

# **Southampton Football Club Limited**

Report and Financial Statements

Year Ended

30 June 2011

Company Number 00053301

FRIDAY



A49      \*A15T6VSX\*      #457  
30/03/2012  
COMPANIES HOUSE

# **Southampton Football Club Limited**

## **Report and financial statements for the year ended 30 June 2011**

---

### **Contents**

#### **Page:**

1	Report of the directors
5	Independent auditor's report
7	Profit and loss account
8	Balance sheet
10	Notes forming part of the financial statements

---

### **Directors**

N Cortese  
G Rogers  
L Reed  
B McGlinchey

### **Secretary and registered office**

G Rogers, 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**

## **Report of the directors for the year ended 30 June 2011**

---

The directors present their report together with the audited financial statements for the year ended 30 June 2011

### **Results and dividends**

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

No dividend (2010 £nil) is proposed

### **Principal activities**

The company is a football club, which participates in the NPower Football League and associated cup competitions

### **Principal risks and uncertainties**

The principal risks are associated with the performance of the team and the league in which the football club operates, as revenues, particularly those from broadcasting, are substantially lower when the club is in the lower leagues. The company manages the impact of that risk through close control of its direct costs, relative to its forecast income.

As explained in note 1 to the accounts, the company has the support of its controlling party and consequently, liquidity risk is no longer a significant factor for the company.

Credit risk relates primarily to trade debtors from its commercial activities. The company monitors credit risk closely and its exposure to rate risk is minimal given any borrowings are financed by inter company loans.

### **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.

### **Policy on payment of creditors**

The company values its relationship with its many suppliers. As part of meeting its obligations under each purchase transaction, the company's policy is to pay amounts due for settlement in accordance with the negotiated terms of trade.

Trade creditors at 30 June 2011 represented 14 days of annual purchases (2010 32). This figure excludes creditors in respect of player purchases which are paid on the date when payment is contractually due.

---

# Southampton Football Club Limited

## Report of the directors for the year ended 30 June 2011 (*continued*)

---

### Financial Review

#### Summary of results

	2011 £000	2010 £000
Turnover	13,373	14,281
Operating Costs	(23,433)	(22,233)
Loss before player trading	(10,060)	(6,680)
Player trading	(1,709)	(1,084)
Loss before interest, tax	(11,769)	(7,764)

The board consider the key performance indicators for the company to be turnover and staff costs, with player trading being the key exceptional item each year

The results show a slightly reduced turnover from that reported in the prior year accounts.

Average attendances increased from 20,982 in 2009/10 to 21,538 in 2010/11 season

Operating costs increased in the year due to enhancements to the 1st team squad and a significant investment in the academy and other off-field activities

### Outlook

The renaissance Southampton Football Club has undertaken since its takeover is only the beginning of its ambitions; with the ultimate aim of setting new levels of excellence in all areas

Construction work has begun on the new, multi-million pound buildings at the Staplewood Training Ground. This will be an inspirational centre for all, providing an outstanding environment for our first team and young professionals. Exceptional facilities are being built for Sports Medicine and Science, Performance Analysis, Talent Identification and Recruitment and Education where the aim is to stretch the boundaries, break new ground and become industry leaders at the cutting edge of these fields. This vision will give our stars of the future the pathway and opportunity to progress through our Football Development and Support Centre ensuring we move towards our stated ambition of first team success coupled with sustainability and consistency through producing a squad capable of performing at the highest level with as many players as possible having come through the Youth Academy here at Southampton.

The Group continues to stand on a firm financial footing. The investment from the Group into the Club has been significant (not just football related but also into less visible, but nonetheless essential assets) and similar investment across the club is continuously planned. Financially and structurally we are ahead of our original plans set after the acquisition and therefore, the shareholder, the board and management are extremely pleased with the progress the club has made and are committed to ensuring it continues to flourish.

This commitment is further underlined by the ultimate shareholder agreeing to now capitalise the loans owed to it by the Club as well as those owed by the Group, effectively removing their debt by the date of the next reported balance sheets. This not only strengthens the business economically, but demonstrates a huge commitment towards Southampton Football Club.

