

**The Millwall Football and Athletic
Company (1985) PLC**

Report and Financial Statements

Year Ended

30 June 2014

Registered number: 1924222

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The Millwall Football and Athletic Company (1985) PLC

Annual report and financial statements for the year ended 30 June 2014

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Directors

J G Berylson
A Ambler
J T Berylson
P Garston
C Gonticas
T Keyse
D Kouvaris
R S Press

Secretary and registered office

T B Simmons, The Den, Zampa Road, London, SE16 3LN.

Company number

1924222

Independent Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU.

Bankers

Barclays Bank plc, Corinthian House, 17 Lansdowne Road, Croydon, Surrey, CR0 2BX.

Solicitors

Lewis Silkin, Windsor House, 50 Victoria Street, London SW1 0NW.

The Millwall Football and Athletic Company (1985) PLC

Strategic report for the year ended 30 June 2014

Principal activity

The Company's principal activity is the operation of a professional football club.

Results and dividends

The result for the year shows an increase in the level of losses incurred, with the loss from operations amounting to £8.6m (2013: £4.1m). The bulk of the adverse movement is due to a reduction in revenue which has not benefited this year from the FA Cup run to a Semi Final in 2013, and increased player salary costs.

Revenue for the year at £10.5m (2013: £12.8m) is 18.4% lower than last year compared to an increase in the previous year of 11.7% which reflected the benefit of monies earned for reaching the FA Cup Semi Final in 2013. Without this income, the Central League awards reverted to a normal level of £4.7m compared to the £5.7m for 2012/13. Also affected was Match Day income which fell by 20.7% compared to an increase of 16.2% the previous year and retail sales which fell by 13.4% compared to an increase of 4.9% last year.

This year saw a continuation of the marketing strategy of maintaining contact with existing and past supporters, as well as attracting new potential supporters, in order not only to achieve higher attendances but also to increase the income from executive boxes and match day catering. Most of these income sources showed similar income to the previous year. However, the Club took a conscious decision to forego income from Shirt Sponsorship by granting this right to the charity Prostate Cancer UK for the season. As a result income from advertising and club sponsorship fell this year by 28.9%. On the other hand, income from non-match day conferencing and events has begun to recover to former levels with an increase of 33.2% this year as improved marketing bears fruit.

Profit from player sales this year remained constant at £0.4m whilst the amortisation of player registration costs increased to £1.0m from £0.7m.

Total staff costs rose to £13.9m (2013: £12.1m), an increase of 14.9% (2013: 17.6%). This reflects the cost of an increased number of players in the squad. Once again there was a high cost of loan players with the season long loan of Steve Morison together with those recruited to cover injuries. Part of the increase in costs also represents investment in a strengthened football management team and marketing personnel. The ratio of total staff costs to revenue now stands at 132% (2013: 94%).

Other expenses (excluding depreciation and amortisation) were slightly up this year at £4.4m (2013: £4.3m), now representing 42% of revenue (2013: 33%).

The profit and loss account is set out on page 7. The directors do not recommend payment of a dividend (2013: £Nil).

Review of the business

The year under review reflects the performance of the 2013/14 season with the Club competing once again in the Football League Championship, the second tier of English football below the FA Premier League. Overall it proved to be another disappointing season on the field, but developments during the season give ground for optimism for the current season. The Club finished the season in 19th position in the league, one place higher than in 2013. Nor was the Club able to repeat the success in the FA Cup of the previous year when it reached the Semi Final; it was eliminated in its first game losing at Southend United.

The Club commenced the season with newly appointed Steve Lomas as manager. Following gaining only 21 points after 22 games (2012/13: 36) the contract of Mr Lomas was terminated. The Club appointed Ian Holloway as manager at the beginning of January 2014, with former player Mark Birchem as his assistant. Mr Holloway is an experienced manager in the Championship having achieved promotion to the Premier League with two of his former clubs. During the remaining 24 games the Club earned a further 27 points (2012/13: 20), which included an unbeaten run for the last 8 games. Although the final total points at 48 was less than the previous season (56), the team ended 4 points above the relegation zone rather than 2 points as in 2012/3.

