



CAMBRIDGE UNITED FOOTBALL CLUB LIMITED
REPORT OF THE DIRECTORS

The Directors have pleasure in submitting their Report together with the audited Accounts for the year ended 31st May 1995.

Review of Activities and Business Review

The principal activity of the Company is that of a Professional Football Club. The Accounts show a profit on the year's operations of £ 13,967. The Directors are satisfied that the underlying value of the Abbey Stadium continues to assure that the Company remains solvent.

Dividends

The Directors do not recommend payment of a dividend.

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 the affairs of the Company and of the Profit and Loss of the Company for that period. In preparing these 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.

Directors

The Directors of the Company at 31st May 1995, all of whom had been Directors for the whole of the year ended on that date, except as otherwise stated, are shown below, together with their interests in the Shares of the Company at that date.

	Ordinary Shares of 50p each			
	THIS YEAR		LAST YEAR	
	<u>Number</u>	<u>Nominal Value</u> £	<u>Number</u>	<u>Nominal Value</u> £
Mr. R.H. Smart	51,650	25,825	51,650	25,825
Mr. J.S. Howard	26,650	13,125	26,650	13,325
Mr. R.J. Smith (Resigned 16 Aug. 1994)	7,000	3,500	7,000	3,500
Mr. R.F. Hunt	10,000	5,000	8,367	4,183
Mr. G.G. Harwood	26,650	13,325	26,650	13,325
Mr. G.P. Lowe	26,650	13,325	26,650	13,325
Mr. R.T. Summerfield (Appointed 16 Apr. 1995)	25,000	12,500	25,000	12,500

CAMBRIDGE UNITED FOOTBALL CLUB LIMITED
REPORT OF THE DIRECTORS

The Directors who retire by rotation are Mr. G.P. Lowe and Mr. J.S. Howard Mr. R.T. Summerfield, who was appointed to the Board on 16 April 1995, also retires. All 3 have indicated a willingness to seek re-election at the Annual General Meeting.

Changes in Fixed Assets

The movements in Fixed Assets during the year are set out in Note 7 to the Accounts.

Market Value of Interest in Land and Property

The Freehold Land and Buildings were revalued at 12th January 1995. The valuation of £1,250,000, on an estimated realisation basis, which was £91,570 lower than the previous valuation by the Directors, has been incorporated in these financial statements. The same valuation report valued the properties at £750,000 on an open market basis, but the Directors are of the opinion that the value of £1,250,000 is a more realistic valuation.

Close Company

The Company is not a close company as defined by the Income and Corporation Taxes Act 1988.

Auditors

A resolution to re-appoint the auditors, Cannon Kinsman Lingard, will be proposed at the Annual General Meeting.


BY ORDER OF THE BOARD

S. GREENALL
Secretary

Registered Office:
The Abbey Stadium
Newmarket Road
Cambridge

22nd November 1995

AUDITORS' REPORT TO THE MEMBERS OF
CAMBRIDGE UNITED FOOTBALL CLUB LIMITED

We have audited the financial statements on pages 6 to 12 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 page 8.

Respective responsibilities of Directors and Auditors

As described on page 3, the Company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Audit 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 mis-statement, 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 31st May 1995, and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

AUDITORS' REPORT TO THE DIRECTORS OF CAMBRIDGE UNITED
FOOTBALL CLUB LIMITED, PURSUANT TO SECTION 248 (3) OF THE COMPANIES ACT
1985

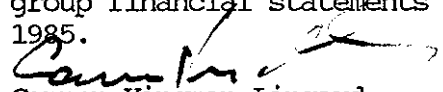
We have examined the financial statements of the company and its subsidiary for the year ended 31 May 1995.

Basis of opinion

The scope of our work for the purpose of this report was limited to confirming that the company is entitled to exemption from preparing group financial statements.

Opinion

In our opinion, the company is entitled to the exemption from preparing group financial statements conferred by section 248 of the Companies Act 1985.


