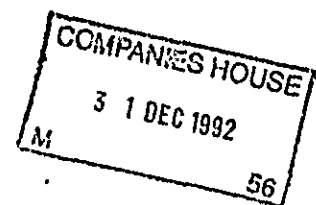


Newcastle United PLC

Directors' report and financial statements

for the year ended 31 May 1992

Registered number 2529667



Newcastle United PLC

Directors' report and consolidated financial statements

<i>Contents</i>	<i>Page</i>
Directors' report	1
Auditors' report	4
Consolidated profit and loss account	5
Consolidated balance sheet	6
Parent company balance sheet	6
Consolidated cash flow statement	7
Notes	8 - 22

Newcastle United PLC

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 May 1992.

Principal activities

The principal activity of the company during the year was that of a holding company. The principal activity of the company's subsidiary undertaking was that of a professional football club.

Business review

The group incurred a significant loss for the second year in succession. A review of the group's business is being carried out by the new Board of Directors in order to develop a five year programme of financial measures and other initiatives capable of arresting the accumulated losses of past years.

Post balance sheet events

On 28 May 1992 it was announced that Cameron Hall Developments Limited were to make an unconditional offer for the entire issued share capital of the company which they did not already own. The offer closed on 6 July 1992 by which time Cameron Hall Developments Limited had acquired 87.64% of the company. Consequently the company is now a subsidiary undertaking of Cameron Hall Developments Limited.

On 28 August 1992 the company was deregistered as a public limited company and re-registered as a private limited company. The new name of the company is Newcastle United Limited.

Results

The loss for the year was £2,306,491 (1991: £2,998,467).

Significant changes in fixed assets

The movements in tangible fixed assets are shown in note 7.

Newcastle United PLC

Directors' report

Directors and directors' interests

The directors who held office during the year were as follows:

Sir John Hall (appointed 18 November 1991, Chairman from 27 December 1991)
G R Forbes (Chairman until 27 December 1991)
W G McKeag (resigned 18 November 1991)
S Seymour (resigned 18 November 1991)
P C Mallinger
R Young
R Cushing (resigned 18 November 1991)
D S Hall (appointed 18 November 1991)
W F Shepherd (appointed 18 November 1991)
D McVickers (appointed 18 November 1991)

The following changes in directors have occurred since the year end:

R Jones (appointed 31 July 1992)
G R Forbes (resigned 7 July 1992)
P C Mallinger (resigned 7 July 1992)
D McVickers (resigned 7 July 1992)
R Young (resigned 10 July 1992)

The directors who held office at the end of the financial year had the following interests in the ordinary shares of the company:

	Number of ordinary shares of 50p each	
	31 May 1992	At 31 May 1992 or date of appointment if later
G R Forbes	138,795	331,325
P C Mallinger	580,590	520,590
R Young	1,232,382	730,887
Sir John Hall	10,000	-
D S Hall	10,000	-
W F Shepherd	491,589	-
D McVickers	-	-

The Directors are sad to record the death of Mr Stan Seymour, the club's president. Mr Seymour, who was previously a director of the company, died on 5 November 1992.

Newcastle United PLC

Directors' report (continued)

Political and charitable contributions

The group made no political contributions during the year. Donations to UK charities amounted to £10,872.

Auditors

On 18 August 1992, Coopers and Lybrand Deloitte resigned as auditors to the company and KPMG Peat Marwick were appointed.

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Peat Marwick as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



Secretary

St James' Park
Newcastle upon Tyne
NE1 4ST

30 December 1992

Maybrook House
27 Grainger Street
Newcastle upon Tyne
NE1 5JT

Report of the auditors to the members of Newcastle United PLC.

We have audited the financial statements on pages 5 to 22 in accordance with Auditing Standards.

The financial statements have been prepared on a going concern basis and the validity of this depends upon the continuing support of the group's bankers and other providers of finance. In the absence of such support this basis would be invalid. Adjustments would then have to be made to value assets at their recoverable amount, to provide for any further liabilities which might arise, and to reclassify fixed assets and long term liabilities as current assets and liabilities.