A number of experienced players were recruited at the start of the season and, with increased use of players loaned from other clubs, a total of 40 players were used during the season (2012/13: 33).

The average home league attendance was 11,182 (2012/13: 10,559) a increase of 5.9% over the previous year. During the first half of the season average attendance was 10,529 and, as a result of improving performances and manager led enthusiasm, this increased by 11.9% to an average 11,781 for the second part of the season. The Club did not benefit from any FA Cup home fixtures this year.

The Club continues to invest in its Youth Academy with a Category 2 status in the Elite Player Performance Plan scheme. Progress in the development of young players is repaying this investment with 2 youth players appearing for the senior team during the year and this number has increased into the current season.

The Millwall Football and Athletic Company (1985) PLC

Strategic report for the year ended 30 June 2014 (*Continued*)

Prospects

Football

The Club is part of a group which now operates under Financial Fair Play ("FFP") Regulations. If a group incurs a loss in excess of set limits it will be subject to player registration restrictions (embargo) for a period whilst it participates in the Championship. For the 2013/14 season the permitted variation is a loss up to £3m, whilst further losses of £5m up to the maximum variation of £8m has to be covered by equity injection. These Regulations are intended to prevent clubs having an unrealistically excessive size and cost of playing squads in relation to their income.

The directors of the group and Club are confident that after making the appropriate adjustments permitted by the FFP Regulations, the loss for the year will be below the upper limit of £8m. For the current 2014/15 year, FFP Regulations allow for a permitted variation of a loss up to £3m, with further losses of £3m, up to a maximum variation of £6m, to be covered by equity investment. As recently announced there will be major revisions to the FFP Regulations for season 2016/17 onwards.

With these Regulations in mind the directors have set budgets for all areas of income and costs with plans in place to monitor financial and team performance and to take such steps that are needed to achieve the best outcome for the year.

The opportunities to increase revenue streams are very dependent upon the success of the team. Attendances and match day income will be affected by the team's performance and the Club's position in the league. More generally, the continuing national economic difficulties have an adverse impact upon add-on sales to supporters. The expanded marketing team, enhanced by the appointment of a retail manager for all aspects of merchandising, is beginning to create additional revenue from both traditional and innovative revenue streams.

9 of the 24 clubs in the Championship have spent time playing in the Premier League in the past 4 seasons. In most cases, this provides them, even with the FFP Regulations in force, with substantially more spending power than the Club due to the "parachute payments" they receive. This creates stiffer competition within the league.

Performances at the start of the 2014/15 season have been steady with the team having achieved 23 points in the first 21 games up to 12 December, placing the team in 20th position (2013: 19th with 21 points after 21 games). The ambition continues to be to establish the Club as one of the top 30 clubs in the country. The squad, which performed disappointingly for most of the season under review, has been augmented towards the end of last season and during the summer by a range of both experienced and younger players to provide a squad that is capable of challenging for success in the Championship. This is part of the strategy to build a squad that can aim for promotion to the Premier League in the longer term.

So far this season, the average attendance for the first 10 home league games has been 11,268 (2013: 10,441 for first 10 home league games), an 8% increase. Corporate match day and retail sales are reflecting this improvement.

Despite the continued rise in the player wage cost the Club still is budgeted to have one of the lower quartile wage bills in the league. There will be continued pressure to increase further the budget if needed to remain competitive. There is a core squad of 27. The player contracts have expiry dates that are well spread over the end of the next 3 seasons, but there is a larger than normal number that terminate at the end of this season. As ever the directors and the manager constantly review future player needs bearing in mind the continuing requirement to balance between protecting player asset values and offering extended player contracts.

The Youth Academy Under 21 team, under the guidance of youth coach, former player Neil Harris, takes part in the Under 21 Professional Development League 2. 4 youth players are also members of the senior squad. It is anticipated that an increasing number of Youth Academy players will progress to the senior squad.

