

Company Registration No. 4787003

MILTON KEYNES DONS LIMITED

Annual Report and Financial Statements

30 June 2015

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(27/11/2015)

MILTON KEYNES DONS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS 2015

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MILTON KEYNES DONS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS 2015

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P J Winkelman
B Winkelman
M Turner

A Cullen (appointed 12 November 2015)
J Cove (appointed 12 November 2015)
S Dawson (appointed 12 November 2015)

SECRETARY

D Lyko-Edwards (resigned 12 November 2015)

A Richens (appointed 12 November 2015)

REGISTERED OFFICE

Stadium MK
Stadium Way
Milton Keynes
MK1 1ST

BANKERS

Santander PLC
Milton Keynes

SOLICITORS

EMW LLP
Milton Keynes

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Milton Keynes

MILTON KEYNES DONS LIMITED

STRATEGIC REPORT

The directors, in preparing this Strategic report, have complied with s414C of the Companies Act 2006.

BUSINESS REVIEW

The results for the year are set out on page 7.

The company generated turnover of £5.2m compared to £4.4m in 2014, this is due to increased funding from the Football League along with an increase in gate receipts. As with all football clubs, the challenge is to control player wages while remaining competitive. The company is and will continue to be 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 £5.4m (2014: £0.6m) profit from the disposal of players. Profit before tax for the year was £2.3m (2014: loss of £1.7m).

The primary objective of the company is for the team to continue to play and challenge competitively in the highest league possible.

The company views the following as its' key performance indicators:

	2015 £	2014 £
End of season league position (League 1)	2nd	10th
Staff costs as percentage of turnover	95.3%	91.8%
Match day income as a percentage of turnover	51.0%	49.1%

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk.

Credit risk

The Group's principal financial assets are bank balances and cash, restricted cash, trade and other debtors.

The Group's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of allowances for doubtful debts. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

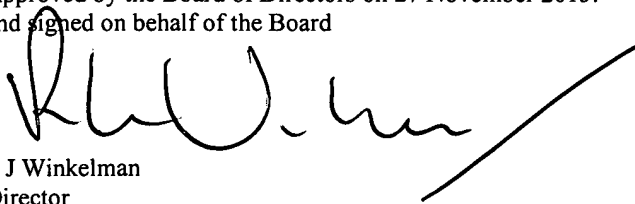
Cash flow risk

The Group's activities expose it primarily to the financial risks of changes in interest rates, as both the short term and long term debt incur interest at variable rates, based on LIBOR. In order to mitigate this risk, the directors prepare cash flow forecasts, including sensitivity analysis, which take account of a reasonably possible increase in interest rates.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses a mixture of long-term and short-term debt finance. Further details of the Group's current financing arrangements are given in note 1.

Approved by the Board of Directors on 27 November 2015.
and signed on behalf of the Board


P J Winkelman
Director

MILTON KEYNES DONS LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 June 2015.

PRINCIPAL ACTIVITY

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

GOING CONCERN

Despite the company showing net liabilities of £9.7m, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. To determine the going concern basis is appropriate the company has received a letter of support from its parent company confirming that it will provide the necessary support to enable the company to continue as a going concern for the foreseeable future and for at least 12 months from the date of this report.

The directors of Inter MK Group Limited, the ultimate parent company have prepared financial projections for Inter MK Group Limited, and its subsidiaries ("the Group"), of the Group through to 30 June 2017 ("the Forecast"). These show the Group continuing as a going concern. Accordingly, the directors of the Company, having received a letter of support from the Group, continue to adopt the going concern basis of preparation.

DIRECTORS

The directors who served throughout the year, and to the date of this report, except as listed below.

P J Winkelman

B Winkelman

M Turner

A Cullen (appointed 12 November 2015)

J Cove (appointed 12 November 2015)

S Dawson (appointed 12 November 2015)

DIVIDENDS

No dividend was paid or proposed during the year (2014 - £nil)

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

AUDITOR

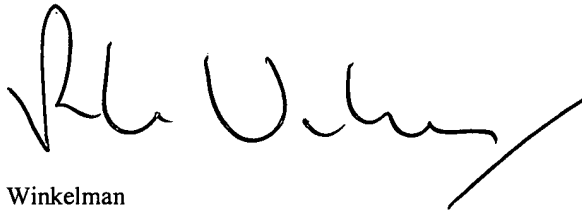
Each of the persons who is a director at the date of approval of this annual report confirms that:

- 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 on 27 November 2015
and signed on behalf of the Board

A handwritten signature in black ink, appearing to read 'P Winkelman', followed by a long diagonal stroke.

