

**Newcastle United Limited**

***Directors' report and consolidated  
financial statements***

**31 May 1993**

**Registered number 2529667**



# Newcastle United Limited

## Directors' report and consolidated financial statements

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# Newcastle United Limited

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 May 1993.

### Company registration

Newcastle United Limited, formerly registered as a public limited company, was re-registered under the Companies Act 1985 as a private limited company on 28 August 1992. The company is a subsidiary undertaking of Cameron Hall Developments Limited.

### 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 continued to be that of a professional football club.

### Business review

During an extremely successful season, the group's turnover increased from £5.29 million in the year ended 31 May 1992, to £8.74 million in the year under review.

Investment in the playing squad during the year resulted in transfer fees payable of £4.6 million compared with transfer fees receivable of only £1.0 million. The directors are pleased to report that investment in the playing squad, linked with the impressive performance of team manager Kevin Keegan and his staff, was rewarded by the team ending the season as Barclays League Division One Champions.

As members of the Premier League, the club's turnover will increase considerably and with other financial measures and initiatives that are being introduced the directors are confident, provided the club retains Premier League status, that they are on course to resolve the group's financial problems within the five year period referred to in last year's directors' report.

Considerable investment is still required to complete the redevelopment of the stadium. A new stand was constructed at the Leazes End and this was ready for the commencement of the 1993/94 season. The redevelopment of the Gallowgate end is currently under way.

### Result for the financial year and prior year adjustment

The loss for the financial year is set out on page 6.

During the financial year the accounting policy for transfer fees was changed. The effects of this change are set out both in the statement of reserves on page 6 and in note 10. The cost of players' registrations are now capitalised and subsequently amortised as set out in the accounting policy on page 11. The directors consider that the new accounting policy more accurately matches the cost of the players' registrations with the period over which the group derives benefit from the registrations.

# Newcastle United Limited

## Directors' report

### Significant changes in fixed assets

Tangible fixed asset additions for the year total £2.84m. Included within this amount is £2.21m relating to the Leazes End development in progress at the year end. Details of fixed asset movements are set out in notes 10 to 12.

### Market value of land and buildings

Subsequent to the year end, the group's football ground was valued by Sanderson, Townend and Gilbert as at 29 July 1993. At this date the ground was valued at £15,000,000 on a depreciated replacement cost basis. This valuation has not been included in these financial statements. No potential tax liability has been provided as there is no intention to dispose of the property.

### Directors and directors' interests

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

Sir John Hall	
WF Shepherd	
DS Hall	
R Jones	(appointed 31 July 1992)
GR Forbes	(resigned 7 July 1992)
PC Mallinger	(resigned 7 July 1992)
D McVickers	(resigned 7 July 1992)
R Young	(resigned 10 July 1992)

On 16 December 1993 TL Bennett was appointed as a director of the company.

The directors who held office at the end of the financial year had the following interests in the ordinary shares of the company and other group companies, as recorded in the register of directors' shares interests:

	Company	Class of share	Interest at end of year	Interest at beginning of year
Sir John Hall	Cameron Hall Developments Limited	Ordinary	55,000	55,000
	Newcastle United Limited	Ordinary	10,000	10,000
WF Shepherd	Newcastle United Limited	Ordinary	640,863	491,589
	Cameron Hall Developments Limited	Ordinary	19,000	19,000
DS Hall	Newcastle United Limited	Ordinary	10,000	10,000
	Europarking SA	Ordinary	24% of issued share capital	-
	Cameron Hall Promocao Gestao de Investimentos Imobiliarios Lda	Ordinary	2,000	2,000

R Jones had no disclosable interest in shares of group companies.

# Newcastle United Limited

## Directors' report (continued)

### Employees

Applications for employment by disabled persons are always fully considered. Employment policies are designed to provide equal opportunities irrespective of colour, ethnic or national origin, nationality, sex or marital status. In the event of employees becoming disabled, every effort is made, including appropriate training, to ensure that their employment with the group continues.

The directors recognise the importance of good communications and good relations with employees.

### Health and safety policy

The company promotes all aspects of safety throughout the group in the interests of employees, customers and the public.

### Political and charitable contributions

The group made no political contributions during the year. Donations to UK charities amounted to £12,808.

### Auditors

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



R Cushing  
Secretary

St James' Park  
Newcastle upon Tyne  
NE1 4ST

28 March 1994

# Newcastle United Limited

## 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 group and of the 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;
- 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 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 fraud and other irregularities.

