

THE GRIMSBY TOWN FOOTBALL CLUB PLC



**FINANCIAL STATEMENTS FOR THE YEAR ENDED
31st MAY, 2004**

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Details of Incorporation

Incorporated in England on 20th June, 1891
under Company Number 34760

Registered Office

Blundell Park,
Cleethorpes,
DN35 7PY.

Chairman

J.S. Fenty

Directors

M. Chapman
J. Elsom
P.W. Furneaux

Company Secretary

I. Fleming

Auditors

Weaver Wroot,
Chartered Certified Accountants,
Burlington House,
28 Dudley Street,
Grimsby,
DN31 2AB.

Solicitors

Beetenson & Gibbon,
Town Hall Square,
Grimsby,
DN31 1HX.

Bankers

Lloyds TSB plc,
Commercial Banking Service Centre,
8th Floor,
6-7 Park Row,
Leeds
LS1 1NX.

**THE GRIMSBY TOWN
FOOTBALL CLUB PLC**

NOTICE OF MEETING

Notice is hereby given that the one-hundred and thirteenth ANNUAL GENERAL MEETING of the company will be held in The Executive Lounge, Blundell Park, Cleethorpes on 20th December, 2004 at 10.00 a.m. to transact the following business:

1. To confirm the Minutes of the one hundred and twelfth Annual General Meeting.
2. To receive the Report of the Directors and Financial Statements for the year ended 31st May, 2004.
3. To elect Directors.
4. To re-appoint Weaver Wroot as the company's auditors and authorise the Directors to fix their remuneration.

BY ORDER OF THE BOARD,



**I. Fleming
Company Secretary**

**15th November, 2004
Blundell Park,
Cleethorpes.**

Note

A member entitled to attend and vote at the Meeting may appoint a proxy to attend and vote on their behalf. Such proxy need not be a member of the company. To be valid, proxies must be lodged at the Registered Office of the company not later than 48 hours prior to the time appointed for the Meeting.

The Register of Members will be closed from 6th December, 2004 and will remain so until after the Meeting.

The directors present their Report and Financial Statements for the year ended 31st May, 2004.

Principal activity

The company's principal activity continues to be that of a professional football club together with related and ancillary activities.

Review of the business

A summary of the results for the year is given on page 7 of the attached financial statements.

The directors do not recommend the payment of a dividend.

The financial results for the year continue to reflect the financial difficulties imposed on the company by the collapse of ITV Digital. As reported in previous years the company still had continuing financial commitments based on the income from the television agreement. These commitments ceased at 31st May, 2004. Although the projections and forecasts for the forthcoming year show an improving position, the Board will continue to take whatever measures are deemed necessary to ensure that the company can continue to operate within its available financial resources.

Directors and disclosable interests

The beneficial interests of the directors who held office at the end of the year, and those of their families, in the ordinary shares of the company on 1st June 2003, (or later date of appointment) and 31st May, 2004 which have been notified by each director pursuant to Section 324 of the Companies Act were as follows:

	2004 Ordinary shares in units of £1	2003 Ordinary shares in units of £1
J.S. Fenty	62,289	62,289
P.W. Furneaux	500	500
M.R.D. Rouse	46,820	46,820
M. Chapman	500	500
J. Elsom	500	500

M.R.D. Rouse resigned from the Board on 9th September, 2004.

By rotation M. Chapman will be retiring at the Annual General Meeting but being eligible offers himself for re-election.

Fixed assets

The directors are not aware of any material difference between the market value of the company's freehold land and buildings and the amount included in the financial statements.

Share capital

During the year 1,731 £50 shares have been issued representing amounts received before and after 31st May, 2003 of £86,550. Since 31st May, 2004 10 £50 shares have been issued.

Political and charitable donations

The company's charitable donations for the year amounted to £779 (2003 £2,174). There were no political contributions (2003 £Nil).

Payment to suppliers

The company does not have a standard policy for payment of suppliers but seeks the best possible terms appropriate to the transaction, giving consideration to quality, price and terms of payment. The company will continue to honour any contractual and other legal obligations to pay creditors on dates agreed in contracts and purchase orders. The cost of acquiring players' registrations and associated transactions are such that the calculation of the number of creditor days would be distorted, therefore the company has calculated creditor days excluding these amounts. The number of creditor days was 46 (2003: 52)

Employment, health and safety and environmental policies

It is the company's policy that there should be no discrimination against any person on the grounds of race, sex, religion or otherwise.