Cannon Kinsman Lingard,
Registered Auditors,
St. Mary's House,
47, High Street,
Trumpington,
CAMBRIDGE, CB2 2HZ

23rd November 1995

CAMBRIDGE UNITED FOOTBALL CLUB LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31st May 1995

	NOTES	1995	1994
Turnover	(2)	1,426,342	1,841,807
Net Operating Expenses	(3)	(1,354,564)	(1,698,442)
OPERATING PROFIT		<u>71,778</u>	<u>143,365</u>
Interest receivable		2,797	1,481
Interest payable	(5)	(59,909)	(59,969)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>14,666</u>	<u>84,877</u>
Taxation thereon	(6)	(699)	(370)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>13,967</u>	<u>84,507</u>
Adverse Balance brought forward		(745,034)	(829,541)
Prior Year Adjustment (Rates Rebate)		7,124	-
Adverse Balance carried forward		<u>£(723,943)</u>	<u>£(745,034)</u>

The Company has neither acquired nor commenced any new business activities during the year, and it has no recognised gains or losses other than the Profit for the year.

The notes set out on pages 8 - 12 form part of these accounts.

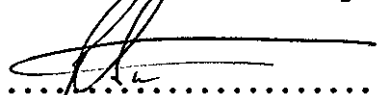
CAMBRIDGE UNITED FOOTBALL CLUB LIMITED

BALANCE SHEET
for the year ended 31st May 1995

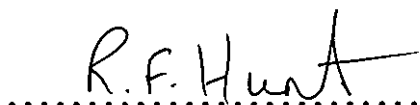
	NOTES	1995	1994
FIXED ASSETS			
Tangible Assets	(7)	1,273,440	1,338,902
Investment	(8)	<u>100</u>	<u>100</u>
		1,273,540	1,339,002
CURRENT ASSETS			
Debtors	(9)	200,928	243,854
Stocks	(1d)	12,784	27,220
Cash in Hand		<u>191</u>	<u>151</u>
		213,903	271,225
CREDITORS:amounts falling due within one year	(10)	(<u>708,804</u>)	(<u>767,604</u>)
NET CURRENT LIABILITIES		(<u>494,901</u>)	(<u>496,379</u>)
TOTAL ASSETS LESS CURRENT LIABILITIES		778,639	842,623
CREDITORS:amounts falling due after more than one year	(11)	(<u>330,396</u>)	(<u>327,442</u>)
NET ASSETS		<u>£ 448,243</u>	<u>£ 515,181</u>
CAPITAL AND RESERVES			
Called up Share Capital	(12)	148,145	144,604
Revaluation Reserve	(13)	1,024,041	1,115,611
Profit and Loss Account		(<u>723,943</u>)	(<u>745,034</u>)
	(14)	<u>£ 448,243</u>	<u>£ 515,181</u>

The financial statements were approved by the Directors
on 22nd November 1995.

The notes set out on pages 8 - 12 form part of these accounts.



R.H.SMART, CHAIRMAN



R. F. HUNT, DIRECTOR

CAMBRIDGE UNITED FOOTBALL CLUB LIMITED

NOTES TO THE ACCOUNTS
for the year ended 31st May 1995

1. ACCOUNTING POLICIES

a.) Policy on signing on fees:

Signing on fees are dealt with in the Profit and Loss Account in the year in which the commitment falls due to the player.

b.) Transfer fees receivable or payable are credited or written off in the Profit and Loss Account in the year when the transfer is effected, except in the case of fees which are dependant upon appearances or percentages of profit on future transfers.

c.) The Accounts are prepared on the historical cost basis with the exception of the Freehold Land and Buildings. The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

d.) Stock is valued at the lower of cost or market value.

e.) Depreciation is provided as follows:-

Freehold Land	NIL
Freehold Buildings	2% on cost or valuation
Floodlights	10% on cost
Plant and Machinery	20% on reducing balance
Motor Vehicles	20% on cost

f.) Grants received during the year in respect of Ground Safety amounted to £ 39,527 and these have been set against the expenditure incurred.

g.) Assets obtained under finance leases and hire purchase contracts are capitalised at their fair value on acquisition and depreciated over their estimated useful lives. The finance charges are allocated to the profit and loss account on a straight-line basis over the term of the agreement.

h.) Deferred taxation is provided on timing differences, arising from the different treatment of items for accounts and taxation purposes, which are expected to reverse in the future, calculated at rates at which it is estimated that tax will arise.

