

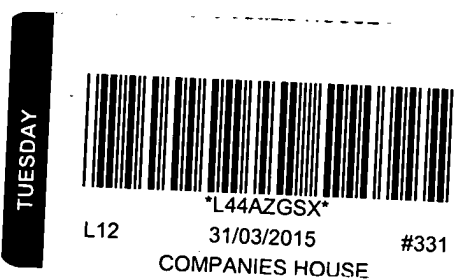
Southampton Football Club Limited

Report and Financial Statements

Year Ended

30 June 2014

Company Number 00053301



Southampton Football Club Limited

Report and financial statements for the year ended 30 June 2014

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Directors

K Liebherr
G Rogers
L Reed
D Bence (appointed 1 August 2014)

Secretary and registered office

K Dhaliwal, St Mary's Stadium, Britannia Road, Southampton, SO14 5FP

Company number

00053301

Auditors

BDO LLP, Arcadia House, Maritime Walk, Ocean Village, Southampton, SO14 3TL

Southampton Football Club Limited

Strategic report for the year ended 30 June 2014

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

Review of business and key performance indicators

Summary of results

	2014 £000	2013 £000
Turnover	103,441	69,413
Operating Costs	(82,634)	(58,923)
Other operating income	2,210	-
Profit / (Loss) before player trading	23,017	10,490
Player trading	6,013	(15,202)
Profit/ (Loss) before interest, tax	29,030	(4,712)

The Board consider the key performance indicators for the company to be turnover and its relationship to staff costs and operating costs excluding player trading activity.

The results show a significantly increased turnover from that reported in the prior year accounts primarily as a result of the increase in broadcasting revenue, which is a direct consequence of the improved Premier League TV deal and finishing 8th in the League. Whilst commercial revenue grew during the year, this was due to incremental increases on pre-existing sponsorship deals, together with the addition of income generated on the back of the kit partnership deal with Adidas, which in itself converted to comparable margin with the previous kit deal. A further breakdown of revenue can be found in Note 3 to the financial statements.

Operating costs to turnover ratio improved from 84.9% to 79.9%, as did staff costs to turnover ratio, from 62.7% to 57.7%, both of which were solely driven by the increase in turnover outlined above, as both cost bases increased in the year due to the strengthening of the first team squad and the continued significant investment in the academy and other off-field activities.

The results show a profit before interest and tax of £29m (2013: (£4.7m)), largely as a consequence of player trading. As planned this is being reinvested in the playing squad in the form of transfer fees, wages, associated agents fees and transfer levies, with net player trading after the Balance Sheet date amounting to £12.6m payable to other clubs. In addition, the Shareholder has further demonstrated her ongoing support and commitment to the Club by injecting further loans of £20m after the Balance Sheet date, which has been used to fund previous player trading and capital expenditure. The total net assets of the company were £18.3m (2013: (£12.7m)) and this is the first time that the company has reported profits and positive net assets since administration in 2009.

The balance sheet shows net current liabilities after adjusting for debtors due after one year of (£26.6m), an improvement on the 2013 position of (£46.1m) which is being funded by a combination of shareholder and third party debt. Financial plans are in place, which target an ongoing improvement in this position over the medium to longer term in order to further support the ambitions of the club to achieve financial sustainability and be able to invest further in football activities both on and off the pitch.

Southampton Football Club Limited

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

Future developments

At the time of writing, the Club are performing well on the pitch and the development of the talent pipeline of future players within the academy is progressing well.

Phase I of the new state of the art training ground has been opened which provides us with the perfect foundation from which to continue improving, on and off the pitch. Phase II & III are significant further investments planned for the training facilities, which will further underpin the Club's commitment to world class player development.

Principal risks and uncertainties

Team performance risk - As is common with many professional football clubs, a principal risk is associated with the performance of the team and the league in which it operates. Revenues, particularly those associated with broadcasting, and direct costs, are substantially higher in the Barclays Premier League and consequently, the Group manages the impact of that risk through close control of its direct costs, relative to forecast income.

