

MILTON KEYNES DONS LIMITED

Report and Financial Statements

30 June 2013



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MILTON KEYNES DONS LIMITED

REPORT AND FINANCIAL STATEMENTS 2013

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MILTON KEYNES DONS LIMITED

REPORT AND FINANCIAL STATEMENTS 2013

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P J Winkelman
B Winkelman
M Turner

SECRETARY

S O'Hara

REGISTERED OFFICE

Stadium MK
Stadium Way
Milton Keynes
MK1 1ST

BANKERS

Clydesdale Bank PLC
Milton Keynes

Santander PLC
Milton Keynes

SOLICITORS

EMW LLP
Milton Keynes

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Milton Keynes



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MILTON KEYNES DONS LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 June 2013

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the *small companies' exemption*

PRINCIPAL ACTIVITY

The principal activity of the company is the provision of football and other entertainment, together with related commercial activities

BUSINESS REVIEW

The results for the year are set out on page 6

The company generated turnover of £5.3m compared to £5.8m in 2012, this is due to non-recurring rugby and music events. As with all football clubs, the challenge is to control player wages while remaining competitive. The company is supported by Inter MK Group Limited which is diversifying and generating future income from a hotel and from commercial property development.

During the year the company generated £nil (2012: £3.8m) profit from the disposal of players. Loss before tax for the year was £2.5m (2012: profit of £1.9m).

GOING CONCERN

The directors have prepared forecasts up to June 2015 and beyond. Accordingly, the directors are satisfied on the ability of the Group to continue to meet its liabilities as and when they fall due for the foreseeable future, being a period of at least 12 months from the date of signing and approving this report and therefore continue as a going concern.

DIRECTORS

The directors who served throughout the year, and to the date of this report, are listed below:

P J Winkelman
B Winkelman
M Turner

DIRECTORS' RESPONSIBILITIES STATEMENT

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, 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.

MILTON KEYNES DONS LIMITED

DIRECTORS' REPORT (continued)

AUDITOR

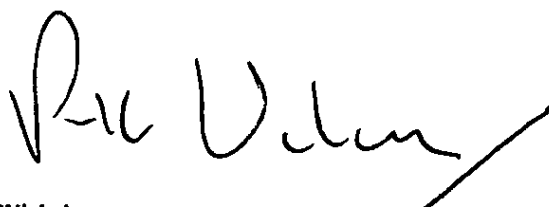
Each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Deloitte LLP have expressed their willingness to continue in office as auditor. A resolution to reappoint them as auditor will be proposed at the forthcoming Annual General Meeting.

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

A handwritten signature in black ink, appearing to read 'P Winkelman', with a long horizontal stroke extending to the right.

P Winkelman

Chairman

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILTON KEYNES DONS LIMITED

We have audited the financial statements of Milton Keynes Dons Limited for the year ended 30 June 2013 which comprise the profit and loss account, the balance sheet and the related notes 1 to 20. 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 auditor

As explained more fully in the Directors' Responsibilities Statement, 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 annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2013 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILTON KEYNES DONS LIMITED (continued)

Opinion on other matter 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

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 in preparing the directors' report



Nigel Mercer ACA (Senior Statutory Auditor)
For and on behalf of **Deloitte LLP**
Chartered Accountants and Statutory Auditor
Milton Keynes, United Kingdom

28 February 2014

MILTON KEYNES DONS LIMITED

PROFIT AND LOSS ACCOUNT Year ended 30 June 2013

	Note	2013 Total £	2012 Total £
TURNOVER	1	5,304,557	5,784,161
Operating expenses		<u>(7,677,211)</u>	<u>(7,673,035)</u>
OPERATING LOSS		(2,372,654)	(1,888,874)
Profit on disposal of player registrations		<u>-</u>	<u>3,800,000</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		(2,372,654)	1,911,126
Interest payable and similar charges	4	<u>(89,373)</u>	<u>(22,616)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(2,462,027)	1,888,510
Tax on (loss) / profit on ordinary activities	5	<u>-</u>	<u>-</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	14	<u><u>(2,462,027)</u></u>	<u><u>1,888,510</u></u>

