

Company Registration No. 00089767

SOUTHEND UNITED FOOTBALL CLUB LIMITED

Report and Financial Statements

31 July 2015

COMPANIES HOUSE



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COMPANIES HOUSE

TUESDAY
WEDNESDAY

SOUTHEND UNITED FOOTBALL CLUB LIMITED

REPORT AND FINANCIAL STATEMENTS 2015

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SOUTHEND UNITED FOOTBALL CLUB LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

G King
D M Markscheffel
R Martin
F Van Wezel
G J Lockett
S A Kavanagh
D Macklin

Appointed 20 January 2016

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 2015.

ACTIVITIES

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

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

During the year the Club played in League 2 of The Football League. The Club spent most of the season in the play off places and, having missed out on automatic promotion on the last day of the season, qualified for the League 2 play off final at Wembley against Wycombe Wanderers FC. The Play off final went to extra time with Southend United equalising in the 122 minute to take the final to a penalty shoot out. The penalties ended dramatically with Southend's keeper saving a penalty in sudden death to win the Play off final and see the Club promoted to League 1 of The Football League. Season 2015/16 in League 1 has seen a strong showing from the Club, securing their status in League 1 for season 16/17 but not quite making the play off places. On the business front, the year to 31 July 2015 saw turnover fairly stable at £3.5m (2014 £3.5m). The operating losses before interest and taxation increased from £1,065 to £1,679m in part due to the cost associated with winning promotion. 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 (2014: £Nil).

DIRECTORS

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

SOUTHEND UNITED FOOTBALL CLUB LIMITED

CHARITABLE DONATIONS

During the year the company made charitable donations of £NIL (2014: £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.

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.

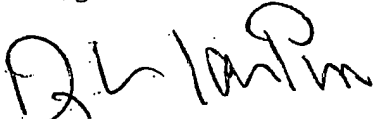
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

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



R Martin

30 JUNE 2016

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 for the year ended 31 July 2015 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2015 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the directors' report.

WMT

Graham Wintle (Senior Statutory Auditor)

For and on behalf of WMT

Chartered Accountants

Statutory Auditor

45 Grosvenor Road

St Albans

Hertfordshire

AL1 3AW

4 July 2016

SOUTHEND UNITED FOOTBALL CLUB LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 July 2015

	Note	Operations excluding player trading £	Player trading £	Total 2015 £	Total 2014 £
TURNOVER	2	3,433,518	115,500	3,549,018	3,564,013
Cost of sales	4	(3,914,074)		(3,914,074)	(3,593,575)
Gross Profit/(loss)		(480,556)	115,500	(365,056)	(29,562)
Administrative expenses		(1,347,830)		(1,347,830)	(1,070,643)
Other operating income	2	32,907		32,907	34,710
OPERATING PROFIT/(LOSS)	5	(1,795,479)	115,500	(1,679,979)	(1,065,495)
Profit/(loss) before interest and taxation		(1,795,479)	115,500	(1,679,979)	(1,065,495)
Interest payable and similar charges	6			(131,841)	(201,029)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION				(1,811,820)	(1,266,524)
Tax on loss on ordinary activities	7			-	-
Retained loss for the year	16,19			(1,811,820)	(1,266,524)

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

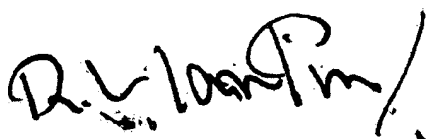
31 July 2015

	Note	2015 £	2014 £
FIXED ASSETS			
Intangible assets	8	53,310	41,448
Tangible assets	9	515,119	115,816
		<u>568,429</u>	<u>157,264</u>
CURRENT ASSETS			
Stocks	10	17,806	12,303
Debtors – due within one year	11	549,629	560,112
Debtors – due after more than one year	11,12	10,760	10,820
		<u>578,195</u>	<u>583,235</u>
Cash at bank and in hand/		15,936	11,656
		<u>594,131</u>	<u>594,891</u>
CREDITORS: amounts falling due within one year	13	<u>(15,468,723)</u>	<u>(13,246,498)</u>
NET CURRENT LIABILITIES		<u>(14,874,592)</u>	<u>(12,651,607)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(14,306,163)</u>	<u>(12,494,343)</u>
		<u>(14,306,163)</u>	<u>(12,494,343)</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	(15,152,353)	(13,340,533)
Total equity shareholders' deficit	19	<u>(14,306,163)</u>	<u>(12,494,343)</u>

