Company Registration No. 6297789

INTER MK GROUP LIMITED

Annual Report and Financial Statements

for the year ended 30 June 2017

INTER MK GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

CONTENTS

INTER MK GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P J Winkelman
B Winkelman
M Turner

SECRETARY

A Richens

REGISTERED OFFICE

Stadium MK
Stadium Way
Milton Keynes
MK1 1ST

BANKERS

Santander UK PLC
Milton Keynes

SOLICITORS

EMW LLP
Milton Keynes

AUDITOR

Deloitte LLP
Statutory Auditor
Cambridge

STRATEGIC REPORT

The directors, in preparing the Strategic report for Inter MK Group Limited ("the Group", "the Company"), have complied with S414C of the Companies Act 2006.

This strategic report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to Inter MK Group Limited and its subsidiary undertakings when viewed as a whole.

PRINCIPAL ACTIVITIES

The principal activities of the Group are as follows:

- the operation of a professional football club, with other entertainment and related commercial activities;
- property development; and
- the operation of a hotel.

The principal activity of the company is that of a holding company.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

As shown in the Group's Consolidated statement of total comprehensive income on page 9, the Group's turnover decreased by £9.3m (34%), from £27.8m to £18.5m, this was due to a reduced amount of development revenues associated with the commercial property developments of Inter MK Limited along with decreased turnover from competing in League One compared to the Championship in 2015-16.

The Group generated a loss on ordinary activities before taxation for the financial year of £2.6m (2016: £2.6m). The group loss position is due to loss of revenue from property development as detailed above.

The Group views the following as its key performance indicators relating to football activities:

	2017 £	2016 £
End of season league position (League One 16-17 / Championship 15-16)	12th	23rd
Staff costs as percentage of turnover	81.2%	67.1%
Match day income as a percentage of turnover	43.9%	42.7%

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.

STRATEGIC REPORT (continued)

PRINCIPAL RISKS AND UNCERTAINTIES

There are a number of potential risks and uncertainties which could have a significant impact on the Company's long-term performance.

The Inter MK Group's management team actively review existing risks across the Group and identify new risks on a monthly basis. Suitable controls are put in place and action plans are established to mitigate risks. The most important risks to the Group are the performance of Milton Keynes Dons Football Club, and changes within the construction & hotel industries as a whole.

FUTURE DEVELOPMENTS

The directors do not anticipate that there will be any change to the Group's principal activities in the foreseeable future

MARKET VALUE OF LAND

In the opinion of the directors, the market value of land is not materially different to the book value.

Approved by the Board of Directors on 01 February 2018

and signed on behalf of the Board

P J Winkelman

Director

DIRECTORS' REPORT

The directors present their annual report on the affairs of the Group, together with the audited financial statements, for the year ended 30 June 2017.

As permitted under section 414C(11) of the Companies Act 2006, the disclosures required by regulations made under 416(4) in relation to financial risk management objectives and policies have been included in the Strategic Report and form part of this report by cross-reference.

GOING CONCERN

Despite the Group generating losses on ordinary activities before taxation of £2.3m (2016: £2.3m) and showing net current liabilities of £4.4m (2016: £3.4m), and the Company showing net current liabilities of £2.0m (2016: £2.0m) the directors have a reasonable expectation that both the Group and Company has adequate resources to continue in operational existence for the foreseeable future.

The directors have prepared detailed forecasts for the Group out to June 2019. Given the trading in the year to date, these forecasts, the long term nature of the Group, bank borrowings and the significant undrawn facilities in place, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing both the Company and Group financial statements.

FUTURE DEVELOPMENTS

Details of future developments can be found in the Strategic Report on page 3 and form part of this report by cross-reference.

EVENTS AFTER THE BALANCE SHEET DATE

There were no significant events after the balance sheet date.

DIRECTORS

The directors who served throughout the year and to the date of this report unless otherwise stated, are listed below.

P J Winkelman
B Winkelman
M Turner

DIVIDENDS

No dividend was paid or proposed during the year (2016: £nil).