All activities derive from continuing operations

There were no recognised gains or losses other than the loss for the financial year and the preceding financial year
Accordingly, no statement of total recognised gains and losses is given

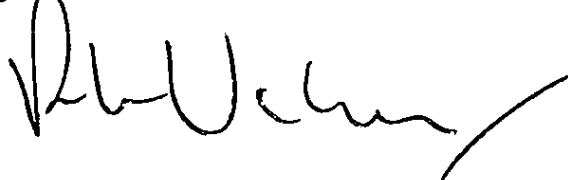
MILTON KEYNES DONS LIMITED

BALANCE SHEET 30 June 2013

	Note	2013 £	2012 £
FIXED ASSETS			
Intangible assets	6	-	28,360
Tangible assets	7	199,397	235,846
		<u>199,397</u>	<u>264,206</u>
CURRENT ASSETS			
Stocks	9	83,396	100,073
Debtors	10	2,022,730	3,455,523
Cash at bank and in hand		80,580	9,195
		<u>2,186,706</u>	<u>3,564,791</u>
CREDITORS: amounts falling due within one year	11	<u>(12,447,850)</u>	<u>(11,430,724)</u>
NET CURRENT LIABILITIES		<u>(10,261,144)</u>	<u>(7,865,933)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(10,061,747)</u>	<u>(7,601,727)</u>
PROVISIONS FOR LIABILITIES	12	<u>(218,275)</u>	<u>(216,268)</u>
NET LIABILITIES		<u>(10,280,022)</u>	<u>(7,817,995)</u>
CAPITAL AND RESERVES			
Called up share capital	13	2,000,000	2,000,000
Profit and loss account	14	<u>(12,280,022)</u>	<u>(9,817,995)</u>
SHAREHOLDERS' DEFICIT	15	<u>(10,280,022)</u>	<u>(7,817,995)</u>

The financial statements of Milton Keynes Dons Limited, registered number 4787003, were approved by the Board of Directors and authorised for issue on 28 February 2014.

Signed on behalf of the Board of Directors



P Winkelman
Director



NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2013

1. ACCOUNTING POLICIES

The principal accounting policies adopted are summarised below. They have been applied consistently throughout the year and preceding year.

Basis of preparation

The financial statements are prepared under the historical cost convention, and in accordance with applicable United Kingdom accounting standards.

Going concern

The Company is a wholly owned subsidiary within the Inter MK Group Limited Group ("the Group"). All subsidiaries within the Group are operationally inter-dependent and subject to cross-guarantees.

The directors have prepared cashflow forecasts through 30 June 2015 and beyond, which include certain key assumptions around revenue, profitability and working capital management. The forecasts show that the Group has adequate resources to operate for the foreseeable future. Accordingly, the directors are satisfied on the ability of the Group to continue to meet its liabilities as and when they fall due for the foreseeable future, being a period of at least 12 months from the date of signing and approving this report and therefore continue as a going concern.

Cash flow statement

Under Financial Reporting Standard 1 (revised) the company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

Related party transactions

As 100% of the company's voting rights are controlled within the group headed by Inter MK Group Limited, the company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the group.

Group accounts

The company has taken advantage of Section 400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Inter MK Group Limited, which prepares group accounts. These financial statements therefore present information about the company and not about its group.

Goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on business combinations in respect of acquisitions since 1 January 1998 is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life. This period is considered to be 20 years.

Player registrations (within intangible fixed assets)

The costs of obtaining players' registrations are capitalised and amortised evenly over the period of the associated player's contract. Provision is made where, in the opinion of the directors, an impairment of the carrying value of the players' registrations has occurred. Potential future registration fees, contingent on certain conditions agreed in the registration contracts with the selling company, are disclosed as contingent liabilities (see note 16).

Turnover

Turnover represents income receivable, net of VAT, from football, entertainment and related commercial activities. All turnover in the current year and preceding year was derived in the United Kingdom.

