

PRESTON NORTH END PLC
ANNUAL REPORT & ACCOUNTS 2002/2003

REGISTERED NUMBER 1621060



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Chairman's Statement

The Board of Preston North End is pleased to present the annual report and accounts for the 2001 - 2002 season.

The Club continues to progress and has established itself as a top Division 1 team, finishing in 8th position, 3 points behind the play-off places. Although we were disappointed not to clinch a place in the play-offs, 8th position represents a solid performance following last year's trip to the Millennium Stadium. In addition we also enjoyed a good run in the FA Cup, losing out narrowly to Chelsea at Stamford Bridge.

I am pleased to present an excellent financial performance during the year. It does, however, seem strange to be announcing record profits at a time when the Club and the industry as a whole face such enormous challenges.

Turnover for the year is 37% higher than last year and represents the 6th successive year of growth. Much of this growth is due to the television deal struck with ITV Digital. On 28th March 2002 ITV Digital announced that it had entered administrative receivership and as a result the contract to screen Football League matches was broken. On 4th July 2002 the Football League entered into a new four-year contract with BSkyB to screen matches from the Football League. The difference between the two agreements for a Division 1 club such as PNE is enormous. It is likely to lead to a £2 million annual shortfall in revenues. The impact of this shortfall is heightened as a result of the contract negotiations concluded with much of the squad last summer.

During the last year, the Company generated an operating profit (before depreciation and amortisation) of £1.86 million (2001: £0.28 million) and a profit before taxation of £4.40 million (2001: £0.41 million loss). Clearly these results are positively impacted by the sale of Jon Macken to Manchester City and the compensation received from Everton for David Moyes. The Board continues to believe in strong financial management to develop a platform for further progression.

The balance sheet has been strengthened as a result of the financial performance such that net debt stands at £0.7 million compared to a net asset value of £10.7 million. In addition the Board and football management believe the value of the squad to be in excess of £10 million, compared to the balance sheet valuation of £2.9 million. We continue to develop the squad of players and have recently purchased Jamaican international Ricardo Fuller, Eddie Lewis, Tyrone Mears and Marlon Broomes to add to Richard Cresswell, Eric Skora, Chris Locketti and Dickson Etuhu purchased during the year.

We have again made progress in developing the infrastructure of the Club with the opening of the Alan Kelly Town End in November 2001. We now have three high quality modern stands (built at a cost in excess of £10 million) that would grace any stadium.

On 12 October 2001, Bryan Gray retired as Chairman and from the Board. Bryan, Chairman for the past seven years, has made a considerable contribution to Preston North End for which the Company is extremely grateful.

On 28 January 2002, Simon Beard joined the Board as Finance Director. Simon is a Chartered Accountant with a wide range of skills and is a valuable addition to the Board.

On 14 August 2002, Steve Jackson was appointed Non-Executive Director. Mr Jackson is the founding Director of New Reg, the principal sponsors of PNE. Steve brings a broad range of commercial experience to the Board.

In summary, the last year has been an extremely successful one for Preston North End, both in terms of footballing performance, and also in terms of Company performance as a whole and reported profits for the year. It was also a year of considerable change both at Board level and in the football management and playing personnel. However, these changes have been managed exceptionally well and we now have a platform from which to deliver further success for Preston North End in the future.

Derek Shaw
Chairman

"The Board have been very supportive of me in signing the likes of Ricardo Fuller, Marlon Broomes, and more recently World Cup star Eddie Lewis. In the current climate, it is testimony to the ambition of this club, that I have been able to bring these quality players in." **Craig Brown**, September 2002.

Operational Review

With a turnover increase of 37%, we achieved a sixth consecutive year of growth. Whilst this turnover growth was achieved in many areas of the business, the primary factor during this year was the income received from the now defunct ITV Digital television agreement.

Attendances continue to rise as we continue our hard work in the community to attract people to watch what has over the past few years been an attractive and successful brand of football. Last season's average crowd of 14,900 was Preston North End's highest average crowd for 15 years. (This is underpinned by our further growth in season ticket sales for next season, which now stand at a club record of 8,500).

It is clear that the value of football media rights has reached its peak. As a result, clubs, particularly those in the Nationwide League, will need to reorganise their cost base and sources of income. Player wages form a large proportion of the cost base and will have to reduce in coming seasons. Players' wages for our club currently represent 42% (2001: 48%) of our income.

Profit before depreciation and amortisation of player contracts increased almost sevenfold to £1.86 million, principally as a result of the television deal, continued progress in all commercial areas, and a fruitful FA Cup run culminating in the televised match against Chelsea at Stamford Bridge. Our strategy of investment in player transfer fees and wages over the past five years bore fruit in terms of profit on player sales last season. Whilst we have incurred losses over the past few years in amortising our player values to nil by the end of their contracts, significant value has been contained within the squad and is realised when we sell a player. A profit on sale of players of £4.27 million contributed to a net profit for the year of £4.37 million.

	1998	1999	2000	2001	2002
Turnover (£000)	4,058	5,135	5,692	7,194	9,889
Profit before depreciation and amortisation of player contracts (£000)	(477)	133	(472)	281	1,858
Season ticket sales (number)	3,800	4,200	4,700	8,400	8,500
Average league attendance (number)	9,460	11,930	12,819	14,487	14,929
League (Division: Position)	2:15th	2:5th	2:1st	1:4th	1:8th

Football

When we were promoted from Division 2 two years ago, we set our objective as developing a strong Division 1 club from which challenges for promotion to the Premiership would become natural. For the second year in a row we finished in the top 10 of Division 1, only losing out on a play-off place to compete for promotion to the Premiership on the last day of the season.

We continue to invest in the squad to achieve success in the Football League. Last year we spent £2.0 million on new players. As part of our investment strategy we continue to focus on the recruitment of younger players who may appreciate in value and at the time of writing our average squad age is 24 years.