DISABLED EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of a member of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

EMPLOYEE CONSULTATION

The Group places considerable value on the involvement of its employees and operates a practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. Employee representatives are consulted regularly on a wide range of matter affecting their current and future interests.

DIRECTORS' REPORT (continued)

APPROVAL OF REDUCED DISCLOSURES

The Company, as a qualifying entity, has taken advantage, in respect of its separate financial statements, of the disclosure exemptions in FRS 102 paragraph 1.12. Exemptions have been taken in these separate Company financial statements in relation to share-based payments, financial instruments, presentation of a cash flow statement and remuneration of key management personnel. The Company's shareholder has been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.

The Company also intends to take advantage of these exemptions in the financial statements to be issued in the following year.

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 she/he ought to have taken as a director to make herself/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 and a resolution to reappoint them as auditor will be proposed in the absence of an Annual General Meeting.

Approved by the Board of Directors on 01 February 2018

and signed on behalf of the Board

P J Winkelman

Director

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTER MK GROUP LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30th June 2017 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Inter MK Group Limited ("the company"), which comprise:

- the consolidated statement of total comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 25.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

We have nothing to report in respect of these matters.

Matthew Hall

Matthew Hall FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Cambridge, United Kingdom

01 February 2018

INTER MK GROUP LIMITED

CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME
Year ended 30 June 2017

	Note	2017 £	2016 £
TURNOVER	3	18,480,085	27,818,138
Operating expenses		(21,997,092)	(30,876,276)
OPERATING LOSS		(3,517,007)	(3,058,138)
Profit on disposal of player registrations	4	1,111,788	775,000
LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		(2,405,219)	(2,283,138)
Finance costs (net)	7	(227,078)	(346,553)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	5	(2,632,297)	(2,629,691)
Tax on loss on ordinary activities	8	374,610	461,520
LOSS FOR THE FINANCIAL YEAR		(2,257,687)	(2,168,170)
Tax relating to components of other comprehensive income	17	1,023,800	2,018,800
OTHER COMPREHENSIVE INCOME		1,023,800	2,018,800
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		(1,233,887)	(149,370)

All activities derive from continuing operations.

INTER MK GROUP LIMITED

CONSOLIDATED BALANCE SHEET
30 June 2017

	Note	2017 £	2016 £
FIXED ASSETS			
Goodwill	9	208,470	220,733
Intangible assets	10	330,466	214,505
Tangible assets	11	108,456,395	106,998,139
		108,995,331	107,433,377
CURRENT ASSETS			
Stocks	13	307,384	343,558
Debtors	14	3,456,607	3,567,947
Cash at bank and in hand:	20	1,077,447	1,923,503
		4,841,438	5,835,008
CREDITORS: amounts falling due within one year	15	(9,273,489)	(9,247,095)
NET CURRENT LIABILITIES		(4,432,051)	(3,412,088)
TOTAL ASSETS LESS CURRENT LIABILITIES		104,563,280	104,021,289
CREDITORS: amounts falling due after more than one year	16	(8,887,219)	(5,643,542)
PROVISIONS FOR LIABILITIES	17	(17,467,097)	(18,934,896)
NET ASSETS		78,208,964	79,442,851
CAPITAL AND RESERVES			
Called up share capital	18	1,000	1,000
Merger reserve		(999)	(999)
Profit and loss account		(5,056,637)	(4,508,750)
Revaluation reserve		83,265,600	83,951,600
SHAREHOLDERS' FUNDS		78,208,964	79,442,851

The financial statements of Inter MK Group Limited, registered number 6297789, were approved by the Board of Directors and authorised for issue on 01 February 2018.

Signed on behalf of the Board of Directors

P J Winkelman

Director

COMPANY BALANCE SHEET
30 June 2017

	Note	2017 £	2016 £
FIXED ASSETS			
Investments	12	2,001,003	2,001,003
CREDITORS: amounts falling due within one year	15	(2,000,003)	(2,000,003)
NET CURRENT LIABILITIES		(2,000,003)	(2,000,003)
NET ASSETS		1,000	1,000
CAPITAL AND RESERVES			
Called up share capital	18	1,000	1,000
SHAREHOLDERS' FUNDS		1,000	1,000

The financial statements of Inter MK Group Limited, registered number 6297789, were approved by the Board of Directors and authorised for issue on 01 February 2018.

