REGISTRAR

Newcastle United Limited

Report and Financial Statements
Registered number 2529667
30 June 2010

Corporate Information

Directors
D D Llambias
L Chamley

Secretary
J A Irving

Auditors
Ernst & Young LLP
Citygate
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Newcastle United Limited
Directors' report

The Directors of Newcastle United Limited present their Annual Report for the year ended 30 June 2010, together with the financial statements of the Group and the Independent Auditors' report for the year

Principal activities and business review

The principal activities of the Group during the year were the operation of a professional football club together with related and ancillary activities

Business review

The financial results for 2009/2010 reflect the impact of relegation to the Football League Championship and the refocusing of the Club's finances that was required as a result There was a 39% reduction in Turnover and Operating Costs were reduced by 24% The Group's operating loss before exceptional items and amortisation of players' registrations increased by 84% to £21 9 million The overall loss for the year was £17 1 million (2009 £15 2 million loss)

The finances of the Group were also significantly impacted by a reduction in the level of external Bank borrowings and an increase in the financial support received from the ultimate shareholder, Mike Ashley These changes are further analysed below

Financing

The Group is principally financed by shareholder's loans, together with some external Bank borrowings The overall level of debt between the start and end of the financial year remained at £150 million However the level of Bank borrowings fell by £25 million and this was replaced by a £25 million increase in loans from the ultimate shareholder In addition the ultimate shareholder advanced a further £13 million to the Group to finance the amounts due to the Club from other football clubs in respect of the transfer of players' registrations All loans from the ultimate shareholder (which total £139 8 million at the year-end) have been and remain interest free

Turnover

Following relegation from the FA Premier League, the Club entered the Football League Championship for the 2009/10 season and this resulted in a significant reduction in Turnover for the Club, analysed as follows

Turnover	**2009/10 Results**	**2008/09 Results**	**Percentage Change**
Total Turnover	**£52 4 million**	**£86 1 million**	**(39%)**
Made up as follows			
Season Ticket Revenue	£11 0 million	£15 6 million	(29%)
Gate Receipts	£6 5 million	£5 5 million	18%
Corporate Hospitality Boxes	£2 8 million	£6 7 million	(58%)
Other Matchday Receipts	£0 7 million	£1 2 million	(42%)
TV and Media Revenue	£16 0 million	£37 6 million	(57%)
Commercial, Catering & Sponsorship Revenue	£15 4 million	£19 4 million	(21%)

While most revenue streams fell by a significant amount during the year, gate receipts actually improved Despite relegation, over 1 million fans visited St James' Park during the 2009/10 season, with an average league attendance of 43,388 (2009 48,750) which was the 4th highest football attendance across England, once again showing the great passion and support our fans bring to the team

The Club also managed to secure new key sponsorship deals with Puma as kit supplier and a long term extension with our shirt sponsor Northern Rock, which will help us build our commercial and sponsorship revenues in the years to come

Operating Expenses

In response to the reduction in turnover, the operating expenses of the club had to be tightly managed to ensure the club could continue to operate within the limits of its financial resources, whilst striving to secure promotion back to the FA Premiership at the first possible opportunity and achieve a sustainable & stable financial position The reduction in operating expenses is analysed as follows

Operating Expenses	2009/10 Results	2008/09 Results	Percentage Change
Total Expenses	**£74 4 million**	**£98 0 million**	**(24%)**
Made up as follows			
Wage costs	£47 5 million	£71 1 million	(33%)
Other Expenses	£26 9 million	£26 9 million	-
Wages to Turnover %	90 6%	82 6%	

One of the main areas of restructuring was that of the playing squad where our aim was to maintain a stable team that could secure promotion Whilst a number of players left during the summer months of 2009 we retained the vast proportion of our squad Then following a successful first half of the season, a number of new additions were made to the squad in the January 2010 transfer window – Danny Simpson, Mike Williamson, Wayne Routledge and Leon Best

The financial impact of retaining the majority of the squad was that our overall wages costs continued to be those consistent with Premier League status and our wages to turnover ratio increased to over 90% This strategy proved successful as in April 2010 the Club secured its promotion back to the FA Premier League as Champions of the Football League Championship

Results and dividends

The loss for the year of £17 1 million (2009 loss of £15 2 million) has been transferred from reserves

The Board does not recommend the payment of a dividend for the year ended 30 June 2010 (2009 £nil)

Directors

The Directors who held office during the year (unless otherwise indicated) and at 30 June 2010 were as follows

D D Llambias

L Charnley

Payments to suppliers

The Group does not have a standard creditor payment policy but seeks the best possible terms from suppliers appropriate to its business and, in placing orders, gives consideration to quality, price and terms of payment, which will be agreed with suppliers when the details of each transaction are settled The Group will continue to honour its contractual and other legal obligations and to pay creditors on the dates agreed in contracts and purchase orders The number of creditor days' calculation is distorted by transfer fees, which are payable over various agreed timescales Accordingly, the Group has calculated creditor days excluding transfer fees payable The number of creditor days was 23 at the year-end (2009 34)

Political and charitable donations

The Group's charitable donations for the year amounted to £1,533 (2009 £4,000) There were no political contributions (2009 £nil)

Events since the balance sheet date

Details of significant events subsequent to 30 June 2010 are given in note 24

Disclosure of information to the auditors

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware Having made enquiries of fellow Directors and the Group's auditor, each director has taken all the steps that he is obliged to take as a Director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information

Independent auditors

A resolution to re-appoint Ernst & Young LLP as independent auditors of the Company and to authorise the Directors to agree their remuneration will be proposed at the Annual General Meeting

Risks and uncertainties

The Board acknowledges that there are risks which affect the Group and takes such action as it regards necessary to manage those risks