---

# Southampton Football Club Limited

## Report of the directors for the year ended 30 June 2011 (*continued*)

---

### Directors

The directors of the company who served during the year were

N Cortese  
G Rogers (appointed 30 June 2011)  
L Reed (appointed 30 June 2011)  
D A Jones (resigned 28 September 2010)  
L Hyde (resigned 15 January 2011)  
B McGlinchey

### Directors' responsibilities

The directors are responsible for preparing 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,
- 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.

# Southampton Football Club Limited

## Report of the directors for the year ended 30 June 2011 (*continued*)

---

### 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

N Cortese

Director

29/02/2012

# **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 2011 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 Auditing Practices Board's (APB'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 APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **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 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other 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.

# 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*

*29 February 2022*

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 2011

		Operations excluding player trading	Player trading*	Total	Total
	Note	2011 £	2011 £	2011 £	2010 £
Turnover	2	13,372,915	-	13,372,915	14,281,484
Cost of sales		20,023,734	1,747,038	21,770,772	21,252,794
<b>Gross loss</b>		<b>(6,650,819)</b>	<b>(1,747,038)</b>	<b>(8,397,857)</b>	<b>(6,971,310)</b>
Administrative expenses		3,409,122	-	3,409,122	2,755,981
		<b>(10,059,941)</b>	<b>(1,747,038)</b>	<b>(11,806,979)</b>	<b>(9,727,291)</b>
Other operating income	3	-	-	-	1,270,799
<b>Operating loss</b>	4	<b>(10,059,941)</b>	<b>(1,747,038)</b>	<b>(11,806,979)</b>	<b>(8,456,492)</b>
Profit on disposal of players		-	38,438	38,438	692,364
<b>Loss on ordinary activities before interest and other income</b>		<b>(10,059,941)</b>	<b>(1,708,600)</b>	<b>(11,768,541)</b>	<b>(7,764,128)</b>
Other interest receivable and similar income				35,682	7,571
Interest payable and similar charges	7			(4,854)	(36,304)
<b>Loss on ordinary activities before and after taxation for the financial year</b>				<b>(11,737,713)</b>	<b>(7,792,861)</b>

\*Player trading represents the amortisation 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 21 form part of these financial statements

# Southampton Football Club Limited

## Balance sheet at 30 June 2011

<i>Company number 00053301</i>	<b>Note</b>	<b>2011 £</b>	<b>2011 £</b>	<b>2010 £</b>	<b>2010 £</b>
<b>Fixed assets</b>					
Intangible assets	9		<b>3,765,142</b>		<b>3,322,563</b>
Tangible assets	10		<b>490,404</b>		<b>538,764</b>
			<hr/>		<hr/>
			<b>4,255,546</b>		<b>3,861,327</b>
<b>Current assets</b>					
Stocks	11	<b>190,230</b>		<b>276,284</b>	
Debtors	12	<b>3,019,181</b>		<b>1,889,933</b>	
Cash at bank and in hand		<b>611,848</b>		<b>2,623,037</b>	
		<hr/>		<hr/>	
			<b>3,821,259</b>	<b>4,789,254</b>	
<b>Creditors: amounts falling due within one year</b>	13	<b>5,576,441</b>		<b>7,004,468</b>	
		<hr/>		<hr/>	
<b>Net current liabilities</b>			<b>(1,755,182)</b>		<b>(2,215,214)</b>
			<hr/>		<hr/>
<b>Total assets less current liabilities</b>			<b>2,500,364</b>		<b>1,646,113</b>
<b>Creditors: amounts falling due after more than one year</b>	14	<b>27,063,962</b>		<b>14,618,798</b>	
<b>Provisions for liabilities</b>	15	<b>419,800</b>		<b>273,000</b>	
		<hr/>		<hr/>	
			<b>27,483,762</b>		<b>14,891,798</b>
			<hr/>		<hr/>
			<b>(24,983,398)</b>		<b>(13,245,685)</b>
			<hr/>		<hr/>

The notes on pages 10 to 21 form part of these financial statements

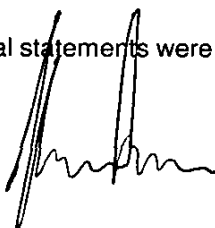
# Southampton Football Club Limited

## Balance sheet at 30 June 2011 (*continued*)

	Note	2011 £	2011 £	2010 £	2010 £
<b>Capital and reserves</b>					
Called up share capital	16		500,000		500,000
Capital Contribution Reserve	17		14,685,636		14,685,636
Profit and loss account	17		(40,169,034)		(28,431,321)
			<hr/>		<hr/>
<b>Shareholder's deficit</b>	18		(24,983,398)		(13,245,685)
			<hr/>		<hr/>