Subject to the group's bankers and other providers of finance continuing to provide the group with adequate sources of finance, in our opinion the financial statements give a true and fair view of the state of affairs of the company and the group at 31 May 1992 and of the loss and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Walter Peat Marwick

Chartered Accountants
Registered Auditor

30 December 1992
Newcastle upon Tyne

Newcastle United PLC

Consolidated profit and loss account for the year ended 31 May 1992

	Note	1992 £	1991 £
Turnover		5,292,822	4,190,797
Other operating income		<u>582,341</u>	<u>226,982</u>
		5,875,163	4,417,779
Payroll costs	4	(2,880,108)	(2,309,443)
Signing on fees	4	(494,585)	(444,887)
Depreciation		(450,570)	(387,277)
Other operating costs		<u>(2,779,862)</u>	<u>(2,238,086)</u>
Operating loss		(729,962)	(961,914)
Interest receivable and similar income	5	2,098	5,085
Interest payable and similar charges	6	(602,261)	(622,129)
Cost of change of team manager		(290,449)	(293,166)
Net transfer fees		(685,917)	(669,461)
Share issue costs		<u>-</u>	<u>(456,882)</u>
Loss on ordinary activities before taxation	2-4	(2,306,491)	(2,998,467)
Taxation	14	<u>-</u>	<u>-</u>
Loss for the financial year		<u>(2,306,491)</u>	<u>(2,998,467)</u>

A statement of movements on reserves is given in note 17.

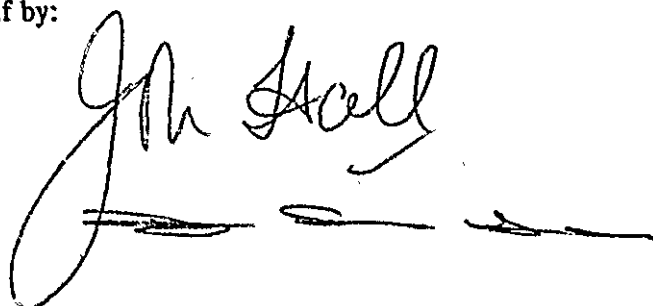
Newcastle United PLC

Balance sheets at 31 May 1992

	Note	Group		Company	
		1992 £	1991 £	1992 £	1991 £
Fixed assets					
Tangible assets	7	10,212,515	10,200,815	-	-
Investments	8	-	-	3,994,968	3,994,968
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Current assets					
Stocks	9	134,410	193,727	-	-
Debtors	10	635,505	399,812	1,209,743	42,798
Cash at bank and in hand		20,194	21,787	-	-
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
		790,109	615,326	1,209,743	42,798
Creditors: amounts falling due within one year	11	(5,164,903)	(3,385,995)	(305,555)	-
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net current (liabilities)/assets		(4,374,794)	(2,770,669)	904,188	42,798
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets less current liabilities		5,837,721	7,430,146	4,899,156	4,037,766
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Creditors: amounts falling due after more than one year	12	(3,492,902)	(3,609,897)	(194,445)	(500,000)
Deferred income	15	(1,403,204)	(1,739,088)	-	-
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net assets		941,615	2,081,161	4,704,711	3,537,766
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Capital and reserves					
Called up share capital	16	5,161,913	3,994,968	5,161,913	3,994,968
Revaluation reserve	17	1,132,528	1,180,562	-	-
Profit and loss account	17	(5,352,826)	(3,094,369)	(457,202)	(457,202)
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
		941,615	2,081,161	4,704,711	3,537,766
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

These financial statements were approved by the board of directors on 30 December 1992 and were signed on its behalf by:

Director



Newcastle United PLC

Consolidated cash flow statement
for the year ended 31 May 1992

	No.	1992 £	1991 £
Net cash outflow from operating activities	20	(1,063,476)	(1,165,957)
Return on investments and servicing of finance			
Interest received		2,046	5,039
Interest paid		(575,895)	(600,019)
Interest element of finance lease rental payments		(26,366)	(22,110)
Dividends received		52	46
Net cash outflow from returns on investment and servicing of finance		(600,163)	(617,044)
Investing activities			
Purchase of tangible fixed assets		(543,639)	(250,958)
Sale of tangible fixed assets		74,817	23,916
Net cash outflow from investing activities		(468,822)	(227,042)
Net cash outflow before financing		(2,132,461)	(2,010,043)
Financing			
Issue of ordinary share capital		(1,166,945)	-
Repayment of amounts borrowed		657,128	449,874
New short-term loans		(316,500)	(1,450,000)
Receipt of grants/sponsorship		(44,034)	(1,000,000)
Finance lease capital raised		(90,800)	(95,622)
Capital element of finance lease rental payments		85,844	78,240
Expenses paid in connection with share issue		-	456,882
Net cash inflow from financing		(875,307)	(1,560,626)
Decrease in cash and cash equivalents	21	(1,257,154)	(449,417)
		(2,132,461)	(2,010,043)

Newcastle United PLC

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules, modified to include the revaluation of certain assets. They have been prepared on the going concern basis on the assumption that the group's bankers and other providers of finance will continue to support the group.

