	<u>(6,462,658)</u>	<u>(5,988,357)</u>
Net debt at 31 July 2013	<u><u>(7,397,046)</u></u>	<u><u>(6,462,658)</u></u>

SOUTHEND UNITED FOOTBALL CLUB LIMITED

NOTES TO THE CASH FLOW STATEMENT Year ended 31 July 2013

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

	2013 £	2012 £
Operating profit/(loss)	(450,614)	(1,151,651)
Profit on disposal of intangible fixed assets	(716,979)	(286,874)
Amortisation of intangible fixed assets	64,836	47,206
Depreciation charges	33,821	21,701
Decrease/(Increase) in stock	4,632	(5,224)
(Increase)/Decrease in debtors	(33,489)	56,572
Increase/(Decrease) in creditors	657,513	1,110,393
Loss on Disposal of Intangibles	3,177	-
	<u>(437,103)</u>	<u>(207,877)</u>
Net cash inflow/(outflow) from operating activities	<u>(437,103)</u>	<u>(207,877)</u>

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

	2013 £	2012 £
Returns on investments and servicing of finance		
Interest received	-	-
Interest paid	(163,566)	(24,808)
	<u>(163,566)</u>	<u>(24,808)</u>
Capital expenditure and financial investment		
Payment to acquire intangible fixed assets	(65,938)	(53,488)
Payment to acquire tangible fixed assets	(28,187)	(7,304)
Receipts from disposal of intangible fixed assets	716,979	286,874
Receipts from disposal of tangible fixed assets	-	-
	<u>622,854</u>	<u>226,082</u>
Financing		
(Decrease)/Increase in bank loans	-	(137,500)
Deferred grant income	-	-
	<u>-</u>	<u>(137,500)</u>

SOUTHEND UNITED FOOTBALL CLUB LIMITED

NOTES TO THE CASH FLOW STATEMENT Year ended 31 July 2013

3. ANALYSIS OF NET DEBT

	1 August 2012 £	Cash flow £	Non cash movements £	31 July 2013 £
Cash at bank and in hand	4,202	22,185	-	26,387
Bank loans	-	-	-	-
Directors loan accounts	(701,797)	23,260	-	(678,537)
Debt due to parent company	(5,765,063)	(979,833)	-	(6,744,896)
Total	<u>(6,462,658)</u>	<u>(934,388)</u>	<u>-</u>	<u>(7,397,046)</u>

4. LIQUID RESOURCES

Liquid resources relate to cash in hand and at bank

SOUTHEND UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2013

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. The directors are confident that its major shareholder and parent company, South Eastern Leisure (UK) Limited, will continue to provide the necessary funds to the company through their financing facilities. However, there can be no certainty in these matters. On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of funding facilities.

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	- 20% per annum straight line

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

NOTES TO THE FINANCIAL STATEMENTS **Year ended 31 July 2013**

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

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 July 2013

2. TURNOVER

	2013 £	2012 £
(a) Football activities		
Gate receipts	961,226	801,863
Season tickets	550,441	561,676
Share of league and cup pools and television fees (after deducting contributions to league and association pools)	731,158	817,176
Centre of excellence	281,798	225,980
	<u>2,524,623</u>	<u>2,406,695</u>
(b) Sundry commercial income		
Sports and promotions	501,430	537,377
Souvenir shop	51,701	51,297
Bars and catering	339,751	377,676
Other income including donations	144,995	125,381
	<u>1,037,877</u>	<u>1,091,731</u>
(c) Player trading	<u>716,979</u>	<u>286,874</u>
Total turnover	<u>4,279,479</u>	<u>3,785,300</u>
(d) Other operating income		
Market rentals	<u>30,829</u>	<u>32,935</u>

SOUTHEND UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 July 2013

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Director's emoluments during the year were £101,890 (2012 £43,165) and employer pension scheme payments were made of £1,000 (2011 £Nil)