Based on our risk management assessments the principal risks are as follows

- The identification and negotiation of the acquisition of players and their related payroll costs are one of the most significant and high profile risks facing the Group
- Injuries to key players The Club has invested substantial sums in sports medicine and science facilities to ensure that the players return to fitness more quickly and the Board also obtains insurance cover where it considers such cover to be appropriate
- Team performance affects all aspects of the Group's operations, and the Board has continued to invest in the squad to ensure that the Club can compete at the highest levels
- Risks are also reported on by the FA Premier League and the Football League, and the Group regularly attends these meetings which cover secretarial, financial, commercial, community and health and safety issues
- The Group's capital requirements depend on many factors and these are kept under constant review The Group may require further financing if its capital requirements vary materially from its current plans
- The Group buys from suppliers and sells to customers outside the United Kingdom and, consequently, dealings with these customers and suppliers may be in foreign currencies which will be subject to exchange rate fluctuations Where considered prudent, the Group actively hedges its foreign currency exposure, principally the Euro

Going concern

The Directors have prepared financial forecasts and expect to maintain suitable financial facilities from their bankers and ultimate shareholder to provide adequate ongoing finance consistent with these forecast requirements The Directors have concluded that the Group remains a going concern and have accordingly prepared these financial statements on the going concern basis

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) The financial statements are required by law to give a true and fair view of the state of affairs of the Group and the company and of the profit or loss of the Group 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 UK 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 company will continue in business

Statement of Directors' responsibilities (continued)

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group and the company and to enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the Group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

On behalf of the Board

D D Llambias
Director

5 January 2011

Independent auditors' report to the members of Newcastle United Limited

We have audited the financial statements of Newcastle United Limited for the year ended 30 June 2010 which comprise the Group Profit and Loss Account, the Group Statement of Total Recognised Gains and Losses, the Group and Parent Company Balance Sheets, the Group Cash Flow Statement and the related notes 1 to 24 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of Directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Group's and the parent company's affairs as at 30 June 2010 and of the Group's loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Ernst & Young

Mark Hatton (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP (Statutory Auditor)
Newcastle upon Tyne
5 January 2011

Newcastle United Limited
Group profit and loss account
for the year ended 30 June 2010

	Note	2010 £'000	2009 £'000
Group turnover	2	**52,417**	86,075
Operating expenses - before exceptional items and player amortisation	3	**(74,362)**	(98,027)
- exceptional items	3	**-**	(5,984)
- amortisation of players' registrations	3	**(11,529)**	(19,731)
		(85,891)	(123,742)
Group operating loss		**(33,474)**	(37,667)
Analysed as			
Before exceptional items and player amortisation		**(21,945)**	(11,952)
Exceptional items		**-**	(5,984)
Amortisation of players' registrations		**(11,529)**	(19,731)
		(33,474)	(37,667)
Profit on disposal of players' registrations		**15,392**	23,422
Profit on disposal of fixed assets		**2,803**	-
Loss before interest and taxation		**(15,279)**	(14,245)
Interest receivable	5(a)	**23**	18
Interest payable and similar charges	5(b)	**(1,835)**	(970)
Loss on ordinary activities before taxation		**(17,091)**	(15,197)
Tax on loss on ordinary activities	6	**-**	-
Loss for the year attributable to members of the parent company	17	**(17,091)**	(15,197)

All results are derived from continuing operations

Group statement of total recognised gains and losses
for the year ended 30 June 2010

	2010 £'000	2009 £'000
Loss for the year attributable to members of the parent company	**(17,091)**	(15,197)
Total losses recognised since last annual report	**(17,091)**	(15,197)

Newcastle United Limited
Group balance sheet
at 30 June 2010

Company registration no 2529667

	Note	2010 £'000	2009 £'000
Fixed assets			
Intangible assets	7	**30,424**	44,350
Tangible assets	8	**77,980**	84,434
		108,404	128,784
Current assets			
Stocks	10	**770**	1,171
Debtors	11	**14,156**	25,296
Cash at bank and in hand		**-**	-
		14,926	26,467
Creditors amounts falling due within one year	12	**(154,426)**	(180,806)
Net current liabilities		**(139,500)**	(154,339)
Total assets less current liabilities		**(31,096)**	(25,555)
Creditors amounts falling due after more than one year	13	**(16,761)**	(6,538)
Provisions	14	**(1,530)**	(1,145)
Deferred income	15	**(19,154)**	(18,212)
Net liabilities		**(68,541)**	(51,450)
Capital and reserves			
Called up share capital	16	**6,655**	6,655
Share premium account	17	**68,944**	68,944
Capital redemption reserve	17	**831**	831
Profit and loss account	17	**(144,971)**	(127,880)
	17	**(68,541)**	(51,450)

The financial statements have been approved for issue by the Board of Directors and signed on its behalf by

D D Llambias
Director

5 January 2011

Newcastle United Limited
Company balance sheet
at 30 June 2010

Company registration no 2529667

	Note	2010 £'000	2009 £ 000
Fixed assets			
Tangible assets	8	-	500
Investments	9	**69,946**	72,446
		69,946	72,946
Current assets			
Debtors	11	**6,299**	735
Cash at bank and in hand		**11,515**	11,515
		17,814	12,250
Creditors amounts falling due within one year	12	**(9,969)**	(9,770)
Net current assets		**7,845**	2,480
Total assets less current liabilities		**77,791**	75,426
Creditors amounts falling due after more than one year	13	-	-
Net assets		**77,791**	75,426
Capital and reserves			
Called up share capital	16	**6,655**	6,655
Share premium account	17	**68,944**	68,944
Capital redemption reserve	17	**831**	831
Profit and loss account	17	**1,361**	(1,004)
	17	**77,791**	75,426

