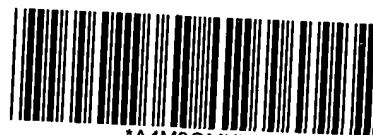


Swansea City Association Football Club Limited

Annual report and financial statements

Registered number 00123414
14 month period ended 31 July 2015

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Strategic Report

Business review

We finished in 8th place in the 2014/15 Barclays Premier League season achieving our highest ever total of 56 points, an extremely satisfying result.

We changed our financial year end to 31 July which now mirrors that of The Football Association Premier League Limited and, of course, better matches the start of the football playing season in August.

Turnover for the 14 month period was £103.9 million compared with £98.7 million for the year ended 31 May 2014. Total operating costs, including player amortisation costs of £18.4 million, amounted to £120.8 million compared with £97.4 million for the previous 12 months.

A profit of £18.7 million on the sale of players was more than sufficient to turn the operating loss into a net profit before tax for the period of £1.7 million which was slightly higher than the profit of £1.3 million declared for the previous 12 months.

Future developments

We have and will continue to invest in the Landore and Fairwood training facilities as our cash flows allow. We have benefitted from the work already carried out at Landore because our under 21 academy team finished top of the professional development League 2 in season 2014/15 and achieved promotion to compete in the Under 21 Premier League 2 in season 2015/16 in advance of the club being granted academy one status which hopefully will be achieved soon.

Our plans for expansion of the east stand in the Liberty Stadium must remain in abeyance until we are able to negotiate a fair deal with the City and County of Swansea which will be in the best interests of the football club and will not lead to an over commitment of our resources.

Principal risks and uncertainties

These have not changed. The major risk continues to be relegation from The Barclays Premier League and the adverse effect it would have on liquidity, operational activity and our ability to realise future plans. To counter this risk we will continue to invest in our playing squad but in a sensible manner.

There are also a number of other risks and uncertainties but the board believes that adequate controls and key performance indicators are in place to minimise these.

Key performance indicators are:-

Financial: cash flow, revenue, player trading and operating profit.

Non-financial: playing squad performance.

Financial risk management

The company's principal financial instruments comprise bank balances, temporary bank overdrafts, loans, trade debtors and creditors and finance lease agreements. The main purpose of these instruments is to finance the company's operations. Due to the nature of the financial instruments used by the company there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding on the one hand, and on the other hand flexibility through the use of temporary overdrafts at floating rates of interest.

In respect of loans, these are comprised of loans from various sources. The interest rate on these loans is variable, but the repayments are fixed. The company prepares regular forecasts of cash flow and liquidity, and any requirement for additional funding is managed as part of the overall liquidity requirement to ensure there are sufficient funds to meet the payments.

The company is a lessee in respect of finance lease assets. The liquidity risk in respect of these is managed in the same way as loans.

Strategic Report *(continued)*

Financial risk management *(continued)*

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit risk.

Appropriate terms are negotiated with suppliers. Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Currency risk is managed by careful monitoring of the exchange rates and the maintenance of bank accounts in foreign currencies.

By order of the board


H M Jenkins OBE
Director

Liberty Stadium
Landore
Swansea
SA1 2FA

20TH November 2015

Directors' report

The directors present their directors' report and audited financial statements for the 14 month period ended 31 July 2015.

Dividend

Dividends totalling £1,000,000 (*31 May 2014: £1,040,000*) were approved by the board of directors and paid to the holding company, Swansea City Football 2002 Limited, during the period.

Directors

The directors who held office during the period were as follows:

H D Cooze
L A J Dineen
H M Jenkins OBE
G G Joseph MBE
B L Katzen
D G Keefe
M W Morgan
S R Penny
J Van Zweden

Charitable contributions

During the period the Company made charitable donations amounting to £47,068 (*31 May 2014: £86,000*).

