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**SWINDON TOWN FOOTBALL COMPANY LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30TH JUNE 2000**

Company Registration Number 53100



# **SWINDON TOWN FOOTBALL COMPANY LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 30TH JUNE 2000**

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**SWINDON TOWN FOOTBALL COMPANY LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

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<b>The board of directors</b>	W.H. Carson OBE J. Wills M.J. Devlin Mrs S.A. Gray R.S. Holt
<b>Company secretary</b>	Mrs S.A. Gray
<b>Registered office</b>	County Ground Swindon Wiltshire SN1 2ED
<b>Auditors</b>	Ross Brooke Limited Chartered Accountants & Registered Auditors 37 London Road Newbury Berkshire RG14 1JL
<b>Bankers</b>	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
<b>Solicitors</b>	Clarke Willmott & Clarke Equity Court 73-75 Millbrooke Road East Southampton SO15 1RJ  The Rivers Partnership Alexandra Barn 1 Waveley Lane Farnham Surrey GU9 8BB

# SWINDON TOWN FOOTBALL COMPANY LIMITED

## THE DIRECTORS' REPORT

YEAR ENDED 30TH JUNE 2000

The directors present their report and the financial statements of the company for the year ended 30th June 2000.

### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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

The club suffered a disastrous season on the field, mirroring the growing financial problems off the field. The club finished bottom of the table and were relegated to Nationwide Division Two. To ease the financial situation the club sold several key players, George Ndah, Chris Hay, Ty Gooden and Iffy Onoura, but this had a resultant negative effect on team performances and results.

In recognition of the failure of the board to bring the results everyone wanted the directors decided to bring in new investors and directors who promised to invest heavily to ensure the clubs success. These negotiations were concluded in the summer of 2000 and the entire board resigned in order to hand over the control to the new investors.

### 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 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 30 June 2000	At 1 July 1999 or later date of appointment
W.H Carson OBE	(Resigned 19 September 2000)	100,003	100,003
P.T Archer	(Resigned 19 September 2000)	9,999	9,999
P.R Godwin CBE	(Resigned 19 September 2000)	402,167	398,000
J.M Spearman	(Resigned 19 September 2000)	13,360	13,360
Sir D.S Wills Bt	(Resigned 19 September 2000)	1,863,580	673,580
C.J. Puffett	(Resigned 8 September 2000)	62,321	59,167
J Wills	(Resigned 19 September 2000)	283,350	33,350
J.R Hunt	(Resigned 25 October 1999)	-	39,886
T.P Brady	(Appointed 26 May 2000)	-	-
S.J Jones	(Resigned 4 July 2000)	-	-

### 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 10 to 11, 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.

# SWINDON TOWN FOOTBALL COMPANY LIMITED

## THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30TH JUNE 2000

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### FIXED ASSETS

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

### AUDITORS

Ernst & Young have resigned as auditors since the year end, Ross Brooke Limited filling the casual vacancy arising. A resolution confirming the appointment of Ross Brooke Limited will be proposed at the forthcoming Annual General Meeting.

Signed by order of the directors



MRS S.A. GRAY  
Company Secretary

Approved by the directors on 27.11.03

**SWINDON TOWN FOOTBALL COMPANY LIMITED**  
**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS**  
**YEAR ENDED 30TH JUNE 2000**

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We have audited the financial statements on pages 6 to 18 which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 10 to 11.

This report is made solely to the company's members, 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 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.

**RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards are set out in the Statement of Directors' Responsibilities on page 2.

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. Our responsibilities do not extend to any other information.

**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 at the time of the audit, more than three years after the period end, many of the accounting records 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 the disclosures made in note 1 of the financial statements concerning the financial position of the company and 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** *(continued)*  
**YEAR ENDED 30TH JUNE 2000**

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**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 30th June 2000 or of its profit 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 the loss of 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.