The financial statements have been approved for issue by the Board of Directors and signed on its behalf by

D D Llambias
Director

5 January 2011

Newcastle United Limited
Group cash flow statement
for the year ended 30 June 2010

	Note	2010 £'000	2009 £'000
Net cash outflow from operating activities	22(a)	**(24,650)**	(23,896)
Returns on investments and servicing of finance			
Interest received		**2**	18
Interest paid		**(1,395)**	(772)
Interest element of finance lease rental payments		**-**	(3)
		(1,393)	(757)
Taxation			
Corporation tax paid		**-**	-
Capital expenditure and financial investment			
Payments to acquire intangible fixed assets		**(13,669)**	(31,817)
Payments to acquire tangible fixed assets		**(84)**	(1,274)
Receipts from sales of intangible fixed assets		**39,551**	15,205
Receipts from sales of tangible fixed assets		**3**	-
		25,801	(17,886)
Net cash outflow before financing		**(242)**	(42,539)
Financing			
New loans		**28,800**	11,000
Repayment of loans and other capital creditors		**(3,150)**	(3,150)
Capital element of finance lease rental payments		**(16)**	(105)
		25,634	7,745
Reduction/(increase) in bank overdraft	22(c)	**25,392**	(34,794)

1 Accounting policies

Newcastle United Limited ('the Company') is a company incorporated in the United Kingdom The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as 'the Group') The Parent Company financial statements present information about the Company as a separate entity and not about its Group

The financial statements are prepared under the historical cost convention, and in accordance with accounting principles generally accepted in the United Kingdom On publishing the Parent Company financial statements here together with the Group financial statements, the Company is taking advantage of the exemption in Section 408 of the Companies Act 2006 not to present its individual profit and loss account and related notes that form a part of these approved financial statements The Company's profit for the year was £2,365,000 (2009 loss of £1,490,000)

The Group financial statements are presented in sterling and all values are rounded to the nearest thousand pounds (£000) except where otherwise stated

The accounting policies set out below have, unless otherwise stated, been applied consistently for both the Group and the Company to all periods presented in these consolidated and Company financial statements

a) Fundamental accounting concept

At 30 June 2010 the Group had net liabilities of £68 5 million (2009 £51 5 million), which includes loans from Mr M J W Ashley totalling £139 8 million (30 June 2009 £111 million) Net current liabilities were £139 5 million (2009 £154 3 million) Subsequent to the year end the ultimate controlling party, Mr M J W Ashley, has advanced additional funding of £7 million This funding, together with the expected level of bank facilities, has been incorporated into the Directors' cash flow forecast for the Group These forecasts indicate that, with the ongoing financial support of the Group's bankers and ultimate controlling party, Mr M J W Ashley, the Group can continue to meet its debts as they fall due for a period of at least 12 months from the date of approval of these financial statements The Directors have also received a commitment from its parent undertaking, St James Holdings Limited and from the ultimate controlling party Mr M J W Ashley, that they will continue to provide the Group with financial support so that it can meet its debts as they fall due for a period of at least 12 months from the date of approval of these financial statements or up until the date of any change in control On this basis, the Directors have prepared the financial statements on a going concern basis

b) Basis of consolidation

Subsidiaries are entities controlled by the Group Control exists where the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities In assessing control, potential voting rights that are currently exercisable or convertible are taken into account The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases, using the acquisition method of accounting

Intra group balances and any unrealised gains and losses or income and expenses arising from intra group transactions are eliminated in preparing the consolidated financial statements

c) Turnover

Turnover represents income arising from sales to third parties, and excludes transfer fees receivable, which are dealt with in the profit or loss on disposal of players' registrations, and value added tax Turnover can be classified into three major streams, within which significant amounts are accounted for as follows

(i) Matchday

Season ticket and corporate hospitality revenue is recognised over the period of the football season as home matches are played Any revenues received in respect of future matches is held as deferred income

(ii) Media

Fixed elements of central broadcasting contracts are recognised over the period of the football season as league matches (home and away) are played Appearance fees are accounted for as earned The merit based payment is recognised at the end of the league season, when the final league position is known

(iii) Commercial

Sponsorship contracts are recognised over the duration of the contract, either on a straight-line basis, or over the period of the football season, as appropriate based on the terms of contract Catering revenues are recognised on an earned basis Revenue from the sale of branded products is recognised at the point of despatch when significant risks and rewards of ownership are deemed to have been transferred to the buyer

1 Accounting policies (continued)

d) Expenses

Operating lease payments

Payments made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease

Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability

Exceptional items

The Group presents as exceptional items on the face of the profit and loss account, those material items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, merit separate presentation to allow shareholders to better understand the elements of financial performance in the year, so as to facilitate comparison with prior periods and to better assess trends in financial performance Amortisation of intangibles is also presented separately on the face of the profit and loss account so as to facilitate comparison with prior periods and to better assess trends in financial performance

e) Taxation

The charge for taxation is based upon the result for the year and comprises current taxation and taxation deferred through timing differences between the treatment of certain items for taxation and accounting purposes

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of those assets concerned However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold
- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures to the extent that, at the balance sheet date, dividends have been accrued as receivable, and
- deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

f) Intangible assets and goodwill

(i) Acquired players' registrations

The costs associated with the acquisition of players' registrations are capitalised at cost at the date of acquisition as intangible fixed assets These costs are fully amortised, on a straight line basis, over the period of the respective players' contracts

For the purposes of impairment reviews, acquired players' registrations are classified as a single cash-generating unit until the point at which it is made clear that the player is no longer an active member of the playing squad In these circumstances the carrying value of the players' registration is reviewed against a measurable net realisable value

