

THE BURY FOOTBALL CLUB COMPANY LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2003
COMPANY NUMBER: 53268



MITCHELL CHARLESWORTH
Chartered Accountants
MANCHESTER

THE BURY FOOTBALL CLUB COMPANY LIMITED
DIRECTORS AND OFFICERS

DIRECTORS

R Barlow
J W Lomas
I F Harrop
I Mills
D M Proos

SECRETARY

J Neville

REGISTERED OFFICE

Gigg Lane
Bury
Lancashire
BL9 9HR

AUDITORS

Mitchell Charlesworth
Chartered Accountants
6 th Floor
Brazennose House West
Brazennose Street
Manchester
M2 5FE

THE BURY FOOTBALL CLUB COMPANY LIMITED
DIRECTORS' REPORT

The directors present their 106th annual report and the audited financial statements of the company for the year ended 31 May 2003.

Principal Activity

The principal activity of the company continues to be that of running a professional football league club.

Business Review

	2003	2002
	£	£
Turnover	<u>1,969,455</u>	<u>2,411,665</u>
Loss on ordinary activities before taxation	(382,790)	(240,528)
Taxation	-	-
Donations received	247,331	398,513
(Loss)/profit for the financial year	<u>(135,459)</u>	<u>157,985</u>
Exceptional items	-	(77,569)
Retained (loss) /profit for financial year	<u>(135,459)</u>	<u>80,416</u>

Analysis of turnover is given in note 2 to the financial statements.

Dividend

The directors recommend that no dividend be paid.

Fixed Assets

Information relating to changes in fixed assets is set out in note 11 to the financial statements.

Directors and Directors' Interests

The directors who have served during the year and their interests in the company's issued ordinary share capital were as follows:

	Interest at end of period	Interest at beginning of period
F J Mason	7,450	7,450
J Smith	18,038	13,038
J W Lomas (Appointed 8 July 2002)	1,000	-
R Barlow (Appointed 8 July 2002)	1,000	500
I F Harrop (Appointed 8 July 2002)	1,000	1,000

F J Mason and J Smith resigned as joint Chairmen on 7 July 2003.

A D Doweck was appointed Director and Chairman on 7 July 2003 and resigned on 10 December 2003.

I F Harrop resigned as director on 5 June 2003 and was reappointed on 1 September 2003.

THE BURY FOOTBALL CLUB COMPANY LIMITED
DIRECTORS' REPORT (CONTINUED)

I Mills was appointed as director on 22 September 2003

D M Proos was appointed director on 22 January 2004.

R Barlow and J Lomas retire from the Board by rotation and being eligible, offer themselves for re-election.

Legal Procedures

The company entered into a Company Voluntary Arrangement on 31 May 2002 by agreement with creditors. This arrangement will last for approximately 5 years.

Directors' Responsibilities

Company Law requires the directors to prepare financial statements for each financial period 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;
- 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.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of Mitchell Charlesworth as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

On behalf of the Board



J Lomas
Director

Date 25.03.04

Gigg Lane
Bury
Lancashire
BL9 9HR

Mitchell Charlesworth

Chartered Accountants

Brazennose House West Brazennose Street Manchester M2 5FE

Independent Auditors' Report to the Shareholders of The Bury Football Club Company Limited

We have audited the accounts of the Bury Football Club Company Limited for the year ended 31 May 2003, which are set out on pages 6 to 22. These accounts have been prepared under the historical cost convention (as modified by the revaluations of certain fixed assets) and the accounting policies set out on pages 10 and 11.

This report is made solely to the company's members, 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 Directors and Auditors

The directors' responsibilities for preparing the Annual report and the accounts in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' responsibilities.

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

We report to you our opinion as to whether the accounts 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 accounts, 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 the law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited accounts. This other information comprises only the Director's Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to other information.

Basis of Audit Opinion

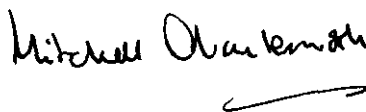
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

In forming our opinion we have considered the adequacy of the disclosures made in the financial statements concerning the going concern basis used in the preparation of the financial statements, see notes 1 and 25. Our opinion is not qualified in this respect.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 May 2003 and of its loss for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



MITCHELL CHARLESWORTH
Chartered Accountants
& Registered Auditor

25/3/04.