The financial statements were approved by the board of directors and authorised for issue on 24 FEBRUARY 2012

N Cortese  
Director



The notes on pages 10 to 21 form part of these financial statements

# Southampton Football Club Limited

## Notes forming part of the financial statements for the year ended 30 June 2011

---

### 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 DMWSL 613 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 2011 (*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 is reporting a loss for the year and has significant net liabilities, its principal indebtedness at the year end was to its parent company and shareholder.

The parent company Director has received assurances from the controlling party that funds will be made available as and when they are required to fund commitments for the foreseeable future. The company financing is inextricably linked with that of its parent company. 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.

#### *Tangible fixed assets*

Tangible fixed assets are stated at cost, 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:

Freehold Property	-	over 50 years
Equipment	-	over 4 to 10 years
Motor vehicles	-	over 4 to 5 years

#### *Signing on fees*

Signing on fees are charged to cost of sales over the duration of the player's contract.

# Southampton Football Club Limited

## Notes forming part of the financial statements for the year ended 30 June 2011 (*continued*)

### 1 Accounting policies (*continued*)

#### *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 Turnover

	2011 £	2010 £
Analysis by class of business		
Broadcasting	1,423,022	929,120
Match day	9,302,015	9,964,402
Commercial	2,253,173	3,043,074
Other	394,705	344,888
	<u>13,372,915</u>	<u>14,281,484</u>

Turnover arises solely within the United Kingdom

### 3 Other operating income

In the previous year as part of the acquisition of the company and its fellow subsidiaries, the company's indebtedness to the bank was settled. This resulted in a gain in 2010 on the settlement of the bank borrowings of £1,270,799.

### 4 Operating loss

	2011 £	2010 £
This is arrived at after charging		
Depreciation of tangible fixed assets	272,711	209,419
Amortisation of other intangible fixed assets	1,747,038	1,776,135
Hire of other assets - operating leases	144,225	141,670
Auditors' remuneration - fees payable to the company's auditor for the audit of the company's annual accounts	15,500	13,750
	<u>2,179,474</u>	<u>2,240,974</u>

The auditors were remunerated by Southampton Football Club on behalf of the group, of which Southampton Football Club is a member. The total remuneration amounted to £25,000 (2010: £22,000).

# Southampton Football Club Limited

## Notes forming part of the financial statements for the year ended 30 June 2011 (*continued*)

### 5 Employees

Staff costs (including directors) consist of

	2011 £	2010 £
Wages and salaries	11,617,482	10,900,032
Social security costs	1,382,464	1,221,980
Other pension costs	456,021	157,086
	<u>13,455,967</u>	<u>12,279,098</u>

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

	2011 Number	2010 Number
Administrative	51	50
Football	119	132
	<u>170</u>	<u>182</u>

In addition the company employs approximately 250 temporary staff on match days (2010 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 2008 has indicated that the Club's provisional share of the deficit at 30 June 2011 was £260,073 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 2011 (*continued*)

### 6 Directors' remuneration

	2011 £	2010 £
Directors' emoluments	194,411	252,252
Company contributions to money purchase pension schemes	10,000	35,145

The total amount payable to the highest paid director in respect of emoluments was £99,501 (2010 £105,870)

### 7 Interest payable and similar charges

	2011 £	2010 £
Finance leases and hire purchase contracts	4,854	27,294
Other interest payable	-	9,010
	<u>4,854</u>	<u>36,304</u>

### 8 Taxation on loss on ordinary activities

The tax assessed for the year is higher than the standard rate of corporation tax in the UK applied to loss before tax

	2011 £	2010 £
Loss on ordinary activities before tax	(11,737,713)	(7,792,861)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 28.0% (2010 - 28.0%)	(3,286,560)	(2,182,001)
Effect of		
Expenses not deductible for tax purposes	6,748	6,491
Capital allowances for period in excess of depreciation	(51,545)	(134,012)
Movement in unutilised tax losses	2,839,964	2,147,030
Group relief not paid for	439,848	28,480
Other deferred tax movements	51,545	134,012
Current tax charge for the year	-	-