Other football related income

The Club anticipates that there will be healthy growth in revenues from most of the range of services offered by the Club to sponsors and other business partnerships from catering to on line sales and marketing, reflecting the improved attendances. The on line ticket sales system and communication with supporters continues to develop in order to facilitate and ease the purchase of tickets along with imaginative ticket offers to help increase attendances. There has been a major overhaul of the Club's retail operations with a complete revamp of the store outlet, a better range of merchandise and the introduction of new kiosks. These steps are providing strong sales growth in the current year.

The support given to Prostate Cancer UK, the male cancer charity, by displaying its name on the front of the team shirt for the 2013/14 season more than met the objectives set. The relationship was highly successful for both the Club and the charity by the positive exposure that arose. In addition the Club fans and staff raised £25,000 by fund raising projects and two charity industry awards were received for the partnership with the charity: Best Business – Charity Partnership (Institute of Fundraising) and Corporate Partnership (Third Sector Awards). This partnership and the credit it gave the Club has enabled the Club to secure a 5 year corporate shirt sponsorship going forward.

The Den

Revenues from the utilisation of the stadium on non-match days are expected to continue at a similar level to last year.

The Community

The Club continues to recognise the importance of the relationship with the broader community of South London and a key way of strengthening that link is the close co-operation with the work that is undertaken with the Millwall Community Trust, reflected by our Chief Executive, Andy Ambler and Commercial Director, Alan Williams, acting as Trustees. Together the Club and the Community Trust work to help promote community sports education and charitable activities to benefit the local area of South East London. The Junior Lions Community Day has become a very successful annual event each Autumn at the Den, with up to 1,200 young people attending and meeting the playing squad. This is jointly promoted by the Club, its Junior Lions Committee and the Millwall Community Trust, giving a practical example of the Club working together with others to benefit the Millwall Community and to meet the shared common objectives held by each.

Throughout the year members of the playing squad attend many local youth and charity events organised by the Club and by the Millwall Community Trust to make their own contribution to the local community. The Club also works with another charity, Millwall For All, which operates in the local community with the aim to promote inclusion and diversity.

The Millwall Football and Athletic Company (1985) PLC

Strategic report for the year ended 30 June 2014 (Continued)

Communication

Communication lies at the heart of the activities, with the Fan on the Board providing a crucial link between Board and supporters. Regular meetings and forums take place with all levels of the Club's supporters and partners.

Principal risks and uncertainties

In common with many football clubs outside the FA Premier League the main business risk is the maintenance of a positive cash flow, bearing in mind the uncertainty of turnover and the high cost of maintaining a playing squad on which the success of the Company's business is largely dependent. In order to achieve a positive cash flow there is the constant requirement to raise new finance and refinance existing facilities which, in turn, requires the continuing support of existing providers of those facilities.


A significant amount of the Club's revenue derives from ticket sales. Income generated from gate receipts is highly dependent on the level of attendance at matches. Weak economic conditions in the United Kingdom may have a negative impact on match attendance and gate receipts as supporters may have less disposable income.

Some income streams of the Club (such as television rights and related income) are dependent on third party contracts and arrangements to which the Club is not a party and over which the Club can exercise no or little influence.

As part of its normal activities, the Club deals in the trading of player registrations and there is always a risk of significant and lasting injuries to players that may impair player values. Players aged 24 years or older are free to move between clubs once their contract has come to an end and the Board monitors expiry dates carefully with a view to renewing contracts or realising value.

Relevant business risks are discussed during Board meetings so that, where a material exposure is identified, mitigating action can be taken.

On behalf of the Board


A Ambler
Director

19 December 2014

The Millwall Football and Athletic Company (1985) PLC

Report of the directors for the year ended 30 June 2014

The directors present their report together with the audited financial statements for the year ended 30 June 2014.