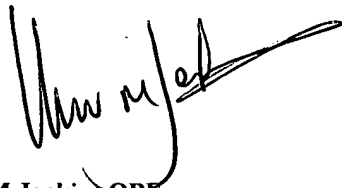
Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



H M Jenkins OBE
Director

Liberty Stadium
Landore
Swansea
SA1 2FA

20th November 2015

Statement of directors' responsibilities in respect of the Strategic report, the Directors' Report and the financial statements

The directors are responsible for preparing the Strategic Report, 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 period. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

3 Assembly Square
Britannia Quay
Cardiff
CF10 4AX
United Kingdom

Independent auditor's report to the members of Swansea City Association Football Club Limited

We have audited the financial statements of Swansea City Association Football Club Limited for the 14 month period ended 31 July 2015 set out on pages 7 to 21. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 profit for the 14 month period then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Swansea City Association Football Club Limited *(continued)*

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.



Jeremy Thomas (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
3 Assembly Square
Britannia Quay
Cardiff
CF10 4AX
United Kingdom

27 November 2015

Profit and Loss Account
for the 14 month period ended 31 July 2015

	Note	Operations excluding player amortisation & trading	Player amortisation & trading	14 month period ended 31 July 2015	Year ended 31 May 2014
		£	£	£	£
Turnover	2	102,953,660	974,700	103,928,360	98,691,997
Operating expenses		(102,462,504)	(18,374,416)	(120,836,920)	(97,415,528)
Other operating income		8,550	-	8,550	6,816
Operating (loss)/profit	3	499,706	(17,399,716)	(16,900,010)	1,283,285
Profit on disposal of player registrations		-	18,720,625	18,720,625	5,261
Profit before interest and taxation		499,706	1,320,909	1,820,615	1,288,546
Interest receivable and similar income	6			63,736	52,090
Interest payable and similar charges	7			(202,077)	(15,970)
Profit on ordinary activities before taxation	2-7			1,682,274	1,324,666
Tax on profit on ordinary activities	8			(619,312)	408,405
Profit for the financial period	19			1,062,962	1,733,071

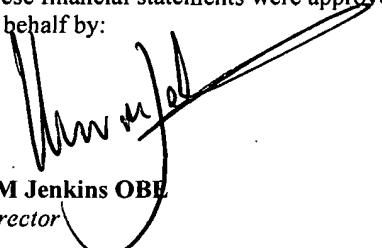
All activities relate to continuing operations.

The company has no recognised gains and losses for the period other than the profit stated above.

Balance Sheet
at 31 July 2015

	<i>Note</i>	31 July 2015 £	31 May 2014 £
Fixed assets			
Intangible assets	9	49,535,656	31,258,100
Tangible assets	10	17,060,527	14,182,612
Investments	11	50,001	50,001
		<hr/>	<hr/>
		66,646,184	45,490,713
Current assets			
Stocks	12	1,122,241	1,070,719
Debtors (including £11,568,680 (2014: £125,000) due after more than one year)	13	28,937,608	12,838,014
Cash at bank and in hand		2,507,018	1,665,432
		<hr/>	<hr/>
		32,566,867	15,574,165
Creditors: amounts falling due within one year	14	(65,619,467)	(34,074,758)
		<hr/>	<hr/>
Net current liabilities		(33,052,600)	(18,500,593)
		<hr/>	<hr/>
Total assets less current liabilities		33,593,584	26,990,120
Creditors: amounts falling due after more than one year	15	(7,764,059)	(1,842,869)
Provisions for liabilities	17	(5,661,895)	(5,042,583)
		<hr/>	<hr/>
Net assets		20,167,630	20,104,668
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	18	4,699,989	4,699,989
Profit and loss account	19	15,467,641	15,404,679
		<hr/>	<hr/>
Shareholder's funds	20	20,167,630	20,104,668
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 20th November 2015 and were signed on its behalf by:


H M Jenkins OBE
Director


D G Keefe
Director

Company registered number: 00123414

Notes

(forming part of the financial statements)

1 Accounting policies

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

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention, and with the requirements of the Companies Act 2006.

Under FRS 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of Swansea City Football 2002 Limited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group.

Going concern

The company has significant net current liabilities at the balance sheet date. The directors believe the going concern basis to be appropriate on the basis that since the football team gained promotion to the Premier League in the 2011/12 season, the company's profitability and cash generation has improved significantly and is currently generating sufficient profits to fund working capital requirements. In addition, the company's bankers provide an overdraft facility to assist cash flow at specific times throughout the financial year.