In accordance with the company's equal opportunity policy, disabled people are given the same consideration as others when they apply for a job. Depending on their skills and abilities, they enjoy the same career prospects and scope for realising their potential as other employees. If an existing employee becomes disabled, reasonable steps are taken to retain them in employment.

Within the bounds of commercial confidentiality, staff are kept reasonably informed of matters that affect the progress of the company and are of interest to them as employees.

The company maintains its own health and safety and environmental policies covering its activities. Adherence to these policies is monitored on a regular basis.

Auditors

In accordance with section 385 of the Companies Act 1985 a resolution to reappoint Weaver Wroot as auditors will be put to the Members at the Annual General Meeting.

THIS REPORT WAS APPROVED BY THE BOARD OF DIRECTORS ON 15th NOVEMBER, 2004

BY ORDER OF THE BOARD



**I. FLEMING
Company Secretary**

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

We have audited the financial statements on pages 7 to 20.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Going concern

In forming our opinion we have considered the adequacy of the disclosures in Note 1, of the financial statements concerning the continued financial support to the company by its bankers and directors. In view of the significance of this matter we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st May, 2004 and of its loss and cashflows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**15th November, 2004
Grimsby**


WEAVER WROOT

**Chartered Certified Accountants
Registered Auditors**

**THE GRIMSBY TOWN
FOOTBALL CLUB PLC**

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31st MAY, 2004**

				2004	2003
	Note	Operations excluding player trading £	Player trading £	Total £	Total £
Turnover	2	2,499,918	-	2,499,918	3,836,889
Operating expenses	3	(2,854,014)	(217,218)	(3,071,232)	(3,910,730)
		<hr/>	<hr/>	<hr/>	<hr/>
Operating (loss) profit		(354,096)	(217,218)	(571,314)	(73,841)
Profit (loss) on disposal of players' registrations		-	71,470	71,470	-
		<hr/>	<hr/>	<hr/>	<hr/>
(Loss) Profit before interest and taxation		<u>(354,096)</u>	<u>(145,748)</u>	<u>(499,844)</u>	<u>(73,841)</u>
Net interest payable	5			(32,336)	(25,663)
				<hr/>	<hr/>
(Loss) profit on ordinary activities before taxation	3			(532,180)	(99,504)
Taxation	6			-	-
				<hr/>	<hr/>
(Sustained loss) retained profit for the year				(532,180)	(99,504)
(Accumulated losses) brought forward				(1,060,542)	(961,038)
				<hr/>	<hr/>
(Accumulated losses) carried forward				<u>(1,592,722)</u>	<u>(1,060,542)</u>

The company made no recognised gains or losses in 2004 or 2003 other than the (loss) profit for the year.

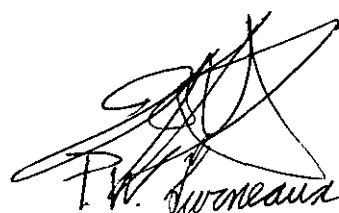
The accompanying notes are an integral part of these financial statements.

**THE GRIMSBY TOWN
FOOTBALL CLUB PLC**

**BALANCE SHEET
AS AT 31st MAY, 2004**

	Note	2004 £	2003 £
Fixed assets			
Intangible assets	7	-	192,110
Tangible assets	8	418,789	421,529
Current assets			
Stocks on hand	9	22,309	24,149
Debtors	10	459,185	299,330
Cash and bank balances		3,104	1,986
		<u>484,598</u>	<u>325,465</u>
Creditors (amounts falling due within one year)	11	<u>(2,165,346)</u>	<u>(1,762,746)</u>
Net current (liabilities)		<u>(1,680,748)</u>	<u>(1,437,281)</u>
Total assets less current liabilities		<u>(1,261,959)</u>	<u>(823,642)</u>
Creditors (amounts falling due after more than one year)	12	<u>(7,313)</u>	<u>-</u>
		<u>(1,269,272)</u>	<u>(823,642)</u>
Capital and reserves			
Called up share capital	13	323,450	236,900
Profit and loss account		(1,592,722)	(1,060,542)
Shareholders' funds		<u>(1,269,272)</u>	<u>(823,642)</u>

