
SHREWSBURY TOWN FOOTBALL CLUB PLC

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 MAY 2002**



**WHITTINGHAM RIDDELL
CHARTERED ACCOUNTANTS
15 BELMONT, SHREWSBURY**

SHREWSBURY TOWN FOOTBALL CLUB PLC

COMPANY INFORMATION

DIRECTORS	R E Wycherley (Chairman) K R Woodhouse M J Starkey T J Allen K J Sayfritz M R Whitrick
SECRETARY	Mrs J A Shone
COMPANY NUMBER	315587
REGISTERED OFFICE	Gay Meadow Shrewsbury Shropshire
AUDITORS	Whittingham Riddell Chartered Accountants & Registered Auditors 15 Belmont Shrewsbury Shropshire SY1 1TE
BANKERS	HSBC Bank plc Shrewsbury

SHREWSBURY TOWN FOOTBALL CLUB PLC

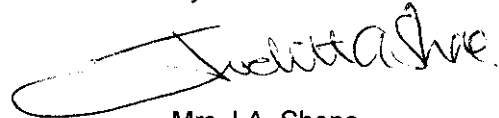
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Members of the Company will be held at the Gay Meadow, Shrewsbury on Tuesday 4 February 2003 at 10.00am for the following purposes:-

- 1) To receive and consider the Accounts for the year ended 31st May 2002 and the Report of the Directors and of the Auditors.
- 2) To elect Directors.
- 3) To re-appoint Whittingham Riddell as Auditors and to authorise the Directors to fix their remuneration.

Any member of the Company entitled to attend and vote may appoint another person (whether a member or not) as his proxy to vote instead of him. The instrument appointing a proxy shall be deposited at the registered office of the Company not less than forty-eight hours before the time for holding the meeting.

By Order of the Board

A handwritten signature in black ink, appearing to read 'J.A. Shone', written over a horizontal line.

Mrs J.A. Shone

Company Secretary

SHREWSBURY TOWN FOOTBALL CLUB PLC

**ANNUAL GENERAL MEETING
TO BE HELD AT THE GAY MEADOW
ON TUESDAY 4 FEBRUARY 2003**

AGENDA

- 1 Notice convening the meeting
- 2 Minutes
- 3 Apologies
- 4 Chairman's remarks
- 5 Accounts, Balance Sheet, Auditors' Report and Directors' Report
- 6 Election of Directors
- 7 Re-Appointment of Auditors
- 8 Any other business

SHREWSBURY TOWN FOOTBALL CLUB PLC

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CHAIRMAN'S REPORT

The season of 2001 / 2002 saw the Club well placed in the Third Division throughout the season, and narrowly missing out on a play-off place. This has given the Club a well deserved boost in morale which we hope will continue next season.

We are continuing to consolidate the position of the Club financially a task which has been made even more challenging due to the collapse of the ITV Digital deal which came as a severe body blow to all clubs in all divisions.

The task of budgeting, forecasting and predicting financial matters is difficult within football clubs which have the added capacity to generate money from off the field activities. We at Shrewsbury have our only substantial income generated fortnightly through gate receipts. The strong management of finances therefore is vital to the Club and that we continue to adopt a prudent fiscal policy.

The fans, as always, have been superb, and we, as a Club continue to strive in improving our service to them. The introduction of regular fans forums with various key personnel at the Club, can only improve communication and understanding from both sides.

I would like to express our sincere appreciation and thanks to our main Club sponsor, R.M.W. Electrical Services and our programme sponsors, Morris Lubricants, together with Shropshire Homes who are sponsors of our youth team.

We were delighted to welcome a new director onto the Board. Malcolm Whitrick of RMW became a director with responsibility for stadium issues and we welcome him to the Board and look forward to working with him. As Chairman I feel sure his contribution to the Club will prove invaluable in the future.

In addition many companies and individuals have sponsored matches and also provided advertising revenue for our programme. To all of those companies and individuals I would like to express the appreciation of the Board for their support.

