

REGISTRAR'S COPY

COMPANY REGISTRATION NUMBER 482197

**CAMBRIDGE UNITED
FOOTBALL CLUB LIMITED
FINANCIAL STATEMENTS**

31 May 2005



CAMBRIDGE UNITED FOOTBALL CLUB LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 May 2005

The directors present their report and the financial statements of the company for the year ended 31 May 2005.

Principal activities and business review

The company's principal activity during the year continued to be that of a Professional Football Club.

The club recorded a loss for the year of £573,685, £2,530 in excess of the previous financial year.

On 13th December 2004 the club sold the freehold of the Abbey Stadium to Bideawhile 445 Limited for the sum of £1,923,000 in a sale-and-leaseback arrangement, under which the club was granted a 50 year lease at an initial rental of £200,000 per annum. John Howard, a director of the club, is also a director of the freehold purchaser, Bideawhile 445 Limited.

On 29th April 2005 the club filed for an Administration Order at the Chancery Division of the High Court in order to seek a voluntary arrangement pursuant to Part 1 of the Insolvency Act 1986. Ian Carr and Nick Wood of Grant Thornton LLP were appointed as joint administrators and held that position at 31st May 2005.

Subsequent to the balance sheet date, on 18th July 2005 the voluntary arrangement proposed by the administrators was approved by the shareholders and the Administration Order was discharged in the Chancery Division of the High Court on 21st July.

Results and dividends

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors do not recommended a dividend.

The directors and their interests in shares of the company

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary 50p shares	
	At 31 May 2005	At 1 June 2003
J S Howard	70,001	70,001
P Barry	455,000	455,000
R F Hunt	200,000	200,000
B J Attmore	2,157	1,957
N M Pomery (appointed 23 April 2005)	25,000	25,000
J P Medd (appointed 23 April 2005)	-	-
G G Harwood (retired 31 May 2005)		
G P Lowe (retired 31 May 2005)		
R T Summerfield (retired 5 February 2005)		
J Hon (retired 13 April 2005)		

T H Baker was appointed as a director on 25 July 2005

The directors who retire by rotation are P Barry and R Hunt. Only P Barry has indicated a willingness to seek re-election at the Annual General Meeting.

CAMBRIDGE UNITED FOOTBALL CLUB LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 May 2005

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 at the end of the year and of the profit or loss for the year then ended. In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on pages 10 to 11, and then apply them consistently;

make judgements and estimates that are reasonable and prudent; and

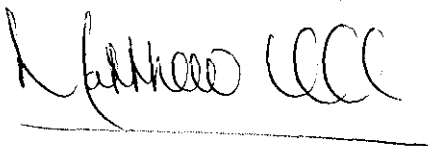
prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Auditors

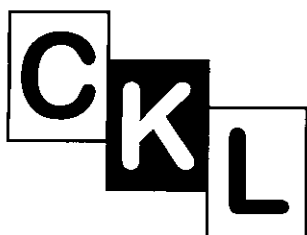
A resolution to re-appoint C K L Cambridge LLP as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Signed by order of the directors

A handwritten signature in black ink, appearing to read 'M D Wild', is written over a horizontal line.

M D Wild, Company Secretary

13 December 2005



TAX AND BUSINESS ADVISERS *Chartered Certified Accountants*

LAMMAS FIELD PAVILION • NEWNHAM ROAD • CAMBRIDGE • CB3 9HX
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CAMBRIDGE UNITED FOOTBALL CLUB LIMITED **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS** **YEAR ENDED 31 May 2005**

We have audited the financial statements which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet, Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets and on the basis of the accounting policies set out therein.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and the auditors

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

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

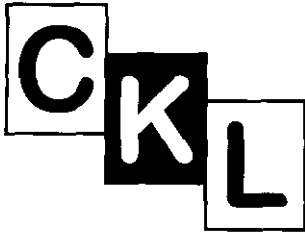
We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept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

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

Basis of audit opinion

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

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



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CAMBRIDGE UNITED FOOTBALL CLUB LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

(continued)

YEAR ENDED 31 May 2005

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 2005 and of its loss for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

CKL Cambridge LLP

C K L CAMBRIDGE LLP

Chartered Certified Accountants and Registered Auditors

13 December 2005

CAMBRIDGE UNITED FOOTBALL CLUB LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 May 2005

	Note	2005 £	2004 £
Turnover	2	2,270,517	2,278,613
Net operating expenses	3	(2,756,487)	(2,711,830)
Operating loss before amortisation of players		(485,970)	(433,217)
Amortisation of players		(4,486)	(8,666)
Operating loss		(490,456)	(441,883)
Interest receivable		4,373	33
Interest payable	6	(94,872)	(129,305)
Loss on ordinary activities before taxation		(580,953)	(571,155)
Tax on loss on ordinary activities		—	—
Loss for the financial year		(580,953)	(571,155)

The notes on pages 16 to 25 form part of these financial statements.