Liquidity risk – The expenditure to date on the Training Ground now exceeds £25m and the total expenditure is expected to amount to approximately £38m. This demonstrates the Club's commitment to continue to develop the site into one of the leading Training Facilities in the Premier League in order to encourage the sustainable success of our Academy. In addition to the Shareholder loan valued at £14.7m the Club held a loan facility of £14.5m secured on the personal estate of the Shareholder, as well as a £19m loan with Vibrac at the Balance Sheet date, with further contributions from the Shareholder after the year-end amounting to £20m, as outlined above.

Credit risk – This relates primarily to trade debtors from its commercial activities with the Group monitoring this risk closely and with the aim to minimise this at all times.

Post balance sheet events

See note 24.

On behalf of the board



G Rogers
Director

24.2.2015

Southampton Football Club Limited

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.

Results and dividends

The profit and loss account is set out on page 7 and shows the profit for the year.

No dividend (2013: £nil) is proposed.

Employment of disabled persons

The Company ensures that all full and part time employees and job applicants (actual or potential) are treated fairly in accordance with its Company policies and values. Selection for employment, promotion, training or any other benefit will be assessed objectively against the requirements for the job, taking account of any reasonable adjustments that may be required for those with disabilities.

Employee involvement

The Company holds Senior Management, Operational Management and department meetings to ensure a flow of information across all levels. Alongside this are a number of companywide communication channels such as full staff meetings, monthly newsletters and strategic email communication that supplement these meetings. Finally, the Company encourages employees to present their suggestions and views on the Company's performance and welcomes creativity and employee ideas.

Players' registration

As stated in the accounting policy in note 1, the cost of acquired players is reflected in the accounts in order to comply with FRS 10 Goodwill and intangible assets.

Directors

The directors of the company who served during the year were:

K Liebherr (appointed 16 January 2014)

G Rogers

L Reed

J Lenhart (appointed 15 January 2014 and resigned 17 January 2014)

N Cortese (resigned 16 January 2014)

B McGlinchey (resigned 24 January 2014)

Southampton Football Club Limited

Report of the directors for the year ended 30 June 2014 (*continued*)

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial 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;
- 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.

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



G Rogers

Director

24.2.2015

Southampton Football Club Limited

Independent auditor's report

To the member of Southampton Football Club Limited

We have audited the financial statements of Southampton Football Club Limited 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 member 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 member 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 member, 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 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 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.

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.

Southampton Football Club Limited

Independent auditor's report (*continued*)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

BDO LLP

Malcolm Thixton (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Southampton
United Kingdom

25.2.15

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

Southampton Football Club Limited

Profit and loss account for the year ended 30 June 2014

		Operations excluding player trading	Player trading*	Total	Total
	Note	2014 £	2014 £	2014 £	2013 £
Turnover	3	103,441,377	-	103,441,377	69,412,667
Cost of sales - including exceptional costs of £6,251,704 (2013 - £2,111,854)	2	75,867,738	26,970,469	102,838,207	69,069,275
Gross profit/(loss)		27,573,639	(26,970,469)	603,170	343,392
Administrative expenses		6,766,966	(1,077,229)	5,689,737	5,877,010
		20,806,673	(25,893,240)	(5,086,567)	(5,533,618)
Other operating income	5	2,210,000	-	2,210,000	-
Operating profit/(loss)	4	23,016,673	(25,893,240)	(2,876,567)	(5,533,618)
Profit on disposal of players		-	31,906,572	31,906,572	822,000
Profit/(loss) on ordinary activities before interest and other income		23,016,673	6,013,332	29,030,005	(4,711,618)
Other interest receivable and similar income				39,664	11,822
Interest payable and similar charges	8			(2,768,181)	(602,771)
Profit/(loss) on ordinary activities before taxation				26,301,488	(5,302,567)
Taxation on profit/(loss) on ordinary activities	9			4,671,814	-
Profit/(loss) on ordinary activities after taxation				30,973,302	(5,302,567)

*Player trading represents the amortisation, exceptional impairment, foreign exchange on purchases and the profit or loss on disposal of player registrations.

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the profit and loss account.

The notes on pages 10 to 22 form part of these financial statements.