Our excellent website offers commercial opportunities to the Club and continues to expand. The froghopper initiative for advertising, the QXL auction facility and associated commercial ventures all have the potential for revenue generation which we are actively pursuing.

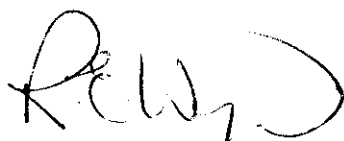
The re-development of Gay Meadow and the development of New Meadow is still in the planning stages and we are all optimistic that a positive outcome will result.

As in previous years, the income generated by the sale of players is limited within our division.

We continue to operate the P.F.A. Scholarship scheme for boys within our youth team as well as offering local scholarships to boys within travelling distance. This enables boys with talent to break into professional football as well as keeping their career options open with continuing education.

Plans are underway to restructure the youth system and relocate the boys to Walford College where they will be able to live, train and receive their education all at one facility.

Finally, I cannot submit my report without publicly stating my appreciation to all staff at Gay Meadow.



R.E. Wycherley

Chairman

Date : 28 October 2002

SHREWSBURY TOWN FOOTBALL CLUB PLC

**SUMMARY OF FINANCIAL RESULTS
FOR THE YEAR ENDED 31 MAY 2002**

	2002	2001
	£'000	£'000
Receipts		
Gate receipts	640	561
Football league	252	232
Television and internet portal income	280	130
Sundry receipts	290	289
Contributions from supporters organisations	66	79
Total receipts	1,528	1,291
Running costs		
Wages	(1,214)	(1,167)
Other costs	(450)	(444)
Total running costs	(1,664)	(1,611)
Loss before other income and transfer fees	(136)	(320)
Transfer fees - (loss)/profit	(2)	223
Overall loss for the year	(138)	(97)

DIRECTORS' REPORT
For the year ended 31 May 2002

The directors present their report and the financial statements for the year ended 31 May 2002.

STATEMENT OF 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 and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The company's principal activity continues to be that of a Professional Football Club. The results of the Company are shown on page 6 in the profit and loss account.

A review of the developments of the company during the financial year is given in the Chairman's report.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £138,154 (2001 - Loss £97,198) .

DIRECTORS

The directors who served during the year and their beneficial interests in the company's issued share capital were:

	Ordinary shares of £2.50 each	
	<u>31/5/02</u>	<u>1/6/01</u>
R E Wycherley	61,105	60,000
K R Woodhouse	6,600	6,600
M J Starkey	4,360	4,360
A Hopkins (resigned 31/08/02)	10,000	10,000
T J Allen	21,735	8,000
K J Sayfritz	26,000	12,800
M R Whitrick (appointed 28/05/02)	20,000	-

Directors appointed during the year by the board are required to retire and to be re-appointed at an annual general meeting in accordance with the terms of the Memorandum and Articles of Association. Mr M R Whitrick, being eligible, offers himself for re-election.

The directors retiring by rotation are Mr K J Sayfritz and Mr T J Allen, who being eligible, offer themselves for re-election. Nominations for the Board of Directors signed by the proposer and seconder must be in the hands of the secretary, Gay Meadow, Shrewsbury, no later than 28 January 2003.

DIRECTORS' REPORT
For the year ended 31 May 2002

LAND AND BUILDINGS

The directors are of the opinion that the market value of the freehold land and buildings at the Gay Meadow is significantly in excess of the figure shown on the balance sheet.

TRANSFER BOOKS

The share transfer books of the company will be closed from 21 January 2003 to 4 February 2003, both dates inclusive.

COMPANY'S POLICY FOR PAYMENT OF CREDITORS

The Company does not follow a standard payment practice. The terms of payment are agreed individually with suppliers.

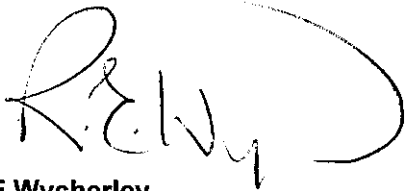
SUPPORTERS ORGANISATIONS

The Board of Directors express appreciation for the help given by Supporters Organisations.