Maybrook House  
27 Grainger Street  
Newcastle upon Tyne  
NE1 5JT

## Auditors' report to the members of Newcastle United Limited

We have audited the financial statements on pages 6 to 25.

### Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

### Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the 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 31 May 1993 and of the loss of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*W.M.G. Peat Marwick*

KPMG Peat Marwick  
Chartered Accountants  
Registered Auditors

28 March 1994

# Newcastle United Limited

## Consolidated profit and loss account for the year ended 31 May 1993

	Note	1993 £'000	1992 as restated £'000
Turnover	2	8,743	5,293
Other operating income		55	582
		<u>8,798</u>	<u>5,875</u>
Payroll costs	5	(3,956)	(2,880)
Signing on fees	5	(706)	(495)
Depreciation	11	(450)	(450)
Amortisation of transfer fees	10	(769)	(441)
Other operating costs		<u>(3,533)</u>	<u>(2,780)</u>
Operating loss		(616)	(1,171)
Interest receivable	6	3	2
Interest payable and similar charges	7	(607)	(602)
Change of team manager	8	117	(290)
Profit on disposal of tangible fixed assets	9	355	-
Profit/(loss) on sale of players' registrations		<u>374</u>	<u>(147)</u>
Loss on ordinary activities before taxation	3-4	(374)	(2,208)
Tax on loss on ordinary activities	17	-	-
Loss for the financial year		<u>(374)</u>	<u>(2,208)</u>

The difference between the loss for the year as shown above and that based on historic costs is not significant.

## Statement of reserves for the year ended 31 May 1993

	Note	1993 £'000	1992 £'000
As previously reported		(5,353)	(3,094)
Prior year adjustment	10	<u>2,627</u>	<u>2,529</u>
As restated		(2,726)	(565)
Loss for the financial year		(374)	(2,208)
Transfer from revaluation reserve	20	<u>15</u>	<u>47</u>
At end of year		<u>(3,085)</u>	<u>(2,726)</u>



# Newcastle United Limited

Balance sheets  
at 31 May 1993

	Note	Group		Company	
		1993	1992	1993	1992
		as restated			
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	10	5,851	2,627	-	-
Tangible assets	11	12,209	10,212	-	-
Investment	12	-	-	3,995	3,995
		<u>18,060</u>	<u>12,839</u>	<u>3,995</u>	<u>3,995</u>
Current assets					
Stocks	13	290	134	-	-
Debtors	14	1,176	636	904	1,210
Cash at bank and in hand		844	20	-	-
		<u>2,310</u>	<u>790</u>	<u>904</u>	<u>1,210</u>
Creditors: amounts falling due within one year	15	(11,717)	(5,164)	(194)	(306)
Net current (liabilities)/assets		<u>(9,407)</u>	<u>(4,374)</u>	<u>710</u>	<u>904</u>
Total assets less current liabilities		8,653	8,465	4,705	4,899
Creditors: amounts falling due after more than one year	16	(3,112)	(3,493)	-	(194)
Deferred income	18	(2,346)	(1,403)	-	-
Net assets		<u>3,195</u>	<u>3,569</u>	<u>4,705</u>	<u>4,705</u>
Capital and reserves					
Called up share capital	19	5,162	5,162	5,162	5,162
Revaluation reserve	20	1,118	1,133	-	-
Profit and loss account		(3,085)	(2,726)	(457)	(457)
Shareholders' funds		<u>3,195</u>	<u>3,569</u>	<u>4,705</u>	<u>4,705</u>

These financial statements were approved by the board of directors on 28 March 1994 and were signed on its behalf by:

Sir John Hall  
Director

KPMG Peat Marwick

*John Hall*

# Newcastle United Limited

## Consolidated cash flow statement for the year ended 31 May 1993

	Note	1993		1992 as restated	
		£'000	£'000	£'000	£'000
Net cash inflow/(outflow) from operating activities	23		1,214		(658)
Return on investments and servicing of finance					
Interest received		3		2	
Interest paid		(448)		(576)	
Interest element of finance lease rental payments		(28)		(26)	
Net cash outflow from returns on investment and servicing of finance			(473)		(600)
Investing activities					
Purchase of players' registrations		(3,490)		(683)	
Purchase of tangible fixed assets		(1,514)		(544)	
Sale of players' registrations		891		277	
Sale of tangible fixed assets		747		75	
Net cash outflow from investing activities			(3,366)		(875)
Net cash outflow before financing			(2,625)		(2,133)
Financing					
Issue of ordinary share capital		-		1,167	
Repayment of bank loans and other loans		(1,434)		(657)	
New short-term loans		4,456		317	
Receipts of deferred income		1,340		44	
Finance lease capital raised		110		91	
Capital element of finance lease rental payments		(130)		(86)	
Net cash inflow from financing			4,342		876
Increase/(decrease) in cash and cash equivalents	24		1,717		(1,257)