Gate and other match/event day revenue is recognised over the period of the football season as games are played and events are staged. Sponsorship and similar commercial income is recognised over the duration of the respective contracts. The fixed element of broadcasting revenues is recognised over the duration of the football season whilst facility fees for live coverage or highlights are taken when earned. Merit awards are accounted for only when known at the end of the financial period.

MILTON KEYNES DONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 June 2013

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Buildings	5 years
Office equipment	3 years
Plant and machinery	5 years
Motor vehicles	5 years

Freehold land is not depreciated.

Investments

Investments are stated at cost less provision for impairment.

Stocks

Stocks, which comprise goods for resale, are stated on a first in, first out basis at the lower of cost and net realisable value.

Signing on fees

Signing on fees are initially capitalised as intangible assets and amortised evenly over the period covered by the players' contracts.

Leases

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

Taxation

Current 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 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. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Pensions

The company contributes to the Football League Limited Pension and Life Assurance Scheme for certain former employees, the assets of which are held separately from those of the company in independently administered funds. The company is not able to identify its share of the assets and liabilities of the scheme and therefore accounts for the scheme as a defined contribution scheme, in accordance with FRS 17 'Retirement benefits'. The pension cost charges represent contributions payable by the company during the year towards an actuarial deficit on the scheme, and a provision for the future settlement of the deficit in the Scheme, as advised by the Trustees (see note 17).

MILTON KEYNES DONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 June 2013

1. ACCOUNTING POLICIES (continued)

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

2. (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

(Loss)/profit on ordinary activities is stated after charging (crediting):	2013 £	2012 £
Depreciation		
Owned assets	108,563	226,056
Amortisation of government grant	(20,004)	(20,004)
Amortisation of players' registrations	40,914	63,675
The analysis of auditor's remuneration is as follows		
Fees payable to the company's auditor for the audit of the company's annual accounts	10,500	10,200

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

None of the directors received any remuneration in respect of their services to the company in either year
The company does not contribute to any pension arrangements in favour of the directors

	2013 No	2012 No
The average number of employees of the company during the year were:		
Full-time playing, training and management	46	46
Administration and commercial	32	32
	78	78

Staff costs incurred during the year in respect of all employees were:	2013 £	2012 £
Wages and salaries	4,304,922	3,678,672
Social security costs	476,569	429,528
Other pension costs (see note 17)	89,373	35,232
	4,870,864	4,143,432

In addition to the above, the company employs an average of 150 (2012 - 150) temporary staff on match days

The other pension costs above relates to payments made in relation to the service of past employees (see note 17) and excludes the utilisation of provisions made in this respect (see note 12)

MILTON KEYNES DONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 June 2013

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2013	2012
	£	£
Interest payable on pension deficit	89,373	22,616

5 TAX ON LOSS ON ORDINARY ACTIVITIES

(a) Analysis of charge for the year

	2013	2012
	£	£
Current tax		
United Kingdom corporation tax at blended standard UK rate of 23.75% (2012 – 25.5%) based on the results for the year	-	-
Total current tax charge	-	-
Deferred tax		
Origination and reversal of timing differences	-	-
Tax on (loss) / profit on ordinary activities	-	-

MILTON KEYNES DONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 June 2013

5 TAX ON LOSS ON ORDINARY ACTIVITIES (continued)

(b) Factors affecting tax charge for the year

The tax assessed for the year differs to the amount resulting from applying the blended standard rate of corporation tax in the UK of 23.75% (2012 – 25.5%) The differences are explained below

	2013 £	2012 £
(Loss)/Profit on ordinary activities before tax	(2,462,027)	1,888,510
Tax on (loss)/profit on ordinary activities at blended standard rate of 23.75% (2012 – 25.5%)	(584,731)	481,570
Factors affecting charge for the year		
Expenses not deductible for tax purposes	28,554	77,756
Depreciation in excess of capital allowances	(25,130)	43,919
Other short term timing differences	(15,236)	(3,217)
Tax losses not recognised	596,543	(600,028)
Total actual amount of current tax	-	-

