

REG

COMPANY REGISTRATION NUMBER 53100

SWINDON TOWN FOOTBALL COMPANY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MAY 2003



ROSS BROOKE LIMITED
Chartered Accountants & Registered Auditors
37 London Road
Newbury
Berkshire
RG14 1JL

SWINDON TOWN FOOTBALL COMPANY LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31ST MAY 2003

CONTENTS	PAGES
<i>Officers and professional advisers</i>	1
The directors' report	2 to 3
Independent auditors' report to the shareholders	4 to 5
Profit and loss account	6
Statement of total recognised gains and losses	7
Balance sheet	8
Cash flow statement	9 to 10
Notes to the financial statements	11 to 18

SWINDON TOWN FOOTBALL COMPANY LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	W.H. Carson OBE Mrs S.A. Gray J.S. Wills R.S. Holt
Company secretary	Mrs S.A. Gray
Registered office	37 London Road Newbury Berkshire RG14 1JL
Auditors	Ross Brooke Limited Chartered Accountants & Registered Auditors 37 London Road Newbury Berkshire RG14 1JL
Bankers	National Westminster Bank Plc 6 High Street Chelmsford Essex CM1 1BL Barclays Plc PO Box 1068 10/14 High Street Swindon Wiltshire SN1 3TT Girobank Plc Bridle Road Bootle Merseyside
Solicitors	Clark Willmot & Clarke Equity Court 73-75 Milbrooke Road East Southampton SO15 1RJ The Rivers Partnership Alexandra Barn 1 Waverley Lane Farnham Surrey GU9 8BB

SWINDON TOWN FOOTBALL COMPANY LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31ST MAY 2003

The directors present their report and the financial statements of the company for the year ended 31st May 2003.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the company during the year was that of a professional football league club.

RESULTS AND DIVIDENDS

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

		Ordinary Shares of £0.50 each	
		At 31 May 2003	At 1 June 2002 or later date of appointment
W.H. Carson OBE		100,003	100,003
J.S. Wills		283,350	283,350
R.S. Holt		—	—
Mrs S.A. Gray	(Appointed 26 December 2002)	—	—
M.J. Devlin	(Appointed 26 December 2002)	—	—
A. Cuthbert	(Resigned 18 November 2002)	—	—
N. Prescott	(Resigned 17 October 2002)	—	50,201
Mrs W. Godwin	(Resigned 8 August 2002)	—	398,934

M.J. Devlin resigned as a director on 31st July 2004.

FIXED ASSETS

Information relating to changes in tangible and intangible fixed assets is given in the notes to the financial statements.

DIRECTORS' RESPONSIBILITIES

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 at the end of the year and of the profit or loss for the year then ended. In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on pages 11 to 12, and then apply them consistently;

make judgements and estimates that are reasonable and prudent; and

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping 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. The directors 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.

CLOSE COMPANY PROVISIONS

In the opinion of the directors, the company is a close company within the meaning of S.414 Income and Corporation Taxes Act, 1988 (as amended).

SWINDON TOWN FOOTBALL COMPANY LIMITED


THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31ST MAY 2003

AUDITORS

A resolution to re-appoint Ross Brooke Limited as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Signed by order of the directors



MRS S.A. GRAY
Company Secretary

Approved by the directors on13/4/05.....

SWINDON TOWN FOOTBALL COMPANY LIMITED
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
SWINDON TOWN FOOTBALL COMPANY LIMITED
YEAR ENDED 31ST MAY 2003

We have audited the financial statements on pages 6 to 18 which have been prepared under the historical cost convention and the accounting policies set out on pages 11 to 12.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

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 judgements 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.

However, the evidence available to us was limited because many of the accounting records were incomplete or could not be located. In these circumstances we were unable to carry out all the auditing procedures, or obtain all the information and explanations we considered necessary.

FUNDAMENTAL UNCERTAINTY

In forming our opinion we have considered the adequacy of disclosures made in note 1 of the financial statements concerning the financial position of the company and the reliance on the support of the company's majority shareholder. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

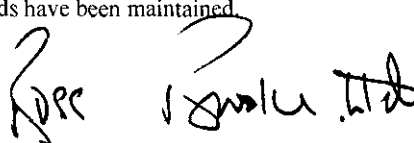
SWINDON TOWN FOOTBALL COMPANY LIMITED
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
SWINDON TOWN FOOTBALL COMPANY LIMITED *(continued)*
YEAR ENDED 31ST MAY 2003

OPINION: DISCLAIMER ON VIEW GIVEN BY FINANCIAL STATEMENTS

Because of the possible effect of the limitation in evidence available to us, we were unable to form an opinion as to whether the financial statements give a true and fair view of the state of the company's affairs as at 31st May 2003 or of its loss for the year then ended. In all other respects, in our opinion the financial statements have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our work arising from incomplete or missing accounting records:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether proper accounting records have been maintained.