Directors

The directors of the Company during the year were:

J G Berylson	A Ambler	J T Berylson
P Garston	C Gonticas	T Keyse
D Kouvaris	R S Press	

Directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Basis of preparation

The financial statements have been prepared on a going concern basis. The directors believe it is appropriate to prepare the accounts on this basis as they have obtained confirmation that the immediate parent undertaking intends to continue to support the Company for the foreseeable future. In forming this opinion the Board has given consideration to the loan facilities currently available to the immediate parent entity, an undertaking of financial support provided to that entity and cash flow projections for a period of not less than twelve months from the date of signing these accounts. The Board also accept that it is an integral part of the Company's activities to trade in player registrations as the Company's working capital position requires.

Political and charitable donations

During the year, the Company made a contribution to a charity of £43,000 (2013: £45,000). The Company made no political donations.

Market value of land and buildings

Given the specialised nature of the Company's property interests, the directors do not consider that there is a readily ascertainable market value for the Company's properties, which are carried in the accounts at cost less depreciation.

Payment of creditors

The Company's policy is to settle agreed amounts outstanding to creditors within sixty days. This policy is made known to staff who handle payments to suppliers and is made known to suppliers on request. Trade creditors of the Company at the period end represented 51 days purchases (2013: 58 days).

Employee involvement

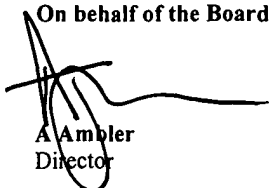
The Company operates employment policies, which place emphasis upon employee involvement where possible. The Company practices equality of employment opportunity irrespective of sex, race, colour, marital status or ethnic or national origins. It is the Company's policy to offer equal opportunity to disabled persons wherever appropriate, having regard to their aptitudes and abilities.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the Board



A Ambler
Director

19 December 2014

The Millwall Football and Athletic Company (1985) PLC

Report of the independent auditors

To the members of The Millwall Football and Athletic Company (1985) PLC

We have audited the financial statements of The Millwall Football and Athletic Company (1985) PLC for the year ended 30 June 2014 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC'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 FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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.



Mr James Roberts (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

19 December 2014

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

The Millwall Football and Athletic Company (1985) PLC

Profit and loss account for the year ended 30 June 2014

	Note	Year Ended 30 June 2014 £'000	Year Ended 30 June 2014 £'000	Year Ended 30 June 2013 £'000	Year Ended 30 June 2013 £'000
Turnover	1,2		10,457		12,809
Staff costs	4	(13,853)		(12,053)	
Amortisation of players' registrations	6	(952)		(733)	
Depreciation	7	(236)		(245)	
Profit on disposal of players' registrations		368		381	
Other administrative expenses		(4,410)		(4,291)	
Administrative expenses			(19,083)		(16,941)
Operating loss	3		(8,626)		(4,132)
Loss on ordinary activities before taxation			(8,626)		(4,132)
Taxation	5		-		-
Loss for the financial year transferred from reserves	14		(8,626)		(4,132)

All amounts relate to continuing activities.

There were no recognised gains and losses in the year or the preceding year, other than the profits and losses reported above.

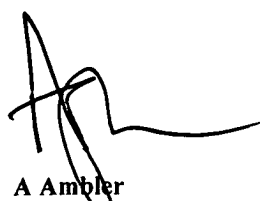
The notes on pages 9 to 19 form part of these financial statements.

The Millwall Football and Athletic Company (1985) PLC

Balance sheet at 30 June 2014

	Note	30 June 2014 £'000	30 June 2014 £'000	30 June 2013 £'000	30 June 2013 £'000
Fixed assets					
Intangible assets	6		892		1,149
Tangible assets	7		14,287		14,343
			<u>15,179</u>		<u>15,492</u>
Current assets					
Stocks	8	144		186	
Debtors	9	1,424		1,577	
Cash at bank and in hand		559		206	
		<u>2,127</u>		<u>1,969</u>	
Creditors: amounts falling due within one year	10	4,039		3,718	
		<u></u>		<u></u>	
Net current liabilities			(1,912)		(1,749)
			<u></u>		<u></u>
Total assets less current liabilities			13,267		13,743
			<u></u>		<u></u>
Creditors: amounts falling due after more than one year	11		69,199		60,905
Deferred income	12		2,912		3,056
			<u>72,111</u>		<u>63,961</u>
Capital and reserves					
Called up share capital	13		400		400
Share premium account	14		3		3
Profit and loss account	14		(59,247)		(50,621)
			<u></u>		<u></u>
Shareholders' funds (in deficit)	15		(58,844)		(50,218)
			<u>13,267</u>		<u>13,743</u>

