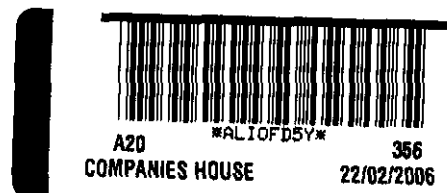


MANCHESTER UNITED FOOTBALL CLUB LIMITED

REPORT AND ACCOUNTS

YEAR ENDED 30 JUNE 2005

Company Number: 95489



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MANCHESTER UNITED FOOTBALL CLUB LIMITED

DIRECTORS' REPORT

The Company has recently changed its accounting reference date to 30 June in order to bring its year end in line with the expiry date for player contracts. Accordingly, the directors present their report and audited financial statements of Manchester United Football Club for the eleven months ended 30 June 2005.

Principal activity

The principal activity of the Company continues to be the operation of a professional football club together with related and ancillary activities.

Business review, results and dividend

The Manchester United team maintained a high level of performance, finishing 3rd in the FA Premier League and runners up in the FA Cup.

Turnover reduced by £9.4 million to £107.6 million (2004 - £117.0 million) representing a decrease of 8%.

Operating profit before amortisation of players reduced to £14.6 million (2004 - £23.6 million).

The Company made a loss before taxation of £8.7 million (2004 - £1.3 million). The directors have been notified that the parent undertaking, Manchester United PLC, will provide the necessary financial support to enable the Company to meet its liabilities as they fall due. On the basis of this undertaking the directors consider it appropriate to produce the accounts on a going concern basis.

The directors do not recommend the payment of a final dividend. The loss after taxation of £6.0 million has been retained and transferred to reserves (2004 - £1.2 million).

Fixed assets

Movements in tangible fixed assets are set out in Note 8 to the accounts.

Movements in intangible fixed assets are set out in Note 7 to the accounts

Directors and their interests

The directors serving at 30 June 2005 and throughout the year (unless otherwise indicated) were as follows:

J M Edelson
Sir R Charlton CBE
E M Watkins
R L Olive
D A Gill
N W Humby

None of the directors had any interest in the shares of the Company at any time during the year.

D A Gill and N W Humby are directors of the parent undertaking, Manchester United PLC, and their interests in the shares of Manchester United PLC are disclosed in that Company's accounts. The interests of the other directors in the shares of Manchester United PLC are shown below :

	30 June 2005	31 July 2004
J M Edelson	-	977,620
Sir R Charlton CBE	-	40,000
R L Olive	-	104,587

Sums paid to third parties in respect of directors' services are set out in Note 5 to the accounts.

There were no other material contracts with the Company in which any director had an interest.

MANCHESTER UNITED FOOTBALL CLUB LIMITED
DIRECTORS' REPORT (CONTINUED)

General information

During the period the Company made charitable donations amounting of £6,697 (2004 - £18,490). The Company made no political contributions in the period (2004 - £nil).

Within the bounds of commercial confidentiality, staff at all levels are kept fully informed of matters that affect the progress of the Company and are of interest to them as employees. This is achieved through a broad base of communications including staff briefings, announcements and the staff newsletter 'Redlines'. Employees views are sought through annual staff surveys.

The Company is committed to its 'people philosophy' and, as a result, to promoting policies to ensure that employees and applicants for employment are treated fairly and consistently. The Company has an equal opportunities policy, the aim of which is to not discriminate against employees or applicants for employment on grounds of age, disability, ethnic origin, nationality or national origin, religion, race, gender, sexual orientation, marital status or family circumstances. Entry into and progression within the Company is determined solely by the job criteria and personal ability / competence.

The Company also seeks to apply best practice in the employment, training, development and promotion of disabled persons. The Company takes seriously its statutory obligations relating to disabled persons and seeks not to discriminate against current or prospective employees of their disability. If an existing employee becomes disabled, such steps as are practical and reasonable are taken, in respect of adjustments to premises or employment arrangements, to retain him/her in employment. Where appropriate, rehabilitation and suitable training are given.

The Company maintains its own health, safety and environmental policies covering all the activities of the Company. Adherence to the policies is monitored by the Board. The Company is aware of its environmental responsibilities and seeks to minimise the impact of its operations on the environment.