THE BURY FOOTBALL CLUB COMPANY LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 2003

	Notes	2003 £	2002 £
TURNOVER	2	1,969,455	2,411,665
Cost of sales		(171,705)	(151,189)
Players' and staff costs	4	(1,542,129)	(1,584,626)
Match and ground expenses		(328,209)	(404,623)
Administrative expenses		(270,968)	(390,430)
Depreciation charges		(27,865)	(35,876)
Amortisation charges		(8,750)	(63,542)
OPERATING LOSS	3	(380,171)	(218,621)
Interest receivable	6	1,292	1
Interest payable and similar charges	7	(3,911)	(21,908)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(382,790)	(240,528)
Taxation	8	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(382,790)	(240,528)
Donations received	9	247,331	398,513
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(135,459)	157,985
Exceptional items	10	-	(77,569)
(Loss)/Profit for the financial year		(135,459)	80,416
Retained loss brought forward		(3,196,859)	(3,277,275)
RETAINED LOSS CARRIED FORWARD		<u>(3,332,318)</u>	<u>(3,196,859)</u>

None of the company's activities were acquired or discontinued during the current or preceding financial year.

Comparative figures are for the 11 months ended 31 May 2002.

THE BURY FOOTBALL CLUB COMPANY LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MAY 2003

	2003	2002
	£	£
(Loss)/Profit for the financial year/period	(135,459)	157,985
Exceptional items	-	(77,569)
Reduction in revaluation reserve	-	(3,799,517)
TOTAL RECOGNISED GAINS AND LOSSES	<u>(135,459)</u>	<u>(3,719,101)</u>
RELATING TO THE YEAR		

NOTE OF HISTORICAL COST PROFITS AND LOSSES
FOR THE YEAR ENDED 31 MAY 2003

	2003	2002
	£	£
Reported loss on ordinary activities before taxation	(382,790)	(240,528)
Difference between a historical cost depreciation charge and the actual depreciation charge of the period calculated on revalued amount	(1,000)	(98,185)
HISTORICAL COST LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>(383,790)</u>	<u>(338,713)</u>
HISTORICAL COST (LOSS)/PROFIT ON ORDINARY ACTIVITIES RETAINED AFTER TAXATION AND DONATIONS RECEIVED	<u>(136,459)</u>	<u>59,800</u>

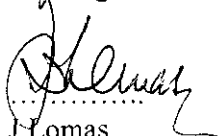
Comparative figures are for the 11 months ended 31 May 2002.

The notes on pages 10 to 22 form part of these financial statements.

THE BURY FOOTBALL CLUB COMPANY LIMITED
BALANCE SHEET AS AT 31 MAY 2003

	Notes	2003 £	2002 £
FIXED ASSETS			
Tangible assets	11	385,413	907,642
Intangible assets	12	-	8,750
		<u>385,413</u>	<u>916,392</u>
CURRENT ASSETS			
Stocks	13	9,690	6,762
Debtors	14	25,746	127,470
Cash at bank and in hand		39,383	40,822
		<u>74,819</u>	<u>175,054</u>
CREDITORS: amounts falling due within one year	15	<u>(405,473)</u>	<u>(796,124)</u>
NET CURRENT LIABILITIES		<u>(300,654)</u>	<u>(621,070)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		54,759	295,322
CREDITORS: amounts falling due after more than one year	16	<u>(586,330)</u>	<u>(717,181)</u>
NET LIABILITIES		<u>(531,571)</u>	<u>(421,859)</u>
CAPITAL AND RESERVES			
Called up share capital	17	2,525,747	2,500,000
Revaluation reserve	18	275,000	275,000
Profit and loss account		<u>(3,332,318)</u>	<u>(3,196,859)</u>
TOTAL SHAREHOLDERS' FUNDS	19	<u>(531,571)</u>	<u>(421,859)</u>

These financial statements were approved by the Board of Directors on 25.03.04.....and were signed on its behalf by:


 J. Lomas
 Director

The notes on pages 10 to 22 form part of these financial statements.