AUDITORS

The auditors, Whittingham Riddell, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report was approved by the board on 28 October 2002 and signed on its behalf.



R E Wycherley
Director

SHREWSBURY TOWN FOOTBALL CLUB PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF

SHREWSBURY TOWN FOOTBALL CLUB PLC

We have audited the financial statements of Shrewsbury Town Football Club PLC for the year ended 31 May 2002 set out on pages 6 to 18. These financial statements 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 9 to 10.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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

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

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

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

BASIS OF AUDIT OPINION

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

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

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 May 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Whittingham Riddell

Chartered Accountants
Registered Auditors

15 Belmont
Shrewsbury
Shropshire
SY1 1TE

18 November 2002

SHREWSBURY TOWN FOOTBALL CLUB PLC

PROFIT AND LOSS ACCOUNT
For the year ended 31 May 2002

	Note	2002 £	2001 £
TURNOVER	1, 2	1,462,416	1,662,878
Cost of sales		<u>(1,570,419)</u>	<u>(1,731,083)</u>
GROSS LOSS		(108,003)	(68,205)
Administrative expenses		(73,259)	(85,302)
Other operating income	3	<u>66,338</u>	<u>78,592</u>
OPERATING LOSS	4	(114,924)	(74,915)
Interest receivable		-	13
Interest payable	7	<u>(23,230)</u>	<u>(22,296)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(138,154)	(97,198)
TAX ON LOSS ON ORDINARY ACTIVITIES		<u>-</u>	<u>-</u>
RETAINED LOSS FOR THE FINANCIAL YEAR	16	(138,154)	(97,198)
LOSS BROUGHT FORWARD		(1,155,438)	(1,094,074)
Transferred from revaluation reserve		<u>35,935</u>	<u>35,834</u>
LOSS CARRIED FORWARD		<u>£ (1,257,657)</u>	<u>£ (1,155,438)</u>

All amounts relate to continuing operations.

The notes on pages 9 to 18 form part of these financial statements.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
For the year ended 31 May 2002

	2002 £	2001 £
LOSS FOR THE FINANCIAL YEAR	(138,154)	(97,198)
Unrealised surplus on revaluation of tangible fixed assets	35,935	35,834
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>£ (102,219)</u>	<u>£ (61,364)</u>

SHREWSBURY TOWN FOOTBALL CLUB PLC

BALANCE SHEET
As at 31 May 2002

	Note	£	2002 £	£	2001 £
FIXED ASSETS					
Intangible fixed assets	8		31,429		60,441
Tangible fixed assets	9		1,270,944		1,307,595
			<u>1,302,373</u>		<u>1,368,036</u>
CURRENT ASSETS					
Stocks	10	11,424		10,673	
Debtors	11	231,542		373,273	
Cash at bank		3,931		18,943	
			<u>246,897</u>	<u>402,889</u>	
CREDITORS: amounts falling due within one year	12	(823,087)		(846,242)	
NET CURRENT LIABILITIES			<u>(576,190)</u>		<u>(443,353)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>726,183</u>		<u>924,683</u>
CREDITORS: amounts falling due after more than one year	13		(103,444)		(281,128)
NET ASSETS			<u>£ 622,739</u>		<u>£ 643,555</u>
CAPITAL AND RESERVES					
Called up share capital	15		664,778		547,440
Revaluation reserve	16		1,215,618		1,251,553
Profit and loss account	16		(1,257,657)		(1,155,438)
SHAREHOLDERS' FUNDS - All Equity	17		<u>£ 622,739</u>		<u>£ 643,555</u>

The financial statements were approved by the board on 28 October 2002 and signed on its behalf.


R E Wycherley
Director

The notes on pages 9 to 18 form part of these financial statements.