Therefore, after making enquiries, the directors believe that the company has, and will generate, sufficient funds in order to continue trading for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Turnover

Turnover represents income derived from ordinary activities and is stated after trade discounts, other sales taxes and net of VAT. Principal sources of income include broadcasting, match day media and commercial activities. Revenue is recognised when the underlying event or service sold takes place. Season ticket and home gate receipts are recognised gross of commissions that are deducted at source by the stadium's landlords, with the related commission expense being recognised within operating expenses.

In the instance of merchandise sales, revenue is recognised on the despatch of goods to customers.

Patents and licenses

Patents and licenses owned by the company are amortised on a straight line basis over a ten year period. The amortisation period selected is based on the registration period of the patents and licenses.

Players' registration costs

The costs associated with the acquisition of players' registrations are capitalised as intangible fixed assets. Costs of players' registrations are comprised of transfer fees (including solidarity contributions), transfer levies and intermediary fees. These costs are fully amortised in equal instalments over the period of the players' individual contracts. Where a player's contract is extended beyond its initial period, amortisation is calculated over the period of the extended contract from the date on which it is signed. Players' registrations are written down for impairment when the carrying amount is assessed as exceeding the amount recoverable through use or sale.

The profit or loss on disposal of a player's registration is calculated as the difference between the transfer fee receivable less the net book value at the date of sale and less any direct costs of the transfer. Receipts of transfer fees based on the future performance of the transferred player or the buying club are recognised when the future criteria are met. Similarly, payments of transfer fees based on future performance criteria are recognised when the criteria are assessed as being probable that they will be met.

Notes (continued)

1 Accounting policies (continued)

Signing-on fees

Players' contracts of employment may include a signing on fee payable in equal instalments over the period of contract. Such fees are charged to the profit and loss account as they fall due under the terms of the contract. Where a players' registration is transferred any signing-on fees payable in respect of future periods are effectively cancelled.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	-	2% on cost and 4% on cost
Short leasehold	-	2% - 4% on cost and 10% on cost
Stadium fittings	-	4% on cost
Plant and machinery	-	20% on cost
Fixtures and fittings	-	20% on cost
Motor vehicles	-	33.3% on cost

No depreciation has been provided on assets that have not been brought into use by the balance sheet date, or on freehold land.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes purchase price less discounts where applicable. Net realisable value is based on estimated selling price. Provision is made for obsolete and slow moving items where appropriate.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis.

Deferred income

Deferred income comprises amounts received on sales of season tickets, sponsorship, broadcasting and other commercial contracts prior to the year end in respect of future football seasons. These amounts will be released to the profit and loss account on a straight line basis over the period to which the income relates.

Hire purchase, finance leases and operating leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Notes (continued)

1 Accounting policies (continued)

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

Regular pension costs relate to contributions made by the company to private pension schemes, the costs of which are recognised in the profit and loss account in the period to which they relate.

A provision has also been made to cover the club's share of the liabilities of the Football League Limited Pension and Life Assurance Scheme. This is a defined benefit scheme which has been closed to new contributions since 31 August 1995.

Fixed asset investments

Fixed asset investments are stated at cost less any provision for impairment.

Dividends on shares presented within shareholder's funds

Dividends are only recognised as a liability at that date to the extent that they are declared prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

2 Turnover

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2015 £	2014 £
Match income	7,730,702	9,186,252
Media	85,190,769	80,714,203
Commercial income	9,216,000	7,896,917
Other	1,790,889	894,625
	<hr/>	<hr/>
	103,928,360	98,691,997
	<hr/>	<hr/>

3 Operating (loss)/profit

The operating (loss)/profit is stated after charging/(crediting):

	2015 £	2014 £
Depreciation – owned assets	970,983	538,599
Depreciation - assets on hire purchase contracts	263,943	68,212
Loss on disposal of fixed assets	21,269	53,424
Patents and licences amortisation	3,250	1,656
Player registration costs amortisation	17,564,891	16,452,265
Player registration impairment	809,524	4,741,136
Foreign exchange differences	(562,630)	(70,318)
Auditor's remuneration:		
Audit of the financial statements	17,500	13,325
Auditor's remuneration – other assurance services	5,950	6,850
Auditor's remuneration – taxation assurance services	33,200	10,800
	<hr/>	<hr/>

Notes (continued)

4 Remuneration of directors

	2015 £	2014 £
Directors' emoluments	787,583	833,565
Company contributions to money purchase pension scheme	455	-
	<u>787,583</u>	<u>833,565</u>

The aggregate emoluments of the highest paid director were £516,667 (31 May 2014: £550,000).