37 London Road  
Newbury  
Berkshire  
RG14 1JL

ROSS BROOKE LIMITED  
Chartered Accountants  
& Registered Auditors

1.12.03

# SWINDON TOWN FOOTBALL COMPANY LIMITED

## PROFIT AND LOSS ACCOUNT

YEAR ENDED 30TH JUNE 2000

	Note	2000 £	1999 £
<b>TURNOVER</b>	<b>2</b>	3,446,285	3,403,509
Cost of sales		3,924,952	4,662,466
<b>GROSS LOSS</b>		(478,667)	(1,258,957)
Administrative expenses		1,940,142	1,086,306
Other operating income		(70,896)	(70,869)
<b>OPERATING LOSS</b>	<b>4</b>	(2,347,913)	(2,274,394)
Profit on disposal of players' registrations		627,991	319,675
Interest payable and similar charges	<b>8</b>	(147,649)	(255,868)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(1,867,571)	(2,210,587)
Tax on loss on ordinary activities		-	-
<b>LOSS FOR THE FINANCIAL YEAR</b>		(1,867,571)	(2,210,587)

The company has no recognised gains or losses other than the results for the year as set out above.

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

The notes on pages 10 to 18 form part of these financial statements.



# SWINDON TOWN FOOTBALL COMPANY LIMITED

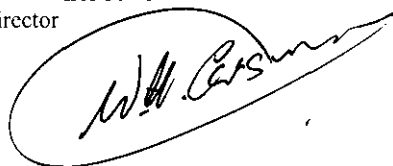
## BALANCE SHEET

30TH JUNE 2000

	Note	2000 £	1999 £
<b>FIXED ASSETS</b>			
Intangible assets	9	56,333	575,753
Tangible assets	10	1,931,999	2,634,084
		<u>1,988,332</u>	<u>3,209,837</u>
<b>CURRENT ASSETS</b>			
Stocks	11	36,375	27,252
Debtors due within one year	12	496,650	604,837
Cash at bank		489,188	7,598
		<u>1,022,213</u>	<u>639,687</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	13	6,219,455	7,901,366
<b>NET CURRENT LIABILITIES</b>		<u>(5,197,242)</u>	<u>(7,261,679)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(3,208,910)</u>	<u>(4,051,842)</u>
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	14	—	106,765
		<u>(3,208,910)</u>	<u>(4,158,607)</u>
<b>DEFERRED INCOME</b>	17	1,310,105	1,521,873
		<u>(4,519,015)</u>	<u>(5,680,480)</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	22	1,757,259	1,000,000
Share premium account	23	2,271,777	—
Profit and Loss Account	24	(8,548,051)	(6,680,480)
<b>DEFICIENCY</b>	25	<u>(4,519,015)</u>	<u>(5,680,480)</u>

These financial statements were approved by the directors on the 27.7.03 and are signed on their behalf by:

W.H. CARSON OBE  
Director



The notes on pages 10 to 18 form part of these financial statements.

# SWINDON TOWN FOOTBALL COMPANY LIMITED

## CASH FLOW STATEMENT

YEAR ENDED 30TH JUNE 2000

	2000		1999
	£	£	£
<b>NET CASH OUTFLOW FROM OPERATING ACTIVITIES</b>		(286,972)	(2,251,671)
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			
Interest paid	(146,854)		(253,886)
Interest element of hire purchase	(795)		(1,982)
<b>NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		(147,649)	(255,868)
<b>CAPITAL EXPENDITURE</b>			
Payments to acquire intangible fixed assets	(68,250)		(54,000)
Payments to acquire tangible fixed assets	(63,505)		(322,615)
Receipts from sale of intangible fixed assets	976,392		563,000
Receipts from sale of tangible fixed assets	185,869		226,988
<b>NET CASH INFLOW FROM CAPITAL EXPENDITURE</b>		1,030,506	413,373
<b>CASH OUTFLOW BEFORE FINANCING</b>		(595,885)	(2,094,166)
<b>FINANCING</b>			
Net inflow from new loans	—		2,898,585
Repayment of loans	(2,936,279)		(128,575)
Issue of new shares - proceeds	3,029,036	—	
Capital element of hire purchase	(14,187)		(6,469)
<b>NET CASH INFLOW FROM FINANCING</b>		78,570	2,763,541
<b>INCREASE IN CASH</b>		674,455	669,375
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES</b>			
	2000		1999
	£		£
Operating loss	(2,347,913)		(2,274,394)
Amortisation	239,270		327,275
Depreciation	577,285		330,782
Loss/(Profit) on disposal of fixed assets	2,436		(43,256)
(Increase)/Decrease in stocks	(9,123)		65,182
Decrease/(Increase) in debtors	108,187		(140,625)
(Decrease)/Increase in creditors	1,142,886		(516,635)
<b>Net cash outflow from operating activities</b>	(286,972)		(2,251,671)

The notes on pages 10 to 18 form part of these financial statements.