Signed on behalf of the Board of Directors

P J Winkelman

Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Year ended 30 June 2017

	Share capital £	Merger account £	Profit and loss account £	Revaluation reserve £	Total £
At 1 July 2015	**1,000**	**(999)**	**(4,029,780)**	**83,622,000**	**79,592,221**
Loss for the financial year	-	-	(2,168,170)	-	(2,168,170)
Other comprehensive income	-	-	2,018,800	-	2,018,800
Total comprehensive income	**-**	**-**	**(149,370)**	**-**	**(149,370)**
Transfer between reserves	-	-	(329,600)	329,600	-
At 30 June 2016	**1,000**	**(999)**	**(4,508,750)**	**83,951,600**	**79,442,851**
Loss for the financial year	-	-	(2,257,687)	-	(2,257,687)
Other comprehensive income	-	-	1,023,800	-	1,023,800
Total comprehensive income	**-**	**-**	**(1,233,887)**	**-**	**(1,233,887)**
Transfer between reserves	-	-	686,000	(686,000)	-
At 30 June 2017	**1,000**	**(999)**	**(5,056,637)**	**83,265,600**	**78,208,964**

COMPANY STATEMENT OF CHANGES IN EQUITY
Year ended 30 June 2017

	Share capital £	Total £
At 1 July 2015	**1,000**	**1,000**
Profit for the financial year	-	-
At 30 June 2016	**1,000**	**1,000**
Profit for the financial year	-	-
At 30 June 2017	**1,000**	**1,000**

CONSOLIDATED CASH FLOW STATEMENT
Year ended 30 June 2017

	Note	2017 £	2016 £
Net cash flows from operating activities	19	(436,381)	3,793,461
Cash flows from investing activities			
Interest paid		(227,078)	(346,553)
Purchase of tangible fixed assets		(4,521,703)	(1,366,590)
Purchase of intangible fixed assets		(546,337)	(358,759)
Disposal of intangible fixed assets		1,261,382	775,000
Disposal of tangible fixed assets		33,140	71,564
Net cash flows from investing activities		(4,000,596)	(1,225,338)
Cash flows from financing activities			
Repayments of borrowings		(5,875,441)	(1,334,776)
New bank loans raised		9,538,098	-
(Decrease)/Increase in finance leases		(71,836)	5,450
Net cash flows from financing activities		3,590,821	(1,329,326)
Net (decrease) / increase in cash and cash equivalents		(846,056)	1,238,798
Cash and cash equivalents at beginning of year		1,923,503	684,705
Cash and cash equivalents at end of year		1,077,447	1,923,503

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2017

1. ACCOUNTING POLICIES

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

General information and basis of accounting

Inter MK Group Limited is a private company limited by shares incorporated in England and Wales under the Companies Act. The address of the registered office is given on page 1. The nature of the Group's operations and its principal activities are set out in the Strategic Report.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operated. The Company's financial statements are therefore presented in pounds sterling.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation fo share-based payments, financial instruments, presentation of a cash flow statement, intra-group transactions and remuneration of key management personnel.

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 30 June each year. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Acquisitions are accounted for under the acquisition method.

Going concern

Despite the Group generating losses on ordinary activities before taxation of £2.3m (2016: £2.3m) and showing net current liabilities of £4.4m (2016: £3.4m), and the Company showing net current liabilities of £2.0m (2016: £2.0m) the directors have a reasonable expectation that both the Group and Company has adequate resources to continue in operational existence for the foreseeable future.

The directors have prepared detailed forecasts for the Group out to June 2019. Given the trading in the year to date, these forecasts, the long term nature of the Group, bank borrowings and the significant undrawn facilities in place, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing both the Company and Group financial statements.

Turnover

All turnover in the current year and preceding year was derived in the United Kingdom.

Milton Keynes Dons Limited

Turnover represents income receivable, net of VAT, from football, entertainment and related commercial activities.