These financial statements were approved by the Board of Directors on 30 June 2016

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 2015**

	Note	2015 £	2014 £
Net cash inflow/(outflow) from operating activities	1	648,229	303,012
Returns on investments and servicing of finance	2	(131,841)	(201,029)
Capital expenditure and financial investment	2	<u>(555,689)</u>	<u>(116,715)</u>
Cash inflow/(outflow) before use of liquid resources and financing		(39,301)	(14,732)
Financing	2	-	-
		<u> </u>	<u> </u>
Increase/(Decrease) in cash		<u>(39,301)</u>	<u>(14,732)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT **Year ended 31 July 2015**

	2015 £	2014 £
Increase/(Decrease) in cash	(39,301)	(14,732)
Cash inflow from increase in debt and lease financing	<u>(1,016,033)</u>	<u>(2,003,613)</u>
Movement in net debt in the year	(1,055,334)	(2,018,345)
Net debt at 1 August 2014	<u>(9,415,391)</u>	<u>(7,397,046)</u>
Net debt at 31 July 2015	<u>(10,470,725)</u>	<u>(9,415,391)</u>

SOUTHEND UNITED FOOTBALL CLUB LIMITED

NOTES TO THE CASH FLOW STATEMENT

Year ended 31 July 2015

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

	2015	2014
	£	£
Operating profit/(loss)	(1,679,979)	(1,065,495)
Profit on disposal of intangible fixed assets	-	-
Amortisation of intangible fixed assets	50,920	40,096
Depreciation charges	51,283	42,506
Loss on disposal of tangible fixed assets	42,322	-
Decrease/(Increase) in stock	(5,503)	(400)
(Increase)/Decrease in debtors	10,543	(191,404)
Increase/(Decrease) in creditors	2,178,643	1,477,709
	<u>648,229</u>	<u>303,012</u>
Net cash inflow/(outflow) from operating activities	<u>648,229</u>	<u>303,012</u>

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

	2015	2014
	£	£
Returns on investments and servicing of finance		
Interest received	-	-
Interest paid	(131,841)	(201,029)
	<u>(131,841)</u>	<u>(201,029)</u>
Capital expenditure and financial investment		
Payment to acquire intangible fixed assets	(62,782)	(49,117)
Payment to acquire tangible fixed assets	(492,907)	(72,228)
Receipts from disposal of intangible fixed assets	-	4,630
Receipts from disposal of tangible fixed assets	<u>(555,689)</u>	<u>(116,715)</u>
Financing		
(Decrease)/Increase in bank loans	-	-
Deferred grant income	-	-
	<u>-</u>	<u>-</u>

SOUTHEND UNITED FOOTBALL CLUB LIMITED

NOTES TO THE CASH FLOW STATEMENT

Year ended 31 July 2015

3. ANALYSIS OF NET DEBT

	1 August 2014 £	Cash flow £	Non cash movements £	31 July 2015 £
Cash at bank and in hand	11,655	4,281	-	15,936
Bank overdraft	=	<u>(43,582)</u>		<u>(43,582)</u>
	11,655	(39,301)		(27,646)
Directors loan accounts	(660,657)	(34,911)	-	(695,568)
Debt due to parent company	<u>(8,766,389)</u>	<u>(981,122)</u>	-	<u>(9,747,511)</u>
Total	<u><u>(9,415,391)</u></u>	<u><u>(1,055,334)</u></u>	<u><u>-</u></u>	<u><u>(10,470,725)</u></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 2015