CAMBRIDGE UNITED FOOTBALL CLUB LIMITED
NOTE OF HISTORICAL COST PROFITS AND LOSSES
YEAR ENDED 31 May 2005

	2005 £	2004 £
Reported loss on ordinary activities before taxation	(580,953)	(571,155)
Difference between a historical cost depreciation charge and the actual charge calculated on the revalued amount	<u>5,000</u>	<u>5,000</u>
Historical cost loss on ordinary activities before taxation	<u>(575,953)</u>	<u>(566,155)</u>
Historical cost loss for the year retained after taxation and dividends	<u>(575,953)</u>	<u>(566,155)</u>

The notes on pages 16 to 25 form part of these financial statements.

CAMBRIDGE UNITED FOOTBALL CLUB LIMITED

BALANCE SHEET

AS AT 31 May 2005

	Note	£	2005 £	£	2004 £
Fixed assets					
Intangible assets	7		325		2,511
Tangible assets	8		3,398,751		3,414,592
			<u>3,399,076</u>		<u>3,417,103</u>
Current assets					
Stocks	10	13,029		29,965	
Debtors	11	115,183		147,141	
Cash at bank and in hand		523,851		48,230	
		652,063		225,336	
Creditors: Amounts falling due within one year	12	(1,145,859)		(1,557,426)	
Net current liabilities			(493,796)		(1,332,090)
Total assets less current liabilities			2,905,280		2,085,013
Creditors: Amounts falling due after more than one year	13		(2,013,888)		(616,218)
			<u>891,392</u>		<u>1,468,795</u>
Capital and reserves					
Called-up equity share capital	19		1,176,968		1,173,418
Revaluation reserve	20		1,972,236		1,977,236
Profit and loss account	21		(2,257,812)		(1,681,859)
Shareholders' funds	22		<u>891,392</u>		<u>1,468,795</u>

These financial statements were approved by the directors on 13 December 2005 and are signed on their behalf by:

Director

Director

The notes on pages 16 to 25 form part of these financial statements.

CAMBRIDGE UNITED FOOTBALL CLUB LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 May 2005

	£	2005 £	£	2004 £
Net cash outflow from operating activities		(8,071)		(314,965)
Returns on investments and servicing of finance				
Interest received	4,373		33	
Interest paid	(93,360)		(128,803)	
Interest element of hire purchase	(1,512)		(502)	
Net cash outflow from returns on investments and servicing of finance		(90,499)		(129,272)
Taxation		(2)		11
Capital expenditure and financial investment				
Payments to acquire intangible fixed assets	(2,300)		(1,000)	
Payments to acquire tangible fixed assets	(33,413)		(36,440)	
Proceeds from the sale of tangible fixed assets	5,711		-	
Net cash outflow for capital expenditure and financial investment		(30,002)		(37,440)
Cash outflow before financing		(128,574)		(481,666)
Management of liquid resources				
Sale of other short term investment		-		-
Financing				
Issue of equity share capital	3,550		473,561	
Increase in other loans	-		179,000	
Decrease in other loans	-		-	
(Decrease)/increase in other bank loans due within one year	(555,711)		(17,374)	
Directors loans due within one year	24,500		(56,000)	
(Decrease)/increase in other loans due in more than one year	(699,996)		(107,350)	
Other loans due in more than one year	58,500		-	
Sale and lease back loan due in more than one year	1,923,000		-	
Capital element of hire purchase	10,670		(3,938)	
Net cash inflow from financing		764,513		467,899
Decrease in cash		635,939		(13,767)

The notes on pages 16 to 25 form part of these financial statements.