5 Staff numbers and costs

The aggregate payroll costs are as follows:

	2015 £	2014 £
Wages and salaries	72,912,757	56,172,722
Social security costs	9,552,102	7,036,959
Other pension costs	75,703	22,199
	<u>82,540,562</u>	<u>63,231,880</u>

The average number of persons employed by the company (including directors) during the period, analysed by category, was as follows:

	2015 Number	2014 Number
Football	222	167
Administration	17	14
Commercial	59	55
Media	9	10
	<u>307</u>	<u>246</u>

6 Interest receivable and similar income

	2015 £	2014 £
Bank interest	22,892	51,924
Other	40,844	166
	<u>63,736</u>	<u>52,090</u>

Notes (continued)

7 Interest payable and similar charges

	2015 £	2014 £
Bank loans and overdrafts	153,019	-
Other loans	16,275	-
Hire purchase	32,783	15,970
	<u>202,077</u>	<u>15,970</u>

8 Taxation

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit on ordinary activities for the period was as follows:

	2015 £	2014 £
Current tax		
UK corporation tax	-	-
Adjustment in respect of prior years	-	22,557
	<u>-</u>	<u>22,557</u>
Total current tax	-	22,557
Deferred tax		
Origination and reversal of timing differences	629,312	(420,210)
Adjustment in respect of prior years	(10,000)	(10,752)
	<u>619,312</u>	<u>(430,962)</u>
Total deferred tax (note 17)	619,312	(430,962)
	<u>619,312</u>	<u>(408,405)</u>

Factors affecting the tax charge

The tax assessed for the period is lower (31 May 2014: lower) than the hybrid rate of corporation tax in the UK. The difference is explained below:

	2015 £	2014 £
Current tax reconciliation		
Profit on ordinary activities before tax	1,682,274	1,324,666
	<u>1,682,274</u>	<u>1,324,666</u>
Profit on ordinary activities multiplied by the hybrid rate of corporation tax in the UK of 20.70% (31 May 2014: 22.67%)	348,231	300,302
	<u>348,231</u>	<u>300,302</u>
Effects of:		
Expenses not deductible for tax purposes	220,306	19,923
Capital allowances less than/(in excess of) depreciation	259,975	(27,466)
Utilisation of tax losses	(10,836)	(448,479)
Adjustment in respect of prior years	-	22,557
Other timing differences	(817,676)	155,720
	<u>-</u>	<u>22,557</u>
Total current tax charge (see above)	-	22,557

Notes (continued)

8 Taxation (continued)

Factors that may affect future current and total tax charges

A reduction in the UK corporation tax rate to 21% (effective from 1 April 2014) and to 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the Company's future current tax charge accordingly. Deferred tax on all timing differences has been calculated at 20%.

9 Intangible fixed assets

	Patents and licences	Player registration costs	Totals
	£	£	£
Cost			
At 1 June 2014	22,360	60,828,036	60,850,396
Additions	10,150	52,524,223	52,534,373
Disposals	-	(35,964,339)	(35,964,339)
	<hr/>	<hr/>	<hr/>
At 31 July 2015	32,510	77,387,920	77,420,430
	<hr/>	<hr/>	<hr/>
Amortisation			
At 1 June 2014	7,601	29,584,695	29,592,296
Amortisation for period	3,250	17,564,891	17,568,141
Eliminated on disposal	-	(20,085,187)	(20,085,187)
Impairment	-	809,524	809,524
	<hr/>	<hr/>	<hr/>
At 31 July 2015	10,851	27,873,923	27,884,774
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 July 2015	21,659	49,513,997	49,535,656
	<hr/>	<hr/>	<hr/>
At 31 May 2014	14,759	31,243,341	31,258,100
	<hr/>	<hr/>	<hr/>