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.

Turnover is recognised in respect of barter transactions only where services are exchanged for dissimilar services and the transaction is deemed to have commercial substance. Such transactions are measured at the fair value of the services received, adjusted by any amount of cash and cash equivalents transferred.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2017

1. **ACCOUNTING POLICIES (continued)**

Inter MK Limited

Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. Where a contract has only been partially completed at the balance sheet date turnover represents the value of the service provided to date based on a proportion of the total contract value. Where payments are received from customers in advance of services provided, the amounts are recorded as Deferred Income and included as part of Creditors due within one year.

Turnover is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated by reference to the value of work performed to date as a portion of the total contract value.

Stadium MK Limited

Turnover from the sale of food and drink is recognised at the point of sale. Turnover from the supply of services, which principally comprise of the provision of corporate event facilities, is recognised to the extent that there is a right to consideration and is recorded at the value of the consideration due; this is typically either the date of the event or the day of departure respectively. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Hotel MK Limited

Turnover from the supply of services, which principally comprise accommodation charges and the provision of corporate event facilities, is recognised to the extent that there is a right to consideration and is recorded at the point at which the service is provided. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year. Turnover from the sale of food and drink is recognised at the point of sale.

Investments

Fixed asset investments are shown at cost less provision for impairment.

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the profit or loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Goodwill

Goodwill is stated at cost net of amortisation and any provision for impairment. Goodwill is amortised over a period of 20 years.

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, once they are brought into use, by equal instalments over their estimated useful economic lives as follows:

Land	Not depreciated
Buildings	50 years
Office equipment	3 years
Plant and machinery	5 years
Furniture and fittings	5 years
IT equipment	3 years
Vehicles	5 years

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

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2017

1. **ACCOUNTING POLICIES (continued)**

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 22).

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

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

Stocks

Stocks comprise development property for onward sale, retail stock, food and beverages and consumables and are stated at the lower of cost and net realisable value.

Where properties which are intended to be sold have been acquired they have been included in stock as development properties. Development property comprises freehold land inclusive of the direct cost of acquisition and other directly attributable property development costs including interest costs.

Leases

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

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Cash and liquid resources

Cash comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

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.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2017

1. **ACCOUNTING POLICIES (continued)**

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

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.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

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 102 'employee benefits'. The pension cost charges represent contributions payable by the company during the year towards an actuarial deficit on the scheme, and a provision for the future settlement of the deficit in the Scheme, as advised by the Trustees (see Note 17).

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. Government income relating to the cost of the construction of the Stadium is credited to the profit and loss account when the cash is received.

2. **CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Group's accounting policies, which are described in Note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2017

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The directors are of the opinion that there are no accounting judgements that are not described in sufficient detail in note 1. The directors are of the opinion that the key sources of estimation uncertainty are as follows:

Key source of estimation uncertainty – present value of pension obligation

The funding objective of the Trustees of the Scheme is to have sufficient assets to meet the Technical Provisions of the Scheme. In order to remove the deficit revealed at the previous actuarial valuation (dated 31 August 2014), deficit contributions are payable by all participating clubs. Payments are made in accordance with a payment schedule. Determining the present value of the clubs share of the pension obligations requires significant assumptions determined by the schemes actuaries and therefore represents a key source of uncertainty.

3. TURNOVER

Turnover, all of which originates in the UK, comprises the following:

	2017 £	2016 £
Football, entertainment and related activities	5,936,635	10,625,876
Hotel	10,575,179	8,774,957
Arena and Stadium	928,586	949,338
Property development	1,039,685	7,467,966
	18,480,085	27,818,138

4. PROFIT ON DISPOSAL OF PLAYER REGISTRATIONS

	2017 £	2016 £
Consideration	1,261,382	775,000
Net book value of disposal	(149,594)	-
	1,111,788	775,000

5. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Loss on ordinary activities before taxation is after charging/(crediting):	2017 £	2016 £
Depreciation of tangible fixed assets	3,030,306	2,907,503
Amortisation of players' registrations	280,782	410,748
Amortisation of goodwill	12,263	12,263
Profit on disposal of players' registrations	(1,111,788)	(775,000)
Profit on disposal of fixed assets	(1,909)	-
Auditor's remuneration	49,600	82,000