# Newcastle United Limited

## Consolidated statement of total recognised gains and losses for the year ended 31 May 1993

	1993	1992 as restated
	£'000	£'000
Loss for the financial year and total recognised gains and losses relating to the financial year	(374)	<u>(2,208)</u>
Prior year adjustment (note 10)	<u>2,627</u>	
Total gains and losses recognised since last annual report	<u>2,253</u>	

## Reconciliation of movements in shareholders' funds for the year ended 31 May 1993

	Group		Company	
	1993	1992	1993	1992
	£'000	£'000	£'000	£'000
Opening shareholders' funds previously stated	942	2,081	4,705	3,538
Prior year adjustment (note 10)	<u>2,627</u>	<u>2,529</u>	<u>-</u>	<u>-</u>
Opening shareholders' funds as restated	3,569	4,610	4,705	3,538
Loss for the financial year	(374)	(2,208)	-	-
New share capital subscribed	<u>-</u>	<u>1,167</u>	<u>-</u>	<u>1,167</u>
Closing shareholders' funds	<u>3,195</u>	<u>3,569</u>	<u>4,705</u>	<u>4,705</u>

# Newcastle United Limited

## 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 land and buildings.

#### *Basis of consolidation*

The group financial statements consolidate the financial statements of Newcastle United Limited and its subsidiary undertaking for the year ended 31 May 1993.

In the company's financial statements, the investment in the subsidiary undertaking is stated at cost.

In accordance with Section 230(4) of the Companies Act 1985 Newcastle United Limited 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 nor a loss in the year or the preceding year.

#### *Fixed assets and depreciation*

Depreciation is provided by the group 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	-	60 years
Ground erections and equipment	-	6 years
East Stand Executive Boxes	-	16 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.

#### *Grants*

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

# Newcastle United Limited

## Notes (continued)

### 1 Accounting policies (continued)

#### *Leases*

Where the group enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, including similar hire purchase contracts, 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 group excluding transfer fees receivable.

#### *Transfer fees*

The costs of players' registrations are capitalised as intangible fixed assets and amortised over the period from the contract date to the end of the season in which the player attains 33 years of age. If the contract expires after the season in which the player attains 33 years of age the cost is amortised over the period of the contract.

In accordance with the rules of the Football League a player is entitled to a free transfer at the end of a contract if the player has been engaged by the group for at least five seasons.

Profits or losses on disposal are recognised at the termination of a player's contract.

Transfer fees contingent on future appearances are not provided for but noted as contingent liabilities.

#### *Signing on fees and loyalty bonuses*

Signing on fees and loyalty bonuses paid to players are charged to the profit and loss account according to the due date for payment. Signing on fees due in the future on continued service are not provided for but are noted as contingent liabilities.

# Newcastle United Limited

## Notes (continued)

### 1 Accounting policies (continued)

#### Taxation

The charge for taxation is based upon the 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. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

#### 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 Turnover

All turnover is derived from the group's principal activity and arises in the United Kingdom.

### 3 Loss on ordinary activities before taxation

	1993 £'000	1992 £'000
<i>Loss on ordinary activities before taxation is stated</i>		
<i>after charging</i>		
Auditors' remuneration:		
Audit	16	15
Other services	16	*
Amortisation of transfer fees	769	441
Depreciation and other amounts written off tangible fixed assets:		
Owned	383	405
Leased	67	45
Hire of other assets - operating leases	54	50

\* disclosure of comparative not required.

# Newcastle United Limited

## Notes (continued)

### 4 Remuneration of directors

	1993 £'000	1992 £'000
Directors' emoluments:		
Remuneration as executives	-	24

The emoluments, excluding pension contributions, of the chairman were £nil (1992:£nil) and those of the highest paid director were £nil (1992:£19,000).