The Company does not have a standard creditor payment policy. Payment terms are normally agreed with suppliers at the time of placing orders. All suppliers fulfilling the conditions of order will be paid in accordance with the terms agreed. At 30 June 2005 the number of days' purchases outstanding was 62 (2004 - 42 days). This figure excludes creditors in respect of player acquisitions which are paid on the date payment is contractually due.

Statement of directors' responsibilities

The directors are required by company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company and of the profit 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; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

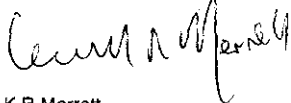
The directors confirm that the above requirements have been complied with in the financial statements.

The directors are responsible for keeping proper accounting records that 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

A resolution to reappoint PricewaterhouseCoopers LLP as the Company's auditors and authorise the directors to determine their remuneration will be proposed at the annual general meeting.

BY ORDER OF THE BOARD



K R Merrett
Secretary
16 January 2006

Old Trafford
Manchester

MANCHESTER UNITED FOOTBALL CLUB LIMITED
PROFIT AND LOSS ACCOUNT

For the 11 months ended 30 June 2005

	Note	11 months ended 30 June 2005 £'000	12 months ended 31 July 2004 £'000
Turnover	2	107,561	116,956
Operating expenses	3	(117,076)	(115,172)
Operating profit before depreciation and amortisation of intangible fixed assets		19,346	28,832
Depreciation		(4,702)	(5,209)
Amortisation		(24,159)	(21,839)
Operating (loss)/profit		(9,515)	1,784
Loss on disposal of players		(556)	(3,084)
Net interest receivable / (payable)	4	1,399	(14)
Loss on ordinary activities before taxation		(8,672)	(1,314)
Taxation	6	2,656	139
Loss for the period transferred to reserves	16	(6,016)	(1,175)

The results for both the current and prior period derive from continuing activities.

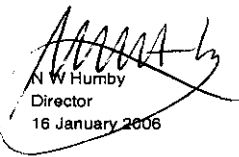
The accompanying notes on pages 6 to 12 are an integral part of these accounts.

MANCHESTER UNITED FOOTBALL CLUB LIMITED
BALANCE SHEET

At 30 June 2005

	Note	At 30 June 2005 £'000	At 31 July 2004 £'000
Fixed assets			
Intangible assets	7	75,351	78,233
Tangible assets	8	104,639	101,838
		<u>179,990</u>	<u>180,071</u>
Current assets			
Debtors - amounts falling due within one year	9	9,970	32,056
Debtors - amounts falling due after more than one year	9	300	1,760
Intangible asset held for resale	22	1,583	1,382
Cash at bank and in hand		24,251	3,301
		<u>36,104</u>	<u>38,499</u>
Creditors - amounts falling due within one year	10	(116,890)	(112,290)
Net current liabilities		<u>(80,786)</u>	<u>(73,791)</u>
Total assets less current liabilities		99,204	106,280
Creditors - amounts falling due after one year	11	(5,900)	(6,795)
Provision for liabilities and charges	12	(6,033)	(5,766)
Accruals and deferred income			
Deferred grant income	13	(736)	(856)
Other deferred income	14	(37,024)	(37,336)
Net assets		<u>49,511</u>	<u>55,527</u>
Capital and reserves			
Share capital	15	1,009	1,009
Profit and loss account	16	48,502	54,518
Equity shareholders' funds	17	<u>49,511</u>	<u>55,527</u>

The financial statements on pages 4 to 12 were approved by the Board of directors on 16 January 2006 and signed on its behalf by:


N W Humby
Director
16 January 2006

The accompanying notes on pages 6 to 12 are an integral part of these accounts.

MANCHESTER UNITED FOOTBALL CLUB LIMITED
NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

A summary of the Company's principal accounting policies, which have been consistently applied, is set out below.

Basis of accounting

The financial statements have been prepared under the historical cost convention and have been drawn up to comply with applicable accounting standards.

The directors have been notified that the parent undertaking, Manchester United PLC, will provide the necessary financial support to enable the Company to meet its liabilities as they fall due. On the basis of this undertaking the directors consider it appropriate to produce the accounts on a going concern basis.

Turnover

Turnover represents income receivable from the Company's principal activities excluding transfer fees and value added tax. Turnover is analysed between Matchday, Media and Commercial revenue streams.