The financial statements were approved by the Board of Directors and authorised for issue on 19 December 2014


A Ambler
Director

The notes on pages 9 to 19 form part of these financial statements.

The Millwall Football and Athletic Company (1985) PLC

Notes forming part of the financial statements for the year ended 30 June 2014

1 Accounting policies

Basis of preparation

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

Going concern

The directors continually monitor the financial position of the Company, taking into account the latest cash flow forecasts and the ability of the Company to generate cash. The directors have prepared the financial statements on a going concern basis having had regard to cash flow projections for a period of not less than twelve months from the date of signing these accounts which includes funding from the immediate parent company. The directors have also considered the impact of player trading, which is an integral part of the Company's activities, and the cash flows associated with this activity.

While there will always remain some inherent uncertainty the directors remain confident that they will be able to manage the Company's finances and operations so as to achieve the forecasted cash flows and, as a result, that it is appropriate to draw up the financial statements on a going concern basis.

The financial statements do not include any adjustments that would result if the going concern basis of preparation were to become no longer appropriate.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:

Long leasehold premises	-	1% per annum
Fixtures and fittings	-	20% per annum
Pitch renovation	-	over the next season
Motor vehicles	-	25% per annum

Stocks

Stocks are stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price, less further costs expected to be incurred to disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the Company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

The Millwall Football and Athletic Company (1985) PLC

Notes forming part of the financial statements for the year ended 30 June 2014 (*Continued*)

1 Accounting policies (*Continued*)

Pension costs and other post retirement benefits

For defined contributions schemes, the amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Where the Company is a member of a multi-employer scheme and a reliable indication of its assets and liabilities cannot be made then in accordance with Financial Reporting Standard No. 17 "Retirement Benefits" the contributions to the scheme are accounted for as though the scheme were a defined contribution scheme.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

Leases

Assets held under finance leases, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of the future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight line basis over the lease term. An exception is when the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

Turnover

Turnover represents income receivable from the Company's principal activities excluding transfer fees and value added tax.

Turnover is analysed between three categories of income streams: Match Day, Central League Awards and Commercial.

Match Day

Match Day turnover represents income receivable from all match day activities from Millwall games at The Den, together with the share of gate receipts from cup games not played at The Den. The share of gate receipts payable to the other participating club for domestic cup matches played at The Den is treated as a reduction in turnover. Season ticket revenue is recognised over the period of the football season as home matches are played.

Central League Awards

Central League Award revenue comprises the Basic Award and the Solidarity Award from the Football League, along with grant income for the Academy and prize money earned from cup competitions. Awards are recognised over the financial period to which they relate.

Commercial

Commercial revenue comprises income receivable through sponsorship, shop revenue, use of the conference and catering facilities at The Den on non-match days and sundry other income. Sponsorship contracts are recognised over the duration of the contract, either on a straight line basis, or over the period of the football season, as appropriate based on the terms of the contract. Catering revenues are recognised on an earned basis. Revenue from sale of branded products is recognised at the point of dispatch when significant risks and rewards of ownership is deemed to have been transferred to the buyer.

The Millwall Football and Athletic Company (1985) PLC

Notes forming part of the financial statements for the year ended 30 June 2014 (*Continued*)

1 Accounting policies (*Continued*)

Deferred income

All income received in advance of football activities, such as season ticket revenue, league awards, advertising, sponsorship and broadcasting revenues are treated as deferred income and released to income over the period or number of matches to which they relate.