THE BURY FOOTBALL CLUB COMPANY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MAY 2003

	Notes	2003	2002
		£	£
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	22	(95,517)	(322,533)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest paid		(3,220)	(17,959)
Interest element of finance lease rental and hire purchase payments		(691)	(3,949)
Interest received		1,292	1
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(2,619)	(21,907)
TAXATION		-	-
CAPITAL EXPENDITURE			
Receipts from sales of fixed assets		621,800	362,500
Payments to acquire fixed assets		(5,636)	(2,141)
NET CASH INFLOW FROM CAPITAL EXPENDITURE		616,164	360,359
NET CASH INFLOW BEFORE THE USE OF FINANCING AND LIQUID RESOURCES		518,028	15,919
FINANCING ACTIVITIES			
Receipt from issue of new shares		25,747	-
Repayments of borrowings		(535,335)	(30,000)
Capital element of finance lease rental and hire purchase payments		(9,879)	(7,781)
Receipt of new loans		-	28,636
NET CASH OUTFLOW FROM FINANCING ACTIVITIES		(519,467)	(9,145)
(DECREASE)/INCREASE IN CASH		(1,439)	6,774

THE BURY FOOTBALL CLUB COMPANY LIMITED
NOTES TO THE ACCOUNTS
(FORMING PART OF THE FINANCIAL STATEMENTS)

1. PRINCIPAL ACCOUNTING POLICIES

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

Basis of Preparation

The financial statements are prepared in accordance with applicable Accounting Standards and under the historical cost convention, supplemented by a professional valuation of freehold land and buildings using an alternative use basis for the land and a depreciated replacement basis for the buildings.

The financial statements incorporate the results of the principal activity, which is described in the directors' report and which is continuing.

Going Concern Basis

The financial statements have been prepared on a going concern basis. See note 25.

Turnover

Turnover represents the total amount received by the company from matches and other income during the period, exclusive of value added tax.

Donations

Donations are dealt with on a received basis.

Tangible Fixed Assets and Depreciation

Freehold land is not depreciated. Depreciation is provided by the company to write off the value of buildings and the cost of other fixed assets by equal instalments over their estimated useful economic lives as follows:

Buildings	50 years (2% per annum)
Fixtures and equipment	5 and 10 years (20% and 10% per annum)
Motor vehicles	4 years (25% per annum)

Intangible Fixed Assets and Amortisation

Players registrations are capitalised according to Financial Reporting Standard 10 (FRS 10) 'Goodwill and Intangible Assets'. Amortisation is provided by the company to write off the value of registrations by equal instalments over the period of the players contracts.

1. **PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

Transfer Fees and Registrations

The accounting policy relating to transfer fees and players registrations is in accordance with FRS10 'Goodwill and Intangible Assets'. Fees and associated costs payable to other football clubs are not dealt with through the profit and loss account in the period in which the transfer takes place but are capitalised as intangible assets in the balance sheet and written off over the period of a players registration.

Leased Assets

Assets held under finance leases and hire purchase contracts are capitalised at the estimated fair value at date of inception of each lease or contract. The assets are depreciated over their expected useful lives. The finance charges are allocated over the primary period of the lease in proportion to the capital element outstanding. All other leases are accounted for as operating leases and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

Pension Costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

Stocks

Stocks are stated at the lower of cost and net realisable value.

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 tax.

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 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.

THE BURY FOOTBALL CLUB COMPANY LIMITED
NOTES (CONTINUED)

2. ANALYSIS OF TURNOVER

	2003	2002
	£	£
Gate receipts, FL and FA distributions	1,084,593	1,208,343
Advertising, sponsorship, catering, events, bar and shop sales, programmes etc.	630,162	745,322
Profit on sale of players	137,400	320,000
Grants received	117,300	138,000
	<u>1,969,455</u>	<u>2,411,665</u>

The turnover is wholly attributable to the company's principal activity and arose solely in the United Kingdom.