**THE FINANCIAL STATEMENTS WERE APPROVED BY THE BOARD OF DIRECTORS ON
15TH NOVEMBER, 2004**



J.S. FENTY

P.W. FURNEAUX

)
)
) **DIRECTORS**
)
)

**THE GRIMSBY TOWN
FOOTBALL CLUB PLC**

**CASHFLOW STATEMENT
FOR THE YEAR ENDED 31st MAY, 2004**

	2004 £	2003 £
Net cash (outflow) inflow from operating activities	(594,229)	775,949
Returns on investments and servicing of finance		
Interest received	-	729
Interest paid	(32,336)	(26,392)
	<hr/>	<hr/>
Net cash (outflow) inflow from returns on investments and servicing of finance	(32,336)	(25,663)
Taxation		
Corporation tax received (paid)	-	-
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(20,092)	(12,625)
Purchase of players' registrations	-	(117,250)
Disposal of players' registrations	80,000	-
	<hr/>	<hr/>
Net cash inflow (outflow) from capital expenditure and financial investment	59,908	(129,875)
	<hr/>	<hr/>
Net cash (outflow) inflow before financing	(566,657)	620,411
Financing		
New finance agreements	13,500	-
Repayment of finance agreements	(2,813)	-
New loans	250,000	-
Shares issued	86,550	-
Repayment of loans	-	(550,500)
	<hr/>	<hr/>
Net cash inflow (outflow) from financing	347,237	(550,500)
	<hr/>	<hr/>
(Decrease) increase in cash	<u>(219,420)</u>	<u>69,911</u>

A. Reconciliation of (loss) profit on ordinary activities before taxation to net cash (outflow) inflow from operating activities

	2004 £	2003 £
(Loss) profit on ordinary activities before taxation	(532,180)	(99,504)
Interest paid	32,336	26,392
Interest received	-	(729)
Amortisation of players' registrations	183,579	180,348
Depreciation charge	22,832	24,884
(Increase) decrease in stocks	1,840	17,009
(Increase) decrease in debtors	(159,855)	81,308
Increase (decrease) in creditors	(71,312)	546,241
Net cash (outflow) inflow from operating activities before disposal of players' registrations	(522,760)	775,949
Net (profit) loss on disposal of players' registrations	(71,469)	-
Net cash (outflow) inflow from operating activities	<u>(594,229)</u>	<u>775,949</u>

B. Analysis of changes in net debt

	1st June 2003 £	Cash flows £	Other non-cash changes £	31st May 2004 £
Cash and bank balances	1,986	1,118		3,104
Bank overdraft	(421,753)	(220,538)		(642,291)
	<u>(419,767)</u>	<u>(219,420)</u>	<u></u>	<u>(639,187)</u>
Debt due within one year	(100,000)	(253,374)	-	(353,374)
Debt due after one year	-	(7,313)	-	(7,313)
Total	<u>(519,767)</u>	<u>(480,107)</u>	<u>-</u>	<u>(999,874)</u>

C Reconciliation of net cashflow to movement in net debt

	2004 £	2003 £
(Decrease) increase in cash in year	(219,420)	69,911
Cash (inflow) outflow from (increase) decrease in loans and finance agreements	(260,687)	550,500
	<hr/>	<hr/>
Change in net debt resulting from cashflows/ Movement in net debt in the year	(480,107)	620,411
Net debt at 1st June, 2003	(519,767)	(1,140,178)
	<hr/>	<hr/>
Net debt at 31st May, 2004	<u>(999,874)</u>	<u>(519,767)</u>

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the company's financial statements.

Basis of accounting

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain land and buildings and in accordance with applicable accounting standards.