ROSS BROOKE LIMITED
Chartered Accountants
& Registered Auditors

37 London Road
Newbury
Berkshire
RG14 1JL

14.11.05

SWINDON TOWN FOOTBALL COMPANY LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31ST MAY 2003

	Note	Year to 31 May 03 £	Period from 1 Jul 01 to 31 May 02 £
TURNOVER	2	2,864,653	2,863,231
Cost of sales		3,238,703	3,649,100
GROSS LOSS		(374,050)	(785,869)
Administrative expenses		1,490,638	2,030,027
Other operating income		(58,784)	(70,317)
OPERATING LOSS	4	(1,805,904)	(2,745,579)
Profit on disposal of players' registrations	6	96,706	216,740
		(1,709,198)	(2,528,839)
Interest payable	9	233,028	133,310
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,942,226)	(2,662,149)
Tax on loss on ordinary activities		—	—
LOSS FOR THE FINANCIAL YEAR		(1,942,226)	(2,662,149)

All of the activities of the company are classed as continuing.

The notes on pages 11 to 18 form part of these financial statements.

SWINDON TOWN FOOTBALL COMPANY LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31ST MAY 2003

	Year to 31 May 03 £	Period from 1 Jul 01 to 31 May 02 £
Loss for the financial year attributable to the shareholders	(1,942,226)	(2,662,149)
Total recognised gains and losses relating to the year	<u>(1,942,226)</u>	<u>(2,662,149)</u>
Prior year adjustment (see note 10)	—	100,000
Total gains and losses recognised since the last annual report	<u>(1,942,226)</u>	<u>(2,562,149)</u>

The notes on pages 11 to 18 form part of these financial statements.

SWINDON TOWN FOOTBALL COMPANY LIMITED

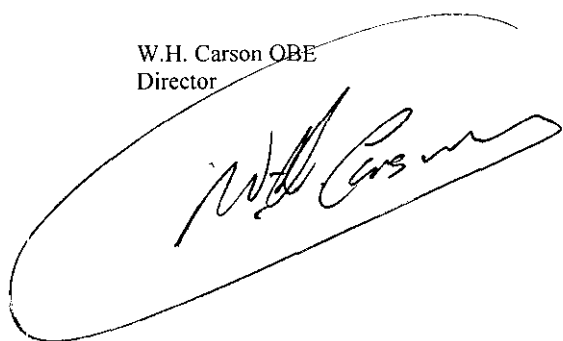
BALANCE SHEET

31ST MAY 2003

	Note	2003 £	£	2002 £	£
FIXED ASSETS					
Intangible assets	11		14,327		61,820
Tangible assets	12		1,079,757		1,332,642
			<u>1,094,084</u>		<u>1,394,462</u>
CURRENT ASSETS					
Stocks	13	37,632		25,000	
Debtors due within one year	14	685,538		199,802	
Cash at bank and in hand		135,613		109,876	
		<u>858,783</u>		<u>334,678</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	15	<u>10,136,394</u>		<u>7,960,686</u>	
NET CURRENT LIABILITIES			<u>(9,277,611)</u>		<u>(7,626,008)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(8,183,527)</u>		<u>(6,231,546)</u>
DEFERRED INCOME	17		<u>1,045,926</u>		<u>1,055,681</u>
			<u>(9,229,453)</u>		<u>(7,287,227)</u>
CAPITAL AND RESERVES					
Called-up equity share capital	21		2,250,000		2,250,000
Share premium account	22		2,585,161		2,585,161
Profit and loss account	23		(14,064,614)		(12,122,388)
DEFICIENCY	24		<u>(9,229,453)</u>		<u>(7,287,227)</u>

These financial statements were approved by the directors on the 13/4/05 and are signed on their behalf by:

W.H. Carson OBE
Director



The notes on pages 11 to 18 form part of these financial statements.