SHREWSBURY TOWN FOOTBALL CLUB PLC

CASH FLOW STATEMENT
For the year ended 31 May 2002

	Note	2002 £	2001 £
Net cash flow from operating activities	18	(182,937)	250,170
Returns on investments and servicing of finance	19	(23,230)	(22,283)
Capital expenditure and financial investment	19	(9,411)	(88,511)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(215,578)	139,376
Financing	19	116,988	34,677
(DECREASE)/INCREASE IN CASH IN THE PERIOD		£ (98,590)	£ 174,053

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT (NOTE 20)
For the year ended 31 May 2002

	2002 £	2001 £
(Decrease)/Increase in cash in the period	(98,590)	174,053
Cash decrease from decrease in debt and lease financing	350	998
MOVEMENT IN NET DEBT IN THE PERIOD	(98,240)	175,051
Net debt at 1 June 2001	(245,394)	(420,445)
NET DEBT AT 31 MAY 2002	£ (343,634)	£ (245,394)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2002

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention as modified by the revaluation of freehold land and buildings which assumes the continuing support of the company's bankers and directors, and include the results of the company's operations which are described in the Directors' Report and all of which are continuing.

The accounts are prepared on the going concern basis which assumes the continued support of the directors, the bank and other creditors.

1.2 Turnover

Turnover is stated net of Value Added Tax and represents amounts receivable by the club in the ordinary course of business with the exception of those items included separately in other operating income.

1.3 Transfer fees and signing on fees

In accordance with Financial Reporting Standard 10, Goodwill and Intangible Assets, amounts paid to third parties (including levies) on the acquisition of players' registrations are capitalised as intangible assets and amortised over the period of the players initial contract.

Fees receivable on the transfer of a player's registration are dealt with in the period in which the transfer takes place. Any profit or loss arising on the sale of a registration is dealt with in the trading account.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold land and buildings	-	2% straight line
Plant and equipment	-	15% reducing balance
Motor vehicles	-	25% reducing balance

1.5 Revaluation of tangible fixed assets

The club continues to carry the land and buildings at their 1982 revalued figure and depreciate the buildings on a straight line basis over 50 years as required by Financial Reporting Standard 15 - Tangible fixed assets.

1.6 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.7 Stocks

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2002

1. ACCOUNTING POLICIES (continued)**1.8 Deferred taxation**

Provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date, except for timing differences arising on revaluations of fixed assets which are not intended to be sold and gains on disposal of fixed assets which will be rolled over into replacement assets. No provision is made for taxation on permanent differences.

Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered.

1.9 Pensions

The company contributes to a defined benefits pension scheme for selected employees. In August 1999 (the date of the most recent Triennial Actuarial Review) the scheme was £63,177 under funded. The contributions to bring the scheme to the required level will be charged to the profit and loss account as they become payable over the following six years.

1.10 Football trust grants receivable

Capital grants are credited against the cost of the asset in the year in which expenditure is incurred and agreed by the Football Trust. Revenue grants are credited to the profit and loss account on the same basis.

2. TURNOVER

The whole of the turnover is attributable to the principal activity of the company.

All turnover arose within the United Kingdom.

3. OTHER OPERATING INCOME

	2002 £	2001 £
Contributions from supporters organisations	66,338	78,592

4. OPERATING LOSS

The operating loss is stated after charging:

	2002 £	2001 £
Amortisation - intangible fixed assets	29,012	14,559
Depreciation of tangible fixed assets:		
- owned by the company	45,899	47,229
- held under finance leases	163	192
Audit remuneration	4,750	5,875
Audit remuneration - non-audit	6,750	3,161

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2002

5. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2002 £	2001 £
Wages and salaries	1,099,720	1,043,146
Social security costs	107,456	90,778
Other pension costs	6,704	35,212
	<u>£ 1,213,880</u>	<u>£ 1,169,136</u>

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

	2002	2001
Players	41	41
Administrative	13	12
Other staff	6	5
	<u>60</u>	<u>58</u>

6. DIRECTORS' REMUNERATION

	2002 £	2001 £
Emoluments	<u>£ 23,597</u>	<u>£ 26,067</u>

7. INTEREST PAYABLE

	2002 £	2001 £
On bank loans and overdrafts	22,975	21,816
On finance leases and hire purchase contracts	255	480
	<u>£ 23,230</u>	<u>£ 22,296</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2002