Southampton Football Club Limited

Balance sheet at 30 June 2014

Company number 00053301	Note	2014 £	2014 £	2013 £	2013 £
Fixed assets					
Intangible assets	10		41,085,361		43,777,243
Tangible assets	11		4,056,688		2,657,270
			<u>45,142,049</u>		<u>46,434,513</u>
Current assets					
Stocks	12	340,548		756,582	
Debtors - due within one year	13	36,123,752		3,407,838	
Debtors - due after more than one year	13	20,000,000		-	
		<u>56,123,752</u>		<u>3,407,838</u>	
Total debtors					
Cash at bank and in hand			24,959,567	13,830,116	
			<u>81,423,867</u>	<u>17,994,536</u>	
Creditors: amounts falling due within one year	14	87,994,009		64,135,270	
		<u></u>		<u></u>	
Net current liabilities			(6,570,142)		(46,140,734)
			<u></u>		<u></u>
Total assets less current liabilities			38,571,907		293,779
Creditors: amounts falling due after more than one year	15	19,597,446		10,409,479	
Provisions for liabilities	16	655,048		2,538,189	
		<u></u>		<u></u>	
			20,252,494		12,947,668
			<u></u>		<u></u>
			18,319,413		(12,653,889)
			<u></u>		<u></u>

The notes on pages 10 to 22 form part of these financial statements.

Southampton Football Club Limited

Balance sheet at 30 June 2014 (continued)

	Note	2014 £	2014 £	2013 £	2013 £
Capital and reserves					
Called up share capital	17		501,000		501,000
Capital Contribution Reserve	18		14,685,636		14,685,636
Profit and loss account	18		3,132,777		(27,840,525)
			<u> </u>		<u> </u>
Shareholder's funds/(deficit)	19		18,319,413		(12,653,889)
			<u> </u>		<u> </u>

The financial statements were approved by the board of directors and authorised for issue on 24.2.2015


G. Rogers
Director

The notes on pages 10 to 22 form part of these financial statements.

Southampton Football Club Limited

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

1 Accounting policies

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

The following principal accounting policies have been applied:

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by St Mary's Football Group Limited and the company is included in consolidated financial statements.

Turnover

Turnover represents the total amount receivable from the principal activities of the company, excluding transfer fees receivable, and is stated net of value added tax. Income from broadcasting, match days, and those elements of commercial activities relating to matches is recognised when related matches are played; income from advance ticket sales is deferred accordingly. Other commercial income is recognised on a receivable basis.

Stocks

Stocks are valued at the lower of cost and net realisable value. Provision is made for obsolete, slow moving or defective items where appropriate.

Foreign currency

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the profit and loss account.

Taxation

The charge for taxation is based on profit for the year and takes into account deferred tax. Current tax is measured at the amount expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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 making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Southampton Football Club Limited

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

1 Accounting policies (continued)

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account over the shorter of estimated useful economic life and the period of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Going Concern

Although the company has net current liabilities at the balance sheet date, the group has adequate facilities in place to finance operations over the next twelve months.

Accordingly, the Directors consider it appropriate to prepare the accounts on a going concern basis.

Intangible assets

The element of each player's transfer fee which relates to his registration is capitalised as an intangible asset and amortised over the period of his contract including any agreed extensions, subject to any provision for impairment. Contingent fees payable, which are dependent upon the number of first team appearances and international debuts made, are capitalised in the year when it is considered probable that the conditions of the contract will be satisfied.

The company does not consider it to be possible to determine value in use of an individual player in isolation as that player cannot generate cash flows on his own. As such, the company considers the smallest cash-generating unit to contain all of the first team players, the stadium and the training facilities.

However, management may consider that an individual player is highly unlikely to play for the first team again, either due to serious injury or other circumstances outside the club's control, and therefore will not contribute to the future cash flows earned by the cash generating unit. In these instances, the company compares the carrying value of the asset to its recoverable amount. To the extent that the carrying value exceeds the recoverable amount, the asset is impaired and the impairment loss is recognised in the profit and loss account.

Tangible fixed assets

Tangible fixed assets are stated at cost, inclusive of capitalised finance costs, net of depreciation less any provision for impairment. Depreciation is provided on all tangible fixed assets other than assets under development, at rates calculated to write off the cost, less estimated residual value, based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful life, as follows:

Equipment	-	over 5 years
Motor vehicles	-	over 4 to 5 years

Southampton Football Club Limited

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

1 Accounting policies (continued)

Signing on fees

Signing on fees are charged to cost of sales in the accounting period in which the payment is due.

