

CHELSEA VILLAGE plc

Company Registration Number 2536231

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 1999



CHELSEA VILLAGE plc

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FOR THE YEAR ENDED 30 JUNE 1998

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CHELSEA VILLAGE plc
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 1999

The Directors present their annual report and financial statements for the year ended 30 June 1999.

Principal activities

The principal activities of the Group are the operation of a professional football club, the provision of catering and function facilities, hoteliers, retailing and media activities, travel agency, car park management, event organisation, and operation and property development and management.

Review of the business

A review of the activities of the Group is set out in the Chairman's Statement. The results for the year are set out in the profit and loss account on page 7.

Directors

The Directors of the Company during the year and the interest of those serving as at 30 June 1999 in the share capital of the Company, which were all beneficial, were as follows :

	30 June 1999 or date of subsequent appointment No. of shares	30 June 1998 No. of shares
Executive		
K.W. Bates	30,000,000	30,000,000
M.I. Russell	3,000	3,000
G.J. Pinchen (Appointed 28 August 1998) (Resigned 31 August 1999)	1,455,742	1,286,776
A.L. Shaw (Appointed 16 October 1998)	5,100	5,100
Non executive		
P.J. Murrin	100	100
R.M. Taylor	Nil	Nil
S.O. Thompson	2,811,743	2,811,743

A.L. Shaw served as Company Secretary throughout the year.

In accordance with the Articles of Association K.W. Bates and P.J. Murrin retire by rotation. Members are invited to re - elect these Directors at the Company's Annual General Meeting.

CHELSEA VILLAGE plc
DIRECTORS' REPORT (Continued)
FOR THE YEAR ENDED 30 JUNE 1999

Results and dividends

The net loss for the year, after taxation, was £ 713,378 (1998 £ 2,068,810 profit), and has been transferred to reserves.

The Directors do not recommend the payment of a dividend for the financial year.

Fixed assets

The movements in fixed assets during the year are as shown in note 13 to 15 to the financial statements. The intangible fixed assets include the unamortised portion of the cost of players' registrations. Two Directors and a senior member of the player management of Chelsea Football Club Limited have each independently valued the playing staff. The average of their aggregate valuation as at 30 June 1999 was £ 71,570,000. The valuation assumes willing buyers for the relevant player's registrations on normal contractual terms and an orderly disposal over a period of time.

The Group's freehold, long and short leasehold land and buildings were valued at 30 June 1999 by Chesterton International plc. These valuations as detailed in note 14 have been incorporated in these financial statements.

Charitable and political donations

During the year the Group made no charitable donations in the United Kingdom (1998 £ nil). There were no political donations during the year (1998 £ nil).

Payments to suppliers

The Company agrees terms and conditions for its goods and services with suppliers and seeks to abide by these payment terms subject to the agreed terms and conditions being met by the supplier.

Amounts due to the Company's suppliers at the balance sheet date represent approximately 50 days credit based on the total amounts of goods and services invoiced by them.

CHELSEA VILLAGE plc
DIRECTORS' REPORT (Continued)
FOR THE YEAR ENDED 30 JUNE 1999

Acquisition

In October 1998, the Group acquired the remaining 20% of the share capital of the Bidgleam Group (principal trading company Elizabeth Duff Travel Ltd.), a travel agency based in the South East of England. Payment for the above was made by cash and the issue of 447,429 ordinary shares in the Company.

Post balance sheet events

Since the year end the Group has acquired the registration 6 players, and sold 4 at a net cost of £ 13.9m.

Significant shareholdings

Apart from the interests of the Directors referred to above, the Company has received the following notifications of holdings of more than 3% of the share capital of the Company as at the date of this report :

Swan Management Ltd	32.0%
N Y Nominees Ltd	22.5%
Havering Ltd	4.7%

Corporate governance

The Directors take the view that it should comply with the Combined Code of Best Practice.

The Board consists of three Executive and three Non Executive directors. It meets regularly throughout the year. The Board has established independent Audit and Remuneration Committees both of which consist of the three non executive directors, one of whom acts as Chairman. Each Committee has formal terms of reference approved by the Board.

The Audit Committee meets at least quarterly and has responsibility to monitor controls established to ensure the integrity of the financial information reported to the Shareholders.

The Remuneration Committee advises executive Directors and the Board on the remuneration of senior executives of the Group. A Nominations Committee has not been established because the approval and appointment of Directors is considered to be a matter for the entire Board.

CHELSEA VILLAGE plc
DIRECTORS' REPORT (Continued)
FOR THE YEAR ENDED 30 JUNE 1999

Corporate governance (cont.)