The balance sheet shows a net book value of player registrations at £2.9 million. Whilst it is difficult to establish a reliable market valuation of the squad, based upon our experience, the Directors and football management believe the value of the squad to be in excess of £10 million. This is notwithstanding the fact that the valuation of football players in the current market has deteriorated from that of twelve months ago. The underlying value of the squad is demonstrated by the profit on the sale of player registrations of £4.3 million, in particular the sale of Jon Macken to Manchester City and the compensation received from Everton for the services of David Moyes. Subsequent to the year end, we have also sold the player registration of Sean Gregan to West Bromwich Albion. Sean Gregan's registration is included in the balance sheet at 30 June 2002 at nil value and accordingly this sale will be shown as a profit on player sales in the year to June 2003.

The club spent £2.0 million on new players during the year.

I would like to take this opportunity to welcome Craig Brown as Football Manager. Craig is one of the most respected coaches in football and brings with him a wealth of experience, having previously managed the Scotland international team for 8 years. Craig is joined by Billy Davies, formerly the manager of Motherwell Football Club and, together with Kelham O'Hanlon who has stayed on as Assistant Manager, in our opinion, we now have one of the strongest coaching teams in football. Craig has taken over from David Moyes who left to take up the position of Football Manager at Everton Football Club. The Club has progressed hugely during David's period as Football Manager and we are all very grateful for David's contribution to the Club and wish him well with his future managerial career. A special mention should also be made of Kelham O'Hanlon who stepped in to the caretaker manager role to great effect in the closing stages of the season, and has subsequently provided both great support to the new manager as well as vital continuity.

The new Alan Kelly Town End, a six thousand all seater stand, was officially opened in November 2001.

North End's famous mascot, the Deepdale Duck has helped to promote the club's expanding Community Programme.

Once again we have received tremendous levels of support with average attendances of 14,929 compared to 14,487 last season. This represents our 6th year in a row of increased attendances. During the summer we decided to reduce season ticket prices in recognition of the increased cost of watching football and to further develop the supporter base. It is encouraging that this move and the new signings we have made during the summer have received widespread support from the Preston public and once again we have broken our season ticket sales record.

I noted last year that the changes to the transfer system and the continuing wage spiral were matters that the football industry in general had to address. During the course of the last 12 months, and particularly the last three months, there has been a marked change in the attitude of clubs towards player wages and the market for new players. It is our view that at our level of the game, the number of players transferred for a fee will decrease and that the wages of players will firstly level out and then reduce. This is a very positive step in the football industry after five years of unsustainable player wage rises.

Youth Development

Youth Development continues to play an important part in the development of the Club. Over the past twelve months we have improved in each of the three key areas of scouting, coaching and facilities provision. It is pleasing that during the past season a number of young players forced their way into the first team squad. In particular, Andy Lonergan, a 17 year old goalkeeper who has featured both in the first team squad here at Deepdale and the England under 19 team, and Michael Keane who established himself in the first team squad with 22 appearances.

Our under 17 squad recently progressed through to the semi-finals of the prestigious Milk Cup tournament in Ireland, beating Premiership clubs along the way. We have said many times that our success as a club will depend largely upon our ability to attract good young players and develop them into better players at Preston North End. This approach is starting to show dividends.

Commercial Activities

Commercial activities continue to perform well with hospitality, perimeter board advertising and sponsorship agreements all making further progress during the last year.

In particular, I am delighted to welcome New Reg.com as the Club's new shirt sponsor. New Reg is a successful Preston based business specialising in the sale of personalised car registrations via the Internet. The sponsorship agreement is for a period of three years and is the largest commercial deal ever secured by Preston North End.

At an industry level, two agreements put together by The Football League give the Board significant cause for concern. The collapse of ITV Digital, the refusal of Carlton and Granada to honour the agreement reached by ITV Digital with the Football League, and the subsequent court case have been well documented in the media. All monies received from ITV Digital (including the £1.1 million prepayment received in September 2000) have been credited to turnover during the year ended 30 June 2002. We are delighted that BSkyB have purchased the rights to cover Football League matches and the increased exposure that will give to the Club. The net result of this deal and the ITV Digital collapse is that Preston North End, along with all Division 1 clubs, will have a £2 million per year income shortfall over the next two years. Given that we negotiate player contracts generally over a three year time horizon, it will take two years for the Club to fully restructure its business in accordance with this shortfall in income.

Secondly, the agreement with NTL to operate the Club's website appears to be threatened by the parent company filing for chapter 11 protection from its creditors in the United States. During the last financial year the Club earned £200,000 from this agreement. Not only is £100,000 of this yet to be received, but the receipt of future income from this agreement is also currently at risk.

Whilst the collapse of ITV Digital and the current problems of NTL are not good news for Preston North End, we do believe that, given the continued strength of the Company and the income brought in from the recent sale of player registrations, we are in a better position than most to deal with the industry difficulties going forward.

Community

Preston North End continues to play a full role within the local community. During the year we have opened the Preston North End Education Centre, situated under the new Alan Kelly Town End. This is a partnership entered into with Preston College and Lancashire County Council, under a national initiative established by the DFES in partnership with the Nationwide League. The aim of the centre is to contribute to raising educational standards by using the medium and environment of football to support work in literacy, numeracy and information technology. It focuses on young people between the ages of 8 and 13. From September 2002, 100 children from 10 local schools will attend the centre on a weekly basis.

Our Football in the Community team continues to ensure that Preston North End's name is at the forefront of minds in the local area. During the year they have organised events at a 100 schools involving 5,000 children in football related activities. During the summer, 900 boys and girls will attend football courses run by the department, the largest scheme of its type in the North West of England. It is our policy that every young child in the Preston area should have the opportunity of attending a Preston North End match free of charge during the course of a season. This policy, along with the marvellous work done by our community department, strengthens the brand of Preston North End in the local area, particularly with young people. It can also only assist with our drive for further increases in attendance levels.

Stadium

In October 2001, we completed the third phase of our stadium development, the Alan Kelly Town End, at a cost of £3 million. We are now three-quarters of the way towards a Premiership level facility, having invested a gross amount of over £10 million in the stadium over the last six years.

Future Prospects

It is clear that the forthcoming season holds many challenges for the Company, with the reduced levels of TV income and the threat to the current internet agreement. Tough decisions will have to be made in order to bring the Club's expenditure in line with the new levels of income.