8. INTANGIBLE FIXED ASSETS

	Players Contracts £
Cost	
At 1 June 2001 and 31 May 2002	<u>85,000</u>
Amortisation	
At 1 June 2001	24,559
Charge for the year	<u>29,012</u>
At 31 May 2002	<u>53,571</u>
Net book value	
At 31 May 2002	£ 31,429
At 31 May 2001	<u>£ 60,441</u>

9. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 June 2001	1,887,234	166,570	8,095	2,061,899
Additions	-	9,411	-	9,411
At 31 May 2002	<u>1,887,234</u>	<u>175,981</u>	<u>8,095</u>	<u>2,071,310</u>
Depreciation				
At 1 June 2001	635,681	113,610	5,013	754,304
Charge for the year	35,935	9,356	771	46,062
At 31 May 2002	<u>671,616</u>	<u>122,966</u>	<u>5,784</u>	<u>800,366</u>
Net book value				
At 31 May 2002	<u>£ 1,215,618</u>	<u>£ 53,015</u>	<u>£ 2,311</u>	<u>£ 1,270,944</u>
At 31 May 2001	<u>£ 1,251,553</u>	<u>£ 52,960</u>	<u>£ 3,082</u>	<u>£ 1,307,595</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2002 £	2001 £
Plant and machinery	<u>£ 925</u>	<u>£ 1,088</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2002

9. TANGIBLE FIXED ASSETS (continued)

Cost or valuation at 31 May 2002 is as follows:

	Land and buildings £
At cost	485,692
At valuation:	
1982 on open market value basis	1,401,542
	£ 1,887,234

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2002 £	2001 £
Cost	485,692	485,692
Accumulated depreciation	(231,700)	(221,986)
Net book value	£ 253,992	£ 263,706

10. STOCKS

	2002 £	2001 £
Consumables	£ 11,424	£ 10,673

11. DEBTORS

	2002 £	2001 £
Due within one year		
Trade debtors	218,917	357,880
Other debtors	4,926	-
Prepayments and accrued income	7,699	15,393
	£ 231,542	£ 373,273

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2002

12. CREDITORS:

Amounts falling due within one year

	2002	2001
	£	£
Bank loans and overdrafts	346,600	263,022
Net obligations under finance leases and hire purchase contracts	350	350
Trade creditors	190,188	224,309
Social security and other taxes	104,125	113,518
Other creditors	37,420	121,765
Accruals and deferred income	144,404	123,278
	<u>£ 823,087</u>	<u>£ 846,242</u>

The bank overdraft is secured by a fixed charge over the company's freehold property, book and other debts and a floating charge over all assets and undertakings.

13. CREDITORS:

Amounts falling due after more than one year

	2002	2001
	£	£
Net obligations under finance leases and hire purchase contracts	615	965
Trade creditors	-	75,000
Other creditors	496	496
Accruals and deferred income	102,333	204,667
	<u>£ 103,444</u>	<u>£ 281,128</u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2002	2001
	£	£
Between two and five years	<u>£ 615</u>	<u>£ 965</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2002

14. DEFERRED TAXATION

The provision for deferred taxation and the amounts not provided are as follows:

	Amounts provided	Amounts not provided	Amounts provided	Amounts not provided
	2002	2002	2001	2001
	£	£	£	£
Accelerated capital allowances	-	(4,684)	-	(4,206)
Tax losses	-	447,342	-	428,641
Surplus on revaluation of freehold properties	-	(243,124)	-	(250,311)
	<u>£ -</u>	<u>£ 199,534</u>	<u>£ -</u>	<u>£ 174,124</u>

15. SHARE CAPITAL

	2002	2001
	£	£
Authorised		
800,000 Ordinary shares of £2.50 each	<u>£ 2,000,000</u>	<u>£ 2,000,000</u>
Allotted, called up and fully paid		
265,911 Ordinary shares of £2.50 each	<u>£ 664,778</u>	<u>£ 547,440</u>

During the year 46,935 ordinary shares of £2.50 each were issued fully paid for cash at par for consideration of £117,338 in order to provide additional working capital.