1 Accounting policies (continued)

(ii) Goodwill

On acquisition of a subsidiary or associated undertaking, the fair value of the consideration is allocated between the identifiable net tangible and intangible assets and liabilities on a fair value basis, with any excess consideration representing goodwill Goodwill in respect of subsidiaries is included within intangible fixed assets Goodwill relating to associated undertakings is included in the carrying value of the associated undertaking

Goodwill arising on acquisitions is capitalised as an asset on the balance sheet Where goodwill is regarded as having a finite useful economic life it is amortised on a straight line basis over its estimated life, up to a maximum of 20 years Impairment reviews are carried out at the end of the first full year of ownership and at other times if there are indications that the carrying value may not be supportable

(iii) Contingent payments

Under the conditions of certain transfer agreements, further fees may become payable to the selling club in the event of the player concerned making a certain number of first team appearances, or on the occurrence of certain other specified future events Liabilities in respect of these additional payments are accounted for when, in the opinion of the Directors, it becomes probable that the number of required appearances will be achieved or the specified future event will occur The balance of potential costs is disclosed as a contingent liability

g) Tangible fixed assets

(i) Owned assets

Tangible fixed assets are stated at cost or valuation, net of accumulated depreciation and impairment losses

(ii) Leased assets

Finance leases are those which transfer substantially all of the risks and rewards of ownership to the lessee Assets held under finance leases are capitalised as property, plant and equipment and are depreciated over the shorter of the lease term or their useful economic life The capital elements of future lease obligations are included within borrowings, while the interest elements are charged to the income statement over the period of the lease to produce a constant rate of charge on the balance of capital repayments outstanding

All other leases are operating leases, the rentals on which are charged to the income statement on a straight-line basis over the lease term

(iii) Depreciation

Depreciation is charged to the profit and loss account to write off the cost or valuation, less the estimated residual value, of tangible fixed assets on a straight-line basis, over their estimated useful lives as follows

Long leasehold property	over the shorter of the unexpired term of the lease and 50 years
Fixtures and equipment	3-15 years
Motor vehicles	4 years

No depreciation is provided on freehold land or assets in the course of construction The residual value is reassessed annually

Interest incurred on borrowings to finance assets in the course of construction is capitalised

h) Stocks

Stocks are stated at the lower of cost and net realisable value Cost is based on the weighted average principle and includes expenditure incurred in acquiring the stocks and bringing them to their existing location and condition Net realisable value is based on the estimated selling price in the ordinary course of business Provision is made for obsolete, slow-moving or defective items where appropriate

i) Signing on fees

Signing on fees are charged, on a straight-line basis, to the profit and loss account over the period of the player's contract Prepayments/accruals arising at each period end are included within prepayments and accrued income or accruals within current assets or current liabilities, as appropriate Where a player's registration is transferred, any signing on fees payable in respect of future periods are charged against the profit/(loss) on disposal of players' registrations in the period in which the disposal is recognised

1 Accounting policies (continued)

j) Deferred income

Deferred income comprises amounts received from capital grants, sponsorship, bond, corporate hospitality and season ticket income Capital grants are released to the profit and loss account on a straight-line basis over the estimated useful lives of the assets to which they relate Other deferred income is released to the profit and loss account on a straight-line basis over the period to which it relates

k) Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date, or if appropriate, at the forward rate Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account

l) Debt

Debt is initially stated at the amount of the net proceeds after deducting any issue costs which are amortised over the life of the debt The carrying amount is increased by the finance cost in respect of the accounting period and reduced by payments made in the period

m) Retirement benefits

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account as incurred

Football League Limited Pension and Life Assurance Scheme

Certain employees are members of The Football League Limited Pension and Life Assurance Scheme (the 'Scheme') Contributions are also paid to individuals' private pension schemes Pension contributions are charged to the Profit and Loss Account as they become payable The Group continues to make contributions in respect of its share of the deficit of the defined benefit section of The Football League Limited Pension and Life Assurance Scheme Accrual of benefits on a final salary basis was suspended with effect from 31 August 1999, when an actuarial review showed a substantial deficit As one of a number of participating employers the Group is advised only of its share of the Scheme's deficit Its share of the underlying assets and liabilities of the Scheme cannot be identified on a reasonable and consistent basis See note 4

n) Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability

o) Investments

Investments in subsidiary undertakings are valued at cost less impairment

2 Segmental analysis

The Group has one main business segment, that of professional football operations As a result, no additional business segment information is required to be provided It operates in one geographical segment, the United Kingdom, and accordingly no additional geographical segment information is required to be provided Notwithstanding this, a voluntary analysis of the revenue streams is given below to assist with an understanding of the business

Revenue streams comprise

Matchday – season and matchday tickets and corporate hospitality income

Media – television and broadcasting income, including distributions from broadcasting agreements, cup competitions and local radio

Commercial – sponsorship income, merchandising, conference and banqueting, catering and other sundry revenue

	2010 £'000	2009 £ 000
Matchday	**20,948**	29,025
Media	**16,083**	37,635
Commercial	**15,386**	19,415
	52,417	86,075

3 Group operating expenses

	2010 £'000	2009 £ 000
Operating costs excluding exceptional items and amortisation of players' registrations		
Change in stocks of goods for resale	**402**	95
Other operating income – release of capital grants	**(89)**	(88)
Staff costs (note 4)	**47,458**	71,056
Depreciation and other amounts written off tangible fixed assets		
Owned and long leasehold	**3,197**	3,509
Held under finance leases and hire purchase contracts	**13**	55
Operating lease payments	**1,157**	1,079
Loss on disposal of tangible fixed assets	**-**	1
Other operating charges	**22,224**	22,320
	74,362	98,027
Exceptional items		
Changes in team management	-	5,342
Write down in goodwill carrying value	-	642
	-	5,984
Amortisation of players' registrations	**11,529**	19,731
Total operating expenses	**85,891**	123,742