We have deferred the development of the final stand at Deepdale and the construction of the Youth Academy for the time being as a direct result of this loss of income. We will, however, be exploring new methods of enabling us to complete the stadium in a cost-effective manner. We also remain committed to youth development on the basis that the long term benefits will outweigh the short term costs.

Notwithstanding the significant drop in income from the TV deals, along with the rest of the Board, I believe that in times of adversity, opportunities can exist. We are better placed than most to deal with these drops in income given our financial strength as a Company. During the summer, we have continued to invest in the squad by the purchase of Ricardo Fuller, Tyrone Mears, Marlon Broomes and Eddie Lewis. We have a squad of young, talented footballers capable of sustaining a strong challenge for promotion to the Premiership. The Board and I look forward to the forthcoming season with optimism.

Tony Scholes
Chief Executive

The squad has been strengthened with the signing of Eric Skora (pictured), Dickson Etuhu, Ricardo Fuller, Tyrone Mears, Eddie Lewis and Marlon Broomes.

Report of the Directors

The Directors present their annual report and the audited financial statements for the year ended 30 June 2002.

Principal activities and business review

The principal activities of the Group are the operation of a professional Football League Club, together with related and ancillary activities.

A review of the activities of the Group and a brief summary of the Group's future development plans are set out in the Operational Review. The results for the year are set out in the profit and loss account on page 15. The profit for the financial year after tax amounted to £4,365,000 (2001: restated loss £419,000).

Proposed dividend

The directors do not recommend the payment of a dividend (2001: £nil).

Fixed assets

The directors believe the market value of the Group's land and buildings to be in excess of their book value (see note 14).

Directors and their interests

The interests of the directors of the Company at the end of the year in the ordinary share capital of the Company were as follows:

	As at 30 June 2002 No of shares	As at 30 June 2001 or date of appointment No of shares
D Shaw, Chairman	911,192	50,110
AJ Scholes, Chief Executive	5,250	5,250
SM Beard (appointed 28 January 2002)	-	-
HP Nash	1,500	1,500
DW Taylor	1,000	1,000

Incorporated within Mr Shaw's interest in the share capital of the Company are 861,082 shares owned by Friends of Preston North End Limited. Ribble Valley Shelving Limited, a company controlled by Mr Shaw, owns 25% of the share capital of Friends of Preston North End Limited.

ST Jackson was appointed a Non-Executive Director on 14 August 2002. Mr Jackson has an interest in the 861,082 ordinary shares of Preston North End plc which are owned by Friends of Preston North End Limited. New Reg Limited, a company controlled by Mr Jackson, owns 25% of the share capital of Friends of Preston North End Limited.

BM Gray resigned as Chairman and a director on 12 October 2001.

In accordance with the Company's Articles of Association D Shaw and HP Nash retire by rotation. SM Beard and ST Jackson were appointed to the Board during the year and in accordance with the Company's Articles of Association retire. All retiring directors, being eligible, offer themselves for re-election.

Directors and their interests

At 30 June 2002 the following director had an outstanding option to acquire shares of Preston North End plc.

	At 30 June 2001	Granted during the year	At 30 June 2002	Exercise price	Date from which exercisable	Expiry date
	Number	Number	Number	Pence		
AJ Scholes	8,500	-	8,500	330	4.5.2002	4.5.2009

The mid market price at 30 June 2002 was 120p. During the year the highest mid market price was 225p and the lowest mid market price was 120p.

The Company maintains liability insurance for its directors and officers.

Corporate governance

The Board of Directors fully supports the underlying principles of corporate governance recommended by the Combined Code, notwithstanding that it is not required to comply with such recommendations.

The Board generally meets on a quarterly basis, with further meetings as they are required. It considers all issues relating to the strategy, direction and future development of the Group.

The Company has also established Audit and Remuneration Committees consisting of non-executive directors.

Internal control

The Board has overall responsibility for the Group's system of internal control. Although no system of internal control can provide absolute assurance regarding the reliability of financial information and security of assets, the Group has established a system of internal control which is designed to provide reasonable assurance against material misstatement or loss. In addition, the Board regularly reviews the major risks faced by the Company.

The key procedures that have been established by the directors are as follows:

- Comprehensive budgets approved by the Board;
- Regular consideration by the Board of actual results compared with budgets;
- Clearly defined levels of financial authority;
- Regular assessments of the playing staff valuations.

Treasury policy and financial risk management

Treasury policies are subject to Board approval and are implemented on a day to day basis by the Finance Director.

All Group borrowings are in pounds sterling and predominantly comprise borrowing facilities carrying LIBOR related floating rates. The outlook for UK interest rates is regularly monitored and borrowing decisions are adapted to suit prevailing conditions.

Going concern

After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to prepare the financial statements on a going concern basis.

Charitable and political donations

Charitable contributions during the period totalled £3,000 (2001: £3,000). No political contributions were made.

Employee involvement

It is the Group's policy to keep employees informed on matters affecting them as employees and to make them aware of the factors influencing the Group's performance. This is done through announcements and staff briefings.

Disabled employees

Disabled persons are given full and fair consideration for all types of vacancy. If an existing employee becomes disabled, such steps as are practical and reasonable are taken to retain the employee in employment. Where appropriate, assistance with rehabilitation and suitable training are given. Disabled persons have equal opportunities for training, career development and promotion, except insofar as such opportunities are constrained by the practical limitations of their disability.

Health and safety

The Group's policy is to ensure that it maintains a working environment which will minimise the risk to the health and safety of employees. Health and safety is an integral part of good business management and accordingly high standards are required.

Payment to suppliers

The Group supports the CBI initiative to address the problem of delayed payments to suppliers. Consequently, it is the Group's policy to settle the terms of payment with suppliers when business is agreed, to ensure that suppliers are made aware of them and to pay bills in accordance with these terms. The ratio, expressed in days, between the amounts invoiced to the Company by its suppliers and the amount owed to its trade creditors at the end of the year was 48 (2001: 42).

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution to re-appoint KPMG Audit Plc as auditors will be proposed at the forthcoming Annual General Meeting.