CAMBRIDGE UNITED FOOTBALL CLUB LIMITED

NOTES TO THE ACCOUNTS
for the year ended 31st May 1995
(continued)

2. TURNOVER

Turnover represents Gate Receipts and Season Tickets and Income from Commercial and Sundry Activities, all of which were generated by geographical market in the United Kingdom, excluding V.A.T. as follows:

	1995	1994
Net Gate Receipts	506,434	497,590
Football League Pool	237,064	271,949
Transfer Fees Receivable	489,100	894,250
Commercial Activities	159,387	139,932
Donations	18,805	11,965
Grants	7,000	8,000
Other Revenue	<u>8,552</u>	<u>18,121</u>
	<u>£1,426,342</u>	<u>£1,841,807</u>

3. NET OPERATING EXPENSES

Playing	881,098	1,107,508
Matchday	123,179	130,517
Ground	46,602	61,204
Administration	213,727	236,014
Audit Fee	3,000	3,000
Depreciation	13,705	15,929
Transfer Fees Payable	50,127	117,518
Leasing Charges	21,819	25,767
Bad Debts	<u>1,307</u>	<u>985</u>
	<u>£1,354,564</u>	<u>£1,698,442</u>

4. STAFF NUMBERS AND COSTS

The average number of persons employed by the Company during the year were as follows:-

Players	24	24
Management	6	6
Ground Staff	3	2
Commercial	5	6
Administration	<u>4</u>	<u>4</u>
TOTAL	<u>42</u>	<u>42</u>
Youth Training Scheme	16	13

The aggregate payroll costs of these persons were:

Wages and Salaries	792,288	1,012,048
Social Security Costs	80,655	98,538
Other Pension Costs	<u>10,806</u>	<u>11,000</u>
	<u>£ 883,749</u>	<u>£1,121,586</u>

CAMBRIDGE UNITED FOOTBALL CLUB LIMITED

NOTES TO THE ACCOUNTS
for the year ended 31st May 1995
(continued)

5. INTEREST PAYABLE	1995	1994	
On Bank Overdraft and Loans repayable within five years	43,437	43,582	
On Other Loans	<u>16,472</u>	<u>16,387</u>	
	<u>£59,909</u>	<u>£59,969</u>	
6. TAXATION			
Taxation based on the profit for the year	<u>£ 699</u>	<u>£ 370</u>	
7. FIXED ASSETS	Freehold Land and Buildings	Motor Vehicles Plant and Machinery	TOTAL
Cost or Revaluation at 1st June 1994	1,384,299	144,913	1,529,212
Additions	69,704	9,636	79,340
Disposals	-	(20,745)	(20,745)
Grants	(38,251)	(1,276)	(39,527)
Decrease on Revaluation	(165,752)	-	(165,752)
As at 31st May 1995	<u>£1,250,000</u>	<u>£132,528</u>	<u>£1,382,528</u>
Depreciation at 1st June 1994	66,508	123,802	190,310
Disposals	-	(20,745)	(20,745)
Charge in the year	7,674	6,031	13,705
Decrease on Revaluation	(74,182)	-	(74,182)
As at 31st May 1995	<u>-</u>	<u>£109,088</u>	<u>£ 109,088</u>
Net Book Value at 31st May 1995	<u>£1,250,000</u>	<u>£ 23,440</u>	<u>£1,273,440</u>
Net Book Value at 31st May 1994	<u>£1,317,791</u>	<u>£21,111</u>	<u>£1,338,902</u>

The Directors had not entered into any contracts for capital expenditure at 31st May 1995.

The Freehold Land and Buildings were valued at their estimated realisation value on 12th January 1995 by D.H. Barford & Co., Chartered Surveyors.

For assets which have been revalued, a comparison between the present book values and the book values at which the assets would have been carried if they were on a historical cost basis is set out opposite:

CAMBRIDGE UNITED FOOTBALL CLUB LIMITED

NOTES TO THE ACCOUNTS
for the year ended 31st May 1995
(continued)

7. FIXED ASSETS (cont)

	Revalued Amount 1995 £	Historic Cost Amount 1995 £
<u>Revaluation Asset Amount</u>		
Cost or valuation	1,250,000	454,123
Depreciation	<u>-</u>	<u>(74,182)</u>
Net book value	<u>1,250,000</u>	<u>379,941</u>

Details of fixed assets held under finance leases and hire purchase contracts, which are included in the relevant headings in the table on page 10 are as follows:

	1995 £	1994 £
Net book value at 31 May 1995	6,000	-
Depreciation charge for the year	-	-

8. BLACK AND AMBER PROMOTIONS LIMITED

The Company is a wholly-owned subsidiary of Cambridge United Football Club Limited, and the Accounts are not consolidated with the accounts of this Company because in the opinion of the Directors, the Company is entitled to the exemption conferred by Section 248 of the Companies Act 1985.