The elements of deferred tax, not recognised are as follows

	2013 £	2012 £
Accelerated capital allowances	186,319	215,144
Other short term timing differences	25,789	42,306
Tax losses	709,041	684,995
Deferred tax asset (not recognised)	921,149	942,445

(c) Factors affecting tax charge for future years

The Finance Act 2012, which provides for a reduction in the main rate of corporation tax from 24% to 23% effective from 1 April 2013, was substantively enacted on 3 July 2012. This rate reduction has been reflected in the calculation of deferred tax at the balance sheet date.

The Government intends to enact future reduction in the main tax rate down to 21% effective from 1 April 2014 and to 20% by 1 April 2015. As these tax rates were not substantively enacted at the balance sheet date, the rate reduction is not yet reflected in these financial statements in accordance with FRS 21, as it is a non-adjusting event occurring after the reporting period.

We estimate that the future rate change to 20% would further reduce our UK deferred tax asset unrecognised at 30 June 2013 from £921,149 to £800,999. The actual impact will be dependent on our deferred tax position at that time.

MILTON KEYNES DONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 June 2013

6. INTANGIBLE FIXED ASSETS

	Goodwill £	Player registra- tions £	Total £
Cost			
At 1 July 2012	234,333	196,700	431,033
Additions	-	26,250	26,250
Disposals	-	(80,350)	(80,350)
At 30 June 2013	234,333	142,600	376,933
Amortisation			
At 1 July 2012	234,333	168,340	402,673
Charge for the year	-	40,914	40,914
Eliminated on disposals	-	(66,654)	(66,654)
At 30 June 2013	234,333	142,600	376,933
Net book value			
At 30 June 2013	-	-	-
At 30 June 2012	-	28,360	28,360

7. TANGIBLE FIXED ASSETS

	Land and buildings £	Office equipment £	Plant and machinery £	Motor vehicles £	Total £
Cost					
At 1 July 2012	275,151	170,634	830,387	72,711	1,348,883
Additions	68,934	-	-	29,320	98,254
Transfers	-	54,195	(54,195)	-	-
Disposals	-	-	(75,075)	-	(75,075)
At 30 June 2013	344,085	224,829	701,117	102,031	1,372,062
Depreciation					
At 1 July 2012	241,079	106,472	727,499	37,987	1,113,037
Charge for the year	24,933	37,005	25,356	21,269	108,563
Transfers	-	30,393	(30,393)	-	-
	-	-	(48,935)	-	(48,935)
At 30 June 2013	266,012	173,870	673,527	59,256	1,172,665
Net book value					
At 30 June 2013	78,073	50,959	27,590	42,775	199,397
At 30 June 2012	34,072	64,162	102,888	34,724	235,846

MILTON KEYNES DONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 June 2013

8. INVESTMENTS

	Subsidiary undertakings £
Cost	
At 1 July 2012 and 30 June 2013	3,000
Provision for impairment	
At 1 July 2012 and 30 June 2013	3,000
Net book value	
At 30 June 2012 and 30 June 2013	-

The following are the subsidiary undertakings of the company

Subsidiary undertaking	Country of incorporation	Description of shares held	Business activity	Proportion of nominal value of shares held by the company
Milton Keynes City Football Club Limited	United Kingdom	Ordinary £1 shares	Non-trading	100%
Milton Keynes Football Club Limited	United Kingdom	Ordinary £1 shares	Non-trading	100%

9. STOCKS

	2013 £	2012 £
Merchandising stock	83,296	100,073

There is no material difference between the balance sheet value of stocks and their replacement cost

10 DEBTORS

Amounts falling due within one year	2013 £	2012 £
Trade debtors	1,845,260	3,162,249
Other debtors	124,878	48,201
Prepayments and accrued income	41,592	234,073
Amounts owed by Group Companies	11,000	11,000
	<u>2,022,730</u>	<u>3,455,523</u>