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2017

5. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION (continued)

The analysis of auditor's remuneration is as follows:	2017	2016
	£	£
Fees payable to the Company's auditor for the audit of the Company's annual accounts	7,000	7,500
The audit of the Company's subsidiaries	42,600	45,500
Taxation compliance services	-	29,000
	49,600	82,000

6. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2017	2016
	£	£
Directors' remuneration		
Emoluments	464,197	325,500

During the current year the highest paid director was paid £201,697 (2016: £125,500). No directors (2016: none) were members of pension schemes in the current year.

	No	No
The average number of employees of the group during the year were:		
Directors	7	7
Full-time playing, training and management	72	82
Administration and commercial	550	502
	629	591

In addition to the above, the group employs an average of 150 (2016: 150) temporary staff on match days.

Staff costs incurred during the year in respect of these employees were:	£	£
Wages and salaries	9,350,081	11,375,954
Social security costs	965,175	1,241,913
Other pension costs	77,663	116,411
	10,392,919	12,734,278

7. FINANCE COSTS (NET)

	2017	2016
	£	£
Finance costs (net)	227,078	346,553

8. TAX ON LOSS ON ORDINARY ACTIVITIES

	2017	2016
	£	£
Current tax		
United Kingdom corporation tax at blended standard UK rate of 19.75% (2016: 20.00%) based on the results for the year	-	-
Adjustment in respect of prior year	-	(57,436)
Total current tax charge	-	(57,436)

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2017

8. TAX ON LOSS ON ORDINARY ACTIVITIES (continued)

Deferred tax		
Origination and reversal of timing differences	637,208	(337,437)
Effect of rate change	(1,023,855)	1,228
Adjustment in respect of prior periods	12,037	(67,875)
Tax on loss on ordinary activities	(374,610)	(461,520)

The tax assessed for the year differs to the amount resulting from applying the blended standard rate of corporation tax in the UK of 19.75% (2016: 20.00%). The differences are explained below:

	2017 £	2016 £
Loss on ordinary activities before tax	(2,632,297)	(2,629,691)
Tax on loss on ordinary activities at blended standard rate of 19.75% (2016: 20.00%)	(519,879)	(526,120)
Factors affecting charge for the year:		
Expenses not deductible for tax purposes	25,518	54,515
Losses	-	99,464
Adjustments to tax charge in respect of previous periods	17,535	(125,311)
Tax rate changes	(920,482)	42,428
Deferred tax charged other comprehensive income	1,023,800	-
Deferred tax not recognised	(1,100)	(6,497)
Total tax credit for the year	(374,610)	(461,520)

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

	2017 £	2016 £
Accelerated capital allowances	89,159	117,768
Tax losses	77,061	394,139
STTDs - trading	467,868	93,160
Deferred tax asset (not recognised)	634,088	605,067

The deferred tax asset has not been recognised on the basis that, in the directors' opinion, there is not sufficient certainty that taxable profits will be available in the foreseeable future against which to utilise these tax losses.

From 1 April 2015, the main rate of corporation tax was reduced to 20%. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Company's future current tax charge accordingly. Any deferred tax at 28 February 2017 has been calculated based on the rate of 17% being the rate substantively enacted at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2017

9. GOODWILL

GROUP	£
Goodwill at 1 July 2016	220,733
Amortisation charged in the financial year	(12,263)
Goodwill at 30 June 2017	208,470

10. INTANGIBLE FIXED ASSETS

GROUP	Player registrations £
Cost	
At 1 July 2016	770,884
Additions	546,337
Disposals	(349,000)
At 30 June 2017	968,221
Amortisation	
At 1 July 2016	556,379
Charge for the year	280,782
Disposals	(199,406)
At 30 June 2017	637,755
Net book value	
At 30 June 2017	330,466
At 30 June 2016	214,505