By order of the board



SM Beard
Company Secretary

18 September 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 the Group and of the Group's profit or loss 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 Group to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them, to safeguard the assets of the Group and to prevent and detect any fraud and other irregularities.

Independent auditors' report to the members of Preston North End plc

We have audited the financial statements on pages 15 to 38.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Report of the Directors and, as described on page 13, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 Report of the Directors 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 Group is not disclosed.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications of our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of 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 Group'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 affairs of the Company and the Group as at 30 June 2002 and of the profit of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
Preston

18 September 2002

Consolidated profit and loss account

for the year ended 30 June 2002

	Note	2002 £000	Restated 2001 £000
Turnover	2	9,889	7,194
Staff costs	6	(5,962)	(4,882)
Other operating charges	4	(2,069)	(2,031)
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Group operating profit before depreciation and amortisation of player registrations		1,858	281
Depreciation and amortisation of player registrations	4	(1,586)	(1,100)
Group operating profit/(loss)		272	(819)
Share of operating loss in joint ventures		(4)	(24)
<hr/>			
Total operating profit/(loss)		268	(843)
Profit on sale of a discontinued operation		-	73
Profit on sale of fixed assets	5	4,274	408
Other interest receivable and similar income	8	41	123
Interest payable and similar charges	9	(178)	(175)
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Profit/(loss) on ordinary activities before taxation		4,405	(414)
Tax on profit/(loss) on ordinary activities	10	(40)	(5)
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Retained profit/(loss) for the year		4,365	(419)
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Earnings/(loss) per share (basic and diluted)	11	132.4p	(13.3p)
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All amounts in 2002 relate to continuing operations. The analysis of continuing and discontinued operations for 2001 is shown in note 3.

Consolidated statement of total recognised gains and losses

for the year ended 30 June 2002

		Restated
	2002	2001
	£000	£000
Retained profit/(loss) for the financial year	4,365	(419)
Total recognised gains and losses relating to the financial year	4,365	(419)
Prior year adjustment (note 1)	(1,017)	
Total recognised gains since last annual report	3,348	

Consolidated statement of historical cost profits and losses

for the year ended 30 June 2002


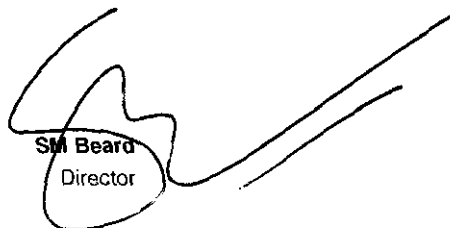
		Restated
	2002	2001
	£000	£000
Reported profit/(loss) on ordinary activities before taxation	4,405	(414)
Realisation of property revaluations of earlier years	-	107
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	22	24
Historical cost profit/(loss) on ordinary activities before taxation	4,427	(283)
Historical cost profit/(loss) on ordinary activities after taxation	4,387	(288)

Consolidated balance sheet

at 30 June 2002

	Note	2002		Restated 2001	
		£000	£000	£000	£000
Fixed assets					
Intangible assets	13		2,927		2,374
Tangible assets	14		12,094		10,792
Investment in joint venture	16				
Share of gross assets		21		26	
Share of gross liabilities		(49)		(50)	
		(28)		(24)	
Loans to joint venture		42		40	
			14		16
			15,035		13,182
Current assets					
Stocks	17	38		40	
Debtors	18	2,870		1,358	
Cash at bank and in hand		2,279		605	
		5,187		2,003	
Creditors: amounts falling due within one year	19	(3,699)		(3,348)	
Net current assets/(liabilities)			1,488		(1,345)
Total assets less current liabilities			16,523		11,837
Creditors: amounts falling due after more than one year	20		(4,723)		(4,442)
Provisions for liabilities and charges	21		(1,057)		(1,017)
Net assets			10,743		6,378
Capital and reserves					
Called up share capital	23		3,296		3,296
Share premium account	24		7,051		7,051
Revaluation reserve	24		998		1,020
Profit and loss account	24		(602)		(4,989)
Equity shareholders' funds	25		10,743		6,378

These financial statements were approved by the Board on 18 September 2002 and were signed on its behalf by:


AJ Scholes
Director

SM Beard
Director

Company balance sheet

at 30 June 2002

	Note	2002		Restated 2001	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	14		12,094		10,792
Investments	15		331		329
			<u>12,425</u>		<u>11,121</u>
Current assets					
Stocks	17	38		40	
Debtors	18	7,369		7,994	
Cash at bank and in hand		2,279		605	
		<u>9,686</u>		<u>8,639</u>	
Creditors: amounts falling due within one year	19	(2,572)		(1,268)	
Net current assets			<u>7,114</u>		<u>7,371</u>
Total assets less current liabilities			<u>19,539</u>		<u>18,492</u>
Creditors: amounts falling due after more than one year	20		(4,723)		(3,702)
Provisions for liabilities and charges	21		(1,057)		(1,017)
Net assets			<u>13,759</u>		<u>13,773</u>
Capital and reserves					
Called up share capital	23		3,296		3,296
Share premium account	24		7,051		7,051
Revaluation reserve	24		998		1,020
Profit and loss account	24		2,414		2,406
Equity shareholders' funds			<u>13,759</u>		<u>13,773</u>

These financial statements were approved by the Board on 18 September 2002 and were signed on its behalf by:


AJ Scholes
Director


SM Beard
Director

Consolidated cash flow statement

for the year ended 30 June 2002

	Note	2002 £000	2001 £000
Net cash flow from operating activities	26	2,425	(23)
Return on investments and servicing of finance	27	(137)	(52)
Capital expenditure	27	(697)	(2,604)
Acquisitions	27	(2)	(40)
Cash inflow/(outflow) before financing		1,589	(2,719)
Financing	27	85	2,194
Increase/(decrease) in cash in the year	28	1,674	(525)

Reconciliation of net cash flow to movement in net debt

for the year ended 30 June 2002

	2002 £000	2001 £000
Increase/(decrease) in cash in the year	1,674	(525)
Cash outflow from change in debt	372	393
New hire purchase agreements	(457)	(280)
Movement in net debt in the year	1,589	(412)
Net debt at beginning of year	(2,304)	(1,892)
Net debt at end of year	(715)	(2,304)

Notes

(forming part of the financial statements)

1 Accounting policies

a) Accounting convention

The financial statements have been prepared under the historical cost convention, modified by the revaluation of certain tangible fixed assets, and in accordance with applicable accounting standards. The directors have adopted the requirements of Financial Reporting Standard Number 19 ("FRS 19"): Deferred Taxation, during the current period (see (c) below).

b) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertaking made up to 30 June 2002. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

An associate is an undertaking in which the Group has a long term interest, usually from 20% to 50% of the equity voting rights, and over which it exercises significant influence. A joint venture is an undertaking in which the Group has a long-term interest and over which it exercises joint control. The Group's share of the profits less losses of associates and of joint ventures is included in the consolidated profit and loss account and its interest in their net assets, is included in investments in the consolidated balance sheet.