Turnover

Turnover represents all income arising from the ordinary activities of the company and excludes transfer fees receivable and Value Added Tax. Match receipts are shown after deduction of levies paid to the Football League, the Football Association and amounts due to visiting clubs.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation net of depreciation and provisions for impairment. No depreciation has been provided on freehold land and buildings, as Blundell Park continues to be valued in the financial statements at an amount equivalent to the likely net disposal proceeds. Depreciation in respect of other tangible fixed assets is provided for at the following rates on a straight line basis calculated to write-off the cost or valuation, less any estimated residual value, of each asset over its useful economic life.

Motor vehicles	25%
Computer equipment	33%
Fixtures, fittings and equipment	15%

Costs of ongoing capital projects are held as capital works in progress on the balance sheet and are transferred to the appropriate fixed asset categories upon completion.

Stocks

Stocks are stated at the lower of cost and net realisable value. Net realisable value is based on the estimated selling price with provision being made for obsolete, slow moving or defective items, where appropriate.

Player trading

The costs associated with the acquisition of players' registrations are capitalised as intangible assets. These costs are fully amortised in equal annual instalments over the period of the players' contracts including any agreed extensions. Players' registrations are written down for impairment when the amortised value exceeds the amount recoverable through use or sale. Future costs which may become due are recognisable within the original cost of acquisition if, in the opinion of the directors, it is probable that these costs will be incurred. Where similar circumstances arise from the disposal of players' registrations, these future receipts are not recognised as part of the proceeds of disposal until such time as the events upon which these receipts are dependent, are known to have occurred. No value is recognised in the financial statements for players developed within the company.

Signing on fees

Signing on fees are charged to the profit and loss account in the accounting period when they become due under the terms of the players' initial contract. Instalments due in the future are not provided for but are noted as contingent liabilities. Signing on fees paid as a consequence of the transfer of a player's registration are included in the profit or loss on disposal of players' registrations.

Deferred income

Deferred income comprises amounts received from sponsorship and season ticket income, which is released to the profit and loss account on a straight line basis over the period to which it relates.

Taxation

The charge for taxation is based upon the results for the year and takes into account taxation deferred through timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised without discounting in respect of these timing differences which have arisen but not reversed by the balance sheet date except as otherwise required by FRS19.

Leases

Assets held under finance leases are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful economic life. The capital element of future lease obligations are recorded as liabilities, the interest element being charged to the profit and loss account evenly over the period of the lease.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension costs

The company contributes to defined contribution pension schemes for certain employees, the assets of which are held separately from those of the company in independently administered funds. Pension costs represent contributions payable by the company in the year.

Grants

Grants received in respect of expenditure on safety work which is charged to the profit and loss account are dealt with in the profit and loss account in the year of receipt. Grants received in respect of safety work of a capital nature are treated as deferred income and released to the profit and loss account by instalments over the expected useful economic life of the related assets.

1. Going concern

The company has traded at a loss during the year and net assets remain in deficit at 31st May, 2004. The company's ability to continue to operate remains dependent upon financial support from its bankers and directors. Financial projections indicate that the company's bank facilities may be exceeded during the current season. In order to obtain football league grants the directors have provided written confirmation that they will continue to provide sufficient working capital for the company to meet its financial obligations. Therefore, the directors are not aware of any reason to suggest that the company should not be able to finance its operations and other obligations for at least twelve months from the date of approval of these financial statements and therefore to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments which would result from an inability to secure continued financial support which may be required to enable the company to continue as a going concern.

2. Turnover

Turnover all of which arises from the company's principal activity can be analysed into its main components as follows:

	2004	2003
	£	£
Match receipts	992,031	1,191,565
Television and broadcasting	294,100	1,129,651
	<hr/>	<hr/>
Football	1,286,131	2,321,216
	<hr/>	<hr/>
Sponsorship	938,600	1,243,346
Retailing and merchandising	141,436	137,409
Catering	133,751	134,918
	<hr/>	<hr/>
Commercial	1,213,787	1,515,673
	<hr/>	<hr/>
Total	2,499,918	3,836,889
	<hr/>	<hr/>

3. (Loss) profit on ordinary activities before taxation

	2004	2003
	£	£
Analysis of operating expenses:-		
Staff costs (Note 4)	2,320,902	3,087,317
Depreciation of tangible fixed assets		
Owned	19,394	24,884
Leased	3,438	-
Amortisation of intangible fixed assets	183,579	180,348
Other operating charges	607,967	701,623
Other operating income	(64,048)	(83,442)
	<hr/>	<hr/>
	3,071,232	3,910,730
	<hr/>	<hr/>