	1995	1994
Trade Debtors	196,961	237,530
Other Debtors	650	1,025
Prepayments	<u>3,317</u>	<u>5,299</u>
	<u>£ 200,928</u>	<u>£ 243,854</u>

10. CREDITORS: amounts falling due
within one year

Bank Overdraft	450,484	516,008
Taxation (PAYE and Social Security)	107,209	118,923
Other Creditors	79,569	88,776
H.P. Creditors	3,369	-
Accruals	54,993	31,046
Other Loans	4,800	4,800
Amount due to Group Company	7,681	7,681
Corporation Tax	<u>699</u>	<u>370</u>
	<u>£ 708,804</u>	<u>£ 767,604</u>

11. CREDITORS: amounts falling due
after more than one year

Directors' Loans	130,681	120,364
Commercial Mortgage	180,267	185,078
H.P. Creditors	2,248	-
Other Loans	<u>17,200</u>	<u>22,000</u>
	<u>£ 330,396</u>	<u>£ 327,442</u>

CAMBRIDGE UNITED FOOTBALL CLUB LIMITED

NOTES TO THE ACCOUNTS for the year ended 31st May 1995 (continued)

11. (cont'd)

The Commercial Mortgage and Overdraft are secured by a debenture in favour of the Bank. The Commercial Mortgage is repayable by monthly instalments, the last of which falls due in October 2012, and carries interest at the rate of 9.75% p.a. The amount of the Mortgage repayable within 5 years is £ 25,140 (1994: £ 23,886) & the amount repayable after 5 years is £155,127 (1994: £161,192)

	1995	1994
12. SHARE CAPITAL		
Authorised 1,000,000 Ordinary Shares of 50p	£500,000	£500,000

Issued 296,290 : £148,145 (1994 - 289,207 : £144,604)
During the year, 7,082 shares were issued at par value to expand the capital base.

13. REVALUATION RESERVE

Opening Balance	1,115,611	1,115,611
Decrease on Revaluation	(91,570)	-
Closing Balance	<u>£1,024,041</u>	<u>£1,115,611</u>

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Profit for the Financial Year	13,967	84,507
Prior Year Adjustment	7,124	-
Dividends	-	-
Net increase in Shareholders' Funds	<u>21,091</u>	<u>84,507</u>
Opening Shareholders' Funds	515,181	415,548
Shares Issued during the year	3,541	15,126
Decrease on Revaluation	(91,570)	-
	<u>£448,243</u>	<u>£515,181</u>

15. DIRECTORS' INTERESTS

The Club entered into a lease agreement with Mr. R.H. Smart, and will pay £13,875 p.a. under that lease and for the period of that lease. The agreement relates to accommodation for the Youth Trainees at Brookfields, in Cambridge.

CAMBRIDGE UNITED FOOTBALL CLUB LIMITED

NOTES TO THE ACCOUNTS
for the year ended 31st May 1995
(continued)

16. FINANCIAL COMMITMENTS

The Company charges signing-on fees to the Profit and loss account as the commitment to pay falls. The Company had entered into contracts with players in respect of signing-on fees on various bases. In all cases, the payments are covered by a confidentiality clause, which the Club would be in breach of if disclosure was made of any of the contract terms. The Directors confirm that the Company had entered into certain financial commitments as at the Balance Sheet date, which total £29,335 to 5 players.

17. ANNUAL COMMITMENTS UNDER OPERATING LEASES

	Land & Buildings 1995	Other Assets 1995	Land & Buildings 1994	Other Assets 1994
Operating leases expiring:				
Within 1 Year	-	6,320	19,080	15,168
After 5 Years	13,875	-	-	-
Annual commitments at 31 May 1995	<u>13,875</u>	<u>6,320</u>	<u>19,080</u>	<u>15,168</u>