Where a Group company is party to a joint arrangement which is not an entity, that company accounts directly for its part of the income and expenditure, assets, liabilities and cash flows. Such arrangements are reported in the consolidated financial statements on the same basis.

Under section 230(4) of the Companies Act 1985 the Company is exempt from the requirement to present its own profit and loss account.

c) Change in accounting policy

The directors have adopted the requirements of FRS 19 : Deferred Taxation, during the current period. FRS 19 requires the adoption of a policy of full recognition for all timing differences which exist at the balance sheet date. Deferred tax assets are recognised to the extent that, on the basis of all available evidence, it is more likely than not that amounts are recoverable.

The effect of the change in accounting policy, which has been shown as a prior year adjustment, has been to recognise a deferred tax liability of £1,017,000 at 30 June 2001, reducing the consolidated profit for the year ended 30 June 2001 by £5,000 and reducing shareholders' funds as at 30 June 2000 by £1,012,000. During the year ended 30 June 2002 the deferred tax liability has increased, reducing both the retained profit for the year and net assets at that date by £40,000.

d) Goodwill and negative goodwill

Purchased goodwill (both positive and negative) arising on consolidation in respect of acquisitions before 1 July 1997, when FRS 10: Goodwill and intangible assets was adopted, was written off to reserves in the year of acquisition. When a subsequent disposal occurs any related goodwill previously written off to reserves is written back through the profit and loss account as part of the profit or loss on disposal. Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on consolidation in respect of acquisitions since 1 July 1997 is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life.

1 Accounting policies (continued)

d) Goodwill and negative goodwill (continued)

Negative goodwill arising on consolidation in respect of acquisitions since 1 July 1997 is included within fixed assets and released to the profit and loss account in the periods in which the fair values of the non-monetary assets purchased on the same acquisition are recovered, whether through depreciation or sale.

On the subsequent disposal of a business acquired since 1 July 1997, the profit or loss on disposal is calculated after charging/(crediting) the unamortised amount of any related goodwill/(negative goodwill).

e) Investments

In the Company's financial statements investments in subsidiary undertakings, associates and joint ventures are stated at cost less amounts written off for any permanent diminution in value. Loans to associates and joint ventures are included within investments.

f) Player registrations and signing on fees

Transfer fees and amounts paid to third parties for player registrations are capitalised as intangible fixed assets and are amortised on a straight line basis over the period of the respective player's initial contract. Any transfer fees payable as a result of the occurrence of one or more uncertain future events are capitalised when it is probable such an event will occur.

Player registrations are assessed on an annual basis and impairment losses arising are charged to the profit and loss account in the period in which they arise. Any surpluses arising are not accounted for.

Player signing on fees have been expensed to the profit and loss account as wages and salaries over the period to which they relate. The profit/(loss) on the disposal of a player registration is calculated after charging any signing on fees which become payable as a result of the disposal.

g) Depreciation

Depreciation is provided to write off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic life as follows:

Freehold buildings - 50 years
Leasehold land and buildings - 50 years
Plant and equipment - 4 to 40 years

No depreciation is provided on freehold land.

h) Grants

Grants in respect of capital expenditure on assets which are depreciated are treated as deferred income, a portion of which is transferred to revenue annually over the estimated useful life of the asset. Grants are recognised in the financial statements when they are received.

i) Leases

Assets acquired under finance leases and similar hire purchase contracts are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

1 Accounting policies (continued)**j) Stocks**

Stocks, which comprise consumables, are stated at the lower of cost and net realisable value. Cost is determined on a first-in first-out basis.

k) Related party transactions

The directors have taken advantage of the exemption in Financial Reporting Standard 8, paragraph 3(a) and have not disclosed transactions or balances with Group entities that have been eliminated on consolidation.

l) Turnover

Turnover comprises income from television rights, gate receipts, merchandising royalties, sponsorships and other commercial activities, exclusive of value added tax.

m) Pension costs

The Group pays contributions to personal money purchase schemes for eligible employees and accounts for the amount due in each year as a cost to the profit and loss account.

n) Taxation

The charge for taxation is based on the profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required in FRS 19.

2 Turnover

Turnover derives from the Group's principal activities and arises wholly within the UK.

3 Analysis of continuing and discontinued operations

	2002			2001		
	Continuing	Discontinued	Total	Continuing	Discontinued	Total
	£000	£000	£000	£000	£000	£000
Turnover	9,889	-	9,889	7,156	38	7,194
Staff costs	(5,962)	-	(5,962)	(4,867)	(15)	(4,882)
Other operating charges	(2,069)	-	(2,069)	(2,022)	(9)	(2,031)
Depreciation and amortisation of player registrations	(1,586)	-	(1,586)	(1,100)	-	(1,100)
Operating profit/(loss)	272	-	272	(833)	14	(819)

4 Profit/loss on ordinary activities before taxation

This is stated after charging/(crediting):

	2002	2001
	£000	£000
Auditors' remuneration:		
Audit fees	12	12
Other fees paid to the auditors and their associates	2	2
Amortisation of player registrations (Note 13)	1,224	786
Depreciation (Note 14)	362	314
Release of grants	(40)	(32)
Profit on disposal of player registrations and manager (Note 5)	(4,271)	(592)
(Profit)/loss on disposal of tangible fixed assets (Note 5)	(3)	184
Operating lease rentals - plant and equipment	34	33
	<u> </u>	<u> </u>

Auditors remuneration for the audit of the parent company is £10,000 (2001: £10,000).