CAMBRIDGE UNITED FOOTBALL CLUB LIMITED

CASH FLOW STATEMENT *(continued)*

YEAR ENDED 31 May 2005

	2005		2004
£	£	£	£
Reconciliation of operating loss to net cash outflow from operating activities			
Operating loss	(490,456)		(441,883)
Amortisation	4,486		8,666
Depreciation	47,054		57,075
(Profit)/loss on sale of fixed assets	(3,511)		-
Decrease/(increase) in stocks	16,936		(16,352)
(Increase)/decrease in debtors	31,958		(20,283)
Increase/(decrease) in creditors	385,462		97,812
Net cash outflow from operating activities	<u>(8,071)</u>		<u>(314,965)</u>
Reconciliation of net cash flow to movement in net debt			
	2005		2004
£	£	£	£
(Decrease) increase in cash in the period	635,939	(13,767)	
(Increase)/decrease in loans	(760,963)	5,664	
(Decrease)/increase in liquid resources	-	-	
Change in net debt	<u>(125,024)</u>		<u>(8,103)</u>
Net debt at 1 June 2004	<u>(1,451,426)</u>		<u>(1,443,321)</u>
Net debt at 31 May 2005	<u>(1,576,450)</u>		<u>(1,451,426)</u>
Analysis of changes in net debt			
	At	Cash flows	At
	1 Jun 2004		31 May 2005
	£	£	£
Net cash:			
Cash in hand and at bank	48,230	475,621	523,851
Overdrafts	(161,699)	160,318	(1,381)
	<u>(113,469)</u>	<u>635,939</u>	<u>522,470</u>
Debt:			
Debt due within 1 year	(721,640)	641,640	(80,000)
Debt due after 1 year	(614,067)	(1,471,933)	(2,006,000)
Hire purchase agreements	(2,250)	(10,670)	(12,920)
	<u>(1,337,957)</u>	<u>(840,963)</u>	<u>(2,098,920)</u>
Net debt	<u>(1,451,426)</u>	<u>(205,024)</u>	<u>(1,576,450)</u>

The notes on pages 16 to 25 form part of these financial statements.

CAMBRIDGE UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 May 2005

1. Accounting policies

Basis of accounting

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

Going Concern

The company meets its day to day working capital requirements through an overdraft facility and due to the nature of the business, there can be considerable unpredictable variations in the timing of cash inflows. On the basis of cashflows for the 2005/2006 season, the directors consider that the company will operate within the agreed facility and the financial statements have been prepared on a going concern basis.

Turnover

Turnover represents gate receipts, season tickets and income from transfers and commercial and sundry activities, all of which were generated by geographical market in the United Kingdom, excluding VAT and trade discounts.

Capital grants

Grants received are set against expenditure incurred.

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.

Transfer fees

The element of a player's transfer fee which relates to his registration is amortised over the period of the contract including any subsequent extensions. Unamortised fees relating to players transferred are included in the amortisation charge for the year.

Other transfer fees are written off in the profit and loss account when incurred.

Transfer fees receivable are net contractual obligations.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold property	- 2% straight line on cost or valuation
Leasehold property	- equally over a 50 year economic life
Plant and machinery	- 20% straight line

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

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

CAMBRIDGE UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 May 2005

Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Contribution to pension funds

The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

Sale and lease back of the abbey stadium

The sale and lease back of the abbey stadium has been treated as a refinancing exercise for the purpose of these accounts. In accordance with current accounting practice, the assets remain in the accounts at their net book values and the consideration received under the terms of the sale and lease back is treated as a loan and shown in the accounts as a creditor. Within the sale and lease back agreement, provision exists to enable the club to buy back the ground and associated buildings at a future date. However, as we are currently not in a position to know when this is likely to occur, or the price that will be paid, best practice dictates that no provision for the uplift in value is made.

2. Turnover

The turnover relates to the following activities:

	2005	2004
	£	£
Net gate receipts	764,871	744,650
Football league pool	325,750	349,042
Transfer fees received	427,000	272,500
Commercial and catering revenue	565,627	700,195
Donations	18,966	22,391
Other revenue	27,385	35,702
Youth development grant	129,375	138,000
Media fees	11,543	16,133
	<u>2,270,517</u>	<u>2,278,613</u>

CAMBRIDGE UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 May 2005

3. Net operating expenses

	2005	2004
	£	£
Playing	1,623,741	1,574,222
Matchday	162,155	165,674
Ground	143,426	155,196
Administration	276,932	266,978
Audit fee	7,500	6,500
Depreciation	48,154	57,074
Transfer fees payable	35,600	20,000
Commercial and catering costs	364,263	462,876
Leasing charges	3,193	3,310
Ground rent payable	95,034	–
(Profit)/Loss on sale of fixed assets	(3,511)	–
	<u>2,756,487</u>	<u>2,711,830</u>

4. Particulars of employees

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

	2005	2004
	No	No
Administration and commercial staff	11	14
Players	24	20
Playing Management	4	4
Youth Development	6	7
Ground Staff	3	3
	<u>48</u>	<u>48</u>

The aggregate payroll costs of the above were:

	2005	2004
	£	£
Wages and salaries	1,490,433	1,550,553
Social security costs	132,048	142,699
Other pension costs	2,903	3,755
	<u>1,625,384</u>	<u>1,697,007</u>

No directors remuneration was paid during the current and preceding year.