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 2015 which comprise the profit and loss account, the balance sheet and the related notes 1 to 24. 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2015 and of its profit 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 and the Strategic 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.



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

27 November 2015

MILTON KEYNES DONS LIMITED

PROFIT AND LOSS ACCOUNT Year ended 30 June 2015

	Note	2015 £	2014 £
TURNOVER	1 & 2	5,173,561	4,376,384
Operating expenses		(8,122,876)	(6,391,508)
OPERATING LOSS		(2,949,315)	(2,015,124)
Profit on disposal of player registrations	3	5,403,034	552,684
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION	4	2,453,719	(1,462,440)
Interest payable and similar charges	6	(170,427)	(237,513)
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		2,283,292	(1,699,953)
Tax on profit / (loss) on ordinary activities	7	(686,651)	686,651
PROFIT / (LOSS) FOR THE FINANCIAL YEAR	17	1,596,641	(1,013,302)

All activities derive from continuing operations.

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

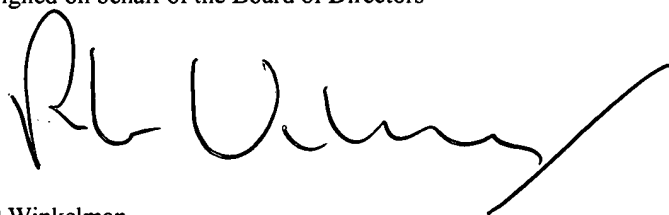
MILTON KEYNES DONS LIMITED

BALANCE SHEET 30 June 2015

	Note	2015 £	2014 £
FIXED ASSETS			
Intangible assets	8	266,494	-
Tangible assets	9	111,438	175,184
Investments	10	-	-
		<u>377,932</u>	<u>175,184</u>
CURRENT ASSETS			
Stocks	11	154,854	76,490
Debtors	12	4,497,363	1,751,816
Cash at bank and in hand		60,651	-
		<u>4,712,868</u>	<u>1,828,306</u>
CREDITORS: amounts falling due within one year	13	<u>(3,339,593)</u>	<u>(2,597,353)</u>
NET CURRENT ASSETS / (LIABILITIES)		<u>1,373,275</u>	<u>(769,047)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,751,207	(593,863)
CREDITORS: amounts falling due after one year	14	(10,989,239)	(10,337,449)
PROVISIONS FOR LIABILITIES	15	<u>(458,651)</u>	<u>(362,012)</u>
NET LIABILITIES		<u><u>(9,696,683)</u></u>	<u><u>(11,293,324)</u></u>
CAPITAL AND RESERVES			
Called up share capital	16	2,000,000	2,000,000
Profit and loss account	17	<u>(11,696,683)</u>	<u>(13,293,324)</u>
SHAREHOLDERS' DEFICIT	18	<u><u>(9,696,683)</u></u>	<u><u>(11,293,324)</u></u>

The financial statements of Milton Keynes Dons Limited, registered number 4787003, were approved by the Board of Directors and authorised for issue on 27 November 2015

Signed on behalf of the Board of Directors



P Winkelman
Director

MILTON KEYNES DONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2015

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. To determine the going concern basis is appropriate the company has received a letter of support from its parent company confirming that it will provide the necessary support to enable the company to continue as a going concern for the foreseeable future and for at least 12 months from the date of this report.

The directors of the Group have prepared cashflow forecasts through 30 June 2017 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. Accordingly, the directors of the Company, having received a letter of support from the Group, continue to adopt the going concern basis of preparation.

Accordingly the directors of the company, having received continue as a going concern.

Cash flow statement

The Company, being a subsidiary undertaking within a group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a statement of cash flows in accordance with FRS 1.

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 for the teams' end of season achievements are accounted for only when known at the end of the financial period.

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.

MILTON KEYNES DONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2015

1. ACCOUNTING POLICIES (continued)

Intangible fixed assets

Intangible fixed assets are stated at cost, net of amortisation and any provision for impairment. Amortisation is provided to write off the cost less the estimated residual value of intangible fixed assets by equal instalments over their estimated useful economic life.

Player registrations (within intangible fixed assets)

When acquired 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 19).

Profits or losses on the disposal of these registrations represent the fair value of the consideration receivable, net of any transaction costs, less the unamortised cost of the original registration

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.

MILTON KEYNES DONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2015

1. ACCOUNTING POLICIES (continued)

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 20).