5 Profit on sale of fixed assets

The net profit on disposal of fixed assets of £4,274,000 (2001: £408,000) relates principally to the profit on sale of Jonathan Macken to Manchester City, the loss on sale of Steve Robinson to Luton Town and compensation received when the former team manager, David Moyes, joined Everton. The net profit on the disposal of player registrations is taxable at the standard rate of 30%.

6 Staff numbers and costs

Staff costs, including directors, comprised:

	2002	2001
	£000	£000
Wages and salaries	5,331	4,358
Social security costs	562	466
Other pension costs	69	58
	5,962	4,882

Wages and salaries include signing on fees for football players of £659,000 (2001: £452,000).

The average number of persons employed by the Group, including directors, was as follows:

	2002	2001
	Number	Number
Players, managerial and training staff	80	89
Sales, administration and ancillary staff	24	22
	104	111

In addition to the above, the Group employed an average of 212 (2001: 214) match-day staff during the year.

7 Directors' emoluments

	2002	2001
	£000	£000
Emoluments payable to directors	195	153
Fees payable to related parties	6	6
Pension contributions	14	10
Compensation for loss of office	7	-
	222	169

Two directors (2001: one) are accruing retirement benefits under a personal money purchase pension scheme to which the Company makes contributions.

Director's fees in respect of HP Nash are paid to Noble & Company Limited.

Details of directors share options may be found under 'directors and their interests' in the 'Report of the Directors'.

8 Other interest receivable and similar income

	2002 £000	2001 £000
On bank deposits	41	123

9 Interest payable and similar charges

	2002 £000	2001 £000
On bank loans and overdrafts	140	146
On all other loans	1	29
On hire purchase contracts	37	-
	<u>178</u>	<u>175</u>

10 Taxation

	2002 £000	2001 £000
Taxation on the profit for the year		
Current year tax charge at 30%	-	-
Movement on deferred taxation (note 21)	40	5
	<u>40</u>	<u>5</u>

The corporation tax charge for the year is lower than expected due to the availability of tax losses brought forward. These losses were not recognised as a deferred tax asset (see note 21).

Profit/(loss) on ordinary activities before taxation	4,405	(414)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2001: 30%)	1,322	(124)
Effects of:		
Relief for losses brought forward	(1,314)	-
Expenses not deductible for tax purposes	-	11
Difference between depreciation and capital allowances for the period	(6)	94
Trading losses carried forward (net)	-	24
Other	(2)	(5)
Current tax charge for the period	<u>-</u>	<u>-</u>

11 Earnings per share

The calculation of earnings per share is based on profits of £4,365,000 (2001: restated £419,000 loss) and on ordinary shares of 3,295,679 (2001: 3,140,425) being the weighted average number of shares in issue during the year.

12 Company result for the financial year

Preston North End plc has not presented its own profit and loss account as permitted by section 230 of the Companies Act 1985. The loss for the financial year as dealt with in the accounts of the Company is £14,000 (2001: restated profit £1,609,000).

13 Intangible fixed assets

Group	Player registrations £000
Cost	
At 1 July 2001	4,332
Additions	1,972
Disposals	(1,112)
At 30 June 2002	5,192
Amortisation	
At 1 July 2001	1,958
Charge for the year	1,224
On disposals	(917)
At 30 June 2002	2,265
Net book value	
At 30 June 2002	2,927
At 30 June 2001	2,374

14 Tangible fixed assets

	Freehold buildings	Long leasehold land and buildings	Plant and equipment	Total
Group and company	£000	£000	£000	£000
Cost or valuation				
At 1 July 2001	46	8,505	3,588	12,139
Additions	-	514	1,150	1,664
Disposals	-	-	(20)	(20)
At 30 June 2002	46	9,019	4,718	13,783
Accumulated depreciation				
At 1 July 2001	3	447	897	1,347
Charge for year	-	172	190	362
Disposals	-	-	(20)	(20)
At 30 June 2002	3	619	1,067	1,689
Net book value				
At 30 June 2002	43	8,400	3,651	12,094
At 30 June 2001	43	8,058	2,691	10,792
Historical cost at 30 June 2002				
Historical cost	46	7,917	4,718	12,681
Accumulated depreciation	(3)	(515)	(1,067)	(1,585)
Net historical cost	43	7,402	3,651	11,096

The leasehold land and buildings are occupied on a 125 year lease. Included in long leasehold land and buildings are assets at a book value of £1,249,000 (2001: £1,405,000), which were valued by an external valuer on a depreciated replacement cost basis in May 1995.

In June 2001 the leasehold land and buildings were valued by an external valuer, Dunlop Heywood Lorenz, Consultant Surveyors, on a depreciated replacement cost basis at £13,570,000. This valuation has not been incorporated in the financial statements.

Included in the total net book value of long leasehold land and buildings of the Group and Company is £724,000 (2001: £280,000) in respect of assets held under hire purchase contracts. Depreciation charged for the year on these assets was £14,000 (2001: £nil).

15 Investments

Company

	Shares in Group undertakings	Loans to Joint Venture	Total
	£000	£000	£000
Cost and net book value			
At 1 July 2001	289	40	329
Addition	-	2	2
At 30 June 2002	289	42	331

The principal operating subsidiary undertaking and joint venture company at 30 June 2002 are set out below.
Both operate in the United Kingdom and are registered in England.

	Principal activity	Class and percentage of shares held and voting rights
Subsidiary undertaking		
The Preston North End Football Club Limited	Professional Football League Club	100% ordinary
Joint venture		
Extra Time Limited	Retail operator	50% ordinary

16 Investment in joint venture

The Group has a joint venture with The Chase Creative Consultants Limited to operate the retail outlet at The National Football Museum. The investment of the Group in the joint venture is as noted below:

	2002	2001
	£000	£000
Share of net liabilities at beginning of period	(24)	-
Share of retained losses	(4)	(24)
Share of net liabilities at end of period	(28)	(24)
Loans to joint venture	42	40
Total fixed asset investment	14	16

The Group's share of the joint venture's turnover for the year was £18,000 (2001: £12,000).