Grants

Grants relating to tangible fixed assets are treated as deferred income and released to the profit and loss account over the expected useful lives of the assets concerned. Other grants are credited to the profit and loss account as the related expenditure is incurred.

Players' registrations and transfer fees

The cost of players' registrations, comprising transfer fees payable and signing on fees, is capitalised and is amortised over the period of the contract to which the registration relates. The carrying value is reviewed to take into account any perceived impairment of the value of the registrations. Contingent transfer fees payable are recognised once the contingent conditions have been met.

Transfer fees receivable are recognised in the period in which the registration is transferred and any profit or loss arising is dealt with in the profit and loss account. Contingent transfer fees receivable are recognised once the contingent conditions have been met.

Cash flow statement

The Company has taken advantage of the exemption in Financial Reporting Standard No. 1 (Revised) not to prepare a cash flow statement, on the basis that the Company and its cash flows are consolidated in the financial statements of its immediate parent company.

Related parties disclosures

The company has taken advantage of the exemption in Financial Reporting Standard No.8 "Related Party Disclosures", whereby disclosure is not required by a wholly owned subsidiary undertaking within a group, of transactions with other wholly owned group undertakings.

The Millwall Football and Athletic Company (1985) PLC

Notes forming part of the financial statements for the year ended 30 June 2014 (*Continued*)

2 Turnover

Turnover, all of which arises from the Company's principal activity, can be analysed into its main components as follows:

	Year Ended 30 June 2014 £000	Year Ended 30 June 2013 £000
Match Day	4,274	5,391
Central League Awards	4,665	5,749
Commercial	1,518	1,669
	10,457	12,809

3 Operating loss

	Year Ended 30 June 2014 £'000	Year Ended 30 June 2013 £'000
This has been stated after charging/(crediting):		
Depreciation and amounts written off tangible fixed assets		
- owned	236	245
Amortisation of grant	(82)	(82)
Operating lease rentals		
- land and property	237	237
Auditors' remuneration		
- audit of Company financial statements	30	30
- taxation services	5	5
- other services	3	3
Amortisation of players' registrations	952	733
Profit on sale of players' registrations	(368)	(381)

The Millwall Football and Athletic Company (1985) PLC

Notes forming part of the financial statements for the year ended 30 June 2014 (Continued)

4 Staff costs

The average monthly number of employees (including directors) was:

	Year Ended 30 June 2014 Number	Year Ended 30 June 2013 Number
Football team management	10	8
Administration and ground staff	74	71
Players (including Academy)	53	50
	<u>137</u>	<u>129</u>

In addition, the Company employs, on average, a further 135 (2013: 130) temporary staff on match days.

Aggregate remuneration comprised:

	Year Ended 30 June 2014 £'000	Year Ended 30 June 2013 £'000
Wages and salaries	12,402	10,781
Social security costs	1,405	1,238
Pension costs	46	34
	<u>13,853</u>	<u>12,053</u>

Directors' remuneration, interests and transactions

	Year Ended 30 June 2014 £000	Year Ended 30 June 2013 £000
Directors emoluments	<u>155</u>	<u>138</u>
Pension costs	<u>26</u>	<u>24</u>

Payments made to money purchase pension schemes were made in respect of one director (2013: 1)

The Millwall Football and Athletic Company (1985) PLC

Notes forming part of the financial statements for the year ended 30 June 2014 (Continued)

5 Taxation

No taxation charge arises due to the incidence of losses incurred during the year (2013: £Nil). The tax assessed for the year differs to the standard rate of corporation tax in the UK. The differences are explained below:

	Year Ended 30 June 2014 £'000	Year Ended 30 June 2013 £'000
Loss on ordinary activities before tax	(8,626)	(4,132)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 22.5% (2013: 23.75%)	(1,941)	(981)
Effects of:		
Expenses and income not deductible or taxable for tax purposes	(18)	16
Depreciation in excess of capital allowances	53	58
Movement in losses carried forward	1,906	907
Current tax charge for year	-	-

Factors that may affect future tax charges

A deferred taxation asset has not been recognised in respect of trading tax losses totalling £57,055,000 (2013: £48,438,000) given the inherent uncertainty of future profits. The unprovided deferred tax asset is calculated at £11,982,000 (2013: £11,141,000).