# Southampton Football Club Limited

Notes forming part of the financial statements  
for the year ended 30 June 2011 (*continued*)

## 9 Intangible fixed assets

	Player registrations £
<i>Cost or valuation</i>	
At 1 July 2010	6,162,910
Additions	2,189,617
	<hr/>
At 30 June 2011	8,352,527
	<hr/>
<i>Amortisation</i>	
At 1 July 2010	2,840,347
Provided for the year	1,747,038
	<hr/>
At 30 June 2011	4,587,385
	<hr/>
<i>Net book value</i>	
At 30 June 2011	3,765,142
	<hr/>
At 30 June 2010	3,322,563
	<hr/>

Amortisation of player registrations is normally calculated on a straight line basis. Where appropriate, adjustments are made to reflect the specific circumstances of individual players.

# Southampton Football Club Limited

Notes forming part of the financial statements  
for the year ended 30 June 2011 (*continued*)

## 10 Tangible fixed assets

	Motor vehicles £	Fixtures and fittings £	Assets in Course of Construction £	Total £
<i>Cost or valuation</i>				
At 1 July 2010	97,744	3,200,436	103,514	3,401,694
Additions	-	204,351	20,000	224,351
Transfers	-	103,514	(103,514)	-
	<u>97,744</u>	<u>3,508,301</u>	<u>20,000</u>	<u>3,626,045</u>
At 30 June 2011	<b>97,744</b>	<b>3,508,301</b>	<b>20,000</b>	<b>3,626,045</b>
<i>Depreciation</i>				
At 1 July 2010	45,935	2,816,995	-	2,862,930
Provided for the year	15,543	257,168	-	272,711
	<u>61,478</u>	<u>3,074,163</u>	<u>-</u>	<u>3,135,641</u>
At 30 June 2011	<b>61,478</b>	<b>3,074,163</b>	<b>-</b>	<b>3,135,641</b>
<i>Net book value</i>				
At 30 June 2011	<u>36,266</u>	<u>434,138</u>	<u>20,000</u>	<u>490,404</u>
At 30 June 2010	<u>51,809</u>	<u>383,441</u>	<u>103,514</u>	<u>538,764</u>

The net book value of tangible fixed assets includes an amount of £49,188 (2010 £71,191) in respect of assets held under finance leases and hire purchase contracts. The related depreciation charge on these assets for the year was £22,003 (2010 £16,823).

## 11 Stocks

	2011 £	2010 £
Goods for resale	<u>190,230</u>	<u>276,284</u>

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 2011 (*continued*)

## 12 Debtors

	2011 £	2010 £
Trade debtors	603,542	209,356
Amounts owed by group undertakings	1,897,528	248,741
Other debtors	156,815	64,604
Prepayments and accrued income	361,296	457,155
Transfer fees receivable	-	910,077
	<u>3,019,181</u>	<u>1,889,933</u>

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

## 13 Creditors: amounts falling due within one year

	2011 £	2010 £
Football League loan	128,467	128,267
Trade creditors	1,149,104	933,716
Amounts owed to group undertakings	1,442,424	274,303
Taxation and social security	691,171	822,432
Obligations under finance lease and hire purchase contracts	16,680	24,756
Transfer fees payable	502,170	791,670
Other creditors	207,215	49,257
Accruals and deferred income	1,439,210	3,980,067
	<u>5,576,441</u>	<u>7,004,468</u>

Southampton Football Club had no transfer fees, compensation fees, loan fees or subsequent payments which became due under the terms of any transfer as well as any sum payable to or in respect of an employee employed during the 12 months to 30 June 2011 overdue as at 30 June 2011

## 14 Creditors: amounts falling due after more than one year

	2011 £	2010 £
Football League loan	-	127,400
Amounts owed to group undertakings	6,052,570	6,052,570
Obligations under finance lease and hire purchase contracts	22,148	38,828
Loan from parent company shareholder	20,989,244	8,400,000
	<u>27,063,962</u>	<u>14,618,798</u>

# Southampton Football Club Limited

Notes forming part of the financial statements  
for the year ended 30 June 2011 *(continued)*