Pension costs

The company is one of a number of employers in a shared defined benefit scheme for playing staff. The scheme is a multi-employer scheme and in accordance with FRS 17 has been treated as a defined contribution scheme as it is not able to accurately apportion the share of assets and liabilities of the scheme.

2 Exceptional item

The exceptional item cost of £6,251,704 (2013: £2,111,854) relates to the impairment of player registrations.

3 Turnover

	2014 £	2013 £
Analysis by class of business:		
Broadcasting	79,449,577	46,949,386
Match day	17,132,196	16,808,814
Commercial	5,833,538	4,635,633
Other	1,026,066	1,018,834
	<u>103,441,377</u>	<u>69,412,667</u>

Turnover arises solely within the United Kingdom.

4 Operating loss

	2014 £	2013 £
This is arrived at after charging:		
Depreciation of tangible fixed assets	828,973	635,661
Amortisation of other intangible fixed assets	20,718,765	13,184,515
Hire of other assets - operating leases	135,805	150,452
Impairment of intangible assets	6,251,704	2,111,854
	<u></u>	<u></u>

The auditors were remunerated by Southampton Football Club Limited on behalf of the group, of which Southampton Football Club Limited is a member. The total remuneration amounted to £32,100 (2013: £31,000).

Southampton Football Club Limited

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

5 Other operating income

Other operating income represents compensation fees receivable.

6 Employees

Staff costs (including directors) consist of:

	2014 £	2013 £
Wages and salaries	52,295,508	38,365,476
Social security costs	7,187,287	4,992,423
Other pension costs	146,205	142,190
	<u>59,629,000</u>	<u>43,500,089</u>

The average number of employees (including directors) during the year was as follows:

	2014 Number	2013 Number
Administrative	59	53
Football	198	157
	<u>257</u>	<u>210</u>

In addition the company employs approximately 267 temporary staff on match days (2013: 250).

Certain employees of the company are members of The Football League Limited Pension and Life Assurance Scheme ("the scheme"). Accrual of benefits under a final salary basis was suspended with effect from 31 August 1999 following an actuarial review which revealed a substantial deficit.

As one of a number of participating employers, the company is advised only of its share of the deficit in the Scheme.

The latest actuarial valuation of the scheme at 31 August 2012 has indicated that the Club's provisional share of the deficit at 30 June 2012 was £678,433. Following contributions made to the scheme during the subsequent two years, this liability has been reduced to £245,161 and is included in accruals.

Contributions payable by the company to employees' (including executive Directors) personal pension schemes are charged to the profit and loss account in the year to which they relate. The schemes are defined contribution schemes, the assets of which are held separately from the company.

Southampton Football Club Limited

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

7 Directors' remuneration

	2014 £	2013 £
Directors' emoluments	756,354	639,976
Company contributions to money purchase pension schemes	60,800	62,841
	<u> </u>	<u> </u>

There were 4 directors in the company's defined contribution pension scheme during the year (2013 - 4).

The total amount payable to the highest paid director in respect of emoluments was £401,331 (2013 - £443,118). Company pension contributions of £42,000 (2013 - £42,000) were made to a money purchase scheme on their behalf.

8 Interest payable and similar charges

	2014 £	2013 £
Bank loans and overdrafts	108	-
Finance leases and hire purchase contracts	1,922	1,922
Other interest payable	2,766,151	600,849
	<u> </u>	<u> </u>
	<u>2,768,181</u>	<u>602,771</u>

Southampton Football Club Limited

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

9 Taxation on profit/(loss) on ordinary activities

	2014 £	2013 £
<i>Deferred tax</i>		
Origination and reversal of timing differences	(4,671,814)	-
	<u> </u>	<u> </u>
The tax assessed for the year is lower than/higher than the standard rate of corporation tax in the UK applied to profit/(loss) before tax.		
	2014 £	2013 £
Profit/(loss) on ordinary activities before tax	26,301,488	(5,302,567)
	<u> </u>	<u> </u>
Profit/(loss) on ordinary activities at the standard rate of corporation tax in the UK of 22.50% (2013 - 23.75%)	5,917,835	(1,259,360)
Effect of:		
Expenses not deductible for tax purposes	11,123	69,403
Capital allowances for period in excess of depreciation	(335,673)	(32,984)
Other timing differences	(118,502)	121,286
Tax losses (utilised)/not utilised	(5,465,858)	1,101,655
Group relief claimed	(8,925)	-
	<u> </u>	<u> </u>
Current tax charge for the year	-	-
	<u> </u>	<u> </u>