# SWINDON TOWN FOOTBALL COMPANY LIMITED

## CASH FLOW STATEMENT *(continued)*

YEAR ENDED 30TH JUNE 2000

### RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2000		1999	
	£	£	£	£
Increase in cash in the period	674,454		669,375	
Net cash outflow from bank loans	2,936,279		(2,770,010)	
Cash outflow in respect of hire purchase	14,187		6,469	
		3,624,920		(2,094,166)
Change in net funds		3,624,920		(2,094,166)
Net debt at 1 July 1999		(6,575,705)		(4,481,539)
Net funds at 30 June 2000		(2,950,785)		(6,575,705)

### ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jul 1999 £	Cash flows £	At 30 Jun 2000 £
Net cash:			
Cash in hand and at bank	7,597	481,591	489,188
Overdrafts	(674,907)	192,864	(482,043)
	(667,310)	674,455	7,145
Net Debt:			
Loans	(5,894,209)	2,936,279	(2,957,930)
Finance leases	(14,187)	14,187	—
	(5,908,396)	2,950,466	(2,957,930)
Net funds	(6,575,706)	3,624,921	(2,950,785)

The notes on pages 10 to 18 form part of these financial statements.

# SWINDON TOWN FOOTBALL COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2000

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### 1. ACCOUNTING POLICIES

#### (i) Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

Despite the loan facilities made available by the previous directors and connected persons and a Rights issue that took place in July 1999 the company went into administration in February 2000 and again in March 2002 following the failure of a Company Voluntary Arrangement. In August 2002 the company entered into a new 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 2000 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) 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

#### (iii) 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:

Freehold Buildings	-	Over 10 to 50 years
Ground Improvements	-	Over 10 to 20 years
Motor Vehicles	-	Over 4 years
Plant and machinery which includes furniture, fixtures, fittings, catering equipment, medical equipment and computers	-	Over 3 to 10 years

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

#### (iv) Stocks

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

# SWINDON TOWN FOOTBALL COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2000

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### 1. ACCOUNTING POLICIES *(continued)*

#### (v) Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the Profit and Loss Account on a straight line basis.

#### (vi) Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the Profit and Loss Account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

#### (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.

#### (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

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

#### (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.

# SWINDON TOWN FOOTBALL COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2000

### 2. 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. An analysis of turnover by activity is given below:

	2000 £	1999 £
Gate receipts	1,396,055	1,449,852
Associated commercial activities	1,096,615	1,127,643
Direct media fees	106,817	50,834
Sponsorship	53,000	140,178
Net share of FA and League distributions	772,364	635,002
Other	21,434	
	<u>3,446,285</u>	<u>3,403,509</u>

### 3. EXCEPTIONAL ITEMS

The operating loss before player registrations includes the following exceptional expenses incurred in the year:-

	2000 £	1999 £
Administrator costs and related legal fees	449,017	—
Accelerated depreciation as a result of an impairment review	240,699	—
	<u>689,716</u>	<u>—</u>

### 4. OPERATING LOSS

Operating loss is stated after charging/(crediting):

	2000 £	1999 £
Amortisation	239,270	327,275
Depreciation	577,285	330,782
Operating lease rentals - land and buildings	77,907	75,104
- plant and machinery	9,714	12,592
Hire of plant and equipment	41,949	8,262
Loss/(profit) on sale of assets	2,436	(43,256)
Auditors remuneration - audit	6,000	6,000
- other services	3,000	3,000
	<u></u>	<u></u>

### 5. PARTICULARS OF EMPLOYEES

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

	2000 No.	1999 No.
Players, coaches, administration and ground staff	69	69
Commercial activity staff	13	13
	<u>82</u>	<u>82</u>

# SWINDON TOWN FOOTBALL COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2000

### 6. STAFF COSTS

	2000 £	1999 £
Wages and salaries	2,506,935	2,928,322
Social security costs	242,528	276,791
Other costs	23,405	73,619
Compensation for loss of office and termination payments	172,000	264,295
	<u>2,944,868</u>	<u>3,543,027</u>

### 7. TAXATION

There is no liability to corporation tax on the results for the year as there are substantial losses available. The tax losses unused at 30th June 2000 subject to Inland Revenue agreement are approximately £10,525,000 (1999 - £9,250,000).