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

	Number of directors	
	1993	1992
£0 - £ 5,000	8	9
£5,001 - £20,000	-	1

### 5 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	
	1993	1992
Full-time	104	116
Part-time	155	194
	<u>259</u>	<u>310</u>

# Newcastle United Limited

## Notes (continued)

### 5 Staff numbers and costs (continued)

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

	1993 £'000	1992 £'000
Wages and salaries	4,228	3,091
Social security costs	416	265
Other pension costs	18	19
	<u>4,662</u>	<u>3,375</u>
<i>Disclosed as:</i>		
Payroll costs	3,956	2,880
Signing on fees	706	495
	<u>4,662</u>	<u>3,375</u>

### 6 Interest receivable

	1993 £'000	1992 £'000
Bank deposit interest	<u>3</u>	<u>2</u>

### 7 Interest payable and similar charges

	1993 £'000	1992 £'000
On bank loans, overdrafts and other loans wholly repayable within five years	226	259
On amounts owed to directors (note 15)	23	-
On amounts due to group undertaking	120	-
On all other loans	210	317
Finance charges payable in respect of finance leases and hire purchase contracts	28	26
	<u>607</u>	<u>602</u>



# Newcastle United Limited

## Notes (continued)

### 8 Change of team manager

	1993 £'000	1992 £'000
Change of team manager	<u>117</u>	<u>(290)</u>

The full potential cost of changing the team manager was accrued in 1992. Subsequent events reduced this expense and accordingly a credit has been taken to the profit and loss account in the current year.

### 9 Profit on disposal of tangible fixed assets

	1993 £'000	1992 £'000
Profit on disposal of training ground	536	-
Loss on disposal of other assets	(181)	-
	<u>355</u>	<u>-</u>

# Newcastle United Limited

## Notes (continued)

### 10 Intangible fixed assets

	Players' registrations £'000
<i>Cost</i>	
At beginning of year	-
Prior year adjustment	3,658
	<hr/>
As restated	3,658
Additions	4,635
Disposals	(1,225)
	<hr/>
At end of year	7,068
	<hr/>
<i>Amortisation</i>	
At beginning of year	-
Prior year adjustment	1,031
	<hr/>
As restated	1,031
Charge for year	769
On disposals	(583)
	<hr/>
At end of year	1,217
	<hr/>
<i>Net book value</i>	
At 31 May 1993	5,851
	<hr/>
At 31 May 1992 as restated	2,627
	<hr/>

The above represents the amortised cost of 19 players (1992:15).

The prior year adjustment arises from a change in the accounting policy for transfer fees. The current accounting policy is set out on page 11. Previously, transfer fees payable and receivable were charged or credited in full to the profit and loss account at the time at which the transfer took place. The directors consider that the new accounting policy more accurately matches the cost of the players' registrations with the period over which the group derives benefit from the registrations.

# Newcastle United Limited

## Notes (continued)

### 11 Tangible fixed assets

	Land and buildings £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
<i>Cost or valuation</i>				
At beginning of year	10,441	842	132	11,415
Additions	2,664	65	110	2,839
Disposals	(416)	(111)	(91)	(618)
At end of year	12,689	796	151	13,636
<i>Depreciation</i>				
At beginning of year	688	442	73	1,203
Charge for year	288	129	33	450
On disposals	(96)	(102)	(28)	(226)
At end of year	880	469	78	1,427
<i>Net book value</i>				
At 31 May 1993	11,809	327	73	12,209
At 31 May 1992	9,753	400	59	10,212

Included within the cost of land and buildings is £2,485,000 (1992:£nil) representing assets in the course of construction. No depreciation has been charged on these assets.

Included within fixed assets are assets held under finance leases with the following net book values: land and buildings £11,000 (1992:£22,000), fixtures and fittings £84,000 (1992:£110,000) and motor vehicles £72,000 (1992:£57,000).

Included within land and buildings is land with a cost of £nil (1992:£68,000) on which no depreciation has been charged.

The net book value of land and buildings comprises:

	1993 £'000	1992 £'000
Freehold	134	293
Long leasehold	11,669	9,452
Short leasehold	6	8
	11,809	9,753

# Newcastle United Limited

## Notes (continued)

### 11 Tangible fixed assets (continued)

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

	1993 £'000	1992 £'000
<i>Land and buildings</i>		
At valuation	9,767	9,970
Aggregate depreciation thereon	(809)	(630)
Net book value	<u>8,958</u>	<u>9,340</u>
Historical cost of revalued assets	7,096	7,477
Aggregate depreciation based on historical cost	(1,413)	(1,427)
Historical cost net book value	<u>5,683</u>	<u>6,050</u>

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

A valuation of the football ground has been carried out as at 29 July 1993 by Sanderson, Townend and Gilbert. It was valued at that date at £15,000,000 on a depreciated replacement cost basis. This valuation has not been incorporated into these financial statements.