Basis of consolidation

The group financial statements include the results of Newcastle United PLC and its subsidiary undertaking for the year ended 31 May 1992.

In accordance with Section 230(4) of the Companies Act 1985 Newcastle United PLC is exempt from the requirement to present its own profit and loss account. The company is a holding company and did not trade during the year and consequently made neither a profit or a loss (1991: loss £457,182).

Fixed assets and 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 lives as follows:

Residential properties and		
Benwell Sports Hall	-	60 years
Ground erections and equipment	-	6 years
East Stand Executive Boxes	-	20 years
Ground developments	-	Life of St James' Park lease
Fixtures and fittings	-	6 years
Motor vehicles	-	4 years

No depreciation is provided on freehold land.

Newcastle United PLC

Notes (continued)

1 Accounting policies (continued)

Grants

Grants received from the Football Grounds Improvement Trust and other related grants are included within accruals and deferred income in the balance sheet and credited to trading profit over the estimated useful economic lives of the assets to which they relate.

Leases

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

Stocks

Stocks comprise goods for resale in the club shops and bar and catering stocks throughout the ground. They are stated at the lower of cost and net realisable value.

Turnover

Turnover represents all income arising from the activities of the Football Club. Transfer fees received are excluded and are shown separately in the profit and loss account.

Transfer fees, signing-on fees and loyalty bonuses

Transfer fees payable and receivable are charged or credited in full to the profit and loss account at the time at which the transfer takes place. Signing-on fees and loyalty bonuses paid to players are charged to the profit and loss account according to the due date for payment. Transfer fees contingent on future appearances and signing-on fees due in the future on continued service are not provided for but are noted as contingent liabilities.

Newcastle United PLC

Notes (continued)

1 Accounting policies (continued)

Deferred taxation

Deferred taxation is provided at current rates under the liability method on all material timing differences to the extent that it is likely that a liability will crystallise in the foreseeable future.

Assets acquired for non cash consideration

The group has entered into a number of agreements whereby fixed assets are supplied in return for advertising, match tickets and hospitality facilities.

Fixed assets acquired in this way are capitalised at their estimated market value at the date of the agreement and a corresponding credit is made to deferred income.

Of the amount capitalised an amount equal to the value of the facilities provided is credited to the profit and loss account over the period of the agreement between the two parties.

The excess of the capitalised value of the asset, if any, over the value of the facilities provided in return, is released to income over the life of the asset.

2 Loss on ordinary activities before taxation

	1992 £	1991 £
<i>Loss on ordinary activities before taxation is stated</i>		
<i>after charging</i>		
Auditors' remuneration:	15,000	13,000
Depreciation and other amounts written off tangible fixed assets:		
Owned	405,239	336,798
Leased	45,331	50,479
Hire of other assets - operating leases	50,084	47,483

Newcastle United PLC

Notes (continued)

3 Remuneration of directors

	1992 £	1991 £
Directors' emoluments:		
Benefits in kind	2,798	3,622
Remuneration as executives	21,265	43,563
	<u>24,063</u>	<u>47,185</u>

The emoluments, excluding pension contributions, of the chairman to 27 December 1991 were £967, and from 27 December to 31 May 1992 £Nil (1991 :£1,050). The emoluments of the highest paid director during the year were £19,476 (1991: £39,913).

The emoluments, excluding pension contributions, of the directors (including the chairman and highest paid director) were within the following ranges:

	Number of directors	
	1992	1991
£0 - £ 5,000	9	7
£15,001 - £20,000	1	-
£35,001 - £40,000	-	1

4 Staff numbers and costs

The average number of persons employed by the group (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	1992	1991
Full-time	116	96
Part-time	194	50
	<u>310</u>	<u>146</u>

The increase in employee numbers reflects the inclusion of gatemen within part-time employees for 1992.