11. TANGIBLE FIXED ASSETS

GROUP	Land and buildings £	Office equipment £	Plant and machinery £	Furniture and fittings £	IT equipment £	Vehicles £	Total £
Cost							
At 1 July 2016	108,424,952	327,616	2,498,672	3,743,202	818,319	131,925	115,944,686
Additions	4,319,311	42,281	5,145	127,877	27,089	-	4,521,703
Disposals	-	-	-	(48,024)	-	-	(48,024)
At 30 June 2017	112,744,263	369,897	2,503,817	3,823,055	845,408	131,925	120,418,365
Depreciation							
At 1 July 2016	4,444,554	277,420	1,827,633	1,743,647	551,318	101,975	8,946,547
Charge for the year	2,073,787	35,084	174,906	567,910	166,477	12,142	3,030,306
Disposals	-	-	-	(14,883)	-	-	(14,883)
At 30 June 2017	6,518,341	312,504	2,002,539	2,296,674	717,795	114,117	11,961,970
Net book value							
At 30 June 2017	106,225,922	57,393	501,278	1,526,381	127,613	17,808	108,456,395
At 30 June 2016	103,980,398	50,196	671,039	1,999,555	267,001	29,950	106,998,139

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2017

12. INVESTMENTS

COMPANY	Subsidiary undertakings £
Cost and net book value	
At 1 July 2016 and 30 June 2017	2,001,003

The following are the subsidiary undertakings of the company:

Subsidiary undertaking	Registered office	Principal activity	Description of shares held	Proportion of nominal value of shares held by the company
Stadium MK Limited	Stadium MK, Stadium Way, Milton Keynes MK1 1ST	Event management	Ordinary £1 shares	100%
Hotel MK Limited	Stadium MK, Stadium Way, Milton Keynes MK1 1ST	Hotel operator	Ordinary £1 shares	100%
Milton Keynes Dons Limited	Stadium MK, Stadium Way, Milton Keynes MK1 1ST	Professional football	Ordinary £1 shares	100%
Inter M.K. Limited	Stadium MK, Stadium Way, Milton Keynes MK1 1ST	Property development	Ordinary £1 shares	100%
MRT Development Consultants Limited	Stadium MK, Stadium Way, Milton Keynes MK1 1ST	Development consulting	Ordinary £1 shares	100%
Milton Kcynes City Football Club Limited	Stadium MK, Stadium Way, Milton Keynes MK1 1ST	Non-trading	Ordinary £1 shares	100%
Milton Keynes Football Club Limited	Stadium MK, Stadium Way, Milton Keynes MK1 1ST	Non-trading	Ordinary £1 shares	100%
Stadium MK Properties Limited	Stadium MK, Stadium Way, Milton Keynes MK1 1ST	Non-trading	Ordinary £1 shares	100%

13. STOCKS

GROUP	2017 £	2016 £
Retail stock	68,470	125,171
Cutlery, bed furnishing, food and beverages	238,914	218,387
	307,384	343,558

14. DEBTORS

GROUP	2017 £	2016 £
Trade debtors	1,745,138	2,470,937
Other debtors	1,139,588	568,029
Prepayments	554,720	485,981
Accrued income	17,161	-
Tax credit due	-	43,000
	3,456,607	3,567,947

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2017

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
GROUP		
Bank loans	666,668	266,664
Finance leases	46,160	99,020
Trade creditors	1,931,936	2,932,670
Taxation and social security	1,099,695	879,703
Other creditors	698,644	241,565
Accruals	651,610	628,181
Deferred income	4,178,776	4,199,293
	9,273,489	9,247,095
COMPANY		
Amounts owed to subsidiary undertakings	2,000,003	2,000,003

Deferred income shown above includes an amount of £2,257,872 (2016: £1,659,768) relating to contractual obligations to be incurred on the completion of the Stadium.