SWINDON TOWN FOOTBALL COMPANY LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31ST MAY 2003

	Year to 31 May 03 £	£	Period from 1 Jul 01 to 31 May 02 £	£
NET CASH OUTFLOW FROM OPERATING ACTIVITIES		(1,676,997)		(927,981)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest paid	—		—	
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		—		—
CAPITAL EXPENDITURE				
Receipts from sale of fixed assets	96,706		377,309	
NET CASH INFLOW FROM CAPITAL EXPENDITURE		96,706		377,309
CASH OUTFLOW BEFORE FINANCING		(1,580,291)		(550,672)
FINANCING				
Issue of equity share capital	—		800,000	
Repurchase of equity share capital	—		(875)	
Decrease in other loans	—		(800,000)	
Increase in bank loans	—		651,942	
NET CASH INFLOW FROM FINANCING		1,573,917		651,067
(DECREASE)/INCREASE IN CASH		(6,374)		100,395
RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES				
	Year to 31 May 03 £		Period from 1 Jul 01 to 31 May 02 £	
Operating loss	(1,805,904)		(2,745,579)	
Amortisation	47,493		93,885	
Depreciation	252,885		438,031	
Increase in stocks	(12,632)		(2,596)	
(Increase)/decrease in debtors	(485,736)		675,193	
Increase in creditors	326,897		613,085	
Net cash outflow from operating activities		(1,676,997)		(927,981)

The notes on pages 11 to 18 form part of these financial statements.

SWINDON TOWN FOOTBALL COMPANY LIMITED

CASH FLOW STATEMENT *(continued)*

YEAR ENDED 31ST MAY 2003

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2003 £	2002 £
(Decrease)/Increase in cash in the period	(6,374)	100,395
Net cash (inflow) from bank loans	<u>(1,573,917)</u>	<u>(651,942)</u>
Movement in net funds in the period	<u>(1,580,291)</u>	<u>(551,547)</u>
Net funds at 1 June 2002	<u>(5,044,493)</u>	<u>(4,492,946)</u>
Net funds at 31 May 2003	<u>(6,624,784)</u>	<u>(5,044,493)</u>

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jun 2002 £	Cash flows £	At 31 May 2003 £
Net cash:			
Cash in hand and at bank	109,876	25,737	135,613
Overdrafts	—	<u>(32,111)</u>	<u>(32,111)</u>
Net funds	<u>109,876</u>	<u>(6,374)</u>	<u>103,502</u>
Debt:			
Loans	<u>(5,154,369)</u>	<u>(1,573,917)</u>	<u>(6,728,286)</u>
Net debt	<u>(5,044,493)</u>	<u>(1,580,291)</u>	<u>(6,624,784)</u>

The notes on pages 11 to 18 form part of these financial statements.

SWINDON TOWN FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MAY 2003

1. ACCOUNTING POLICIES

(i) Basis of accounting

The financial statements have been prepared under the historical cost convention.

In August 2002 the company entered into a Company Voluntary Arrangement. To date, all amounts due under the Arrangement have been paid.

In the event that this new Arrangement succeeds then a substantial amount of liabilities will be written off. It is not possible to determine how this may affect the 2003 balance sheet.

The company has entered into a Facility Agreement with Swindon Town F.C. Limited by which the company has unlimited access to funds for working capital until 30th August 2008. Sir Seton Wills has, within the same agreement, guaranteed to a third party the obligations of Swindon Town F.C. Limited to the company and has confirmed his intention to use his best endeavours to provide financial support to Swindon Town F.C. Limited to enable it to meet its obligations to the company under the Facility Agreement.

Accordingly the directors have prepared the financial statements on a going concern basis. The financial statements do not reflect any adjustments which would have to be made should this going concern basis prove invalid. The directors do not consider it possible to determine the effect of this with reasonable accuracy, but adjustments would have to be made to reduce the value of assets to their realisable amount, to provide for further liabilities which might arise, and to *reclassify fixed assets and long term liabilities as current assets and liabilities*.

(ii) Turnover

Turnover is stated net of value added tax and monies due to the Football League, Football Association and visiting football clubs. It reflects gate receipts, associated commercial activities and monies due from the Football Association, League income and other football clubs.

(iii) Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Player registrations - over the period of initial contract

(iv) Fixed assets

All fixed assets are initially recorded at cost.