Newcastle United PLC

Notes (continued)

4 Staff numbers and costs (continued)

The aggregate payroll costs including signing on fees of these persons were as follows:

	1992 £	1991 £
Wages and salaries	3,380,788	2,639,522
Social security costs	264,889	217,900
Other pension costs	19,465	30,074
	<u>3,665,142</u>	<u>2,887,496</u>
Less: staff costs attributable to change of team manager	(290,449)	(133,166)
	<u>3,374,693</u>	<u>2,754,330</u>
Disclosed as:		
Payroll costs	2,880,108	2,309,443
Signing on fees	494,585	444,887
	<u>3,374,693</u>	<u>2,754,330</u>

5 Interest receivable and similar income

	1992 £	1991 £
Bank deposit interest	2,046	5,039
Other income	52	46
	<u>2,098</u>	<u>5,085</u>

6 Interest payable and similar charges

	1992 £	1991 £
On bank loans, overdrafts and other loans wholly repayable within five years	259,378	198,785
On all other loans	316,517	401,234
Finance charges payable in respect of finance leases and hire purchase contracts	26,366	22,110
	<u>602,261</u>	<u>622,129</u>

Newcastle United PLC

Notes (continued)

7 Tangible fixed assets

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
Group				
<i>Cost or valuation</i>				
At beginning of year	10,252,433	605,743	114,906	10,973,082
Additions	276,706	236,008	30,925	543,639
Disposals	(87,848)	-	(13,499)	(101,347)
	<u>10,441,291</u>	<u>841,751</u>	<u>132,332</u>	<u>11,415,374</u>
<i>Depreciation</i>				
At beginning of year	406,361	321,397	44,509	772,267
Charge for year	293,324	120,404	36,842	450,570
On disposals	(11,879)	-	(8,099)	(19,978)
	<u>687,806</u>	<u>441,801</u>	<u>73,252</u>	<u>1,202,859</u>
<i>Net book value</i>				
At 31 May 1992	<u>9,753,485</u>	<u>399,950</u>	<u>59,080</u>	<u>10,212,515</u>
At 31 May 1991	<u>9,846,072</u>	<u>284,346</u>	<u>70,397</u>	<u>10,200,815</u>

Included within fixed assets are assets held under finance leases with the following net book values: land and buildings £21,982 (1991: £32,971), fixtures and fittings £109,539 (1991: £44,828) and motor vehicles £56,614 (1991: £65,533).

Included with land and buildings is land with a cost value of £68,165 (1991: £68,165) on which no depreciation has been charged.

Newcastle United PLC

Notes (continued)

7 Tangible fixed assets (continued)

The net book value of land and buildings comprises:

	1992 £	1991 £
Freehold	293,730	208,321
Long leasehold	9,451,838	9,637,751
Short leasehold	7,917	-
	<u>9,753,485</u>	<u>9,846,072</u>

Particulars relating to assets which were revalued at 1 January 1990 are given below:

	1992 £	1991 £
<i>Land and buildings</i>		
At valuation	9,969,500	9,982,000
Aggregate depreciation thereon	<u>629,991</u>	<u>371,845</u>
Net book value	<u>9,339,509</u>	<u>9,610,155</u>
 Historical cost of revalued assets	 7,477,339	 7,502,339
Aggregate depreciation based on historical cost	<u>1,427,100</u>	<u>1,168,955</u>
Historical cost net book value	<u>6,050,239</u>	<u>6,333,384</u>

Other tangible fixed assets, including subsequent additions to land and buildings, are included at cost.

Newcastle United PLC

Notes (continued)

8 Investment

	Company	
	1992	1991
	£	£
Investment in subsidiary at cost	<u>3,994,968</u>	<u>3,994,968</u>

The company holds 100% of the 7,989,936 issued 50p ordinary shares in Newcastle United Football Company Limited, a company registered in England and Wales. The principal activity of Newcastle United Football Company Limited is that of a professional football club.