Notes (continued)

10 Tangible fixed assets

	Freehold property £	Short leasehold £	Stadium fittings £	Assets under construction £	Plant & machinery £	Fixtures & fittings £	Motor vehicles £	Total £
Cost								
At 1 June 2014	6,263,375	1,825,685	942,784	3,280,592	2,481,276	242,864	80,107	15,116,683
Additions	541,539	367,547	92,093	2,061,849	1,039,848	53,260	-	4,156,136
Disposals	-	-	-	-	(59,372)	(44,421)	(41,000)	(144,793)
Transfers	-	3,155,335	-	(3,155,335)	-	-	-	-
At 31 July 2015	6,804,914	5,348,567	1,034,877	2,187,106	3,461,752	251,703	39,107	19,128,026
Depreciation								
At 1 June 2014	156,410	64,525	38,583	-	536,535	82,545	55,473	934,071
Depreciation for period	188,859	165,694	45,452	-	757,166	58,819	18,936	1,234,926
Eliminated on disposal	-	-	-	-	(29,218)	(36,978)	(35,302)	(101,498)
At 31 July 2015	345,269	230,219	84,035	-	1,264,483	104,386	39,107	2,067,499
Net book value								
At 31 July 2015	6,459,645	5,118,348	950,842	2,187,106	2,197,269	147,317	-	17,060,527
At 31 May 2014	6,106,965	1,761,160	904,201	3,280,592	1,944,741	160,319	24,634	14,182,612

The net book value of tangible fixed assets includes £719,342 (31 May 2014: £229,961) in respect of assets held under hire purchase contracts. Depreciation of £263,943 (31 May 2014: £68,212) has been charged on these assets during the period.

11 Fixed asset investments

	Unlisted investments £
Cost	
At 1 June 2014 and 31 July 2015	50,001
Net book value	
At 31 July 2015	50,001
At 31 May 2014	50,001

Notes (continued)

11 Fixed asset investments (continued)

The company's investments at the balance sheet date in the share capital of companies include the following:

Associated companies and joint ventures

Swansea Stadium Management Company Limited

Nature of business: Stadium management

	% holding	31 May 2015 £	31 May 2014 £
Class of shares:			
Ordinary £1 shares	33.33		
Aggregate capital and reserves		73,201	92,201
(Loss)/profit for the period		(19,000)	68,965

Swansea Stadium Premier Club Limited

Nature of business: Management of the Premier Club

	% holding	31 July 2015 £	31 July 2014 £
Class of shares:			
Ordinary £1 shares	50.00		
Aggregate capital and reserves		2	2
Profit for the year		-	-

The figures above are in respect of the draft financial statements for the years ended 31 May 2015 and 31 July 2015 respectively.

12 Stocks

	2015 £	2014 £
Stocks – goods for resale	1,122,241	1,070,719

13 Debtors

	2015 £	2014 £
<i>Amounts falling due within one year:</i>		
Trade debtors	1,244,898	393,525
Other debtors	11,597,324	10,612,274
Prepayments	4,303,087	1,707,215
VAT	223,176	-
Corporation tax debtor	443	-
	17,368,928	12,713,014
<i>Amounts falling due after more than one year:</i>		
Amounts owed by participating interests	125,000	125,000
Other debtors	11,443,680	-
	28,937,608	12,838,014

Notes (continued)

14 Creditors: amounts falling due within one year

	2015 £	2014 £
Overdrafts	15,243,071	200
Other loans	8,000,000	-
Hire purchase contracts (note 16)	253,060	112,831
Trade creditors	1,612,945	2,216,286
Social security and other taxes	2,988,224	2,529,831
VAT	-	1,983,734
Other creditors	29,929,174	22,116,160
Deferred income	7,592,993	5,115,716
	<u>65,619,467</u>	<u>34,074,758</u>

15 Creditors: amounts falling due after more than one year

	2015 £	2014 £
Hire purchase contracts (note 16)	277,895	61,204
Amounts owed to group undertakings	987,397	987,397
Other creditors	6,498,767	794,268
	<u>7,764,059</u>	<u>1,842,869</u>

Overdrafts are secured by way of an assignment of funds of the Premier League income. Hire purchase contract liabilities are secured on the underlying fixed assets.