(v) Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Ground improvements	- Over 10 to 20 years straight line
Equipment	- Over 3 to 10 years straight line

(vi) Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

(vii) Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

SWINDON TOWN FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MAY 2003

1. ACCOUNTING POLICIES *(continued)*

(viii) Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

(ix) Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

(x) Transfer and signing-on fees

Transfer fees receivable are credited to the profit and loss account in the year in which the transfer is completed. Those fees that are contingent on subsequent appearances or transfer are dealt with in the profit and loss account in the year in which the relevant appearances or transfer take place. Transfer fees payable are capitalised at cost and amortised in the profit and loss account over the period of the players' contracts.

(xi) Grants

Grants of a revenue nature are credited to income in the year to which they relate. Grants of a capital nature are credited to a deferred income account and amortised over the life of the asset to which they relate.

(xii) Income recognition

All income classified as turnover is recognised on an accruals basis.

2. TURNOVER

An analysis of turnover by activity is given below:

	2003	2002
	£	£
Gate receipts	1,247,830	1,101,351
Associated commercial activities	806,619	783,608
Direct media fees	110,000	389,667
Sponsorship	175,000	152,230
Net share of FA and League distributions	525,204	427,625
Other	—	8,750
	<u>2,864,653</u>	<u>2,863,231</u>

SWINDON TOWN FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MAY 2003

3. EXCEPTIONAL ITEMS

The operating loss before player registrations includes the following exceptional item recognised in the year:-

	2003 £	2002 £
Accelerated TV rights recognised	—	148,333
Administrator costs and related legal fees	—	(508,854)
Accelerated depreciation as a result of an impairment review	—	110,775
	<u>—</u>	<u>110,775</u>

Following the demise of ITV Digital all TV rights income remaining from an original advance of funds was recognised within in the previous period's accounts.

4. OPERATING LOSS

Operating loss is stated after charging:

	Year to 31 May 03 £	Period from 1 Jul 01 to 31 May 02 £
Amortisation	47,493	93,885
Depreciation of owned fixed assets	252,885	438,031
Auditors' remuneration		
- as auditors	18,000	15,000
- other services	10,000	10,000
Operating lease costs:		
Vehicles	24,421	25,000
Land and buildings	169,000	169,000
Vehicles	35,261	35,856
	<u>623,060</u>	<u>836,772</u>

5. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2003	2002
Players, coaches, administration and ground staff	69	69
Commercial activity staff	13	13
	<u>82</u>	<u>82</u>

6. PROFIT ON DISPOSAL OF PLAYERS' REGISTRATIONS

	Year to 31 May 03 £	Period from 1 Jul 01 to 31 May 02 £
Profit on disposal of players' registrations	96,706	216,740
	<u>96,706</u>	<u>216,740</u>

SWINDON TOWN FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MAY 2003

7. STAFF COSTS

	2003 £	2002 £
Wages and salaries	2,309,338	2,620,080
Social security costs	201,904	272,082
Compensation for loss of office	225,000	-
	<u>2,736,242</u>	<u>2,892,162</u>

8. TAXATION

There is no liability to corporation tax on the results for the year as there are substantial losses available. The tax losses at 31st May 2003 subject to Inland Revenue agreement are approximately £14,750,000 (2002 - £13,165,000).

9. INTEREST PAYABLE AND SIMILAR CHARGES

	Year to 31 May 03 £	Period from 1 Jul 01 to 31 May 02 £
Interest payable on bank borrowing	10,295	-
Interest on other loans	222,733	133,310
	<u>233,028</u>	<u>133,310</u>

10. PRIOR YEAR ADJUSTMENT

The 2001 financial statements excluded the player registration cost of £600,000 and amortisation of £500,000 in respect of Mark Robinson. This omission was adjusted in the 2002 financial statements.

11. INTANGIBLE FIXED ASSETS

	Player registrations £
COST	
At 1st June 2002	692,500
Disposals	(630,000)
At 31st May 2003	<u>62,500</u>
AMORTISATION	
At 1st June 2002	630,680
Charge for the year	47,493
On disposals	(630,000)
At 31st May 2003	<u>48,173</u>
NET BOOK VALUE	
At 31st May 2003	<u>14,327</u>
At 31st May 2002	<u>61,820</u>

SWINDON TOWN FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MAY 2003

12. TANGIBLE FIXED ASSETS

	Ground improvements £	Plant & equipment £	Total £
COST			
At 1st June 2002	3,474,981	1,186,507	4,661,488
Disposals	—	(96,244)	(96,244)
At 31st May 2003	3,474,981	1,090,263	4,565,244
DEPRECIATION			
At 1st June 2002	2,389,198	939,648	3,328,846
Charge for the year	205,439	47,446	252,885
On disposals	—	(96,244)	(96,244)
At 31st May 2003	2,594,637	890,850	3,485,487
NET BOOK VALUE			
At 31st May 2003	880,344	199,413	1,079,757
At 31st May 2002	1,085,783	246,859	1,332,642