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

GROUP	2017 £	2016 £
Bank loans	8,871,430	5,608,777
Finance leases	15,789	34,765
	8,887,219	5,643,542

Total bank borrowings are repayable as follows:

	2017 £	2016 £
Bank loans		
Between one and two years	666,668	266,664
Between two and five years	8,204,762	5,342,113
	8,871,430	5,608,777
On demand or within one year	666,668	266,664
	9,538,098	5,875,441

An amount of £9.5m (2016: £5.9m), included within bank loans, is secured by a fixed and floating charge on the assets of the Group. The loan is on a five year commitment with capital payment calculated over 15 years. Interest is payable on the term loan at 2.6% above 3 month LIBOR.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2017

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)

	2017 £	2016 £
Finances leases are repayable as follows:		
Between one and two years	15,789	34,765
	15,789	34,765
On demand or within one year	46,160	99,020
Total bank and other loans	61,949	133,785

17. PROVISIONS FOR LIABILITIES

GROUP	Deferred tax £	Pension scheme £	Total £
At 1 July 2016	18,417,339	517,557	18,934,896
Charged to profit and loss account	(374,610)	7,489	(367,121)
Charged to other comprehensive income	(1,023,800)	-	(1,023,800)
Club contributions	-	(76,878)	(76,878)
At 30 June 2017	17,018,929	448,168	17,467,097

Analysis of deferred tax provion

	2017 £	2016 £
Revaluation of property	17,054,400	18,428,400
Accelerated capital allowances	(32,116)	(8,924)
Short term timing differences	(435)	(2,137)
Tax losses carried forward and other deductions	(2,920)	-
	17,018,929	18,417,339

The amount provided under pension schemes relates to a share of a Football League pension scheme deficit attributable to the company - see note 21. The Club currently pays total contributions of £77,484 (2016: £73,793) per annum which increases at 5.0% per annum and based on the actuarial valuation assumptions detailed in note 21, will be sufficient to pay off the deficit by 31 August 2022.

18. CALLED UP SHARE CAPITAL

	2017 £	2016 £
Called up, allotted and fully paid		
1,000 ordinary shares of £1 each	1,000	1,000

The Company has one class of ordinary share which carries no right to fixed income.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2017

19. RECONCILIATION OF OPERATING LOSS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017 £	2016 £
Operating loss	(3,517,007)	(3,058,138)
Depreciation	3,030,306	2,907,503
Amortisation of intangible assets	293,045	423,011
Operating cash flow before movement in working capital	(193,656)	272,376
Decrease in stocks	36,174	1,123,615
Decrease in debtors	111,340	2,762,872
Decrease in creditors	(320,750)	(481,744)
Decrease in provisions	(1,467,799)	(2,363,978)
Corporation tax	1,398,410	2,480,320
Net cash (outflow)/inflow from operating activities	(436,381)	3,793,461

20. ANALYSIS AND RECONCILIATION OF NET DEBT

	At 1 July 2016 £	Cash flow £	At 30 June 2017 £
Cash and cash equivalents	1,923,503	(846,056)	1,077,447
Debt due after 1 year	(5,608,777)	(3,262,653)	(8,871,430)
Debt due within 1 year	(266,664)	(400,004)	(666,668)
Finance leases	(133,785)	71,836	(61,949)
	(6,009,226)	(3,590,821)	(9,600,047)
Net debt	(4,085,723)	(4,436,877)	(8,522,600)

	2017 £	2016 £
Change in net debt resulting from cash flows	(4,436,877)	2,568,124
Movement in net debt in the year	(4,436,877)	2,568,124
Net debt as at 1 July	(4,085,723)	(6,653,847)
Net debt as at 30 June	(8,522,600)	(4,085,723)

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2017

21. PENSION SCHEME

MK Dons Football Club ('the Club') participates in the Football League Pension and Life Assurance Scheme ('the Scheme'). The Scheme is a funded multi-employer defined benefit scheme, with 92 participating employers, and where members may have periods of service attributable to several participating employers. The Club is unable to identify its share of the assets and liabilities of the Scheme and therefore accounts for its contributions as if they were paid to a defined contribution scheme.