### 12 Investment

	Company 1993 £'000	1992 £'000
Investment in subsidiary at cost	<u>3,995</u>	<u>3,995</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.

# Newcastle United Limited

## Notes (continued)

### 13 Stocks

	Group	
	1993 £'000	1992 £'000
Consumables	-	23
Goods for resale	290	111
	<u>290</u>	<u>134</u>

### 14 Debtors

	Group		Company	
	1993 £'000	1992 £'000	1993 £'000	1992 £'000
Amounts falling due within one year				
Trade debtors	655	565	-	-
Amounts owed by subsidiary undertaking	-	-	904	1,210
Other debtors	340	21	-	-
Prepayments and accrued income	181	50	-	-
	<u>1,176</u>	<u>636</u>	<u>904</u>	<u>1,210</u>

### 15 Creditors: amounts falling due within one year

	Group		Company	
	1993 £'000	1992 £'000	1993 £'000	1992 £'000
Bank overdraft (note 16)	1,413	2,306	-	-
Bank loans (see note 16)	267	347	-	-
Other loans (see note 16)	1,133	609	-	-
Obligations under finance leases and hire purchase contracts (see note 16)	94	75	-	-
Trade creditors	2,839	998	-	-
Amounts owed to ultimate parent undertaking	2,734	-	-	-
Amounts owed to subsidiary undertaking	-	-	194	306
Social security	199	150	-	-
Other creditors	575	195	-	-
Accruals and deferred income	2,463	484	-	-
	<u>11,717</u>	<u>5,164</u>	<u>194</u>	<u>306</u>

# Newcastle United Limited

## Notes (continued)

### 15 Creditors: amounts falling due within one year (continued)

Included within other loans above are £766,000 and £200,000 owed to Sir John Hall and WF Shepherd respectively. Interest is charged on amounts owed to directors at a rate of 10% per annum. Interest of £18,539 and £4,602 respectively is payable during the year on these amounts.

### 16 Creditors: amounts falling due after more than one year

	Group		Company	
	1993	1992	1993	1992
	£'000	£'000	£'000	£'000
Bank loans	2,054	2,241	-	-
Other loans	1,004	854	-	-
Obligations under finance leases and hire purchase contracts	28	67	-	-
Amount owed to subsidiary undertaking	-	-	-	194
Other creditors	-	130	-	-
Accruals and deferred income	26	201	-	-
	<u>3,112</u>	<u>3,493</u>	<u>-</u>	<u>194</u>

#### (i) Bank loans

	1993	1992
	£'000	£'000
Repayable within five years	1,040	1,548
Repayable after five years	<u>1,281</u>	<u>1,040</u>
	2,321	2,588
Due within one year (note 15)	<u>(267)</u>	<u>(347)</u>
	<u>2,054</u>	<u>2,241</u>

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.

# Newcastle United Limited

## Notes (continued)

### 16 Creditors: amounts falling due after more than one year (continued)

#### (i) Bank loans (continued)

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

- a) £2,081,000 repayable in quarterly instalments of £40,000;
- b) £240,000 repayable in quarterly instalments of £26,800.

The bank facilities were renegotiated on 11 October 1993. As from 28 February 1994 the quarterly repayment on loan a) becomes £100,000.

#### (ii) Other loans

	1993 £'000	1992 £'000
Other loans repayable by instalments are as follows:		
Repayable within five years	1,904	1,226
Repayable after five years	233	237
	<hr/>	<hr/>
	2,137	1,463
Due within one year (note 15)	(1,133)	(609)
	<hr/>	<hr/>
	1,004	854
	<hr/>	<hr/>

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

- a) £201,000 is repayable in monthly instalments of £1,700. Interest is charged at the higher of 13 % or 3 % above the base rate but is waived provided the group complies with certain conditions regarding the purchase of drinks.
- b) £846,000 is repayable in monthly instalments of £12,000. Interest is charged at 1 % per annum.
- c) £124,000 is repayable over 25 years at an interest rate of 8 % and is secured on certain freehold property.

# Newcastle United Limited

## Notes (continued)

### 16 Creditors: amounts falling due after more than one year (continued)

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

	1993 £'000	1992 £'000
Within one year	94	75
In the second to fifth years	28	67
	<u>122</u>	<u>142</u>

### 17 Provisions for liabilities and charges

No charge for taxation has been provided in the financial statements as the group has incurred a loss during the year.