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. TURNOVER

	2015 £	2014 £
Broadcasting	166,836	62,574
Match day receipts	2,641,101	2,148,192
Commercial	2,122,574	2,146,451
Other (parking and stadium events)	243,050	19,167
	<u>5,173,561</u>	<u>4,376,384</u>

3. PROFIT ON DISPOSAL OF PLAYER REGISTRATIONS

	2015 £	2014 £
Consideration	5,403,034	552,684
Net book value of disposal	-	-
	<u>5,403,034</u>	<u>552,684</u>

4. PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION

Profit / (Loss) on ordinary activities is stated after charging / (crediting):	2015 £	2014 £
Depreciation		
Owned assets	66,626	67,669
Amortisation of players' registrations	145,631	-
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	<u>10,000</u>	<u>10,000</u>

MILTON KEYNES DONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2015

5. 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.

	2015 No	2014 No
The average number of employees of the company during the year were:		
Full-time playing, training and management	55	49
Administration and commercial	42	29
	<u>97</u>	<u>78</u>

In addition to the above, the company employs an average of approximately 150 (2014 - 150) temporary staff on match days.

Staff costs incurred during the year in respect of all employees were:	2015 £	2014 £
Wages and salaries	4,387,691	3,527,005
Social security costs	529,703	417,404
Other pension costs (see note 20)	73,788	76,050
	<u>4,991,182</u>	<u>4,020,459</u>

The other pension costs above relates to payments made in relation to the service of past employees (see note 20) of the football league pension scheme and excludes the interest charged in this respect (see note 15).

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2015 £	2014 £
Interest payable on pension deficit	<u>170,427</u>	<u>237,513</u>

MILTON KEYNES DONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2015

7. TAX ON PROFIT / (LOSS) ON ORDINARY ACTIVITIES

(a) Analysis of charge for the year

	2015 £	2014 £
Current tax		
United Kingdom corporation tax at blended standard UK rate of 20.75% (2014 – 22.50%.) based on the results for the year	-	-
Total current tax charge	-	-
Deferred tax		
Origination and reversal of timing differences	(686,651)	686,651
Tax (charge) /credit on profit / (loss) on ordinary activities	(686,651)	686,651

(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 20.75% (2014–22.50%). The differences are explained below:

	2015 £	2014 £
Profit / (Loss) on ordinary activities before tax	2,283,292	(1,699,953)
Tax on profit / (loss) on ordinary activities at blended standard rate of 20.75% (2014 – 22.50%)	473,836	(382,489)
Factors affecting charge for the year:		
Expenses not deductible for tax purposes	5	21,612
Depreciation in excess of capital allowances	(17,973)	(35,742)
Other short term timing differences	(15,405)	509
Utilisation of tax losses	(440,463)	-
Tax losses not recognised	-	357,631
Group relief not paid for	-	38,479
Total actual amount of current tax	-	-

MILTON KEYNES DONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 June 2015

7. TAX ON LOSS ON ORDINARY ACTIVITIES (continued)

The elements of deferred tax, not recognised are as follows:

	2015 £	2014 £
(Accelerated) / Decelerated capital allowances	(111,157)	130,244
Other short term timing differences	(57,645)	40,200
(Decrease) / Increase in tax losses	(475,727)	216,142
Deferred tax not provided	644,529	-
	<hr/>	<hr/>
Deferred tax asset (not recognised)	-	386,586
	<hr/>	<hr/>

(c) Factors affecting tax charge for future years

In recent years the UK Government has steadily reduced the rate of UK corporation tax, with the latest rates substantively enacted in July 2013 now standing at 21% with effect from 1 April 2014 and 20% with effect from 1 April 2015. Deferred tax assets and liabilities have been calculated at 20% in accordance with the rates enacted at the balance sheet date.

In the Budget on 8 July 2015, the UK Government proposed, amongst other things, to further reduce the main rate of UK corporation tax to 19% with effect from 1 April 2017 and to 18% with effect from 1 April 2020. These rate changes were substantively enacted in the Finance Bill 2015 on 18 November 2015 and existing temporary differences may therefore unwind in periods subject to these reduced rates.