9 Stocks

	Group	
	1992	1991
	£	£
Consumables	23,061	19,258
Goods for resale	<u>111,349</u>	<u>174,469</u>
	<u>134,410</u>	<u>193,727</u>

10 Debtors

	Group		Company	
	1992	1991	1992	1991
	£	£	£	£
Amounts falling due within one year				
Trade debtors	564,724	328,232	-	-
Amounts owed by subsidiary undertaking	-	-	1,209,743	42,798
Other debtors	21,355	27,063	-	-
Prepayments and accrued income	<u>49,426</u>	<u>44,517</u>	<u>-</u>	<u>-</u>
	<u>635,505</u>	<u>399,812</u>	<u>1,209,743</u>	<u>42,798</u>

Newcastle United PLC

Notes (continued)

11 Creditors: amounts falling due within one year

	Group		Company	
	1992	1991	1992	1991
	£	£	£	£
Bank overdraft	2,306,096	1,050,535		
Bank loans (see note 13)	347,200	296,795		
Other loans (see note 13)	607,329	449,233	-	-
Obligations under finance leases and hire purchase contracts (see note 13)	75,277	58,356	-	-
Trade creditors	997,506	675,016	-	-
Other creditors including taxation and social security:				
Social security	150,472	134,609	-	-
Other creditors	196,527	125,505	-	-
Accruals and deferred income	484,496	595,946	305,555	-
	<u>5,164,903</u>	<u>3,385,995</u>	<u>305,555</u>	<u>-</u>

12 Creditors: amounts falling due after more than one year

	Group		Company	
	1992	1991	1992	1991
	£	£	£	£
Bank loans (see note 13)	2,240,800	2,540,600	-	-
Other loans (see note 13)	728,893	978,222	-	-
Obligations under finance leases and hire purchase contracts (see note 13)	67,246	79,211	-	-
Trade creditors	200,601	5,263	-	-
Other creditors	255,362	-	-	-
Accruals and deferred income	-	6,601	194,445	500,000
	<u>3,492,902</u>	<u>3,609,897</u>	<u>194,445</u>	<u>500,000</u>

Newcastle United PLC

Notes (continued)

13 Creditors: loans and obligations under finance leases and hire purchase contracts

i Bank loans

	Group	
	1992	1991
	£	£
Repayable within five years	1,548,000	1,300,820
Repayable after five years	1,040,000	1,536,575
	<hr/>	<hr/>
Due within one year	2,588,000	2,837,395
	(347,200)	(296,795)
	<hr/>	<hr/>
	2,240,800	2,540,600
	<hr/>	<hr/>

The bank loans and bank overdraft are secured by a mortgage on certain freehold land and buildings and by a fixed and floating charge over all the assets of the group.

The bank loans bear interest at 2¼ % above London Inter Bank Offer Rate (LIBOR) and are repayable by instalments as follows:

- a) Loan for £2,240,000 repayable in 60 equal quarterly instalments commencing on 31 December 1990;
- b) Loan for £348,000 repayable in equal quarterly instalments over 7 years from 18 November 1988.

ii Other loans

	Group	
	1992	1991
	£	£
Other loans repayable by instalments are as follows:		
Repayable within five years	1,108,647	1,116,167
Repayable after five years	227,575	311,288
	<hr/>	<hr/>
Due within one year	1,336,222	1,427,455
	(607,329)	(449,233)
	<hr/>	<hr/>
	728,893	978,222
	<hr/>	<hr/>

The principal terms of those loans partly repayable after more than five years are as follows:

- a) £222,222 is repayable in equal monthly instalments over 12 years from 1 February 1991. Interest is charged at the higher of 13 % or 3 % above the Bank of Scotland base rate but is waived provided the group comply with certain conditions regarding the purchase of drinks.

Newcastle United PLC

Notes (continued)

13 Creditors: loans and obligations under finance leases and hire purchase contracts (continued)

b) £422,000 repayable in equal monthly instalments over 8 years from 1 March 1991. Interest is charged at 1% per annum.

iii The maturity of obligations under finance leases and hire purchase contracts is as follows:

	Group	
	1992	1991
	£	£
Within one year	75,277	58,356
In the second to fifth years	67,246	79,211
	<u>142,523</u>	<u>137,567</u>

14 Provisions for liabilities and charges

No current taxation has been provided in the financial statements as the company has incurred a tax loss during the year.

The amounts provided for deferred taxation and the amounts not provided are set out below:

	Group		Group	
	Amount provided		Total Potential Liability	
	1992	1991	1992	1991
	£	£	£	£
Difference between accumulated depreciation and capital allowances	-	-	210,000	195,000
Other timing differences	-	-	(16,000)	(29,000)
Losses carried forward	-	-	(194,000)	(166,000)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

In the opinion of the directors, no liability to deferred tax arises on the revaluation of ground developments.