A deferred taxation asset has not been recognised in respect of £8,857,000 (2013: £8,688,000) of unclaimed capital allowances given the inherent uncertainty of future profits. The unprovided deferred tax asset is calculated at £1,860,000 (2013: £1,998,000).

6 Intangible fixed assets

	Players' registrations £'000
<i>Cost</i>	
At 1 July 2013	2,417
Additions	773
Disposals	(1,101)
At 30 June 2014	2,089
<i>Accumulated amortisation</i>	
At 1 July 2013	1,268
Charge for the period	952
Disposals	(1,023)
At 30 June 2014	1,197
<i>Net book value</i>	
At 30 June 2014	892
At 30 June 2013	1,149

The Millwall Football and Athletic Company (1985) PLC

Notes forming part of the financial statements for the year ended 30 June 2014 (*Continued*)

7 Tangible fixed assets

	Long leasehold premises £'000	Fixtures, fittings and equipment £'000	Pitch renovation £'000	Motor vehicles £'000	Total £'000
<i>Cost</i>					
At 1 July 2013	17,629	3,689	-	42	21,360
Additions	-	78	102	-	180
At 30 June 2014	17,629	3,767	102	42	21,540
<i>Accumulated depreciation</i>					
At 1 July 2013	3,550	3,425	-	42	7,017
Charge for the period	176	60	-	-	236
At 30 June 2014	3,726	3,485	-	42	7,253
<i>Net book value</i>					
At 30 June 2014	13,903	282	102	-	14,287
At 30 June 2013	14,079	264	-	-	14,343

The amounts classified as long leasehold premises represent costs associated with the building of a football stadium at Senegal Fields.

The Millwall Football and Athletic Company (1985) PLC

Notes forming part of the financial statements for the year ended 30 June 2014 (Continued)

8	Stocks	30 June 2014 £'000	30 June 2013 £'000
	Goods for resale	<u>144</u>	<u>186</u>
9	Debtors	30 June 2014 £'000	30 June 2013 £'000
	Trade debtors	753	831
	Other debtors	-	38
	Prepayments and accrued income	671	708
		<u>1,424</u>	<u>1,577</u>

All amounts shown under debtors fall due for payment within one year.

10	Creditors: amounts falling due within one year	30 June 2014 £'000	30 June 2013 £'000
	Taxation and social security	729	662
	Amounts relating to cumulative redeemable preference shares	55	55
	Other creditors	1,336	1,219
	Accruals and deferred income	1,919	1,782
		<u>4,039</u>	<u>3,718</u>

Included within accruals and deferred income is an amount of £1,638,000 (2013: £1,379,000) in relation to amounts received in advance, in respect of season tickets, executive boxes and sponsorship relating to the following year.

Under their terms, the 5% cumulative redeemable preference shares of £1 each should have been redeemed by 4 March 1998, but the holders have not yet taken up their rights of redemption. The preference shares carry no voting rights and on a winding up are entitled to a repayment of the amount paid up plus any dividends due.

The preference shareholders have waived their entitlement to their dividends in respect of the year under review together with the arrears of the preference dividends.

The Millwall Football and Athletic Company (1985) PLC

Notes forming part of the financial statements for the year ended 30 June 2014 (Continued)

11 Creditors: amounts falling due after more than one year

	30 June 2014 £'000	30 June 2013 £'000
Amounts owed to immediate parent company	68,546	60,152
Other creditors	147	188
Accruals	506	565
	69,199	60,905

The amount due to the immediate parent company is interest free and unsecured. There are no fixed repayment terms. Net drawdowns totalling £8,394,000 (2013: £3,925,000) were made during the year.