Matchday

Matchday turnover comprises income receivable from all matchday activities from Manchester United games at Old Trafford, together with our share of gate receipts from cup matches not played at Old Trafford and fees receivable for the team undertaking pre-season tours and for arranging other events at the Old Trafford stadium. The share of gate receipts payable to the other participating club and competition organiser for domestic cup matches played at Old Trafford is treated as an operating expense.

Media

Media turnover represents income receivable from all UK and overseas media contracts, including contracts negotiated centrally by the FA Premier League and UEFA.

Commercial

Commercial turnover comprises income receivable from the exploitation of the Manchester United brand through sponsorship and other commercial agreements.

Deferred income

Income from matchday activities, media and commercial contracts, which has been received prior to the year end in respect of future football seasons is treated as deferred income.

Depreciation

Depreciation is calculated to write down the cost less estimated residual value of tangible fixed assets over their expected useful lives as follows:

	Reducing Balance	Straight
	Period of lease	Line
Leasehold buildings		Period of lease
Assets in the course of construction	Nil	Nil
Computer equipment and software	33 %	3 years
Plant and machinery	20% - 25%	4-5 years
General fixtures and fittings	15%	7 years

Tangible fixed assets acquired prior to 31 July 1999 are depreciated on a reducing balance basis at the rates stated above. Tangible fixed assets acquired after 1 August 1999 are depreciated on a straight line balance basis at the rates stated above.

Intangible fixed assets

The costs associated with the acquisition of players' registrations are capitalised as intangible fixed assets. These costs are fully amortised over the period covered by the player's initial contract.

Where a playing contract is extended, any costs associated with securing the extension are added to the unamortised balance at the date of the amendment and that book value is amortised over the remaining revised contract life.

Where a part of the consideration payable on acquiring a players registration is contingent on a future event, this amount is recognised once it is probable, rather than possible, that the event will occur and is amortised from the start of the year in which the contingent payment becomes probable. The total amount which is currently considered possible but not probable is disclosed in note 18.

Signing-on fees

Staff costs include signing-on fees payable to players representing part of their remuneration which are charged to the profit and loss account evenly over the period covered by the player's contract.

Grants

Grants receivable from the Football Trust and the former Football Grounds Improvement Trust in respect of capital expenditure are treated as deferred income and released to the profit and loss account so as to match the depreciation charged on the fixed assets purchased with the grant. Deferred grant income in the balance sheet represents total grants received less amounts credited to the profit and loss account.

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 that result in an obligation to pay more tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Foreign currencies

Transactions denominated in foreign currencies are translated at the exchange rate at the date of the transaction.

Foreign currency assets and liabilities held at the year end are translated at year end exchange rates, or the exchange rate of a related forward exchange contract where appropriate. The resulting exchange gain or loss is dealt with in the profit and loss account.

MANCHESTER UNITED FOOTBALL CLUB LIMITED
NOTES TO THE FINANCIAL ACCOUNTS (CONTINUED)

Pension costs

Contributions to money purchase pension schemes are charged to the profit and loss account as they fall due.

Leases

Rental costs under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

2 Turnover

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

	11 months ended 30 June 2005 £'000	12 months ended 31 July 2004 £'000
Matchday	58,998	54,666
Media	46,830	61,025
Commercial	1,733	1,265
	<u>107,561</u>	<u>116,956</u>

Turnover, all of which originates in the United Kingdom, can be analysed by destination as follows:

	11 months ended 30 June 2005 £'000	12 months ended 31 July 2004 £'000
United Kingdom	107,482	114,793
Rest of World	79	2,163
	<u>107,561</u>	<u>116,956</u>

Media income from European Cup competitions is distributed by the Football Association and is therefore classified as being of United Kingdom origin and destination.