Southampton Football Club Limited

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

10 Intangible fixed assets

	Player registrations £
<i>Cost or valuation</i>	
At 1 July 2013	65,651,318
Additions	25,837,621
Disposals	(8,230,061)
	<hr/>
At 30 June 2014	83,258,878
	<hr/>
<i>Amortisation</i>	
At 1 July 2013	21,874,075
Provided for the year	20,718,765
Disposals	(6,671,027)
Impairment	6,251,704
	<hr/>
At 30 June 2014	42,173,517
	<hr/>
<i>Net book value</i>	
At 30 June 2014	41,085,361
	<hr/>
At 30 June 2013	43,777,243
	<hr/>

Southampton Football Club Limited

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

11 Tangible fixed assets

	Motor vehicles £	Fixtures and fittings £	Assets in Course of Construction £	Total £
<i>Cost or valuation</i>				
At 1 July 2013	97,744	4,625,780	-	4,723,524
Additions	99,245	2,241,743	31,579	2,372,567
Disposals	(62,170)	(238,133)	-	(300,303)
At 30 June 2014	134,819	6,629,390	31,579	6,795,788
<i>Depreciation</i>				
At 1 July 2013	92,562	1,973,692	-	2,066,254
Provided for the year	21,245	807,728	-	828,973
Disposals	(60,874)	(95,253)	-	(156,127)
At 30 June 2014	52,933	2,686,167	-	2,739,100
<i>Net book value</i>				
At 30 June 2014	81,886	3,943,223	31,579	4,056,688
At 30 June 2013	5,182	2,652,088	-	2,657,270

The net book value of tangible fixed assets includes an amount of £1,178,016 (2013: £5,182) in respect of assets held under finance leases and hire purchase contracts. The related depreciation charge on these assets for the year was £16,734 (2013: £15,542).

The company have entered into capital commitments on 30 June 2014 of £Nil (2013: £100,000).

12 Stocks

	2014 £	2013 £
Goods for resale	340,548	756,582

There is no material difference between the replacement cost of stocks and the amounts stated above.

Southampton Football Club Limited

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

13 Debtors

	2014 £	2013 £
Amounts receivable within one year		
Trade debtors	2,924,069	1,155,902
Amounts owed by group undertakings	11,759,213	150,771
Other debtors	130,890	562,088
Prepayments and accrued income	2,033,766	1,309,077
Transfer fees receivable	14,604,000	230,000
Deferred taxation	4,671,814	-
	<u>36,123,752</u>	<u>3,407,838</u>
Amounts receivable after more than one year		
Transfer fees receivable	20,000,000	-
	<u>20,000,000</u>	<u>-</u>
Total debtors	<u>56,123,752</u>	<u>3,407,838</u>
		Deferred taxation £
Charged to the profit and loss account and at 30 June 2014		<u>4,671,814</u>

Deferred taxation

	2014 £	2013 £
The amount of deferred tax provided for is as follows:		
Decelerated capital allowances	30,725	-
Unutilised losses	4,641,089	-
	<u>4,671,814</u>	<u>-</u>

Southampton Football Club Limited

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

14 Creditors: amounts falling due within one year

	2014 £	2013 £
Loan notes	-	12,499,994
Trade creditors	2,834,231	2,552,204
Amounts owed to group undertakings	2,923,620	8,253,499
Taxation and social security	13,873,089	5,096,069
Obligations under finance lease and hire purchase contracts	362,000	8,160
Other loan	21,059,591	5,600,000
Transfer fees payable	21,657,539	10,977,976
Other creditors	2,327,999	2,529,095
Accruals and deferred income	22,955,940	16,618,273
	<u>87,994,009</u>	<u>64,135,270</u>

15 Creditors: amounts falling due after more than one year

	2014 £	2013 £
Shareholder loan	14,699,988	-
Obligations under finance lease and hire purchase contracts	595,333	-
Transfer fees payable	4,302,125	10,409,479
	<u>19,597,446</u>	<u>10,409,479</u>

Maturity of debt:

	Loans and overdrafts 2014 £	Loans and overdrafts 2013 £	Finance leases 2014 £	Finance leases 2013 £
In one year or less, or on demand	<u>21,059,591</u>	<u>18,099,994</u>	<u>362,000</u>	<u>8,160</u>
In more than one year but not more than two years	14,699,988	-	390,250	-
In more than two years but not more than five years	-	-	205,083	-
	<u>14,699,988</u>	<u>-</u>	<u>595,333</u>	<u>-</u>

Obligations under finance leases and hire purchase contracts are secured upon the assets to which they relate.