Changes in team management (2009)

In September 2008 Kevin Keegan left his position as First Team Manager following which, in October 2009, a Premier League Manager's Tribunal upheld a claim of constructive dismissal brought by Mr Keegan in relation to his departure Costs relating to this matter, totalling £5,342,000 (including staff costs of £2,256,000) were charged in full in the year to 30 June 2009

Write down in goodwill carrying value (2009)

Goodwill of £642,000 relating to the acquisition, in February 2005, of the remaining 50% of the shares of nufc co uk Limited was written down in full in the year to 30 June 2009, due to the uncertainty of the group's ability to recover this amount through future operating cash flows from related activities

Auditors' remuneration

The Group paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the Group

	2010 £'000	2009 £ 000
Group		
Audit	**85**	73
Fees receivable by the auditors and their associates in respect of other services	**63**	53

Fees receivable in respect of other services can be further analysed as follows

	2010 £'000	2009 £ 000
Audit related regulatory reporting	**10**	15
Tax and other advisory services	**53**	38
	63	53

4 Staff numbers and costs

The average number of persons employed by the Group (including Directors), analysed by category, during the year was

	2010	2009
	Number of employees	
Playing squad and team management	**177**	123
Commercial	**145**	174
Administration	**109**	98
Average monthly number of employees	**431**	395

Aggregate payroll costs, including directors, are as shown below

	2010	2009
	£'000	£'000
Wages and salaries	**42,315**	63,566
Social security costs	**4,793**	7,103
Other pension costs	**350**	387
	47,458	71,056
Exceptional items (see note 3)	**-**	2,256
Total payroll costs	**47,458**	73,312

The only employees of the Company during the current and prior years were the Directors

The Group makes contributions on behalf of certain employees to a number of independently controlled defined contribution pension schemes and to the Football League Limited Pension and Life Assurance Scheme ('FLLPLAS'), a scheme with a defined benefit section The assets of all schemes are held in funds independent of the Group

The trustees of the FLLPLAS suspended the defined benefit element of the scheme as of 31 August 1999 The latest independent actuarial review of the funding position as at 31 August 2005 identified a deficit of £10,456,000 on the Minimum Funding Requirements basis which, under the Pension Act 1995, has to be made good by participating employers A more recent non-actuarial valuation, as at 1 April 2006, valued the total deficit at £8,890,000 and the Group's share at £60,000 The Group's share of the deficit has been accrued in full in these financial statements and is being paid off by additional contributions over 10 years

Contributions are also made into individuals' private pension schemes

Directors' emoluments

	2010	2009
	£	£
Aggregate emoluments in respect of qualifying services	**242,133**	331,348
Contributions to money purchase pension schemes	**20,288**	26,308

Included within the emoluments for the year ended 30 June 2009 are compensation for loss of office payments of £41,400

	2010	2009
	£	£
In respect of the highest paid director		
Aggregate emoluments	**157,975**	155,092
Contributions to money purchase pension scheme	**15,525**	15,306

5(a) Interest receivable

	2010 £'000	2009 £ 000
Bank interest receivable	**23**	18
Other interest receivable	**-**	-
	23	18

5(b) Interest payable and similar charges

	2010 £'000	2009 £'000
Bank loans and overdrafts	**(1,400)**	(885)
Other loans	**(5)**	(82)
Other interest payable	**(430)**	-
Finance charges payable in respect of finance leases and hire purchase contracts	**-**	(3)
	(1,835)	(970)

6 Taxation

(a) Tax on loss on ordinary activities

The tax charge is made up as follows

	2010 £'000	2009 £ 000
Current tax		
UK corporation tax at 28% (2009 28%)	-	-
	-	-
Deferred tax		
Origination and reversal of temporary differences	-	-
Total tax expense in profit and loss account	-	-

(b) Factors affecting the current tax charge

The tax assessed on the loss on ordinary activities for the period is different from the standard rate of corporation tax in the UK of 28% (2009 28%) The differences are reconciled below

	2010 £'000	2009 £ 000
Loss on ordinary activities before tax	**(17,091)**	(15,197)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 28%)	**(4,785)**	(4,255)
Effects of		
Expenses not deductible for tax purposes	68	945
Depreciation in excess of capital allowances	899	374
Other timing differences	(25)	(207)
Unrelieved tax losses carried forward	3,843	3,143
Total current tax	-	-

6 Taxation (continued)

(c) Factors that may affect future tax charges

The Group has unrelieved UK corporation tax losses of approximately £87 million (2009 £74 million) at the end of the year The company has no unrelieved UK corporation tax losses (2009 approximately £1 2 million) at the end of the year Deferred tax assets have not been recognised in respect of these losses as these losses do not satisfy the recognition criteria for deferred tax assets in FRS19

The Group has an unrecognised net deferred tax asset of £25 6 million (2009 £22 5 million) at the end of the year which does not satisfy the recognition criteria for deferred tax assets in FRS19 This is comprised of £2 4 million decelerated capital allowances (2009 £2 1 million decelerated capital allowances) plus tax losses of £24 2 million (2009 £20 8 million) less other timing differences of £1 million (2009 £0 4 million) The company has a deferred tax asset of £nil million (2009 £0 4 million) at the end of the year, all relating to tax losses, which does not satisfy the recognition criteria for deferred tax assets in FRS19