3. OPERATING LOSS

	2003	2002
	£	£
Operating loss is stated after charging:		
Auditors' remuneration	6,000	5,000
Depreciation and other amounts written off		
Owned assets	22,607	30,621
Leased assets	5,258	5,255
Hire of plant and machinery	9,706	3,495
Amortisation of players contracts	8,750	63,542
Vehicle Leasing	2,507	15,047
Loss on disposal of fixed assets	<u>15,600</u>	<u>13,966</u>
and after crediting:		
Grant release	<u>-</u>	<u>57,585</u>

Comparative figures are for the 11 months ended 31 May 2002.

THE BURY FOOTBALL CLUB COMPANY LIMITED
NOTES (CONTINUED)

4. STAFF NUMBERS AND COSTS

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

	2003	2002
Football Club		
Playing, training and coaching staff	41	50
Administrative and ground maintenance staff	22	22
	<hr/>	<hr/>
	63	72
	<hr/>	<hr/>
Social Club		
Administrative staff	18	18
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	2003	2002
	£	£
Wages and salaries	1,389,256	1,453,583
Social security costs	121,056	112,977
Other pension costs	31,817	18,066
	<hr/>	<hr/>
	1,542,129	1,584,626
	<hr/>	<hr/>

5. DIRECTORS EMOLUMENTS

	2003	2002
	£	£
Aggregate emoluments (inc benefits in kind)	-	-
	<hr/>	<hr/>

6. INTEREST RECEIVABLE

	2003	2002
	£	£
Bank deposit account interest receivable	1,292	1
	<hr/>	<hr/>

Comparative figures are for the 11 months ended 31 May 2002.

THE BURY FOOTBALL CLUB COMPANY LIMITED
NOTES (CONTINUED)

7. INTEREST PAYABLE AND SIMILAR CHARGES	2003	2002
	£	£
On other loans wholly repayable within five years	3,220	17,959
Finance charges payable in respect of finance leases and hire purchase contracts	691	3,949
	<u>3,911</u>	<u>21,908</u>
8. TAXATION	2003	2002
	£	£
Tax on activity for the year	-	-
9. DONATIONS RECEIVED	2003	2002
	£	£
Lifeline and Development Association	181,120	156,864
Other donations	66,211	241,649
	<u>247,331</u>	<u>398,513</u>
10. EXCEPTIONAL ITEM	2003	2002
	£	£
The exceptional item in the profit and loss account is represented by four adjustments:-		
1. Adjustment to reflect the write down of the value of Land and Buildings to the proposed sales consideration of £500,000.	-	8,100,000
Less: Deferred Ground Income written off	-	(2,757,179)
Cancellation of Revaluation Reserve	-	(3,799,517)
	<u>-</u>	<u>1,543,304</u>
2. Adjustment of the pre-administration creditors to bring them in line with the company voluntary arrangement agreed at the creditors meeting held on 31 May 2002.	-	(994,187)
3. Exceptional professional fees in respect of the company administration.	-	124,000
4 Write off of the property mortgage in excess of the proposed repayment.	-	(500,000)
Accrued mortgage interest written off	-	(95,548)
	<u>-</u>	<u>77,569</u>

THE BURY FOOTBALL CLUB COMPANY LIMITED
NOTES (CONTINUED)

11. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Fixtures and equipment £	Motor vehicles £	Total £
Cost or Valuation				
At 1 June 2002	825,000	580,541	88,779	1,494,320
Additions	-	5,636	-	5,636
Disposals	(500,000)	-	(14,500)	(514,500)
At 31 May 2003	<u>325,000</u>	<u>586,177</u>	<u>74,279</u>	<u>985,456</u>
Depreciation				
At 1 June 2002	-	511,025	75,653	586,678
Charge for period	-	18,314	9,551	27,865
Disposals	-	-	(14,500)	(14,500)
Revaluations	-	-	-	-
At 31 May 2003	<u>-</u>	<u>529,339</u>	<u>70,704</u>	<u>600,043</u>
Net Book Value				
At 31 May 2003	<u>325,000</u>	<u>56,838</u>	<u>3,575</u>	<u>385,413</u>
At 31 May 2002	<u>825,000</u>	<u>69,516</u>	<u>13,126</u>	<u>907,642</u>

Included in the total net book value of tangible fixed assets is £2,000 (2002: £7,258) in respect of assets acquired under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £5,258 (2002: £5,255).