17 Stocks

	Group and Company	
	2002	2001
	£000	£000
Consumables	38	40

18 Debtors

	Group		Company	
	2002	2001	2002	2001
	£000	£000	£000	£000
Trade debtors	223	153	188	153
Amounts owed by subsidiary undertakings	-	-	7,136	7,136
Other debtors	2,532	574	35	663
Prepayments and accrued income	115	631	10	42
	2,870	1,358	7,369	7,994

Amounts owed by subsidiary undertakings are repayable in more than one year. In addition, debtors of the Group and Company include amounts of £340,000 and £90,000 respectively which are receivable in more than one year.

19 Creditors: amounts falling due within one year

	Group		Company	
	2002	2001	2002	2001
	£000	£000	£000	£000
Bank loans and overdrafts	278	276	278	276
Other loans	-	160	-	160
Football Foundation loans	150	50	150	50
Obligations under hire purchase contracts	171	50	171	50
Trade creditors	194	531	194	531
Other taxation and social security	470	258	19	-
Other creditors	693	756	9	3
Accruals and deferred income	1,743	1,267	1,751	198
	<u>3,699</u>	<u>3,348</u>	<u>2,572</u>	<u>1,268</u>

20 Creditors: amounts falling due after more than one year

	Group		Company	
	2002	2001	2002	2001
	£000	£000	£000	£000
Bank loans	1,805	2,085	1,805	2,085
Football Foundation loans	133	58	133	58
Obligations under hire purchase contracts (within five years)	457	230	457	230
Accruals and deferred income	2,328	2,069	2,328	1,329
	<u>4,723</u>	<u>4,442</u>	<u>4,723</u>	<u>3,702</u>

20 Creditors: amounts falling due after more than one year (continued)**Bank loans**

The bank loans and overdrafts of the Group and Company are secured by a first legal mortgage over the football stadium at Deepdale, Preston and a debenture over the Group's fixed and floating assets. Included within bank loans are the following amounts which are repayable by instalments:

	2002	2001
	£000	£000
Instalments payable:		
Within one year	278	276
Between one and two years	278	278
Between two and five years	831	831
After five years	696	976
	2,083	2,361

The Group and Company has a bank loan of £2,083,000 (2001: £2,361,000), repayable by January 2010.

The loan is repayable in quarterly instalments of £69,444 (excluding interest) and attracts interest at 1.25% over the bank base rate.

Football Foundation loans

Football Foundation loans of £58,000 (2001: £108,000) and £225,000 (2001: £nil) are interest free and repayable in monthly instalments of £4,167 and £8,333 respectively.

Accruals and deferred income

Accruals and deferred income include capital grants of £2,084,000 (2001: £1,209,000) which are to be released to the profit and loss account in more than five years.

21 Provisions for liabilities and charges

	Group and Company	Restated
	2002	2001
	£000	£000
Deferred taxation		
At beginning of year	1,017	1,012
Charge to the profit and loss account	40	5
At end of year	1,057	1,017

21 Provisions for liabilities and charges (continued)

The elements of deferred taxation are as follows:

	Group and Company	
	2002	Restated 2001
	£000	£000
Accelerated capital allowances	1,057	1,032
Other timing differences	-	(15)
Deferred tax liability	1,057	1,017

At 30 June 2002 the Group's subsidiary undertaking, Preston North End Football Club Limited, had tax losses carried forward of £0.4 million (2001: £4.8 million). A deferred tax asset has not been recognised in respect of these losses.

22 Financial instruments

The Group's financial instruments at the year end comprised cash, bank borrowings, hire purchase finance and various non derivative financial instruments such as trade debtors and trade creditors. As permitted by Financial Reporting Standard 13 short term debtors and creditors have been excluded from the disclosures in this note.

The Group uses financial instruments to manage financial and commercial risk wherever it is appropriate to do so. An explanation of the Group's treasury policy can be found on page 11 of the Report of the Directors. The main risks arising from the Group's financial instruments are interest rate risk and liquidity risk.

Interest rate risk

The Group finances its operations by a mixture of retained profits, bank borrowings and hire purchase arrangements.

The interest rate risk profile of the Group's financial liabilities is as follows:

	2002	2001
	Sterling	Sterling
	£000	£000
Financial liabilities:		
Fixed rate	628	280
Floating rate	2,083	2,521
No interest paid	283	108
	2,994	2,909
 Fixed rate weighted average interest rate at 30 June	 6.5%	 6.5%

Interest on floating rate financial liabilities is based on the relevant bank base rate plus 1.25%.

The Group has no derivative financial instruments at 30 June 2002 (2001: £nil) and in the opinion of the Board the fair value of the Group's financial assets and liabilities is equal to book value.

22 Financial instruments (continued)**Liquidity risk**

Throughout the year the Group's policy has been to ensure the continuity of funding through loan and hire purchase funding. Short term flexibility is achieved by overdraft facilities. The maturity profile of financial liabilities is as follows:

	2002	2001
	£000	£000
Due within one year	599	536
Due between one and two years	557	388
Due between two and five years	1,144	1,014
After five years	694	971
	2,994	2,909

23 Called up share capital

	2002	2001
	£000	£000
Authorised		
8,000,000 (2001: 8,000,000) ordinary shares of £1 each	8,000	8,000
Allotted, issued and paid		
3,295,679 (2001: 3,295,679) ordinary shares of £1 each	3,296	3,296

24 Share premium and reserves

Group	Share premium account	Revaluation reserve	Profit and loss account
	£000	£000	£000
At 1 July 2001 - as previously reported	7,051	1,020	(3,972)
Prior year adjustment	-	-	(1,017)
Restated	7,051	1,020	(4,989)
Retained profit for year	-	-	4,365
Transfer	-	(22)	22
At 30 June 2002	7,051	998	(602)
Company			
At 1 July 2001 - as previously reported	7,051	1,020	3,423
Prior year adjustment	-	-	(1,017)
Restated	7,051	1,020	2,406
Retained loss for year	-	-	(14)
Transfer	-	(22)	22
At 30 June 2002	7,051	998	2,414