7 Intangible assets

Group

	Goodwill £'000	Players registrations £ 000	Total £ 000
Cost			
Balance at 1 July 2009	642	73,260	73,902
Acquisitions	-	5,606	5,606
Disposals	-	(22,863)	(22,863)
Adjustment - league levy refund received	-	(184)	(184)
Balance at 30 June 2010	**642**	**55,819**	**56,461**
Amortisation			
Balance at 1 July 2009	642	28,910	29,552
Amortisation charge for year	-	11,529	11,529
Disposals	-	(15,044)	(15,044)
Balance at 30 June 2010	**642**	**25,395**	**26,037**
Net book value			
At 1 July 2009	-	44,350	44,350
At 30 June 2010	**-**	**30,424**	**30,424**

Goodwill

Goodwill of £642,000 relating to the acquisition, in February 2005, of the remaining 50% of the shares of nufc co uk Limited was written down in full in the year to 30 June 2009, due to the uncertainty of the group's ability to recover this amount through future operating cash flows from related activities

8 Tangible assets

Group	Land and buildings £000	Fixtures and equipment £000	Motor vehicles £'000	Total £'000
Cost				
At 1 July 2009	101,644	15,514	193	117,351
Additions	-	216	-	216
Disposals	(3,374)	(276)	(88)	(3,738)
Balance at 30 June 2010	**98,270**	**15,454**	**105**	**113,829**
Depreciation				
At 1 July 2009	20,776	12,042	99	32,917
Charge for year	2,099	1,093	18	3,210
On disposals	(231)	(10)	(37)	(278)
Balance at 30 June 2009	**22,644**	**13,125**	**80**	**35,849**
Net book value				
At 1 July 2009	80,868	3,472	94	84,434
At 30 June 2010	**75,626**	**2,329**	**25**	**77,980**

Included within fixed assets are assets held under finance leases with the following net book values Land and buildings £nil (2009 £nil), Fixtures and equipment £nil (2009 £16,000) and Motor vehicles £nil (2009 £4,500) Cumulative finance costs capitalised, excluding tax relief, included in the value of tangible fixed assets amount to £3,964,000 (2009 £3,964,000)

The net book value of land and buildings comprises

	2010 £'000	2009 £'000
Freehold	-	203
Long leasehold	**75,626**	80,665
	75,626	80,868

Company	Land and buildings £000	Total £000
Cost		
At 1 July 2009	500	500
Disposals	(500)	(500)
At 30 June 2010	-	-
Depreciation		
At 1 July 2009 and 30 June 2009	-	-
Net book value		
At 1 July 2009	500	500
At 30 June 2010	-	-

The net book value of land and buildings comprises

	2010 £'000	2009 £'000
Freehold	-	500
Long leasehold	-	-
	-	500

9 Investments in subsidiaries

Company

	Shares in Subsidiary Undertakings £ 000
At 1 July 2009	72,446
Disposal of subsidiary undertakings in year	(2,500)
At 30 June 2010	**69,946**

Subsidiary undertakings	Principal activity
Newcastle United Football Company Limited	Professional football club
Newcastle United Enterprises Limited	General commercial
St James' Park Newcastle Limited	General commercial
Newcastle United Football Club (International) Limited*	General commercial
nufc co uk Limited	Exploitation of internet and media rights
Newcastle United 1892 Limited	Dormant
Newcastle United Catering Limited	Dormant
Newcastle United Employment Limited	Dormant
Newcastle United Entertainment Limited	Dormant
Newcastle United Group Limited	Dormant
Newcastle United Licensing Limited	Dormant
Newcastle United Promotions Limited	Dormant
Newcastle United Publications Limited	Dormant
Newcastle United Sports Limited	Dormant
Newcastle United Sportswear Limited	Dormant
Newcastle United Telecoms Limited	Dormant
Newcastle United Television Limited	Dormant
Newcastle United Ventures Limited	Dormant
NUFC Limited	Dormant
Newcastle United FC Limited	Dormant
Newcastle United Football Club Limited	Dormant
Newcastle (NUFC Holdings) Limited	Dormant
Newcastle United Management Company Limited	Dormant
The Football Channel Limited	Dormant

*This company is a subsidiary undertaking of Newcastle United Football Company Limited It is registered in Gibraltar

The Company owns 100% of the ordinary share capital in each of its subsidiary undertakings

All subsidiary undertakings except as noted above are registered in, and operate in, England and Wales and have their registered offices at St James' Park, Newcastle upon Tyne, NE1 4ST

10 Stocks

Group	2010 £'000	2009 £'000
Goods for resale	**770**	1,171

11 Debtors

	Group		Company	
	2010 £'000	2009 £ 000	2010 £'000	2009 £'000
Trade debtors	**2,259**	20,033	-	-
Amounts owed by parent undertakıngs	**5,145**	321	**5,321**	321
Amounts owed by fellow subsıdıary undertakıngs	**1,000**	-	**500**	-
Amounts owed by subsıdıary undertakıngs	-	-	**414**	414
Amounts owed by Newcastle Unıted Foundatıon	-	31	-	-
Other debtors	**2,497**	2,092	-	-
Prepayments and accrued ıncome	**3,255**	2,819	**64**	-
	14,156	25,296	**6,299**	735

Included wıthın Group trade debtors are amounts totallıng £17,000 (2009 £17,232,000) relatıng to the consıderatıon receıvable for player regıstratıons, ıncludıng £nıl (2009 £4,000,000) expected to be recovered ın more than twelve months