THE BURY FOOTBALL CLUB COMPANY LIMITED
NOTES (CONTINUED)

11. TANGIBLE FIXED ASSETS (CONTINUED)

The Social Club freehold land and buildings have been valued by the directors on a current use basis on 31 May 2002. In the opinion of the directors there has been no significant change in value during the year.

The land and buildings are shown at valuation as follows:

	£	£
Sports Stadium		
Land and buildings - Balance brought forward	500,000	
Disposals	(500,000)	
	<hr/>	-
 Social Club		
Land	20,000	
Buildings	305,000	
	<hr/>	325,000
 Cost or valuation at 31 May 2003		<hr/> 325,000 <hr/>
 The amount of freehold land and buildings, included at valuation, determined according to the historical cost accounting rules, is as follows:		
	£	£
Cost brought forward		4,909,242
Disposal		(4,859,242)
		<hr/> 50,000
Depreciation brought forward	768,945	
Disposal	(728,945)	
Depreciation charge for year @ 2%	1,000	
	<hr/>	(41,000)
 Net book value		<hr/> 9,000 <hr/>

THE BURY FOOTBALL CLUB COMPANY LIMITED
NOTES (CONTINUED)

12. INTANGIBLE FIXED ASSETS

	Players Registrations £
Cost	
At 1 June 2002	55,000
Additions	-
Disposals	-
At 31 May 2003	<u>55,000</u>
 AMORTISATION	
At 1 June 2002	46,250
Charge for year	8,750
At 31 May 2003	<u>55,000</u>
 NET BOOK VALUE	
At 31 May 2003	<u>-</u>
At 31 May 2002	<u>8,750</u>

13. STOCK	2003 £	2002 £
Bar stock	<u>9,690</u>	<u>6,762</u>
 14. DEBTORS	2003 £	2002 £
Prepayments and accrued income	2,632	127,470
Trade debtors	23,114	-
	<u>25,746</u>	<u>127,470</u>

THE BURY FOOTBALL CLUB COMPANY LIMITED
NOTES (CONTINUED)

15. CREDITORS: amounts falling due within one year	2003	2002
	£	£
Trade creditors	101,463	2,657
Obligations under finance leases and hire purchase contracts (see note 16)	2,289	8,540
Other loans (see note 16)	64,380	510,000
Taxation and social security	112,251	40,000
Accruals and deferred income	125,090	234,927
	<u>405,473</u>	<u>796,124</u>

16. CREDITORS: amounts falling due after more than one year	2003	2002
	£	£
Obligations under finance leases and hire purchase contracts	2,174	5,802
Other loans (see below)	255,333	345,048
Taxation and social security	196,025	258,534
Other creditors	132,798	107,797
	<u>586,330</u>	<u>717,181</u>

Obligations under finance leases and hire purchase contracts

	2003	2002
	£	£
Instalments falling due:		
In one year (see note 15)	2,289	8,540
In two to five years (as above)	2,174	5,802
	<u>4,463</u>	<u>14,342</u>

Obligations under finance leases and hire purchase contracts are secured on the assets to which contracts relate.

THE BURY FOOTBALL CLUB COMPANY LIMITED
NOTES (CONTINUED)

16. CREDITORS:(continued)

	2003	2002
	£	£
Analysis of other loans		
Other loans – falling due within one year (note 15)	64,380	510,000
Other loans – falling due after more than one year (as above)	255,333	345,048
	<u>319,713</u>	<u>855,048</u>

	2003	2002
	£	£
Analysed as follows		
Daniel Thwaites		
Variable interest rate mortgage loans, repayable in varying instalments	157,838	163,173
The Football Trust		
Interest free loan repayable in varying instalments	40,000	70,000
Professional Footballers Association		
Due to be repaid after 12 months in varying instalments	121,875	121,875
Mortgage	-	500,000
	<u>319,713</u>	<u>855,048</u>