The last actuarial valuation was carried out at 31 August 2014 where the total deficit on the on-going valuation basis was £21.8 million. The key assumptions used to calculate the deficit at the 31 August 2014 actuarial valuation are:

Discount Rate:	5.4% per annum for the 1st 7 years, 4.4% per annum for the following 10 years and 3.4% per annum thereafter.
RPI inflation:	3.2% per annum
Pension Increases:	3.0% per annum, for benefits accrued prior to 6 April 1997, and 3.7% per annum for benefits accrued after 6 April 1997.
Mortality (pre-retirement):	None
Mortality (post-retirement):	SAPS CMI_2013 2.0%

The accrual of benefits ceased within the Scheme on 31 August 1999, therefore there are no contributions relating to current accrual. The Club pays monthly contributions based on a notional split of the total expenses and deficit contributions of the Scheme.

The results of the 2014 valuation were rolled forward to 30 June 2017 on the same assumptions as detailed above, and the Club's notional share of the deficit was £374,521 (£418,974 as at 30 June 2016).

The Club currently pays total contributions of £77,484 per annum which increases at 5.0% per annum (first increase due as at 1 September 2016) and based on the actuarial valuation assumptions detailed above, will be sufficient to pay off the deficit by 31 August 2022.

As at 30 June 2017, based on an appropriate discount rate of 1.2% per annum (1.3% per annum as at 30 June 2016), the present value of the Club's outstanding contributions (i.e. their future liability) is £448,168 (£517,557 as at 30 June 2016). This amounts to £80,711 (2016: £76,868) due within one year and £367,457 (2016: £440,689) due after more than one year and is included within provisions.

Present value of defined benefit obligation

	2017	**2016**
	£	**£**
Present value of defined benefit obligation	448,168	517,557

Reconciliation of Defined Benefit Obligation

	2017	**2016**
	£	**£**
Defined Benefit obligation at start of the year	517,557	568,903
Net Interest Charge (Unwinding of discount rate)	7,172	12,237
Club contribution (deficit contribution)	(76,878)	(73,793)
Remeasurement (changes in assumptions)	317	10,209
Remeasurement (change to contribution schedule)	-	-
Defined benefit obligation at end of year	448,168	517,557

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2017

21. PENSION SCHEME (continued)

	2017 £	2016 £
Net Interest Charge (Unwinding of discount rate)	7,172	12,237
Remeasurement (changes in assumptions)	317	10,209
Remeasurement (change to contribution schedule)	-	-
Assumptions:		
Discount Rate (based on AA corporate bond yields of appropriate currency/duration)	1.2%	1.3%

The funding objective of the Trustees of the Scheme is to have sufficient assets to meet the Technical Provisions of the Scheme. In order to remove the deficit revealed at the previous actuarial valuation (dated 31 August 2014), deficit contributions are payable by all participating clubs. Payments are made in accordance with a pension contribution schedule. As the Scheme is closed to accrual, there are no additional costs associated with the accruing of members' future benefits. In the case of a club being relegated from the Football League and being unable to settle its debt then the remaining clubs may, in exceptional circumstances, have to share the deficit.

Upon the wind-up of the Scheme with a surplus, any surplus will be used to augment benefits. Under the more likely scenario of there being a deficit, this will be split amongst the clubs in line with their contribution schedule. Should an individual club leave the Scheme, they may be required to pay their share of the deficit based on a proxy buyout basis (i.e. valuing the benefits on a basis consistent with buying out the benefits with an insurance company).

22. CONTINGENT LIABILITIES AND ASSETS

Player registration fees

At the year end, no additional transfer fees payable (2016: £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.

23. COMMITMENTS

The Company and Group had no capital commitments at the balance sheet date (2016: none).

24. RELATED PARTY TRANSACTIONS

During the year, loans amounting to £70,388 (2016: £nil) were granted to directors of the Group, interest is charged at market rate and the loans are repayable in full on demand. Repayments of £21,200 (2016: £52,666) were made during they year with the total amount outstanding at the balance sheet date (including interest accrured) being £101,525 (2016: £49,741).

There were no other transactions with related parties in the financial period to be noted.

25. ULTIMATE CONTROLLING PARTY

The controlling and ultimate controlling party is considered to be Mr P J Winkelman by virtue of his shareholding in Inter MK Group Limited.