12 Deferred income

	30 June 2014 £'000	30 June 2013 £'000
Grants received in respect of the long leasehold premises and other fixtures and fittings	2,286	2,368
Unamortised proceeds from the sale of the Training Ground in excess of market value which is being amortised on a straight line basis over 20 years to 2025	626	688
	2,912	3,056

13 Called up share capital

	Allotted, called up and fully paid	
	30 June 2014 £'000	30 June 2013 £'000
400,000 ordinary shares of £1	400	400

14 Reserves

	Share premium account £'000	Profit and loss account £'000
At 1 July 2013	3	(50,621)
Loss for the year	-	(8,626)
At 30 June 2014	3	(59,247)

The Millwall Football and Athletic Company (1985) PLC

Notes forming part of the financial statements for the year ended 30 June 2014 (*Continued*)

15 Reconciliation of movements in shareholders' funds (in deficit)

	30 June 2014 £'000	30 June 2013 £'000
Loss for the year	(8,626)	(4,132)
Opening shareholders' deficit	(50,218)	(46,086)
Closing shareholders' deficit	(58,844)	(50,218)

16 Financial commitments

(a) Non-cancellable operating leases

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

	30 June 2014 Land and Buildings £'000	30 June 2013 Land and Buildings £'000
Operating leases which expire:		
After five years	288	288

(b) Pensions

The football club is one of 54 participating employers in the Football League Limited Pension and Life Assurance Scheme. Until 31 August 1999, this scheme was a defined benefit scheme. After that date, the scheme was closed to new members and a new scheme started to provide benefits on a defined contribution basis.

Contributions to the defined benefit scheme were determined in accordance with the advice of independent qualified actuaries on the basis of triennial valuations using the projected unit credit method. The most recent valuation for which financial information is currently available was conducted on 31 August 2011 on scheme data.

The valuation carried out on 31 August 2011 was in accordance with Regulations under the Pensions Act 1995 on a Scheme Specific Funding basis. This valuation showed that the deficit had increased due to the lower than expected investment returns and a change in the assumptions to allow for a de-risking of the investment strategy. The valuation has indicated that the Club's share of the deficit was £280,790 as at 31 August 2011. This is being repaid over a ten year period, at a monthly repayment of £3,426 from September 2012.

At 30 June 2014, 1 (2013: 1) of the subsidiary's employees was a member of the scheme. Contributions were paid by the subsidiary being 10.4% (2013: 10.4%) of the member's pensionable salary for the period. The Company is unable to identify its share of the underlying assets and liabilities on a consistent and reasonable basis so the scheme has been treated as a multi-employer scheme in these financial statements. The directors do not believe any deficiency will be material for the Company.

Certain other employees of the Company, except for football players who are responsible for their own pension arrangements, are eligible to be members of defined contribution schemes. The assets of any schemes are held in funds separate from the Company.

The Millwall Football and Athletic Company (1985) PLC

Notes forming part of the financial statements for the year ended 30 June 2014 (Continued)

16 Financial commitments (Continued)

(c) Transfer fees payable/receivable

Under the terms of certain contracts with other football clubs in respect of player transfers, additional amounts would be receivable/payable by the Company if conditions as to future team selection are met. The maximum that could be receivable is £100,000 (2013: £Nil). The maximum that could be payable is £250,000 (2013: £Nil). These amounts have not been provided for in the financial statements. These amounts do not include various payments or receipts that are determinable only on circumstances which are distant or outside the direct control of the parties to the contract and the player in question.

17 Controlling party information

Millwall Holdings PLC is the immediate parent undertaking of the Company and the parent of the only group to prepare consolidated financial statements which include the results of the Company. Copies of those group accounts have been delivered to, and are available from, the Registrar of Companies Registration Office, Crown Way, Maindy, Cardiff CF4 3UZ.

Millwall Holdings PLC is under the control of Chestnut Hill Ventures LLC, a company which is incorporated in the USA. Chestnut Hill Ventures LLC is ultimately controlled jointly by J G Berylson and R A Smith, as Trustee of the Phillip Smith dec'd Will Trust.