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 2015

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 2015

2. TURNOVER

	2015	2014
	£	£
(a) Football activities		
Gate receipts	845,166	723,737
Season tickets	541,585	502,122
Share of league and cup pools and television fees (after deducting contributions to league and association pools)	671,200	838,636
Academy grant income	278,900	282,519
	<u>2,336,851</u>	<u>2,347,014</u>
(b) Sundry commercial income		
Sports and promotions	587,401	495,575
Retail Royalty	51,233	33,401
Bars and catering	342,070	344,300
Other income including donations	115,963	131,973
	<u>1,096,667</u>	<u>1,005,249</u>
(c) Player trading	<u>115,500</u>	<u>211,750</u>
Total turnover	<u>3,549,018</u>	<u>3,564,013</u>
(d) Other operating income		
Market rentals	<u>32,907</u>	<u>34,710</u>

SOUTHEND UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2015

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Director's emoluments during the year were £105,286 (2014: £105,126) and employer pension scheme payments were made of £5,000 (2014: £5,000). The total number of Director's for whom retirement benefits are accruing in respect of qualifying services is 1 (2014:1).

	2015	2014
	No.	No.
Average number of persons employed		
Playing, training and coaching	93	78
Establishment and ground maintenance	38	35
Directors	6	6
	<u>137</u>	<u>119</u>
	£	£
Staff costs during the year (including directors)		
Wages and salaries	2,991,887	2,626,004
Social security costs	286,725	253,865
Pension costs	13,452	9,627
Healthcare costs	90,714	89,395
Other Staff Costs	18,676	57,418
	<u>3,401,454</u>	<u>3,036,309</u>

4. COST OF SALES

	2015	2014
	£	£
Staff costs	3,039,812	2,695,509
Other expenses	874,262	898,066
	<u>3,914,074</u>	<u>3,593,575</u>

SOUTHEND UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2015

5. OPERATING PROFIT

	2015	2014
	£	£
Operating profit is after charging:		
Depreciation of tangible assets:		
- owned assets	51,283	42,506
Loss on disposal of tangible assets:	42,322	-
Amortisation of intangible assets :	50,920	40,096
Auditors' remuneration	19,250	19,000
Auditors' non audit remuneration	-	10,187
And after crediting:		
Income from property	<u>32,906</u>	<u>34,710</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2015	2014
	£	£
Bank loans, overdrafts and other loans	<u>131,841</u>	<u>201,029</u>

SOUTHEND UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2015

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 2014	95,216
Additions	62,782
Disposals	(28,707)

At 31 July 2015	129,291
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Amortisation

At 1 August 2014	53,768
Charge for the year	50,920
On disposals	(28,707)

At 31 July 2015	75,981
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Net book value

At 31 July 2015	53,310
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At 31 July 2014	41,448
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9. TANGIBLE FIXED ASSETS

	Leasehold Improve- ments £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost				
At 1 August 2014	242,167	1,712,636	52,329	2,007,132
Additions	-	492,907	-	492,907
Disposals	-	(94,340)	-	(94,340)
At 31 July 2015	242,167	2,111,203	52,329	2,405,699
Accumulated depreciation				
At 1 August 2014	242,167	1,608,697	40,452	1,891,316
Charge for the year	-	48,866	2,417	51,283
On disposals	-	(52,019)	-	(52,019)
At 31 July 2015	242,167	1,605,544	42,869	1,890,580
Net book value				
At 31 July 2015	-	505,659	9,460	515,119
At 31 July 2014	-	103,939	11,877	115,816

SOUTHEND UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS **Year ended 31 July 2015**

10. STOCKS

	2015	2014
	£	£
Catering	6,026	3,124
Bar stock	11,660	9,179
Other – Wembley DVD	120	-
	<u>17,806</u>	<u>12,303</u>

11. DEBTORS

	2015	2014
	£	£
Due within one year:		
Trade debtors	126,650	162,996
Other debtors	5,389	189,135
Prepayments and accrued income	<u>417,590</u>	<u>207,981</u>
	549,629	560,112
Debtors due after more than one year (see note 12)	<u>10,760</u>	<u>10,820</u>
Total debtors	<u>560,389</u>	<u>570,932</u>