3 Operating expenses

	11 months ended 30 June 2005 £'000	12 months ended 31 July 2004 £'000
Operations excluding player amortisation and trading:		
Staff costs (Note 5)	65,340	66,855
Depreciation	4,702	5,209
Operating lease charges - land and buildings	2,084	2,036
Other operating charges	20,945	19,411
Auditors' remuneration: audit services	15	15
Grants released (Note 13)	(120)	(155)
Profit on disposal of tangible fixed assets	(49)	(38)
	<u>92,917</u>	<u>93,333</u>
Player amortisation and trading:		
Amortisation of players' registrations	24,159	21,839
	<u>117,076</u>	<u>115,172</u>

MANCHESTER UNITED FOOTBALL CLUB LIMITED
NOTES TO THE FINANCIAL ACCOUNTS (CONTINUED)

4 Net Interest receivable / (payable)

	11 months ended 30 June 2005 £'000	12 months ended 31 July 2004 £'000
Bank interest receivable	17	13
Interest receivable on player transfers	1,482	-
Interest payable and similar charges - bank loans / overdrafts	(100)	(27)
	<u>1,399</u>	<u>(14)</u>

5 Staff costs

Particulars of employee costs are as shown below:

	11 months ended 30 June 2005 £'000	12 months ended 31 July 2004 £'000
Wages and salaries	56,969	57,707
Social security costs	6,821	7,601
Other pension costs	1,550	1,547
	<u>65,340</u>	<u>66,855</u>

The average number of employees during the period, including directors, was as follows:

	11 months ended 30 June 2005 Number	12 months ended 31 July 2004 Number
Players	72	69
Ground staff	88	90
Ticket office and membership	44	43
Administration and other	93	84
Average number of employees	<u>297</u>	<u>286</u>

The Company also employs approximately 861 temporary staff on match days (2004 - 865).

Directors emoluments were nil in 2005 (2004: nil)

Legal fees paid during the period to James Chapman & Co., a firm in which E M Watkins is the senior partner, were £432,925 (2004 - £568,087) in respect of services, charged on an arm's length basis, in the ordinary course of business as solicitors to companies within the Manchester United Group.

Sir Bobby Charlton provides consultancy services to companies within the Manchester United Group. The amount paid for these services during the period was £87,083 (2004 - £95,000).

There were no other material transactions with related parties as defined by FRS 8 'Related party transactions'.

MANCHESTER UNITED FOOTBALL CLUB LIMITED
NOTES TO THE FINANCIAL ACCOUNTS (CONTINUED)

6 Taxation

	11 months ended 30 June 2005 £'000	12 months ended 31 July 2004 £'000
Corporation tax at 30 per cent (2004 - 30 per cent) on the loss for the period	(3,037)	-
Adjustment in respect of previous years	114	-
Total current tax	(2,923)	-
Deferred taxation: origination and reversal of timing differences (note 12)	267	(139)
Adjustment in respect of previous years	-	-
Total deferred tax	267	(139)
Tax on loss on ordinary activities	(2,656)	(139)
	11 months ended 30 June 2005 £'000	12 months ended 31 July 2004 £'000
Loss on ordinary activities before tax	(8,672)	(1,314)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2004:30%)	(2,602)	(394)
Effect of:		
Adjustment to tax in respect of previous years	114	-
Expenses not deductible for tax purposes	409	424
Gain on exercise of share options	(577)	(478)
Capital allowances	(267)	139
Group relief not paid for	-	309
	(2,823)	-

7 Intangible fixed assets

	£'000
Cost of players' registrations	
At 1 August 2004	124,778
Additions	27,247
Disposals	(8,749)
Transfer to asset held for resale	(5,795)
At 30 June 2005	137,481
Amortisation of players' registrations	
At 1 August 2004	46,545
Charge for the period	24,159
Provision for loss on disposal	1,974
Disposals	(6,336)
Transfer to asset held for resale	(4,212)
At 30 June 2005	62,130
Net Book Value of players' registrations	
At 30 June 2005	75,351
At 31 July 2004	78,233

8 Tangible fixed assets

	Short Leasehold Property £'000	Assets under construction £'000	Plant and Machinery £'000	Fixtures and Fittings £'000	Total £'000
Cost					
At 1 August 2004	92,838	2,819	26,059	12,285	134,001
Additions	334	6,199	1,047	43	7,623
Disposals	-	-	(561)	(43)	(604)
At 30 June 2005	93,172	9,018	26,545	12,285	141,020
Depreciation					
At 1 August 2004	5,634	-	18,232	8,297	32,163
Charge for the period	1,067	-	2,904	731	4,702
Disposals	-	-	(441)	(43)	(484)
Transfers	30	-	(45)	15	-
At 30 June 2005	6,731	-	20,650	9,000	36,381
Net Book Value					
At 30 June 2005	86,441	9,018	5,895	3,285	104,639
At 31 July 2004	87,204	2,819	7,827	3,988	101,838

Leasehold property represents improvements to the Old Trafford stadium for which the Club has a lease, with the parent undertaking, which expires in 2026. The Company has the option to extend the lease.