3. (Loss) profit on ordinary activities before taxation (continued)

	2004	2003
	£	£
(Loss) profit on ordinary activities before taxation is stated after charging:		
Auditors' remuneration:		
Audit	5,000	5,000
Other services	5,000	10,000
Operating lease payments	<u>11,988</u>	<u>4,594</u>

4. Particulars of Directors' and Employees' remuneration

In accordance with the company's Articles of Association directors are reimbursed for expenses but receive no remuneration in their capacity as directors.

The average number of persons employed by the company during the year was as follows:

	2004	2003
Full-time	62	62
Part-time	19	20
Match day staff	203	214
	<u>—</u>	<u>—</u>
	<u>284</u>	<u>296</u>

Aggregate cost of employment being as follows:

	2004	2003
	£	£
Wages and salaries	1,998,452	2,723,450
Social Security costs	189,654	267,393
Other pension costs	12,852	20,193
Expenses and other costs	54,944	76,281
	<u>—</u>	<u>—</u>
	<u>2,255,902</u>	<u>3,087,317</u>

Outstanding pension contributions at 31st May, 2004 amounted to £4,199 (2003 £19,342).

5. Net interest payable

	2004 £	2003 £
Payable		
Bank overdraft	26,999	26,392
Finance agreements	413	-
Other interest	4,924	-
	<u>32,336</u>	<u>26,392</u>
Receivable		
Bank and short-term deposits	-	(729)
	<u>32,336</u>	<u>25,663</u>

6. Taxation

The effective rate of tax for the year is less than the rate of Corporation tax for small companies of 19% (2003: 19%) due to the utilisation of available Corporation tax losses.

	2004 £'000's	2003 £'000's
(Loss) profit on ordinary activities before taxation	<u>(467)</u>	<u>(99)</u>
(Loss) profit on ordinary activities multiplied by the Small Companies rate of Corporation tax	(89)	(19)
Effects of:-		
Expenses not deductible for tax purposes	-	2
Income not chargeable to tax	(9)	(12)
Depreciation etc. for the year in excess of capital allowances	(1)	(2)
Amortisation etc. of intangible assets for the year in excess of capital allowances	(4)	-
Tax losses incurred (utilised) in the year	<u>103</u>	<u>27</u>
Corporation tax charge for the year	<u>-</u>	<u>(4)</u>

The company has unrecognised deferred tax assets in respect of tax losses and accelerated capital allowances. The assets have not been recognised as the likelihood of the company recovering these assets in the foreseeable future is considered to be remote. Unrelieved Corporation tax losses at 31st May, 2004 amounted to £3.6m.

7. Intangible fixed assets

	Players' registrations £
Cost	
At 1st June, 2003	484,750
Additions	-
Disposals	(484,750)
	<hr/>
At 31st May, 2004	-
	<hr/>
Amortisation	
At 1st June, 2003	292,640
Provided during year	183,579
Disposals	(476,219)
	<hr/>
At 31st May, 2004	-
	<hr/>
Net book value	
31st May, 2004	-
	<hr/>
31st May, 2003	192,110
	<hr/>

8. Tangible fixed assets

	Freehold land and buildings £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1st June, 2003	1,346,146	320,835	-	1,666,981
Additions	-	5,092	15,000	20,092
Disposals	-	(38,804)	-	(38,804)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st May, 2004	1,346,146	287,123	15,000	1,648,269
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1st June, 2003	969,146	276,306	-	1,245,452
Provided during the year	-	19,394	3,438	22,832
Disposals	-	(38,804)	-	(38,804)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st May, 2004	969,146	256,896	3,438	1,229,480
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
31st May, 2004	377,000	30,227	11,562	418,789
	<hr/>	<hr/>	<hr/>	<hr/>
31st May, 2003	377,000	44,529	-	421,529
	<hr/>	<hr/>	<hr/>	<hr/>

The net book value of tangible fixed assets includes £11,562 (2003 £Nil) in respect of assets held under finance agreements.