12 Credıtors amounts fallıng due wıthın one year

	Group		Company	
	2010 £'000	2009 £ 000	2010 £'000	2009 £'000
Bank overdraft	**10,389**	35,781	-	-
Term and other loans (note 13)	**123,496**	114,040	-	-
Oblıgatıon under finance leases and hıre purchase contracts (note 13)	-	16	-	-
Trade credıtors	**9,897**	15,889	-	-
Amounts owed to parent undertakıng	-	75	-	-
Amounts owed to subsıdıary undertakıngs	-	-	**8,553**	8,344
Amounts owed to Newcastle Unıted Foundatıon	**5**	-	-	-
Other credıtors	**2,672**	4,163	**91**	93
Accruals	**7,967**	10,842	**1,325**	1,333
	154,426	180,806	**9,969**	9,770

The bank overdraft ıs secured on certaın of the Group's fixed assets

The Group's total outstandıng loan balance from Mr M J W Ashley was £139 8 mıllıon (30 June 2009 £111 mıllıon), ıncludıng £16 5 mıllıon due after more than one year (see note 13) All of these loans are non-ınterest bearıng

£28 8mıllıon (30 June 2009 £nıl) ıs secured on future broadcastıng ıncome, of which £12 3 mıllıon ıs repayable ın August 2010 and the remaınder, £16 5 mıllıon ıs repayable after more than one year (see note 13) The remaınıng (unsecured) balance of £111 mıllıon (2009 £111 mıllıon) ıs repayable on demand

Also ıncluded wıthın Term and other loans are bank loans totallıng £196,000 (net of unamortısed loan ıssue costs and ınterest of £3,900), which are secured on future sponsorshıp monıes

13 Creditors amounts falling due after more than one year

	Group		Company	
	2010	2009	**2010**	2009
	£'000	£'000	**£'000**	£ 000
Term and other loans	**16,500**	196	-	-
Trade creditors	**257**	6,201	-	-
Accruals	**4**	141	-	-
	16,761	6,538	-	-

The loan of £16 5 million from Mr M J W Ashley is secured on future broadcasting income and is repayable no earlier than August 2011

Analysis of debt, including obligations under finance leases and hire purchase contracts

	Group		Company	
	2010	2009	**2010**	2009
	£'000	£ 000	**£'000**	£ 000
Debt can be analysed as falling due				
In one year or less, or on demand	**123,496**	114,056	-	-
Between one and two years	**16,500**	196	-	-
Between two and five years	-	-	-	-
In five years or more	-	-	-	-

Borrowings are analysed as follows

(i) Term loans

Group	**2010**	2009
	£'000	£'000
Repayable within one year	**123,496**	114,040
Repayable in the first to second years	**16,500**	196
Repayable in the second to fifth years	-	-
Repayable after five years	-	-

Loans totalling £139 8 million (30 June 2009 £111 million) from Mr M J W Ashley are non-interest bearing

(ii) Obligations under finance leases and hire purchase contracts are as follows

Group	**2010**	2009
	£'000	£'000
Repayable within one year	-	16
Repayable in the first to second years	-	-
Repayable in the second to fifth years	-	-
Repayable after five years	-	-

The obligations under finance leases and hire purchase contracts are secured on the assets to which they relate

14 Provisions

Group	£000
Balance at 1 July 2009	1,145
Additional provision during the year	385
Balance at 30 June 2010	**1,530**

In common with other football clubs the Group has historically reclaimed VAT on agents' fees H M Revenue and Customs ('HMRC') have determined that an element of such VAT is not recoverable and raised assessments on the Group's main trading subsidiary, Newcastle United Football Company Limited The issue was heard at a VAT Tribunal during June and July 2006 and the decision, announced in August 2006, was in favour of HMRC Newcastle United Football Company Limited appealed to the Chancery Division of the High Court At the hearing, in February 2007, the appeal was allowed and the issue remitted back to the Tribunal for further consideration on a case by case basis The Group is currently awaiting the decision relating to another club and will assess its position after this case has been finalised Provision has been made for the anticipated cost of settling this matter at the balance sheet date Potentially irrecoverable VAT on agents' fees arising on the acquisition of players is included in intangible assets as part of the cost of acquired players' registrations and amortised over the period of the contract On disposal, any unamortized amounts are written off as part of the profit/loss on disposal

15 Deferred income

Group	2010 £'000	2009 £000
Capital grants	**2,745**	2,834
Other deferred income	**16,409**	15,378
	19,154	18,212

Other deferred income comprises sponsorship, bond, executive scheme and season ticket income received in advance The maturity profile of deferred income is as follows

Group	2010 £'000	2009 £000
Less than one year	**13,799**	10,333
One to two years	**122**	2,524
Two to five years	**365**	365
More than five years	**4,868**	4,990
	19,154	18,212

16 Share capital

Group and Company	2010		2009	
	Number	£'000	Number	£000
Authorised				
Ordinary shares of 5p each	**186,442,232**	**9,322**	186,442,232	9,322
Allotted, called-up and fully paid				
Ordinary shares of 5p each	**133,107,121**	**6,655**	133,107,121	6,655

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company

17 Capıtal and reserves

Group

	Share capıtal £ 000	Share premıum £'000	Capıtal redemptıon reserve £ 000	Profıt and loss account £ 000	Total £'000
At 1 July 2008	6,655	68,944	831	(112,683)	(36,253)
Loss for the year	-	-	-	(15,197)	(15,197)
At 1 July 2009	6,655	68,944	831	(127,880)	(51,450)
Loss for the year	-	-	-	(17,091)	(17,091)
Balance at 30 June 2010	**6,655**	**68,944**	**831**	**(144,971)**	**(68,541)**

Company

	Share capıtal £'000	Share premıum £ 000	Capıtal redemptıon reserve £ 000	Profıt and loss account £ 000	Total £ 000
At 1 July 2009	6,655	68,944	831	(1,004)	75,426
Profit for the year	-	-	-	2,365	2,365
At 30 June 2010	**6,655**	**68,944**	**831**	**1,361**	**77,791**