MILTON KEYNES DONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 June 2013

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Bank overdraft	-	36,468
Trade creditors	431,952	659,687
Amounts owed to Group Companies	9,785,292	8,757,913
Taxation and social security	666,963	573,003
Other creditors	34,810	9,272
Accruals and deferred income	1,528,833	1,394,381
	<u>12,447,850</u>	<u>11,430,724</u>

12. PROVISIONS FOR LIABILITIES AND CHARGES

	Pension scheme £	Deferred grants £	Total £
Other provisions			
At 1 July 2012	176,276	39,992	216,268
Additional provision in the year	111,374	-	111,374
Amounts utilised in year	(89,373)	(20,004)	(109,377)
	<u>198,277</u>	<u>19,998</u>	<u>218,275</u>
At 30 June 2013			

The amount provided under pension schemes relates to a share of a Football League pension scheme deficit attributable to the company - see note 17. The actuarial deficit is now being settled through monthly contributions up to 2016. The deferred grant relates to grants received towards the stadium and related safety equipment.

13. CALLED UP SHARE CAPITAL

	2013 £	2012 £
Called up, allotted and fully paid		
2,000,000 ordinary shares of £1 each	<u>2,000,000</u>	<u>2,000,000</u>

MILTON KEYNES DONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 June 2013

14 PROFIT AND LOSS ACCOUNT

	£
At 1 July 2012	(9,817,995)
Loss for the financial year	(2,462,027)
At 30 June 2013	<u>(12,280,022)</u>

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	2013 £	2012 £
(Loss)/profit for the financial year	(2,462,027)	1,888,510
Net (increase)/reduction in shareholders' deficit	(2,462,027)	1,888,510
Opening shareholders' deficit	(7,817,995)	(9,706,505)
Closing shareholders' deficit	<u>(10,280,022)</u>	<u>(7,817,995)</u>

16. CONTINGENT LIABILITIES AND ASSETS

Player registration fees

At the year end, no additional transfer fees (2012 - £nil) will arise contingent upon certain contractual events occurring after the year end, such as players making specific numbers of appearances and gaining international honours