9. Stocks on hand

	2004	2003
	£	£
Goods for resale	22,309	24,149
	<u>=====</u>	<u>=====</u>

10. Debtors

	2004	2003
	£	£
Due within one year		
Trade debtors	25,410	28,346
Players' registrations	43,402	-
Other debtors	206,922	81,042
Prepayments	8,412	15,725
Capital works in progress	175,039	174,217
	<u>=====</u>	<u>=====</u>
	459,185	299,330
	<u>=====</u>	<u>=====</u>

Capital works in progress relate to costs associated with the proposed new stadium development. Should the development not proceed these costs will require writing off to the profit and loss account.

11. Creditors (amounts falling due within one year)

	2004	2003
	£	£
Bank overdraft	642,291	421,753
Trade creditors	136,784	137,762
Players' registrations	46,419	102,500
Other taxation creditors	768,631	492,989
Other creditors	11,342	93,016
Accruals	152,621	86,083
Deferred income	53,884	328,643
Loans from Directors and companies in which they have an interest	350,000	100,000
Finance agreements	3,374	-
	<u>=====</u>	<u>=====</u>
	2,165,346	1,762,746
	<u>=====</u>	<u>=====</u>

Bank overdraft is secured by way of an unlimited debenture creating a fixed and floating charge over all of the company's assets and undertakings supported by personal guarantees from directors.

Loans and other advances from J. Fenty up to a maximum amount of £333,000 are secured by way of a debenture dated 12th March, 2004 creating a fixed and floating charge over all of the company's assets. Interest at 1% above bank base rate is payable on such amounts as are covered by the debenture.

12. Creditors (amounts falling due after more than one year)

	Between one and two years £	Between two and five years £	2004 £	Total 2003 £
Finance agreements	3,375	3,938	7,313	-
	=====	=====	=====	=====

13. Share capital

	2004 £	2003 £
Authorised		
2,850 ordinary shares of £100 each	285,000	285,000
5,100 ordinary shares of £50 each	255,000	255,000
1,600 ordinary shares of £25 each	40,000	40,000
20,000 ordinary shares of £1 each	20,000	20,000
	=====	=====
	600,000	600,000
	=====	=====
Issued and fully paid		
1,702 ordinary shares of £100 each	170,200	170,200
1,865 (2003 134) ordinary shares of £50 each	93,250	6,700
1,600 ordinary shares of £25 each	40,000	40,000
20,000 ordinary shares of £1 each	20,000	20,000
	=====	=====
	323,450	236,900
	=====	=====

14. Reconciliation of movements in shareholders' funds

	2004 £	2003 £
(Sustained loss) retained profit for the year	(532,180)	(99,504)
Shares issued during year	86,550	-
Shareholders' funds at 1st June, 2003	(823,642)	(724,138)
	=====	=====
Shareholders' funds at 31st May, 2004	(1,269,272)	(823,642)
	=====	=====

15. Capital commitments

There are no capital commitments authorised by the Board either contracted for or not contracted for.

16. Contingencies and commitments

There is a contingent liability in respect of advance sponsorship received by the company in a previous year from Five Star Fish Limited amounting to £650,000 which remains repayable dependent on future events.

There are potential liabilities and assets in respect of the company's player trading. Due to the variable nature of these amounts it is not possible to calculate the maximum potential liability or asset.

The following payments are committed to be paid in 2005 under operating leases:

	2004	2003
	£	£
Land and buildings		
Expiring within one year	-	-
Expiring between two and five years	1,500	1,750
	<u> </u>	<u> </u>
Other		
Expiring within one year	21,042	-
	<u> </u>	<u> </u>

Motor vehicles are made available to the company as part of various sponsorship agreements.

17. Related party transactions

During the year goods have been purchased from and expenses reimbursed to directors and companies in which they have an interest amounting to £8,613. There were no amounts outstanding at 31st May, 2004.

Loans from directors and companies in which they have an interest are disclosed in Note 11. The balance at 31st May, 2004 was the maximum liability during the year.

All transactions with related parties are disclosed on an aggregate basis.

18. Post balance sheet events

There have been no material post balance sheet events that require disclosure in these financial statements.