25 Reconciliation of movements in shareholders' funds

	2002	Restated 2001
	£000	£000
Profit/(loss) for the financial year	4,365	(419)
New share capital subscribed (net of expenses)	-	2,537
Negative goodwill reinstated on disposal	-	(73)
Net addition to shareholders' funds	4,365	2,045
Opening shareholders' funds (originally £5,345,000 before prior year adjustment of £1,012,000)		
	6,378	4,333
Closing shareholders' funds	10,743	6,378

26 Reconciliation of operating loss to net cash flow from operating activities

Group	2002	2001
	£000	£000
Operating profit/(loss)	272	(819)
Depreciation	362	314
Amortisation of player registrations	1,224	786
Release of grants	(40)	(32)
Decrease/(increase) in stocks	2	(14)
Decrease/(increase) in debtors	737	(646)
(Decrease)/increase in creditors	(132)	388
Net cash flow from operating activities	2,425	(23)

Cash inflows from operating activities of £nil (2001: £7,000) relate to discontinued operations.

27 Analysis of cash flows for headings summarised in the cash flow statement

Group	2002	2001
	£000	£000
Returns on investments and servicing of finance		
Interest received	41	123
Interest paid	(141)	(175)
Interest element of hire purchase payments	(37)	-
Net cash outflow from returns on investment and servicing of finance	(137)	(52)
Capital expenditure		
Payments to acquire tangible fixed assets	(1,891)	(1,293)
Payments to acquire intangible fixed assets	(2,609)	(1,695)
Receipts from sales of tangible fixed assets	3	-
Receipts from sales of intangible fixed assets	2,715	384
Capital grant received	1,085	-
Net cash outflow from capital expenditure	(697)	(2,604)
Acquisitions		
Investment in joint venture	(2)	(40)
Financing		
Issue of ordinary share capital	-	2,587
New loans	300	-
New hire purchase agreement	457	-
Repayment of loans	(563)	(393)
Capital element of hire purchase payments	(109)	-
Net cash inflow from financing	85	2,194

28 Reconciliation of net debt to the amounts shown in the balance sheet

Group	At 1 July 2001 £000	Cash flow £000	Non cash movement £000	At 30 June 2002 £000
Cash at bank and in hand	605	1,674	-	2,279
Debt due within 1 year	(486)	462	(404)	(428)
Debt due after 1 year	(2,143)	(199)	404	(1,938)
Hire purchase	(280)	109	(457)	(628)
	(2,909)	372	(457)	(2,994)
Net	(2,304)	2,046	(457)	(715)

29 Leasing commitments

The Group has annual commitments under operating leases in respect of plant and equipment expiring within one and five years amounting to £34,000 (2001: £33,000).

30 Post balance sheet events

On 1 July 2002 the Group purchased the registration of Ricardo Fuller from Tivoli Gardens and on 2 July 2002 the Group purchased the registration of Tyrone Mears from Manchester City. On 5 August 2002 the Group sold the registration of Sean Gregan to West Bromwich Albion. On 29 August 2002, the Group acquired the registration of Eddie Lewis from Fulham.

31 Related party disclosures**Baxi Partnership Limited ("BPL")**

Until June 2002 BPL owned 31.1% of the issued share capital of the Company.

On the 7 February 2002 a loan of £160,000 was repaid to BPL. The loan carried interest at bank base rate plus 5%.

Baxi Limited

BM Gray is a director of Baxi Group Limited.

Baxi Limited were the shirt sponsors for The Preston North End Football Club Limited up until 30 June 2002. In return for a cash consideration, Baxi Limited were entitled to display its name on all Preston North End Football Club's team wear and related merchandise, to receive advertising space within the Deepdale stadium, and to take advantage of various corporate hospitality opportunities at the Football Club.

The National Football Museum Limited ("NFM")

For part of the year ended 30 June 2002 BM Gray was both Chairman of the Company and a trustee of NFM.

During the year £145,000 was accrued (2001: £145,000) for the rent of elements of the Sir Tom Finney and Bill Shankly stands. Payment of £72,500 has been received against these amounts.

During the year NFM have made payment of £125,000 against the loan outstanding of £160,000. The unpaid elements of the rental and loan accounts have been aggregated to form a loan of £100,000 (the balance of £7,500 has been written off). The loan is interest bearing at base plus 2% and is repayable in monthly instalments over a five year period commencing on 1 January 2003.

Noble & Company Limited

HP Nash, a director of the Company, is also a director of Noble & Company Limited, the Company's nominated advisor under the Alternative Investment Market rules. Advisors fees paid to Noble & Company during the year were £16,000 (2001: £6,000).

Executive Directors

aged 37

Tony Scholes joined the Company in August 1996, was appointed as its Finance Director and Company Secretary in October 1996, and became Chief Executive in May 1999. Prior to this he was a Senior Manager of KPMG. During the course of the year, Tony was appointed to the Board of the Football League and the FA Council.

aged 38

Simon Beard joined the Company in December 2001 as Finance Director. Prior to this he has been Finance Director of Snackhouse plc and Morris Group plc. Simon qualified as a Chartered Accountant in 1989 having trained with KPMG.

aged 45

Derek Shaw is Chairman and owner of Ribbles Valley Shelving Limited. He has been a Director of the Company since February 1994 and was appointed Chairman this year.

aged 58

Hugh Nash is a Director of Noble & Company, the corporate finance division of Noble Group Limited, an Edinburgh based investment banking group. He was formerly vice president of corporate banking with Citicorp in Australia and subsequently was a director of Greig Middleton where he was head of their corporate finance operation in Scotland. Greig Middleton were formerly, and Noble & Company now are, the Company's financial adviser.

aged 53

David Taylor is currently a Director of, and advisor to, a number of quoted and unquoted companies. Previous roles include Chief Executive of Enterprise plc, Chief Executive of English Partnerships and Managing Director of AMEC Developments Limited.

aged 36

Steve Jackson is the founding director of New Reg Limited, a UK leader in cherished registration plates, and a number of internet based businesses, including UKIP, a major UK internet domain house.

Advisors

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Financial Advisors/Stockbroker:

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