16 Obligations under hire purchase contracts and finance leases

The maturity of obligations under finance leases and hire purchase contracts is as follows:

	2015 £	2014 £
Gross obligations repayable:		
Within one year	271,780	119,838
Between one and five years	285,940	61,973
	<u>557,720</u>	<u>181,811</u>
Finance charges repayable:		
Within one year	18,720	7,007
Between one and five years	8,045	769
	<u>26,765</u>	<u>7,776</u>
Net obligations repayable:		
Within one year	253,060	112,831
Between one and five years	277,895	61,204
	<u>530,955</u>	<u>174,035</u>

Notes (continued)

17 Provisions for liabilities

	Deferred taxation £
Deferred tax liability at 1 June 2014	(5,042,583)
Charge to profit and loss for the period	(619,312)
	<hr/>
Deferred tax liability at 31 July 2015	(5,661,895)
	<hr/>

The elements of deferred taxation are as follows:

	2015 £	2014 £
Difference between accumulated depreciation and amortisation, and capital allowances	74,243	(23,030)
Tax losses carried forward	167,253	103,441
Other timing differences	(5,903,391)	(5,122,994)
	<hr/>	<hr/>
Total deferred tax liability	(5,661,895)	(5,042,583)
	<hr/>	<hr/>

18 Called up share capital

Number	Class	Nominal value	2015 £	2014 £
<i>Allotted, issued and fully paid:</i>				
9,399,978	Ordinary	50p	4,699,989	4,699,989
			<hr/>	<hr/>

19 Reserves

	Profit and loss account £
At 1 June 2014	15,404,679
Profit for the period	1,062,962
Dividends paid	(1,000,000)
	<hr/>
At 31 July 2015	15,467,641
	<hr/>

Dividends totalling £1,000,000 (31 May 2014: £1,000,000) were approved by the board during the period. There is no further final dividend proposed in respect of the current period.

Notes (continued)

20 Reconciliation of movements in shareholder's funds

	2015 £	2014 £
Profit for the financial period	1,062,962	1,733,071
Dividends paid	(1,000,000)	(1,040,000)
Net addition to shareholder's funds	62,962	693,071
Opening shareholder's funds	20,104,668	19,411,597
Closing shareholder's funds	20,167,630	20,104,668

21 Pension commitments

Certain members of the playing squad are members of The Professional Footballers Pension Scheme. This scheme is compulsory for all members of the Professional Footballers Association, unless the member decides to opt-out of the scheme. The company does not make any contributions into the scheme and does not share in any of the scheme's assets or liabilities. Accordingly no provision for the scheme is made in these financial statements.

In addition, certain former staff of the company were members of the Football League Limited Pension and Life Assurance Scheme ('FLLPLAS') comprising both defined benefit (suspended from 31 August 1995) and defined contribution sections.

Following a review of the Minimum Funding Requirement ('MFR') of the FLLPLAS, accrual of benefits of the final salary section of the scheme was suspended as at 31 August 1995. In light of the exceptional circumstances affecting the scheme, the trustees of the scheme commissioned an independent actuary's report on the MFR position and a substantial deficit was identified. Under the terms of participating in the FLLPLAS, the company is required to contribute to the deficit of the scheme. The amount owed by the company at the balance sheet date was £2,932 (31 May 2014: £23,427). During the period, contributions of £16,016 (31 May 2014: £18,304) have been paid to the scheme.

22 Commitments

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

	Land and buildings		Other operating leases	
	2015 £	2014 £	2015 £	2014 £
Expiring:				
Within one year	60,000	-	11,612	2,842
Between one and five years	40,000	40,000	16,986	-
In more than five years	-	-	7,812	7,812
	100,000	40,000	36,410	10,654

Notes (continued)

23 Contingent liabilities

Under the terms of the Swansea Stadium Management Company Limited shareholders' agreement, the company has entered into an obligation to assist that company in meeting its liabilities as they fall due. The shareholders' agreement also requires the company to indemnify Swansea Stadium Management Company Limited against all of its losses, debts, obligations and liabilities, which it is unable to, for any reason, pay, perform or satisfy in the ordinary course of business. The company shares these obligations with Ospreys Rugby Limited, the obligations of both companies being joint and several.