### 8. INTEREST PAYABLE AND SIMILAR CHARGES

	2000 £	1999 £
Interest payable on bank borrowing	42,768	97,617
Finance charges	795	1,982
Interest on other loans	87,155	63,445
Other similar charges	16,931	92,824
	<u>147,649</u>	<u>255,868</u>

### 9. INTANGIBLE FIXED ASSETS

	Player registrations £
<b>COST</b>	
At 1st July 1999	1,089,136
Additions	68,250
Disposals	(1,049,136)
<b>At 30th June 2000</b>	<u>108,250</u>
<b>AMORTISATION</b>	
At 1st July 1999	513,383
Charge for the year	239,270
On disposals	(700,736)
<b>At 30th June 2000</b>	<u>51,917</u>
<b>NET BOOK VALUE</b>	
At 30th June 2000	<u>56,333</u>
At 30th June 1999	<u>575,753</u>

# SWINDON TOWN FOOTBALL COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2000

### 10. TANGIBLE FIXED ASSETS

	Freehold Property £	Ground improvements £	Motor Vehicles £	Plant & equipment £	Total £
<b>COST</b>					
At 1 July 1999	177,574	3,456,550	37,722	1,071,468	4,743,314
Additions	—	34,954	—	28,551	63,505
Disposals	(177,574)	(16,524)	(37,722)	(3,128)	(234,948)
<b>At 30 June 2000</b>	<u>—</u>	<u>3,474,980</u>	<u>—</u>	<u>1,096,891</u>	<u>4,571,871</u>
<b>DEPRECIATION</b>					
At 1 July 1999	8,586	1,380,872	26,871	692,901	2,109,230
Charge for the year	3,302	486,475	5,064	82,444	577,285
On disposals	(11,888)	(2,377)	(31,935)	(443)	(46,643)
<b>At 30 June 2000</b>	<u>—</u>	<u>1,864,970</u>	<u>—</u>	<u>774,902</u>	<u>2,639,872</u>
<b>NET BOOK VALUE</b>					
<b>At 30 June 2000</b>	<u>—</u>	<u>1,610,010</u>	<u>—</u>	<u>321,989</u>	<u>1,931,999</u>
At 30 June 1999	168,988	2,075,678	10,851	378,567	2,634,084

Certain freehold land and buildings disposed of in the year were valued at their open market value of £65,000 for existing use on 5th September 1991 by Peter Long and Partners, Chartered Surveyors.

#### Hire purchase agreements

Included within the net book value of £1,931,999 is £Nil (1999 - £10,816) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £Nil (1999 - £8,653).

#### Capital commitments

	2000 £	1999 £
Contracted but not provided for in the financial statements	<u>—</u>	<u>52,500</u>

### 11. STOCKS

	2000 £	1999 £
Stock	<u>36,375</u>	<u>27,252</u>

### 12. DEBTORS

	2000 £	1999 £
Trade debtors	363,839	103,899
Other debtors	71,845	340,356
Prepayments and accrued income	60,966	160,582
	<u>496,650</u>	<u>604,837</u>



# SWINDON TOWN FOOTBALL COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2000

### 13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £	1999 £
Bank loans and overdrafts	482,043	677,113
Trade creditors	808,192	578,139
Other taxation and social security	592,659	283,626
Hire purchase agreements	—	5,948
Other creditors	328,676	107,159
Transfer fees payable	97,336	285,512
Football trust loan	—	16,665
Loans from - directors and connected persons	2,673,696	5,417,935
- shareholders	40,000	274,812
- other entities	244,234	88,465
Accruals	952,619	165,992
	<u>6,219,455</u>	<u>7,901,366</u>

The bank overdraft facility is principally secured by a first charge over the company's lease relating to the County Ground, a debenture over the assets of the company and personal guarantees and collateral security made available by directors and shareholders.

Included within loans from directors and connected persons is a loan of £2 million. This loan is secured by a fixed charge over certain players contracts.

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.