8. INTANGIBLE FIXED ASSETS

	Goodwill £	Player registrations £	Total £
Cost			
At 1 July 2014	234,333	-	234,333
Additions	-	412,125	412,125
	<hr/>	<hr/>	<hr/>
At 30 June 2015	234,333	412,125	646,458
	<hr/>	<hr/>	<hr/>
Amortisation			
At 1 July 2014	234,333	-	234,333
Charge for the year	-	145,631	145,631
	<hr/>	<hr/>	<hr/>
At 30 June 2015	234,333	145,631	379,964
	<hr/>	<hr/>	<hr/>
Net book value			
At 30 June 2015	-	266,494	266,494
	<hr/>	<hr/>	<hr/>
At 30 June 2014	-	-	-
	<hr/>	<hr/>	<hr/>

MILTON KEYNES DONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 June 2015

9. TANGIBLE FIXED ASSETS

	Freehold Land and buildings £	Office equipment £	Plant and Machinery £	Motor vehicles £	Total £
Cost					
At 1 July 2014	344,085	233,285	723,617	114,531	1,415,518
Additions	-	-	2,881	-	2,881
At 30 June 2015	344,085	233,285	726,498	114,531	1,418,399
Depreciation					
At 1 July 2014	280,522	196,455	692,151	71,206	1,240,334
Charge for the year	22,000	15,167	14,860	14,600	66,627
At 30 June 2015	302,522	211,622	707,011	85,806	1,306,961
Net book value					
At 30 June 2015	41,563	21,663	19,487	28,725	111,438
At 30 June 2014	63,563	36,830	31,466	43,325	175,184

10. INVESTMENTS

	Subsidiary undertakings £
Cost	
At 1 July 2014 and 30 June 2015	3,000
Provision for impairment	
At 1 July 2014 and 30 June 2015	3,000
Net book value	
At 30 June 2014 and 30 June 2015	-

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%

MILTON KEYNES DONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 June 2015

11. STOCKS

	2015 £	2014 £
Merchandising stock	154,854	76,490

In the opinion of the directors, there is no material difference between the balance sheet value of stocks and their replacement cost.

12. DEBTORS

Amounts falling due within one year:	2015 £	2014 £
Trade debtors	4,296,946	941,451
Other debtors	34,034	58,411
Prepayments and accrued income	166,383	65,303
Deferred tax asset	-	686,651
	4,497,363	1,751,816

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Bank overdraft	-	29,467
Trade creditors	585,597	413,245
Taxation and social security	412,481	547,799
Other creditors	54,879	54,079
Accruals	399,828	165,624
Deferred income	1,886,808	1,387,139
	3,339,593	2,597,353

14. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2015 £	2014 £
Amounts owed to Group Companies	10,989,239	10,337,449

MILTON KEYNES DONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2015

15. PROVISIONS FOR LIABILITIES AND CHARGES

	Pension Scheme £
Other provisions	
At 1 July 2014	362,012
Payments made in the year	(73,788)
Interest (see Note 6)	170,427
	<u>458,651</u>
At 30 June 2015	<u>458,651</u>

The amount provided under pension schemes relates to a share of a Football League pension scheme deficit attributable to the company - see note 20. The actuarial deficit is now being settled through monthly contributions up to 2016.

16. CALLED UP SHARE CAPITAL

	2015 £	2014 £
Called up, allotted and fully paid		
2,000,000 ordinary shares of £1 each	<u>2,000,000</u>	<u>2,000,000</u>

17. PROFIT AND LOSS ACCOUNT

	£
At 1 July 2014	(13,293,324)
Profit for the financial year	<u>1,596,641</u>
At 30 June 2015	<u>(11,696,683)</u>

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	2015 £	2014 £
Opening shareholders' deficit	(11,293,324)	(10,280,022)
Profit / (loss) for the year	<u>1,596,641</u>	<u>(1,013,302)</u>
Closing shareholders' deficit	<u>(9,696,683)</u>	<u>(11,293,324)</u>

MILTON KEYNES DONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2015

19. CONTINGENT LIABILITIES AND ASSETS

Player registration fees

At the year end, no additional transfer fees payable (2014 - £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.

Additional transfer fees 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, as they are dependent on future events.

20. 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 such 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 of the liability. 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, was £504,037 and accordingly a provision for this amount at the time was made in the 2011/12 financial statements (see note 15).

Interest of £170,247 (2014 - £237,513) was charged to this provision in the year based on a central actuarial estimate. Payments of £73,788 were made by the company to the pension scheme and as a result the provision is now £458,471 (2014 - £362,012), including accrued interest charges.

21. COMMITMENTS

There were no commitments as at the end of the financial year (2014 - none).

22. 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. As at 30 June 2015, the balance owing on this facility was £7,200,140.

23. RELATED PARTY TRANSACTIONS

In the ordinary course of business, the company has traded with its immediate parent company Inter MK Group Limited together with its subsidiaries. The company is exempt from disclosing details of these transactions because copies of Inter MK Group Limited financial statements are publicly available.

24. 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.