Newcastle United PLC

Notes (continued)

15 Deferred income

	Capital Grants	Assets received for non-cash consideration	Sponsorship	Total
	£	£	£	£
At beginning of year	713,490	164,487	861,111	1,739,088
Receivable during year	44,034	-	-	44,034
	<u>757,524</u>	<u>184,487</u>	<u>861,111</u>	<u>1,783,122</u>
Credited to trading profit	(16,609)	(29,976)	(333,333)	(379,918)
At end of year	<u>740,915</u>	<u>134,511</u>	<u>527,778</u>	<u>1,403,204</u>

16 Called up share capital

	1992 £	1991 £
<i>Authorised</i>		
20,000,000 Ordinary shares of 50p each	10,000,000	10,000,000
	<u> </u>	<u> </u>
<i>Allotted, called up and fully paid</i>		
10,323,825 (1991: 7,989,936) Ordinary shares of 50p each	5,161,913	3,994,968
	<u> </u>	<u> </u>

On 13 December 1991 the company made a rights issue to existing members and 2,333,889 ordinary shares at their par value of 50p each were allotted, thereby raising £1,166,945. The objective of the issue was to raise additional working capital for the company.

Newcastle United PLC

Notes (continued)

17 Reserves

	Group Revaluation reserve £	Profit and loss account £	Company Profit and loss account £
At beginning of year as previously reported	1,268,624	(3,182,431)	(457,202)
Prior year adjustment (see below)	(88,062)	88,062	-
At beginning of year restated	1,180,562	(3,094,369)	(457,202)
Loss for year	-	(2,306,491)	-
Transfer	(48,034)	48,034	-
At end of year	1,132,528	(5,352,826)	(457,202)

The prior year adjustment is in respect of a change of accounting policy by which the supplementary depreciation on revalued assets is charged against the revaluation reserve and a corresponding credit made to the Profit and Loss Account.

18 Contingent liabilities

At the end of the financial year the group had contingent liabilities in respect of signing on fee and loyalty bonuses amounting to a maximum of £655,760 in relation to the 1992/93 season which may become payable immediately under Football League rules if the players concerned leave the company. Additional transfer fees of £50,000 are payable to former clubs of certain players contingent upon future appearances of those players.

The company had no contingent liabilities.

19 Commitments

- (i) Capital commitments at the end of the financial year for which no provision has been made.

	Group	
	1992 £	1991 £
Contracted	-	89,638
Authorised but not contracted	-	-

Newcastle United PLC

Notes (continued)

19 Commitments (continued)

ii) Operating leases

Annual commitments under non cancellable operating leases are as follows:

	Group	
	1992	1991
	£	£
Due within one year	75,277	58,356
Due within one to five years	67,246	79,211
	<u>142,523</u>	<u>137,567</u>

20 Reconciliation of operating profit to net cash inflow/[outflow] from operating activities

	1992	1991
	£	£
Operating loss	(729,962)	(961,914)
Depreciation charge	450,570	387,277
Loss/(Profit) on sale of tangible fixed assets	6,550	(2,428)
Decrease/(increase) in stocks	59,317	(88,483)
(Increase)/decrease in debtors	(235,693)	423,039
Increase/(decrease) in creditors	836,310	(113,358)
Net transfer fees	(685,917)	(669,461)
Cost of change of team manager	(290,449)	(293,166)
Other items	(474,202)	152,537
	<u>(1,063,476)</u>	<u>(1,165,957)</u>
Net cash outflow from operating activities	(1,063,476)	(1,165,957)

Newcastle United PLC

Notes (continued)

21 Analysis of changes in cash and cash equivalents

	Cash	Overdraft	Net
Balance at 1 June 1990	5,201	(584,532)	(579,331)
Net cash inflow/(outflow)	16,586	(466,003)	(449,417)
Balance at 1 June 1991	21,787	(1,050,535)	(1,028,748)
Net cash outflow	(1,593)	(1,255,561)	(1,257,154)
Balance at 31 May 1992	20,194	(2,306,096)	(2,285,902)

22 Post balance sheet events

- i On 28 May 1992 it was announced that Cameron Hall Developments Limited were to make an unconditional offer for the entire issued share capital of the company which they did not already own. The offer closed on 6 July 1992 by which time Cameron Hall Developments Limited had acquired 87.64% of the company. Consequently the company is now a subsidiary undertaking of Cameron Hall Developments Limited.
- ii On 28 August 1992 the company was deregistered as a public limited company and re-registered as a private limited company. The new name of the company is Newcastle United Limited.