## 14 Creditors: amounts falling due after more than one year *(continued)*

Maturity of debt

	Loans and overdrafts 2011 £	Loans and overdrafts 2010 £	Finance leases 2011 £	Finance leases 2010 £
In one year or less, or on demand	<b>128,467</b>	128,267	<b>16,680</b>	24,756
In more than one year but not more than two years	-	127,400	<b>13,988</b>	16,680
In more than two years but not more than five years	-	-	<b>8,160</b>	22,148
In more than five years	<b>20,989,244</b>	8,400,000	-	-
	<b>20,989,244</b>	8,527,400	<b>22,148</b>	38,828

Included in creditors due after more than one year are the following amounts repayable in more than five years

	2011 £	2010 £
Amounts owed to group undertakings	<b>6,052,570</b>	6,052,570
Loan from parent company shareholder	<b>20,989,244</b>	8,400,000
	<b>27,041,814</b>	14,452,570

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 2011 (*continued*)

### 15 Provisions for liabilities

	Contingent transfer fees £
At 1 July 2010	273,000
Utilised in year	(73,075)
Arising in the year	219,875
	<hr/>
At 30 June 2011	419,800
	<hr/>

A deferred tax asset has not been recognised in respect of timing differences relating primarily to trading losses as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £10,250,742 (2010 £7,585,960). The asset would be recovered if the company make suitable taxable future profits.

#### *Analysis of deferred tax balance.*

	2011 £	2010 £
Capital allowances in advance of depreciation	6,600	58,684
Rolled over gains on players	(6,600)	(58,684)
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

### 16 Share capital

	2011 £	2010 £
<i>Allotted, called up and fully paid</i>		
500,000 Ordinary shares of £1 each	500,000	500,000
	<hr/>	<hr/>



# Southampton Football Club Limited

## Notes forming part of the financial statements for the year ended 30 June 2011 (*continued*)

### 17 Reserves

	Capital Contribution Reserve £	Profit and loss account £
At 1 July 2010	14,685,636	(28,431,321)
Loss for the year	-	(11,737,713)
	<hr/>	<hr/>
At 30 June 2011	<b>14,685,636</b>	<b>(40,169,034)</b>
	<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

### 18 Reconciliation of movements in shareholder's deficit

	2011 £	2010 £
Loss for the year	(11,737,713)	(7,792,861)
Issue of shares	-	447,430
	<hr/>	<hr/>
Net deductions from shareholder's deficit	(11,737,713)	(7,345,431)
Opening shareholder's deficit	(13,245,685)	(5,900,254)
	<hr/>	<hr/>
Closing shareholder's deficit	<b>(24,983,398)</b>	<b>(13,245,685)</b>
	<hr/>	<hr/>

### 19 Contingent liabilities

Excluding items already provided in the balance sheet, at 30 June 2011 Southampton Football Club had a liability to pay up to £2,560,121 (2010 £3,466,243) to other clubs in respect of players under contract, dependent upon the number of first team appearances and international debuts made

At 30 June 2011 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

# Southampton Football Club Limited

## Notes forming part of the financial statements for the year ended 30 June 2011 (continued)

### 20 Commitments under operating leases

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

	Land and buildings 2011 £	Land and buildings 2010 £
Operating leases which expire		
In two to five years	23,840	23,840
After five years	119,064	119,064
	<u>142,904</u>	<u>142,904</u>

### 21 Related party disclosures

The company is a wholly owned subsidiary of DMWSL 613 Limited and has taken advantage of the exemption conferred by Financial Reporting Standard 8 "Related party disclosures" not to disclose transactions with DMWSL 613 Limited or other wholly owned subsidiaries within the group

### 22 Ultimate parent company and parent undertaking of larger group

The company is a subsidiary of DMWSL 613 Limited which is the ultimate parent company incorporated in Great Britain

The largest and smallest group in which the results of the company are consolidated is that headed by DMWSL 613 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.

From incorporation Mr Markus Liebherr controlled DMWSL 613 Limited by virtue of his shareholding in the business. Mr Liebherr died on 11 August 2010 and the ownership of the shareholding of DMWSL 613 Limited passed into probate. As at the date of signing these financial statements, the ownership of the shareholding of DMWSL 613 Limited is still in probate.

### 23 Post balance sheet events

Since the end of the financial year, Southampton Football Club has contracted for the purchase and sale of various players. The net receipt on these transactions was £8.1m. These transfers will be accounted for in the year ended 30 June 2011.