13. STOCKS

	2003 £	2002 £
Stock	37,632	25,000

14. DEBTORS

	2003 £	2002 £
Trade debtors	398,864	180,052
Other debtors	184,292	6,000
Prepayments and accrued income	102,382	13,750
	685,538	199,802

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £	2002 £
Bank loans and overdrafts	32,111	—
Trade creditors	1,864,329	1,796,334
PAYE and social security	999,983	766,243
VAT	423,584	294,542
Other creditors	100,677	15,000
Transfer fees payable	—	69,000
Loans	5,928,286	4,354,369
Accruals	787,424	665,198
	10,136,394	7,960,686

SWINDON TOWN FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MAY 2003

16. DEBT MATURITY

The maturity of debt (excluding bank overdraft and obligations under finance leases and hire purchase contracts) may be analysed as follows:

	2003 £	2002 £
Wholly repayable within five years:		
Loans from - directors and connected persons	2,868,551	2,720,000
- shareholders	2,565,641	1,581,869
- other persons	494,094	52,500
	<u>5,928,286</u>	<u>4,354,369</u>
Amounts repayable by instalments		
Within five years	<u>5,928,286</u>	<u>4,354,369</u>
	<u>5,928,286</u>	<u>4,354,369</u>
Included in creditors:		
Amounts falling due within one year	<u>5,928,286</u>	<u>4,354,369</u>
	<u>5,928,286</u>	<u>4,354,369</u>

Included within loans from directors and connected persons is a loan of £2 million. This loan is secured against future transfer fee receipts and is repayable at 6 month's notice.

Included within loans from shareholders is a loan of £889,927 from Swindon Town Properties Limited. This loan is secured by a fixed and floating charge over the company's assets.

All other loans from directors and connected persons, shareholders and other persons are unsecured, repayable either at 3 months notice or on demand.

Loans from directors and connected persons, shareholders and other persons incur interest on the balance outstanding at various rates up to a maximum of 3% above bank base rate.

Included within loans from other persons is a loan of £85,000 from The Football Trust. This loan is unsecured and interest free.

17. DEFERRED INCOME

	2003 £	2002 £
Grants	546,897	605,681
Other deferred income:		
Season ticket sales	332,160	325,000
Marketing income	82,507	65,000
Sponsorships	84,362	60,000
	<u>1,045,926</u>	<u>1,055,681</u>
Amounts to be recognised within one year	549,071	508,784
Amounts to be recognised after one year	496,855	546,897
	<u>1,045,926</u>	<u>1,055,681</u>

SWINDON TOWN FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MAY 2003

18. PENSION COMMITMENTS

The Football League operates a Players' Benefit Scheme. This is funded as part of a levy imposed by the League on transfer fees. Additionally, contributions are paid by the company into personal pension plans for certain employees. There is no pension commitment outstanding at the year end.

19. OTHER FINANCIAL COMMITMENTS

The lease relating to the County Ground expires on 31 March 2013. The terms are that the rent payable shall be base rent plus an additional rent of 2% of the company's gross turnover for its previous financial year. The minimum base rent payable is £77,907 per annum, with increases in future years based on movements in the Retail Price Index. The additional net payable during that and the previous period was waived as a one off gesture, in return for community benefits provided by the club.

20. RELATED PARTY TRANSACTIONS

During the year management charges of £123,000 were paid to Dunwoody Sports Management Limited for the provision of management services. S.A. Gray was a director of that company.

21. SHARE CAPITAL

Authorised share capital:

	2003	2002
	£	£
4,500,000 Ordinary shares of £0.50 each	<u>2,250,000</u>	<u>2,250,000</u>

Allotted, called up and fully paid:

	2003		2002	
	No	£	No	£
Ordinary shares of £0.50 each	<u>4,500,000</u>	<u>2,250,000</u>	<u>4,500,000</u>	<u>2,250,000</u>

22. SHARE PREMIUM ACCOUNT

	31 May 03	31 May 02
	£	£
Balance brought forward	2,585,161	2,277,027
Premium on shares issued in the year	-	308,134
	<u>2,585,161</u>	<u>2,585,161</u>