Instalments falling due:		
In one year (see note 15)	64,380	510,000
In two to five years	139,875	229,875
In five years or more	115,458	115,173
	<u>319,713</u>	<u>855,048</u>

	2003	2002
	£	£
Period in which other loans mature		
In one year	-	500,000
Between one and two years	161,875	121,875
Between two and five years	-	70,000
In five years or more	157,838	163,173
	<u>319,713</u>	<u>855,048</u>

The Daniel Thwaites loan is secured on the Social Club freehold land and buildings. See note 11 for directors' valuation.

THE BURY FOOTBALL CLUB COMPANY LIMITED
NOTES (CONTINUED)

17. SHARE CAPITAL	2003		2002	
	Number	£	Number	£
Authorised				
Ordinary shares of £1 each	10,000,000	10,000,000	10,000,000	10,000,000
Allotted, called up and fully paid				
Ordinary shares of £1 each	2,525,747	2,525,747	2,500,000	2,500,000

During the year the Company issued 25,747 ordinary shares at par. The consideration received was £25,747.

18. REVALUATION RESERVE	2003	2002
	£	£
Balance at 1 June 2002	275,000	4,074,517
(Decrease) in valuation of land and buildings	-	(3,799,517)
Balance at 31 May 2003	275,000	275,000

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2003	2002
	£	£
Opening shareholders funds	(421,859)	3,297,242
New shares issued	25,747	-
(Loss)/profit for year	(135,459)	157,985
Revaluation of fixed assets	-	(3,799,517)
Exceptional items (see note 10)	-	(77,569)
Closing shareholders funds	(531,571)	(421,859)

20. CAPITAL COMMITMENTS

The amount of future capital expenditure relating to amounts contracted for, but not yet provided for in the accounts as at 31 May 2003 is Nil (2002: £Nil).

21. OTHER COMMITMENTS

At 31 May 2003 the company had no annual commitments under non-cancellable operating leases.

THE BURY FOOTBALL CLUB COMPANY LIMITED
NOTES (CONTINUED)

22. NOTES TO THE CASH FLOW STATEMENT

	2003	2002
	£	£
Reconciliation of operating profit to net cash outflow from operating activities:		
Operating (loss)/profit	(132,840)	179,892
Exceptional items – legal costs	-	(124,000)
Depreciation charges	27,865	35,876
Loss on sale of fixed assets	15,600	13,966
Profit on sale of players	(137,400)	(320,000)
Amortisation of registrations	8,750	63,542
(Increase)/Decrease in stocks	(2,928)	2,187
Decrease in debtors	101,724	4,641
Increase/(Decrease) in creditors	23,712	(178,637)
	<hr/>	<hr/>
Net cash outflow from operating activities	(95,517)	(322,533)
	<hr/>	<hr/>
Reconciliation of net cash flow to movement in net debt:		£
Increase/(decrease) in cash		(1,439)
Cashflows:		
Net decrease of debt		545,214
		<hr/>
Change in net debt		543,775
Net debt at 1 June 2002		(903,485)
		<hr/>
Net debt at 31 May 2003		(359,710)
		<hr/>

THE BURY FOOTBALL CLUB COMPANY LIMITED
NOTES (CONTINUED)

23. NOTES TO THE CASH FLOW STATEMENT (CONTINUED)

Analysis of changes in net debt:

	At 1 June 2002 £	Other Cash flow £	Non- cash changes £	At 31 May 2003 £
Cash at bank and in hand	40,822	(1,439)	-	39,383
Debt due within one year	(518,540)	545,214	(93,343)	(66,669)
Debt due after one year	(425,767)	-	93,343	(332,424)
Total	(903,485)	543,775	-	(359,710)

24. CONTINGENT LIABILITIES

It is unlikely that any further payments will be made in respect of players registrations already transferred to the Club.

25. LEGAL PROCEDURES

At 31 May 2002 the company went into a Company Voluntary Arrangement that was agreed by creditors. This arrangement will last for approximately 5 years.