	2013 No	2012 No.
Average number of persons employed		
Playing, training and coaching	75	76
Establishment and ground maintenance	41	50
Directors	7	6
	<u>123</u>	<u>132</u>
	£	£
Staff costs during the year (including directors)		
Wages and salaries	2,412,800	2,305,549
Social security costs	235,732	225,055
Pension costs	4,763	6,011
Healthcare costs	99,569	67,767
Other Staff Costs	185,731	83,241
	<u>2,938,595</u>	<u>2,687,623</u>

4 COST OF SALES

	2013 £	2012 £
Staff costs	2,519,853	2,645,644
Other expenses	1,190,444	1,002,945
	<u>3,710,297</u>	<u>3,648,589</u>

SOUTHEND UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 July 2013

5. OPERATING PROFIT

	2013 £	2012 £
Operating profit is after charging:		
Depreciation of tangible assets		
- owned assets	33,821	21,701
Amortisation of Intangible Assets	64,836	46,506
Auditors' remuneration	16,500	16,500
Auditors' non audit remuneration	0	0
And after crediting:		
Income from property	<u>30,829</u>	<u>32,935</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2013 £	2012 £
Bank loans, overdrafts and other loans	<u>163,566</u>	<u>24,808</u>

SOUTHEND UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 July 2013

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

No tax charge arises in the year. There are losses carried forward against future profits of the same trade.

8. INTANGIBLE FIXED ASSETS

£

Players' registrations

Cost

At 1 August 2012	117,880
Additions	65,938
Disposals	-57,226

At 31 July 2013	<u>126,592</u>
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Amortisation

At 1 August 2012	78,748
Charge for the year	64,836
On disposals	-54,049

At 31 July 2013	<u>89,535</u>
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Net book value

At 31 July 2012	<u>39,132</u>
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At 31 July 2013	<u>37,057</u>
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9. TANGIBLE FIXED ASSETS

	Leasehold Improve- ments £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost				
At 1 August 2012	242,167	1,624,300	40,250	1,906,717
Additions	-	28,187	-	28,187
At 31 July 2013	<u>242,167</u>	<u>1,652,487</u>	<u>40,250</u>	<u>1,934,904</u>
Accumulated depreciation				
At 1 August 2012	242,167	1,533,662	39,160	1,814,989
Charge for the year	-	32,862	959	33,821
At 31 July 2013	<u>242,167</u>	<u>1,566,524</u>	<u>40,119</u>	<u>1,848,810</u>
Net book value				
At 31 July 2012	<u>-</u>	<u>90,638</u>	<u>1,090</u>	<u>91,728</u>
At 31 July 2013	<u>-</u>	<u>85,963</u>	<u>131</u>	<u>86,094</u>

SOUTHEND UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 July 2013

10. STOCKS

	2013 £	2012 £
Catering	3,758	3,072
Shop stock	8,145	13,463
	<u>11,903</u>	<u>16,535</u>

11. DEBTORS

	2013 £	2012 £
Due within one year		
Trade debtors	121,130	38,325
Other debtors	29,451	44,623
Prepayments and accrued income	217,707	251,431
	<u>368,288</u>	<u>334,379</u>
Debtors due after more than one year (see note 12)	11,240	11,660
	<u>379,528</u>	<u>346,039</u>

SOUTHEND UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 July 2013

12. DEBTORS - DUE AFTER MORE THAN ONE YEAR

	2013	2012
	£	£
Leasehold property equity shares	11,240	11,660

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 £11,240 (2012 £11,660) 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

	2013	2012
	£	£
Directors loan accounts	678,537	828,797
Bank loans and overdraft	0	0
Amount owed to associated company	1,000,000	1,000,000
Trade creditors	1,285,866	1,260,275
Amount owed to parent undertaking and fellow subsidiaries	6,744,896	5,829,438
Other taxation and social security	551,709	228,151
Other creditors	271,748	264,523
Accruals and deferred income	1,236,032	1,706,299
	<u>11,768,788</u>	<u>11,117,483</u>

SOUTHEND UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 July 2013

14. DEFERRED TAXATION

An estimated deferred tax asset of £3,031,165 (2012 £2,546,540) 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

15. CALLED UP SHARE CAPITAL

	2013 £	2012 £
Authorised 1,216,000 ordinary shares of 25p each (2012 1,216,000)	<u>304,000</u>	<u>304,000</u>
Called up, allotted and fully paid 677,951 ordinary shares of 25p each (2012 677,951)	<u>169,488</u>	<u>169,488</u>

16. PROFIT AND LOSS ACCOUNT

	£
At 1 August 2012	(11,459,829)
Retained profit/(loss) for the financial year	<u>(614,180)</u>
At 31 July 2013	<u>(12,074,009)</u>

SOUTHEND UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 July 2013

17. 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.