23. PROFIT AND LOSS ACCOUNT

	Year to 31 May 03	Period from 1 Jul 01 to 31 May 02
	£	£
Original balance brought forward	(12,122,388)	(9,560,239)
Prior year adjustment (note 10)	-	100,000
Restated balance brought forward	(12,122,388)	(9,460,239)
Accumulated loss for the financial year	(1,942,226)	(2,662,149)
Balance carried forward	<u>(14,064,614)</u>	<u>(12,122,388)</u>

SWINDON TOWN FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MAY 2003

24. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003		2002	
	£	£	£	£
Loss for the financial year		(1,942,226)		(2,662,149)
New equity share capital subscribed	-		491,866	
Premium on new share capital subscribed	-		308,134	
Share capital repurchased	-		(875)	
		-		799,125
Net reduction to funds		(1,942,226)		(1,863,024)
Opening shareholders' equity deficit	(7,287,227)		(5,524,203)	
Prior year adjustment (see note 10)	-		100,000	
		(7,287,227)		(5,424,203)
Closing shareholders' equity deficit		(9,229,453)		(7,287,227)

25. POST BALANCE SHEET EVENTS

Subsequent to May 2003 loans secured over the lease of the County Ground have been made to the company in order to finance current trading and meet it's obligations under the Company Voluntary Arrangement as well as funding the discharge of the £1.2m debenture of Swindon Town Properties Limited.

26. CONTROLLING PARTY

During the year the company was controlled by Sir Seton Wills. On 30th September 2003 the company became a subsidiary of Swindon Town F.C. Limited. That company is controlled by J.S. Wills.

SWINDON TOWN FOOTBALL COMPANY LIMITED
MANAGEMENT INFORMATION
YEAR ENDED 31ST MAY 2003

The following pages do not form part of the statutory financial statements
which are the subject of the independent auditors' report on pages 4 to 5.

SWINDON TOWN FOOTBALL COMPANY LIMITED

DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST MAY 2003

	Year to 31 May 03 £	£	Period from 1 Jul 01 to 31 May 02 £	£
TURNOVER		2,864,653		2,863,231
COST OF SALES				
Opening stock	25,000		22,404	
Staff costs	2,736,242		2,892,162	
Other direct costs	467,600		665,649	
Amortisation of player costs	47,493		93,885	
	<u>3,276,335</u>		<u>3,674,100</u>	
Closing stock	(37,632)		(25,000)	
		<u>3,238,703</u>		<u>3,649,100</u>
GROSS LOSS		(374,050)		(785,869)
OVERHEADS				
Rent, rates and water	282,144		264,116	
Light and heat	50,347		54,114	
Insurance	5,713		15,884	
Ground maintenance	100,743		103,793	
Motor expenses	54,999		55,429	
Travel and subsistence	120,435		180,983	
Vehicle leasing charges	24,421		25,000	
Telephone	39,685		45,551	
Hire of equipment	35,261		35,856	
Equipment repairs and renewals	6,253		11,807	
Postage, telephone and stationery	35,783		42,155	
Training and recruitment	17,591		15,000	
Staff welfare	87,691		90,671	
Medical expenses	30,000		32,500	
Sundry expenses	3,869		12,685	
Subscriptions and donations	—		20,125	
Fines and penalties	20,000		15,000	
Advertising and public relations	5,070		10,000	
Management charges payable	123,000		—	
Legal and professional fees	149,584		508,854	
Accountancy fees	19,765		20,000	
Auditors remuneration	18,000		15,000	
Depreciation	252,885		438,031	
Bank charges	7,399		16,473	
		<u>1,490,638</u>		<u>2,030,027</u>
		(1,864,688)		(2,815,896)
OTHER OPERATING INCOME				
Release of deferred income grants		58,784		70,317
OPERATING LOSS		(1,805,904)		(2,745,579)
Profit on disposal of fixed assets		96,706		216,740
		<u>(1,709,198)</u>		<u>(2,528,839)</u>
Interest payable		(233,028)		(133,310)
LOSS ON ORDINARY ACTIVITIES		<u>(1,942,226)</u>		<u>(2,662,149)</u>

SWINDON TOWN FOOTBALL COMPANY LIMITED
NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31ST MAY 2003

	Year to 31 May 03 £	Period from 1 Jul 01 to 31 May 02 £
INTEREST PAYABLE		
Bank interest payable	10,295	—
Interest on other loans	<u>222,733</u>	<u>133,310</u>
	<u>233,028</u>	<u>133,310</u>