The average monthly number of trainees in the Youth Training Scheme during the year was 17 (2004: 17).
The average number of part-time trainers in the Centre of Excellence during the year was 6 (2004: 6).

CAMBRIDGE UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 May 2005

5. Pensions

The total contributions in the year amounted to £2,903 (2004: £3,755).

Eligible players are members of the Football League Limited Players' Retirement Income Scheme. No employers' contributions are made, but the club deducts amounts from players' salaries and pays them into the scheme on their behalf.

6. Interest payable

	2005	2004
	£	£
Finance leases and hire purchase contracts	1,512	502
Loans and overdrafts	93,360	128,803
	<u>94,872</u>	<u>129,305</u>

7. Intangible fixed assets

	Registration of players £
Cost	
At 1 June 2004	25,500
New Registrations	<u>2,300</u>
At 31 May 2005	<u>27,800</u>
Amortisation	
At 1 June 2004	22,989
Charge for the year	<u>4,486</u>
At 31 May 2005	<u>27,475</u>
Net book value	
At 31 May 2005	<u>325</u>
At 31 May 2004	<u>2,511</u>

CAMBRIDGE UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 May 2005

8. Tangible fixed assets

	Freehold and Leasehold Land and Buildings £	Plant and machinery £	Total £
Cost or valuation			
At 1 June 2004	3,474,659	303,976	3,778,635
Additions	5,758	27,655	33,413
Disposals	—	(5,500)	(5,500)
At 31 May 2005	<u>3,480,417</u>	<u>326,131</u>	<u>3,806,548</u>
Depreciation			
At 1 June 2004	94,400	269,643	364,043
Charge for the year	22,693	24,361	47,054
On disposals	—	(3,300)	(3,300)
At 31 May 2005	<u>117,093</u>	<u>290,704</u>	<u>407,797</u>
Net book value			
At 31 May 2005	<u>3,363,324</u>	<u>35,427</u>	<u>3,398,751</u>
At 31 May 2004	<u>3,380,259</u>	<u>34,333</u>	<u>3,414,592</u>

Included within Freehold and leasehold land and buildings are assets with a net book value of £2,712,234 which have been financed under a sale and leaseback agreement with Bideawhile 445 Limited, a company of which J S Howard, a director of Cambridge United Football Club Limited is also a director.

Freehold land and buildings were revalued on 20 July 1999 on the basis of open market value and estimated realisation price by M A Sumpster FRICS of Barker Storey Matthews.

On a historical cost basis, freehold land and buildings would have been included as follows:

	2005 £	2004 £
Cost	<u>912,579</u>	<u>912,579</u>
Cumulative depreciation based on cost	<u>131,024</u>	<u>126,024</u>

Hire purchase agreements

Included within the net book value of £3,398,751 (2004: £3,414,592) is £16,940 (2004: £3,600) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £4,235 (2004: £1,800).

CAMBRIDGE UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 May 2005

9. Financial commitments

The company charges signing on fees to the profit and loss account as the commitment falls due to pay. The company has 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 totalled £5,000 (2004: £5,000).

10. Stocks

	2005	2004
	£	£
Goods for resale	<u>13,029</u>	<u>29,965</u>

11. Debtors

	2005	2004
	£	£
Trade debtors	95,206	142,159
Other debtors	3,064	1,440
Prepayments and accrued income	16,913	3,542
	<u>115,183</u>	<u>147,141</u>

12. Creditors: Amounts falling due within one year

	2005	2004
	£	£
Other loans	80,000	699,996
Bank loans and overdrafts	1,381	183,343
Trade creditors	179,049	174,615
Corporation Tax	9	11
PAYE and social security	128,899	136,093
VAT	449,463	16,631
Hire purchase agreements	5,032	2,250
Other creditors	238,514	224,437
Accruals and deferred income	63,512	120,050
	<u>1,145,859</u>	<u>1,557,426</u>

CAMBRIDGE UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 May 2005

12. Creditors: Amounts falling due within one year (continued)

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2005	2004
	£	£
Other loans	—	600,000
Loans and overdrafts	—	183,343
	<u>—</u>	<u>588,804</u>