Southampton Football Club Limited

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

16 Provisions for liabilities

	Contingent transfer fees £
At 1 July 2013	2,538,189
Arising in the year	1,097,321
Utilised in the year	(2,980,462)
	<hr/>
At 30 June 2014	655,048
	<hr/>

17 Share capital

	2014 £	2013 £
<i>Allotted, called up and fully paid</i>		
501,000 Ordinary shares of £1 each	501,000	501,000
	<hr/>	<hr/>

18 Reserves

	Capital Contribution Reserve £	Profit and loss account £
At 1 July 2013	14,685,636	(27,840,525)
Profit for the year	-	30,973,302
	<hr/>	<hr/>
At 30 June 2014	14,685,636	3,132,777
	<hr/>	<hr/>

During 2009, a fellow group company waived amounts owed from the company resulting in a Capital Contribution. This contribution is non-refundable, bears no interest and may be distributed after all accumulated losses have been taken into account.

Southampton Football Club Limited

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

19 Reconciliation of movements in shareholder's funds/(deficit)

	2014 £	2013 £
Profit/(loss) for the year	30,973,302	(5,302,567)
Issue of shares	-	1,000
Premium on shares issued during the year	-	25,988,244
	<hr/>	<hr/>
Net additions to shareholder's funds/(deficit)	30,973,302	20,686,677
Opening shareholder's deficit	(12,653,889)	(33,340,566)
	<hr/>	<hr/>
Closing shareholder's funds/(deficit)	18,319,413	(12,653,889)
	<hr/>	<hr/>

20 Contingent liabilities

Excluding items already provided in the balance sheet, at 30 June 2014 Southampton Football Club had a liability to pay up to £1,656,000 (2013: £3,076,098) to other clubs in respect of players under contract, dependent upon the number of first team appearances and international debuts made.

At 30 June 2014 the company had contingent sums receivable from other Clubs in respect of players sold. Due to the uncertainty of receipt of these contingent assets it is not practicable to disclose the amount likely to be received.

21 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2014 £	Land and buildings 2013 £
Operating leases which expire:		
In two to five years	138,285	119,064
After five years	-	23,840
	<hr/>	<hr/>
	138,285	142,904
	<hr/>	<hr/>

Southampton Football Club Limited

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

22 Related party disclosures

During the prior year, the company issued 1,000 £1 Ordinary shares to the parent company shareholder, who transferred their loan to the company of £25,989,244 as consideration. These shares were subsequently purchased by the parent company for nominal value.

The company has loan notes of £14,699,988 (2013: £12,499,994) in issue to K Liebherr at the year end. Interest accrued at 30 June 2014 amounted to £828,315.

The company is a wholly owned subsidiary of St Mary's Football Group Limited and has taken advantage of the exemption conferred by Financial Reporting Standard 8 "Related party disclosures" not to disclose transactions with St Mary's Football Group Limited or other wholly owned subsidiaries within the group.

23 Ultimate parent company and parent undertaking of larger group

The company is a subsidiary of St Mary's Football Group Limited which is the ultimate parent company incorporated in Great Britain. The ultimate controlling party is K Liebherr.

The largest and smallest group in which the results of the company are consolidated is that headed by St Mary's Football Group Limited, incorporated in Great Britain. The consolidated accounts of this company are available to the public and may be obtained from St Mary's Stadium, Britannia Road, Southampton, SO14 5FP. No other group accounts include the results of the company.

24 Post balance sheet events

Since the year end the Company has entered into the sale and purchase of players with net transactions amounting to £12,600,000 payable.

Furthermore, the Shareholder has injected loans of £20m to fund further capital expenditure and assist in the refinancing of the company's net current position.