16. RESERVES

Revaluation reserve	£
At 1 June 2001	1,251,553
Transfer to profit and loss account	(35,935)
	<u>£ 1,215,618</u>
At 31 May 2002	
Profit and loss account	£
At 1 June 2001	(1,155,438)
Loss retained for the year	(138,154)
Transfer from revaluation reserve	35,935
	<u>£(1,257,657)</u>
At 31 May 2002	

SHREWSBURY TOWN FOOTBALL CLUB PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2002

17. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2002	2001
	£	£
Loss for the year	(138,154)	(97,198)
Shares issued during the year	117,338	35,675
	<u>(20,816)</u>	<u>(61,523)</u>
Opening shareholders' funds	643,555	705,078
Closing shareholders' funds	<u>£ 622,739</u>	<u>£ 643,555</u>

18. NET CASH FLOW FROM OPERATING ACTIVITIES

	2002	2001
	£	£
Operating loss	(114,924)	(74,915)
Amortisation of intangible fixed assets	29,012	14,559
Depreciation of tangible fixed assets	46,062	47,421
Loss on disposal of players contracts	-	19,830
Increase in stocks	(751)	(2,130)
Decrease/(increase) in debtors	141,048	(252,244)
(Decrease)/increase in creditors	(283,384)	497,649
NET CASH (OUTFLOW)/INFLOW FROM OPERATIONS	<u>£ (182,937)</u>	<u>£ 250,170</u>

19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2002	2001
	£	£
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	-	13
Interest paid	(22,975)	(21,816)
Hire purchase interest	(255)	(480)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	<u>£ (23,230)</u>	<u>£ (22,283)</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2002

19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT
(continued)

	2002 £	2001 £
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Purchase of intangible fixed assets	-	(75,000)
Purchase of tangible fixed assets	(9,411)	(16,502)
Sale of tangible fixed assets	-	2,991
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	£ (9,411)	£ (88,511)
	2002 £	2001 £
FINANCING		
Issue of ordinary shares	117,338	35,675
Principal payment under finance lease	(350)	(998)
NET CASH INFLOW FROM FINANCING	£ 116,988	£ 34,677

20. ANALYSIS OF CHANGES IN NET DEBT

	1 June 2001 £	Cash flow £	Other non-cash changes £	31 May 2002 £
Cash at bank and in hand:	18,943	(15,012)	-	3,931
Bank overdraft	(263,022)	(83,578)	-	(346,600)
	<u>(244,079)</u>	<u>(98,590)</u>	<u>-</u>	<u>(342,669)</u>
DEBT :				
Finance leases	(1,315)	350	-	(965)
NET DEBT	£ (245,394)	£ (98,240)	£ -	£ (343,634)

21. PENSION COMMITMENTS

Eligible staff are members of the Football League Limited Pension and Life Assurance Scheme, which is a defined benefit scheme. The assets of this scheme are held separately from those of the company, being invested with an insurance company.

Total pension costs charged during the year amounted to £6,704 (2001: £35,212).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2002

22. RELATED PARTY TRANSACTIONS

During the year the company was provided with accomodation services of £137 (2001: £7,230) from the Lord Hill Hotel Ltd, a company in which R.E. Wycherley was a director. These services were provided on normal commercial terms.

During the year the company received sponsorship of £1,100 from Shires Vending Services Limited, a company of which R.E. Wycherley, is a director. The club also purchased goods from Shires Vending Services Limited for £90. At the year end the balance due to Shires Vending Services Limited was £106.

During the year the company received sponsorship of £18,005 (2001: £11,750) from Greenhous Leyland DAF Limited, a company of which K.J. Sayfritz, is a director. The club also purchased vehicles and maintenance from Greenhous Leyland DAF Limited for £2,705 (2001: £6,276). At the year end the balance due from Greenhous Leyland DAF Limited was £2,245 (2001: £1,750).

During the year the company received sponsorship of £840 from Alan Ward Limited, a company of which A. Hopkins, is a director. The club also purchased goods from Alan Ward Limited for £4,240. At the year end the balance due to Alan Ward Limited was £4,982.