13. Creditors: Amounts falling due after more than one year

	2005	2004
	£	£
Other loans	—	80,000
Sale and lease back loan	1,923,000	—
Loans and overdrafts	—	534,067
Hire purchase agreements	7,888	—
Other creditors	—	2,151
Shareholders' loans	58,500	—
Directors' loan accounts	24,500	—
	<u>2,013,888</u>	<u>616,218</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2005	2004
	£	£
Loans and overdrafts	<u>—</u>	<u>534,067</u>

CAMBRIDGE UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 May 2005

14. Creditors - capital instruments

Creditors include finance capital that is due for repayment as follows:

	2005	2004
	£	£
Amounts repayable:		
In one year or less or on demand	—	885,590
In more than one year but not more than two years	—	114,519
In more than two years but not more than five years	—	169,618
In more than five years	—	329,930
	<u>—</u>	<u>1,499,657</u>

15. Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows:

	2005	2004
	£	£
Amounts payable within 1 year	5,032	2,250
Amounts payable between 2 to 5 years	7,888	—
	<u>12,920</u>	<u>2,250</u>

Obligations under hire purchase and finance lease contracts are secured on the assets concerned.

16. Deferred taxation

The elements of deferred taxation, which result in a nil balance at the end of the year, together with details of other amounts not provided for, are as follows

	2005		2004	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	—	(5,480)	—	(8,339)
Tax losses available	—	—	—	(363,217)
	<u>—</u>	<u>(5,480)</u>	<u>—</u>	<u>(371,556)</u>

17. Commitments under operating leases

At 31 May 2005 the company had annual commitments under non-cancellable operating leases as set out below.

	2005		2004	
	Land & Buildings	Other Items	Land & Buildings	Other Items
	£	£	£	£
Operating leases which expire:				
Within 1 year	—	—	—	2,505
Within 2 to 5 years	—	2,316	—	2,316
After more than 5 years	225,000	—	25,000	—
	<u>225,000</u>	<u>2,316</u>	<u>25,000</u>	<u>4,821</u>

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YEAR ENDED 31 May 2005

18. Contingencies

The company may have an additional liability of VAT payable to H M Revenue & Customs of £35,132 (2004: £34,735). It is being treated as a contingent liability as there is a possibility that as a result of court action this amount may not be due and payable.

19. Share capital

Authorised share capital:

	2005	2004
	£	£
3,200,000 Ordinary shares of £0.50 each	<u>1,600,000</u>	<u>1,600,000</u>

Allotted, called up and fully paid:

	2005	2004
	No	No
	£	£
Ordinary shares of £0.50 each	<u>2,353,936</u>	<u>2,346,836</u>
	<u>1,176,968</u>	<u>1,173,418</u>

20. Revaluation reserve

	2005	2004
	£	£
Balance brought forward	1,977,236	1,982,236
Transfer to the Profit and Loss Account on realisation	<u>(5,000)</u>	<u>(5,000)</u>
Balance carried forward	<u>1,972,236</u>	<u>1,977,236</u>

21. Profit and loss account

	2005	2004
	£	£
Balance brought forward	(1,681,859)	(1,115,704)
Accumulated loss for the financial year	<u>(580,953)</u>	<u>(571,155)</u>
Transfer from revaluation reserve	<u>5,000</u>	<u>5,000</u>
Balance carried forward	<u>(2,257,812)</u>	<u>(1,681,859)</u>

22. Reconciliation of movements in shareholders' funds

	2005	2004
	£	£
Loss for the financial year	(580,953)	(571,155)
New equity share capital subscribed	<u>3,550</u>	<u>473,561</u>
	<u>(577,403)</u>	<u>(97,594)</u>
Transfer from revaluation reserve	<u>5,000</u>	<u>5,000</u>
Transfer to profit and loss account	<u>(5,000)</u>	<u>(5,000)</u>
Net reduction to funds	<u>(577,403)</u>	<u>(97,594)</u>
Opening shareholders' equity funds	<u>1,468,795</u>	<u>1,566,389</u>
Closing shareholders' equity funds	<u>891,392</u>	<u>1,468,795</u>

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23. Related party transactions

During the year the company raised finance by selling the Abbey Stadium under a sale and lease back agreement to Bideawhile 445 Limited, a company of which J S Howard is a director.

24. Post balance sheet event

At the year end the company was in administration, Ian Carr and Nick Wood of Grant Thornton LLP having been appointed as administrators on 29 April 2005. The company came out of administration on 20 July 2005 and entered into a voluntary agreement with its remaining creditors on this date.