MANCHESTER UNITED FOOTBALL CLUB LIMITED
NOTES TO THE FINANCIAL ACCOUNTS (CONTINUED)

9 Debtors

	As at 30 June 2005 £'000	As at 31 July 2004 £'000
Amounts falling due within one year		
Trade debtors	3,540	22,043
Other debtors	402	384
Prepayments and accrued income	6,028	9,629
	<u>9,970</u>	<u>32,056</u>
Amounts falling due after more than one year		
Trade debtors	-	1,125
Other Debtors	300	635
	<u>300</u>	<u>1,760</u>
	<u>10,270</u>	<u>33,816</u>

Trade debtors include transfer fees receivable from other football clubs of £2,150,000 excluding VAT (2004 - £20,400,000) of which Nil (2004 £1,125,000) is receivable after more than one year.

10 Creditors - Amounts falling due within one year

	As at 30 June 2005 £'000	As at 31 July 2004 £'000
Trade creditors	21,025	10,994
Amounts due to parent undertaking	85,717	81,934
Corporation tax	(456)	2,468
Social security and other taxes	4,893	7,842
Other creditors - pensions	380	1,400
Accruals	5,331	7,652
	<u>116,890</u>	<u>112,290</u>

Trade creditors include transfer fees and other associated costs in relation to the acquisition of players registrations of £14,880,000 (2004 - £7,342,000).

11 Creditors - Amounts falling due after one year

	As at 30 June 2005 £'000	As at 31 July 2004 £'000
Trade creditors	5,446	6,160
Other creditors - pensions	454	635
	<u>5,900</u>	<u>6,795</u>

Trade creditors include transfer fees and other associated costs in relation to the acquisition of players registrations of £5,446,000 (2004: £6,160,000)

12 Provision for liabilities and charges

This comprises deferred taxation attributable to:

	As at 30 June 2005 £'000	As at 31 July 2004 £'000
Excess of tax allowances over book depreciation	6,435	6,251
Other timing differences	(402)	(485)
	<u>6,033</u>	<u>5,766</u>

The movements in deferred tax balances during the period were as follows:

	£'000
At 1 August 2004	5,766
Charged to the profit and loss account (note 6)	267
At 30 June 2005	<u>6,033</u>

MANCHESTER UNITED FOOTBALL CLUB LIMITED
NOTES TO THE FINANCIAL ACCOUNTS (CONTINUED)

13 Deferred grant income

The movements in deferred grant income during the period were as follows:

	£'000
At 1 August 2004	856
Grants released in the period	(120)
At 30 June 2005	736

14 Other deferred income

	As at 30 June 2005 £'000	As at 31 July 2004 £'000
Matchday	36,964	37,321
Commercial	60	15
	37,024	37,336

15 Share capital

	As at 30 June 2005 £'000	As at 31 July 2004 £'000
Authorised		
1,015,000 ordinary shares of £1 each	1,015	1,015
27,500,000 9% cumulative redeemable preference shares of £1 each	-	27,500
	1,015	28,515
Allotted, called up and fully paid		
1,008,546 ordinary shares of £1 each	1,009	1,009

16 Reserves

The movements during the period were as follows:

	Profit and loss account £'000
At 1 August 2004	54,518
Loss for the period	(6,016)
At 30 June 2005	48,502

Under the terms of certain lotteries, past donations of £371,132 (2004 - £90,432) received by one of the Company's subsidiaries, and included within the profit and loss account balance, are not available for distribution (and bank balances are restricted accordingly) until such monies have been expended within the terms of those lotteries on capital programmes relating to the provision of facilities for youth development or spectators at the Old Trafford football stadium. All past donations, including £79,967 expended during the period having been so applied, are distributable. It is intended that the balance will be applied to such programmes and will thereby become distributable.