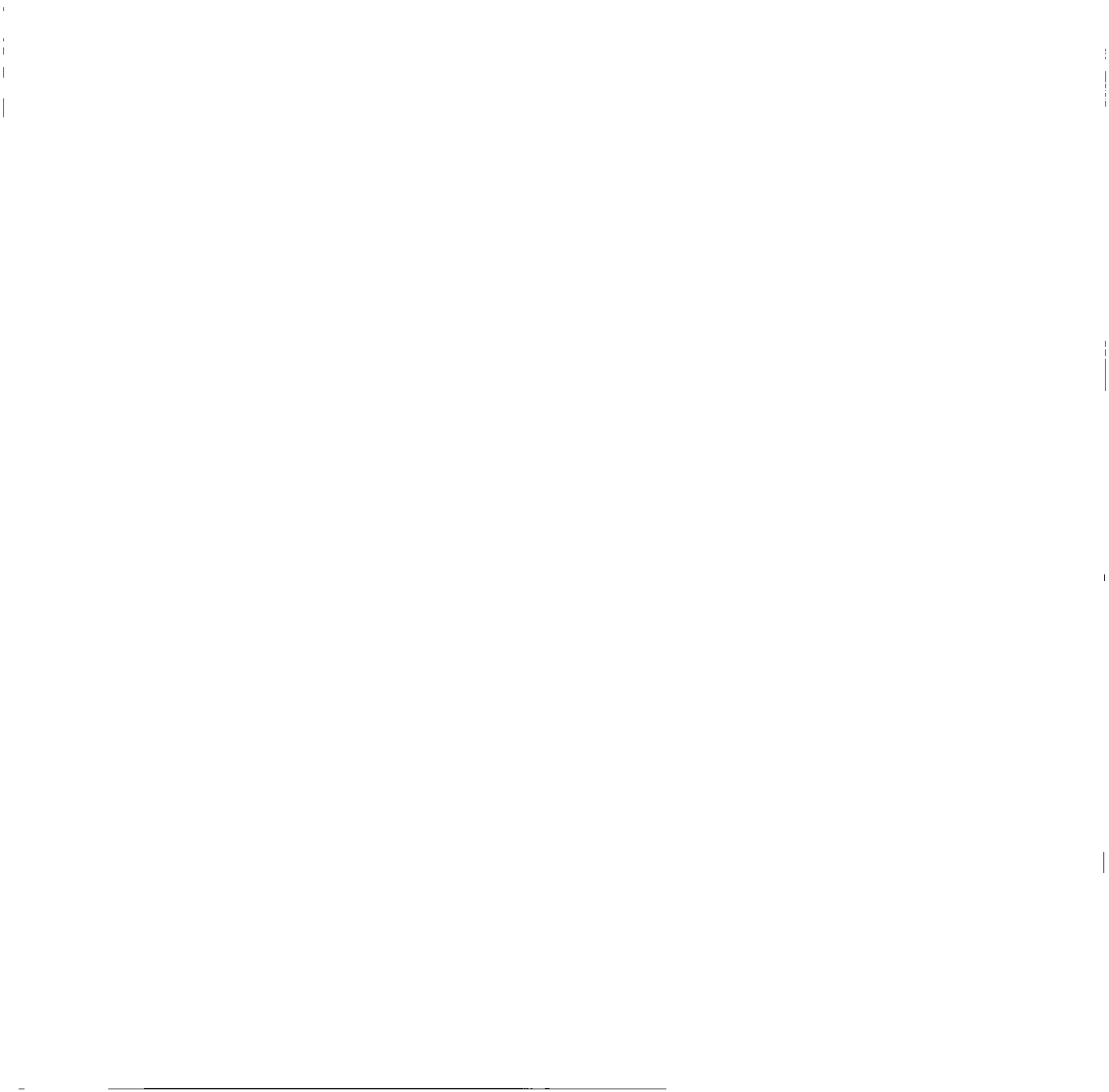
Similarly, additional fees of up to £650k (2012 - £650k) may become receivable should certain contingent events occur in respect of players already sold by the year end. No amounts have been recognised in these financial statements in respect of these fees

17. PENSION SCHEME

Certain former staff of the company are members of the Football League Limited Pension and Life Assurance Scheme ('FLLPLAS') comprising both defined benefit (suspended from 31 August 1999) and defined contribution sections. The company makes no contributions to any scheme in respect of current employees

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 1999. 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 Pensions Act 2011, participating employers will be required to contribute to the deficiency. The Club was advised that a basis of apportionment of the deficit had been approved by the trustees and their advisers, although in practice there are a number of important issues which remain that could impact on the final quantification of this liability. The amounts below therefore represent the directors' best estimate. The remaining amount payable on the allocation notified to the company on 8 May 2012, in respect of the actuarial deficit calculated as at 1 September 2011, is £504,037 and accordingly a provision for this amount was made in the financial statements (see note 12)

An amount of £89,373 (2012 - £35,232) was utilised against this provision in the year and the provided amount is now £ 198,287 (2012 - £176,276), including accrued interest charges



MILTON KEYNES DONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2013

18. COMMITMENTS

There were no commitments as at the end of the financial year (2012 - none)

19. GUARANTEES

As at the balance sheet date, there were cross guarantees in place between the company and the other entities that form part of the Inter MK Group Limited group, as part of the group's financing arrangements. The financing is secured on substantially all of the assets of the company and group.

20. ULTIMATE PARENT COMPANY

The company is a subsidiary undertaking of Inter MK Group Limited, a company incorporated in England and Wales. The controlling party of Inter MK Group Limited is Mr P Winkelman, a director of the company.

The largest and smallest group in which the results of the company are consolidated is that headed by Inter MK Group Limited. The consolidated accounts of Inter MK Group Limited are available to the public and may be obtained from Stadium MK, Stadium Way, Milton Keynes, MK1 1ST.