Under the terms of the shareholders' agreement, both the company and Swansea Stadium Management Company Limited must agree on the terms of repayment, if any, of any such funding provided by the company.

24 Other financial commitments

Under the terms of certain contracts for the purchase of players' registrations, future payments may be due, dependent on the future success of the team and/or the future team selection of individual players. As at 31 July 2015 the maximum that could be payable is £5,782,500 (31 May 2014: £3,128,119). Signing on fees of £19,439,750 (31 May 2014: £2,159,625) will become due to certain players if they are still in the service of the company on specific future dates.

25 Transactions with directors

During the period, the company entered into transactions with companies in which directors hold an interest.

The company purchased goods and services amounting to £109,546 (31 May 2014: £131,837) from, and made sales of £Nil (31 May 2014: £Nil) to Printforless Limited, a company controlled by H D Cooze, director. At the balance sheet date, the company owed Printforless Limited £2,938 (31 May 2014: £3,000).

During the period, the company purchased goods and services amounting to £4,822 (31 May 2014: £15,444) from, and made sales of £nil (31 May 2014: £Nil) to Morgans Hotels Limited, a company controlled by M W Morgan, director. At the balance sheet date, the company owed Morgans Hotels Limited £119 (31 May 2014: £210).

During the period, the company purchased goods and services amounting to £2,505,506 (31 May 2014: £1,712,839) from, and made sales of £2,445 (31 May 2014: £9,361) to Jaxx Bay Limited, a company controlled by M W Morgan. At the balance sheet date the company owed Jaxx Bay Limited £400,360 (31 May 2014: £98,971).

During the period, the company purchased goods and services amounting to £118,892 (31 May 2014: £nil) from Cwmdy Parc Limited, a company controlled by M W Morgan. At the balance sheet date the company owed Cwmdy Parc Limited £nil (31 May 2014: £nil).

The company also purchased goods and services amounting to £95,961 (31 May 2014: £84,199) from Bulk Vending Systems Limited, a company jointly controlled by L A J Dineen, director. The company also sold services amounting to £24,340 (31 May 2014: £12,019) to Bulk Vending Systems Limited. At the balance sheet date the company owed Bulk Vending Systems Limited £19,782 (31 May 2014: £41).

During the period, the company purchased goods and services amounting to £63,336 (31 May 2014: £nil) from Parc Beck Limited, a company controlled by S R Penny. At the balance sheet date the group owed Parc Beck Limited £nil (31 May 2014: £nil).

Notes (continued)

26 Related party transactions

During the period, Swansea Stadium Management Company Limited collected match revenue on behalf of the company amounting to £5,390,414 (31 May 2014: £6,270,095). It also recharged expenses to the company amounting to £608,755 (31 May 2014: £486,937). At the balance sheet date, the company owed £42,203 (31 May 2014: £101,350) to Swansea Stadium Management Company Limited and the company was owed £14,434 (31 May 2014: £5,587).

At the balance sheet date, £125,000 (31 May 2014: £125,000) was owed to the company from Swansea Stadium Management Company Limited, which is due after more than 1 year. The loan is not interest bearing.

The company also receives club membership income through Swansea Stadium Premier Club Limited. Amounts paid to the company from Swansea Stadium Premier Club Limited during the period amounted to £905,028 (31 May 2014: £744,639). At the balance sheet date, Swansea Stadium Premier Club Limited owed the company £25,103 (31 May 2014: £4,121).

27 Ultimate parent company

The Company is a wholly owned subsidiary undertaking of Swansea City Football 2002 Limited, which is the ultimate parent company (incorporated in England and Wales).

The largest group in which the results of the company are consolidated is that headed by Swansea City Football 2002 Limited. No other group financial statements include the results of the company. The consolidated financial statements of the group are available from the Registrar at Companies House, Crown Way, Cardiff, CF14 3UZ.