17 Reconciliation of movement in equity shareholders' funds

	As at 30 June 2005 £'000	As at 31 July 2004 £'000
Loss for the financial period	(6,016)	(1,175)
Opening equity shareholders' funds	55,527	56,702
Closing equity shareholders' funds	49,511	55,527

MANCHESTER UNITED FOOTBALL CLUB LIMITED
NOTES TO THE FINANCIAL ACCOUNTS (CONTINUED)

18 Capital and other financial commitments

a. Lease commitments

At 30 June 2005 the Company had annual operating lease commitments, in respect of land and buildings as follows:

	As at 30 June 2005 £'000	As at 31 July 2004 £'000
Expiring after five years	<u>2,000</u>	<u>2,000</u>

b. Transfer fees payable

Under the terms of certain contracts with other football clubs in respect of player transfers, additional amounts would be payable by the Group if certain conditions are met. The maximum that could be payable is £10,402,000 (2004 £9,096,000).

At 30 June 2005 the potential amount payable by type of condition and category of player was:

Type of condition	First team squad £'000	Other £'000	Total £'000
MUFC appearances / new contract	3,250	4,562	7,812
International appearances	<u>1,000</u>	<u>1,590</u>	<u>2,590</u>
	<u>4,250</u>	<u>6,152</u>	<u>10,402</u>

19 Ultimate parent undertaking

The immediate parent undertaking is Manchester United PLC, which is registered in England and Wales. The largest parent undertaking for which group accounts will be drawn up is Red Football Shareholder Limited. Red Football Shareholder Limited will be required to prepare group accounts for its first accounting period ending on 30 June 2006. Red Football Shareholder Limited is, indirectly, wholly-owned by Red Football Limited Partnership, a limited partnership formed in the State of Nevada, United States of America. The ultimate controlling party is the Malcolm Glazer Revocable Trust, a trust established under the laws of the State of Florida, United States of America."

20 Cash flow statement and related party disclosures

The Company is a subsidiary of Manchester United PLC and is included in the consolidated financial statements of Manchester United PLC, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996). The Company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Manchester United PLC group.

21 Pensions

a. Defined benefit scheme

Certain employees of the Group are members of The Football League Limited Pension and Life Assurance Scheme ("the Scheme"). Accrual of benefits under a final salary basis was suspended with effect from 31 August 1999 following an actuarial review which revealed a substantial deficit.

As one of a number of participating employers, the group has been advised only of its share of the deficit in the Scheme and of the contributions required to make good the deficit and £2,024,000 has been charged to the profit and loss account in previous years in this respect. Such amounts have been charged to the profit and loss account in full in prior periods as they are principally attributable to employees who have left the Group or retired. The deficit is being paid off over a period of ten years commencing from April 2003 based on the latest actuarial valuation carried out at 31 August 2002. The next actuarial valuation is due to be carried out as at 31 August 2005.

22 Post balance sheet events

The playing registration of Kleberson has been disposed of for a total consideration, net of associated costs, of £1,583,000. The associated net book value of the playing registration at 30 June 2005 was £3,557,000. As the transaction was in progress at the balance sheet date, a provision for the loss on disposal of £1,974,000 has been included in these accounts. The revised carrying value of the registration of £1,583,000 has been transferred from intangible fixed assets (see note 7) and re-classified as an intangible asset held for resale.

The playing registrations of other footballers have been disposed of, subsequent to the balance sheet date, for a total consideration net of associated costs, of £1,806,000. There was no associated net book value.

Subsequent to the balance sheet date, the playing registration of certain footballers have been acquired for a total consideration, including associated costs, of £7,424,000.

On the 21 November 2005 the Company entered into agreements to provide financial support to Red Football Limited and other group subsidiaries. Under the terms of these agreements the Company acts as a guarantor of the group funding arrangements and loan facilities. The maximum principal amount under the facility is £377.4m. This guarantee is secured over the assets of the Company.

Independent auditors' report to the members of Manchester United Football Club Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes which have been prepared using the accounting policies set out in note 1 to the financial statements.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities above.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for, and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose, or to any other person, to whom this report is shown or into whose hands it may come, save where expressly agreed by our prior consent in writing.

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 is not disclosed.

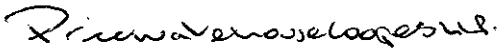
Basis of audit opinion

We conducted our audit in accordance with 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 June 2005 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Manchester
16 January 2006