### 14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2000 £	1999 £
Bank loans and overdrafts	—	94,126
Other creditors:		
Hire purchase agreements	—	8,239
Signing on fees payable	—	4,400
	<u>—</u>	<u>106,765</u>

### 15. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	2000 £	1999 £
Amounts payable within 1 year	—	5,948
Amounts payable between 1 and 2 years	—	8,239
	<u>—</u>	<u>14,187</u>

# SWINDON TOWN FOOTBALL COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2000

### 16. DEBT MATURITY

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

	2000 £	1999 £
<b>Wholly repayable within five years:</b>		
Football Trust loan	-	16,665
Loans from - directors and connected persons	2,673,696	5,417,935
- shareholders	40,000	274,812
- other persons	244,234	88,465
<b>Not repayable within five years:</b>		
Mortgage at bank base rate plus 2.5% repayable in monthly instalments until maturity in February 2015	-	96,333
	<u>2,957,930</u>	<u>5,894,210</u>
<b>Amounts repayable by instalments</b>		
Within five years	2,957,930	5,808,907
After five years	-	85,303
	<u>2,957,930</u>	<u>5,894,210</u>
<b>Included in creditors:</b>		
Amounts falling due within one year	2,957,930	5,800,084
Amounts falling due after one year	-	94,126
	<u>2,957,930</u>	<u>5,894,210</u>

The Football Trust Loan is unsecured and interest free.

The mortgage is secured by a legal charge on the freehold property in Swindon.

### 17. DEFERRED INCOME

	2000 £	1999 £
Grants	746,895	817,791
Other deferred income:		
Season ticket sales	404,270	454,286
Marketing income	91,940	189,796
Sponsorships	67,000	60,000
	<u>1,310,105</u>	<u>1,521,873</u>
Amounts to be recognised within one year	634,106	774,984
Amounts to be recognised after one year	675,999	746,889
	<u>1,310,105</u>	<u>1,521,873</u>

# SWINDON TOWN FOOTBALL COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2000

### 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 period was waived as a one off gesture, in return for community benefits provided by the club.

At 30 June 2000, the company had annual commitments under non-cancellable operating leases as set out below:

	2000 £	1999 £
Operating leases which expire:		
Within one to five years	<u>—</u>	<u>8,795</u>

### 20. RELATED PARTY TRANSACTIONS

During the year the company sold a property to CJ Purfett at market value for £175,000.

### 21. CONTROLLING PARTY

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

### 22. SHARE CAPITAL

#### Authorised share capital:

	2000 £	1999 £
4,500,000 Ordinary shares of £0.50 each	<u>2,250,000.00</u>	<u>1,000,000.00</u>

#### Allotted, called up and fully paid:

	2000 £	1999 £
Ordinary share capital	1,000,000.00	1,000,000.00
Scrip/rights issues of ordinary shares at par	<u>757,259.00</u>	<u>—</u>
	<u>1,757,259.00</u>	<u>1,000,000.00</u>

During the year the company issued 1,514,518 ordinary shares for £2 each in order to improve cash flow and reduce loans.

# SWINDON TOWN FOOTBALL COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2000

### 23. SHARE PREMIUM ACCOUNT

	2000 £	1999 £
Premium on shares issued in the year	2,271,777	—
Balance carried forward	<u>2,271,777</u>	<u>—</u>

### 24. PROFIT AND LOSS ACCOUNT

	2000 £	1999 £
Balance brought forward	(6,680,480)	(4,505,421)
Accumulated loss for the financial year	(1,867,571)	(2,210,587)
Transfer from revaluation reserve	—	35,528
Balance carried forward	<u>(8,548,051)</u>	<u>(6,680,480)</u>

### 25. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Loss for the financial year	(1,867,571)	(2,210,587)
New equity share capital subscribed	757,259	—
Premium on new share capital subscribed	<u>2,271,777</u>	<u>—</u>
	3,029,036	—
	1,161,465	(2,210,587)
Transfer from revaluation reserve	—	35,528
Transfer to profit and loss account	—	(35,528)
Net addition/(reduction) to funds	1,161,465	(2,210,587)
Opening shareholders' equity deficit	(5,680,480)	(3,469,893)
Closing shareholders' equity deficit	<u>(4,519,015)</u>	<u>(5,680,480)</u>

### 26. POST BALANCE SHEET EVENTS

The company continued to have problems in meeting its debts as they fell due, and in March 2002 was placed again in Administration. In August 2002 a new Company Voluntary Arrangement was entered into.

Subsequent to August 2002 loans exceeding £1.4m secured over the lease of the County Ground have been made to the company in order to finance current trading and meet its' obligations under the CVA as well as funding the discharge of the £1.2m debenture in favour of Swindon Town Properties Limited.