SOUTHEND UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2015

12. DEBTORS - DUE AFTER MORE THAN ONE YEAR

	2015 £	2014 £
Leasehold property equity shares	10,760	10,820

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 £10,760 (2014: £10,820) 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

	2015 £	2014 £
Directors loan accounts	695,568	660,657
Bank loans and overdraft	43,582	-
Amount owed to associated company	1,000,000	1,000,000
Trade creditors	1,894,499	1,364,990
Amount owed to parent undertaking and fellow subsidiaries	9,747,511	8,766,389
Other taxation and social security	485,112	112,129
Other creditors	147,486	104,056
Accruals and deferred income	1,454,965	1,238,277
	<u>15,468,723</u>	<u>13,246,498</u>

SOUTHEND UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2015

14. DEFERRED TAXATION

An estimated deferred tax asset of £3,240,350 (2014: £2,911,333) 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

	2015 £	2014 £
Authorised		
1,216,000 ordinary shares of 25p each (2014 : 1,216,000)	304,000	304,000
	<u>304,000</u>	<u>304,000</u>
Called up, allotted and fully paid		
678,031 ordinary shares of 25p each (2014 : 678,031)	169,488	169,488
	<u>169,488</u>	<u>169,488</u>

16. PROFIT AND LOSS ACCOUNT

	£
At 1 August 2014	(13,340,533)
Retained profit/(loss) for the financial year	<u>(1,811,820)</u>
At 31 July 2015	<u>(15,152,353)</u>

SOUTHEND UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS **Year ended 31 July 2015**

17. CONTINGENT ASSETS/LIABILITIES

Contingent liabilities and assets

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 2015, the company was committed to making the following payments during the next year in respect of operating leases:

	2015		2014	
	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 per annum under the terms of the lease, in practice no amounts have been payable in recent years; with 2012 being the exception when £450,000 was charged.

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 2015 £	Total 2014 £
Balance at 1 August 2014	169,488	676,702	(13,340,533)	(12,494,343)	(11,227,819)
Retained profit/(loss) for the year	-	-	(1,811,820)	(1,811,820)	(1,266,524)
Balance at 31 July 2015	<u>169,488</u>	<u>676,702</u>	<u>(15,152,353)</u>	<u>(14,306,163)</u>	<u>(12,494,343)</u>

SOUTHEND UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2015

20. RELATED PARTY TRANSACTIONS

DM Markscheffel is a director of the company. At the year end the company owed £116,699 (2014: £116,699) to DM Markscheffel.

During the year G Lockett, a director of the company, continued his loan to Southend United Football Club Limited. At the year end the company owed £259,809 (2014: £259,809) in respect of the capital portion of this loan. Interest is charged on the loan and has been accounted for separately. A sum of £11,250 (2014 : £11,250) was also outstanding at the year end to SP Financial Management Limited, a company in which Gary Lockett has a controlling interest.

F Van Wezel is a director of the company. At the year end the company owed £250,000 (2014: £250,000) in respect 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 made sponsorship and hospitality sales of £18,000 (2014: £18,000) to Hi-Tec Sports plc. At the yearend £ NIL (2014: £14,400) 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 £9,747,511 (2014: £8,766,389). 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 (2014 : £NIL).

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 £8,115 (2014: £9,071) to the Trust. At the year end the company was owed £ NIL (2014: £1,196) by the Trust.

In 2015 the Club assisted the Trust in processing some bookings; as a consequence some of the debtor payments went through the Club bank account which resulted in the Company owing the Trust £2,058 at the year end.

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 (2014: £1,000,000) remained outstanding.

SOUTHEND UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2015

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 £ 2,105 (2014: £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 £13,453 (2014: £9,627) were made.

22. CONTROLLING PARTY

The immediate and ultimate parent company is South Eastern Leisure UK Limited. There is no ultimate controlling party in the current or the preceeding year.