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

	1993		1992	
	Provided £'000	Unprovided £'000	Provided £'000	Unprovided £'000
Difference between accumulated depreciation and capital allowances	160	-	210	-
Other timing differences	(30)	(309)	(16)	-
Capitalisation of players' registrations	1,931	-	867	-
	<u>2,061</u>	<u>(309)</u>	<u>1,061</u>	<u>-</u>
UK corporation tax losses	(2,061)	(889)	(1,061)	(868)
	<u>-</u>	<u>(1,198)</u>	<u>-</u>	<u>(868)</u>

The deferred tax asset arising above has not been recognised in these financial statements. The group has unrelieved UK corporation tax losses of approximately £8,900,000 at the end of the year.

In the opinion of the directors, no liability to deferred tax arises on the revaluation of ground developments as there is no intention to dispose of the assets.



# Newcastle United Limited

## Notes (continued)

### 18 Deferred income

	Capital grants	Platinum club	Assets received for non-cash consideration	Sponsorship	Total
	£'000	£'000	£'000	£'000	£'000
At beginning of year	741	-	134	528	1,403
Receivable during year	105	935	-	300	1,340
	<u>846</u>	<u>935</u>	<u>134</u>	<u>828</u>	<u>2,743</u>
Credited to profit and loss account	(34)	-	(30)	(333)	(397)
	<u>812</u>	<u>935</u>	<u>104</u>	<u>495</u>	<u>2,346</u>

Platinum club receipts will be credited to the profit and loss account over 99 years commencing in the 1993/1994 football season.

### 19 Called up share capital

	1993 £'000	1992 £'000
<i>Authorised</i>		
20,000,000 Ordinary shares of 50p each	<u>10,000</u>	<u>10,000</u>
<i>Allotted, called up and fully paid</i>		
10,323,825 Ordinary shares of 50p each	<u>5,162</u>	<u>5,162</u>

### 20 Revaluation reserve

	£'000
At beginning of year	1,133
Transfer to profit and loss account	<u>(15)</u>
At end of year	<u>1,118</u>

# Newcastle United Limited

## Notes (continued)

### 21 Contingent liabilities

At the end of the financial year the company had contingent liabilities in respect of signing on fees and loyalty bonuses amounting to a maximum of £1,138,000 which may become payable immediately under Football League rules if the players concerned leave the company.

### 22 Commitments

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

	1993 £'000	1992 £'000
Contracted	5,160	-

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

	Land and buildings		Other	
	1993 £'000	1992 £'000	1993 £'000	1992 £'000
Within one year	-	-	9	9
In the second to fifth years	-	-	3	3
After five years	35	28	-	-
	<u>35</u>	<u>28</u>	<u>12</u>	<u>12</u>

### 23 Reconciliation of operating loss to net cash inflow/(outflow) from operating activities

	1993 £'000	1992 £'000
Operating loss	(616)	(1,171)
Depreciation charge	450	450
Amortisation charge	769	441
Decrease/(increase) in stocks	(156)	59
Increase in debtors	(415)	(235)
Increase in creditors	1,579	195
Release of deferred income	(397)	(397)
Net cash inflow/(outflow) from operating activities	<u>1,214</u>	<u>(658)</u>

# Newcastle United Limited

## Notes (continued)

### 24 Analysis of changes in cash and cash equivalents

	Cash £'000	Overdraft £'000	Net £'000
Balance at 1 June 1991	22	(1,051)	(1,029)
Net cash outflow	(2)	(1,255)	(1,257)
Balance at 1 June 1992	20	(2,306)	(2,286)
Net cash inflow	824	893	1,717
Balance at 31 May 1993	844	(1,413)	(569)

### 25 Analysis of changes in financing during the year

	Share capital £'000	Bank and other loans £'000	Grants and sponsorship £'000	Finance lease obligations £'000
Balance at 1 June 1991	3,995	4,265	1,739	137
Net cash flow from financing	1,167	(340)	44	5
Credited to profit and loss account	-	-	(380)	-
Balance at 1 June 1992	5,162	3,925	1,403	142
Net cash flow from financing	-	3,022	1,340	(20)
Credited to profit and loss account	-	-	(397)	-
Balance at 31 May 1993	5,162	6,947	2,346	122

### 26 Ultimate parent company

The company is a subsidiary undertaking of Cameron Hall Developments Limited, registered in England and Wales.

The only other group in which the results of the company are consolidated is that headed by Cameron Hall Developments Limited.