18. OPERATING LEASE COMMITMENTS

At 31 July 2013, the company was committed to making the following payments during the next year in respect of operating leases:

	2013		2012	
	Land and buildings £	Other £	Land and buildings £	Other £
Leases which expire				
Within 1 year	-	-	-	-
Within 2 to 5 years	520,000	-	520,000	-
	<u>520,000</u>	<u>-</u>	<u>520,000</u>	<u>-</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. The Previous year was an exception in that £450,000 was charged as Rent.

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

	Issued share capital £	Share premium account £	Profit and loss account £	Total 2013 £	Total 2012 £
Balance at 1 August 2012	169,488	676,702	(11,459,829)	(10,613,639)	(9,437,180)
Retained profit/(loss) for the year	-	-	(614,180)	(614,180)	(1,176,459)
Balance at 31 July 2013	<u>169,488</u>	<u>676,702</u>	<u>(12,074,009)</u>	<u>(11,227,819)</u>	<u>(10,613,639)</u>

SOUTHEND UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2013

20. RELATED PARTY TRANSACTIONS

During the year DM Markscheffel, a director of the company, issued a loan to Southend United Football Club Limited amounting to £NIL (2012 £NIL) At the year end £115,699 (2012 £115,699) was outstanding

During the year G Lockett, a director of the company, continued his loan to Southend United Football Club Limited At the year end £257,809 (2012 £259,070) of the capital portion of the loan was outstanding Interest is charged on the loan and has been accounted for separately A sum of £11,250 (2012 £11,250) was also outstanding at the year end to SP Financial Management Ltd, a company in which Gary Lockett has a controlling interest

During the year F Van Wezel, a director of the company, issued a loan to Southend United Football Club Limited amounting to £NIL (2012 £Nil) and was repaid a loan of £NIL (2012 £NIL) At the year end £250,000 (2012 £250,000) was outstanding of the capital portion of the amount due to F Van Wezel Interest is charged on this loan and has been accounted for separately F Van Wezel has a controlling interest in Hi-Tec Sports plc, during the year the company provided sponsorship and hospitality sales of £15,000 (2012 £12,650) to Hi-Tec Sports plc At the year end £NIL (2012 £NIL) was outstanding

During the year G King, a director of the company, issued a loan to Southend United Football Club Limited amounting to £NIL (2012 £20,000) At the year end £20,000 (2012 £20,000) was outstanding

South Eastern Leisure UK Limited

South Eastern Leisure UK Limited ("SEL") is the direct parent undertaking The amount owed to SEL group at the year end was £6,744,896 (2012 £5,705,063) 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 (2012 £450,000)

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 £NIL (2012 £NIL) and recharged expenses of £NIL (2012 £NIL) were charged by Martin Dawn plc to the company during the year

Southend United Community and Education Trust

G King is Chairman of Southend United Community and Education Trust During the year the company made sales of £7,310 (2012 £2,595) to the Trust At the year end the company was owed £5,507 (2012 £Nil) by the Trust

Mezcal Investments

Mezcal Investments Limited owns 50% of SEL In 2006 the company received loans from Mezcal Investments Limited amounting to £1,000,000 At the year end £1,000,000 (2012 £1,000,000) remained outstanding

SOUTHEND UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS **Year ended 31 July 2013**

21. 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. At the year-end £275 (2012 £538) of outstanding pension contributions were included in other creditors.

Administration & Support

The company contributes towards a Stakeholder Pension Scheme. During the year contributions of £ 4,763 (2012 £6,011) were made.

22. CONTROLLING PARTY

The ultimate parent company is South Eastern Leisure UK Limited. There is no ultimate controlling party.