18 Contıngencıes

Under the terms of certaın contracts for the sıgnıng of players, addıtıonal amounts may become payable to other football clubs The maxımum unprovıded lıabılıty whıch may arıse ın respect of these players at 30 June 2010 ıs £3,553,000 (30 June 2009 £3,696,000)

The Company and certaın of ıts subsıdıary undertakıngs have debenture and composıte arrangements ın connectıon wıth bankıng facılıtıes The Company acts as guarantor, or provıdes surety, for varıous subsıdıary undertakıngs ın leasıng, bankıng and other agreements entered ınto by them ın the normal course of busıness The Company's maxımum unprovıded lıabılıty ın respect of these ıs £3,366,000 (30 June 2009 £3,366,000)

Durıng the year, dıscussıons have been ongoıng wıth H M Revenue and Customs (HMRC) about certaın contractual arrangements wıth players and agents The Dırectors understand that HMRC are ınterested ın such arrangements at a number of professıonal football clubs The Dırectors belıeve that there wıll be no addıtıonal cost ınvolved ın settlıng thıs matter above that already recognısed However there remaıns a rısk that addıtıonal unrecognısed lıabılıtıes may arıse The Dırectors have concluded that addıtıonal lıabılıtıes are unlıkely and therefore no addıtıonal provısıon ıs necessary ın the fınancıal statements of the company

19 Dıvıdends

No dıvıdends were paıd ın the year (2009 £nıl)

20 Commitments

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

Group	2010 £'000	2009 £ 000
Contracted but not provided for	-	-

(ii) Annual commitments under non-cancellable operating leases are as follows

Group	Land and buildings	
	2010 £'000	2009 £ 000
Expiry date		
Within one year	**146**	-
Between one and five years	**438**	568
After five years	**526**	476
	1,110	1,044

The Company had no commitments at the beginning or end of the year

During the period £1,157,000 was recognised as an expense in the profit and loss account in respect of operating leases (2009 £1,079,000)

21 Ultimate parent undertaking

The immediate parent undertaking is St James Holdings Limited

The largest Group in which the results will be consolidated is that headed by MASH Holdings Limited The ultimate controlling party is Mr M J W Ashley

22a) Reconciliation of Group operating loss to net cash outflow from operating activities

	2010 £'000	2009 £ 000
Group operating loss	**(33,474)**	(37,667)
Depreciation	**3,210**	3,564
Amortisation and impairment of intangible fixed assets	**11,529**	20,373
Loss on disposal of tangible fixed assets	**-**	1
Capital grant release	**(89)**	(88)
Decrease in stocks	**401**	95
Decrease/(increase) in debtors	**448**	(1,114)
(Decrease)/increase in creditors	**(7,706)**	752
Increase/(decrease) in deferred income	**1,031**	(9,812)
Net cash outflow from operating activities	**(24,650)**	(23,896)

22b) Reconciliation of net cash flow to movement in net debt

	2010 £'000	2009 £ 000
Reduction/(increase) in overdraft in the year	**25,392**	(34,794)
Cash inflow from increase in debt and lease financing	**(25,634)**	(7,743)
Change in net debt resulting from cash flows	**(242)**	(42,537)
Non-cash changes	**(110)**	(322)
Net debt at beginning of year	**(150,033)**	(107,174)
Net debt at end of year	**(150,385)**	(150,033)

22c) Analysis of net debt

	At 1 July 2009 £ 000	Cash flow £'000	Other non cash changes £ 000	At 30 June 2010 £'000
Bank overdraft	(35,781)	25,392	-	(10,389)
Debt due after one year	(196)	(16,500)	196	(16,500)
Debt due within one year	(114,040)	(9,150)	(306)	(123,496)
Finance leases and hire purchase contracts	(16)	16	-	-
Total	**(150,033)**	**(242)**	**(110)**	**(150,385)**

23 Related party transactions

Transactions between the Company and its subsidiaries are not disclosed in accordance with FRS8

During the current and prior year, advertising and promotional services were provided to companies associated with Mr M J W Ashley, the ultimate shareholder of the company's ultimate parent undertaking, MASH Holdings Limited No consideration was paid or payable for these services

Mr M J W Ashley also continued to provide loan facilities to the Group during the year The total balance outstanding at 30 June 2010 was £139 8 million (30 June 2009 £111 million) The maximum amount outstanding in the year was £139 8 million (2009 £112 million) No interest was payable on the loan for either the current or prior year

In addition to the loan creditors disclosed in note 12 to the accounts, Mr M J W Ashley advanced £13 25 million to the Group during the year in respect of future amounts receivable from the disposal of players' registrations At the same time the Group assigned the corresponding debts due from the purchasing clubs to Mr Ashley

On 3 September 2009, the company's shareholding in MGM Grand Newcastle (Holdings) Limited was transferred to St James Holdings Limited, for a consideration of £5 million, resulting in a profit to the Group of £2 5 million

On 15 January 2010, the company transferred freehold land to Project J Newco No 40 Limited, a fellow subsidiary of MASH Holdings Limited, for consideration of £0 5 million, resulting in a profit to the Group of £0 3 million

On 15 January 2010 Newcastle United Football Company Ltd transferred leasehold property to Project J Newco No 39 Limited, a fellow subsidiary undertaking of MASH Holdings Limited, for consideration of £0 5 million, being the current book value and resulting in no profit or loss to the Group

24 Post balance sheet events

Subsequent to the balance sheet date, the playing registrations of certain players have been acquired for total consideration, including associated costs, of £5,313,000

In December 2010, Chris Hughton left his position of first-team manager and was replaced by Alan Pardew