Internal financial control

The Directors acknowledge that they have overall responsibility for the Group's system of internal financial control, the main components of which are summarised as follows :

There is a comprehensive budgeting system for all items of expenditure, with the annual budget approved by the Board. *Actual results are compared to budget on a monthly basis and reported to the Board with revised financial forecasts for the year.* Whilst the system can provide only reasonable, not absolute assurance against material misstatement or loss, the system is designed to ensure the Group's assets are safeguarded against material loss. The Group's control procedures require all transactions to be properly authorised and recorded and that the Group's financial position and performance are fairly reported.

Going concern basis

After making enquiries, the Directors have a reasonable expectation that the Company and the Group has adequate resources to enable the Directors to adopt the going concern basis in preparing the financial statements.

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 of the Group 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 accounting standards have been followed, subject to any *material departures disclosed and explained in the financial statements* ;
- prepare the financial statements on a 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 Group and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CHELSEA VILLAGE plc
DIRECTORS' REPORT (Continued)
FOR THE YEAR ENDED 30 JUNE 1999

Employees

The Group recognises the importance of good employee relations and communications. Employee participation practices are appropriate to each Company's needs. Employees are regularly kept informed of and express their views on activities which are of concern to them or which are likely to affect their interests.

Disabled persons are given full and fair consideration in all applications for employment. Equal consideration is also given for training, career development and opportunities for promotion.

Year 2000 Date Change

The Group has undertaken a review of its computer systems to ensure they are able to operate effectively after 31 December 1999. The review also covered third parties from whom the Group receives services.

The immaterial cost of this review has been taken to the profit and loss account.

Auditors

The auditors Saffery Champness have indicated their willingness to accept re-appointment under section 385(2) of the Companies Act 1985.

Signed by order of the
Board of Directors



A.L. Shaw
Company Secretary

2 November 1999

CHELSEA VILLAGE plc
AUDITORS' REPORT TO THE MEMBERS OF CHELSEA VILLAGE plc
FOR THE YEAR ENDED 30 JUNE 1999

We have audited the financial statements on pages 7 to 33.

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 judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the Company and of the Group, 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 of the Group as at 30 June 1999 and of the Group's loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Saffery Champness
Chartered Accountants and Registered Auditor

London

2 November 1999

CHELSEA VILLAGE plc
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 1999

	Note	1999 £	1998 £
Turnover	2	91,531,364	88,307,136
Direct operating costs		(70,879,716)	(67,877,170)
Gross profit		20,651,648	20,429,966
Administrative expenses		(12,891,088)	(12,567,519)
		7,760,560	7,862,447
Player amortisation	3	(2,874,714)	(3,084,956)
Operating profit	4	4,885,846	4,777,491
Interest receivable and similar income	8	1,566,959	1,219,207
Interest payable	9	(6,959,628)	(3,896,081)
		(5,392,669)	(2,676,874)
(Loss) / profit on ordinary activities before taxation		(506,823)	2,100,617
Taxation	10	(206,555)	-
(Loss) / profit on ordinary activities after taxation	25	(713,378)	2,100,617
Minority interests		-	(31,807)
Retained (loss) / profit for the year		(713,378)	2,068,810
Retained profit brought forward		4,110,909	2,042,099
Retained profit carried forward		3,397,531	4,110,909
Earnings per share	12	(0.4)p	1.3p
Adjusted earnings per share	12	1.3p	3.3p

The notes numbered 1 to 32 form part of these financial statements

CHELSEA VILLAGE plc
GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 30 JUNE 1999

	1999 £	1998 £
(Loss) / profit for the financial year	(713,378)	2,068,810
Unrealised surplus on revaluation of freehold properties	5,139,294	11,960,563
Total recognised gains and losses for the financial year	<u>4,425,916</u>	<u>14,029,373</u>

The notes numbered 1 to 32 form part of these financial statements

CHELSEA VILLAGE plc
BALANCE SHEET
AS AT 30 JUNE 1999

	Note	Group		Company	
		1999 £	1998 £	1999 £	1998 £
Fixed assets					
Intangible assets	13	27,875,058	21,127,800	-	-
Tangible assets	14	112,388,043	100,789,967	2,896,131	3,772,681
Investments	15	-	-	102,775,599	74,077,058
		140,263,101	121,917,767	105,671,729	77,849,739
Current assets					
Stocks	16	1,001,523	1,118,058	-	-
Debtors : Due in one year	17	9,476,957	12,755,577	211,196	778,193
Due after one year	17	9,684,972	11,150,751	9,684,972	11,150,751
Short term development	18	13,065,687	5,590,921	-	-
Cash at bank and in hand		14,462,865	35,198,252	15,292,726	35,668,930
		47,692,003	65,813,559	25,188,894	47,597,874
Creditors :					
Amounts falling due within one year	19	(18,351,639)	(28,845,226)	(4,387,279)	(4,792,239)
Income in advance	19	(12,956,222)	(11,270,422)	-	-
		(31,307,861)	(40,115,648)	(4,387,279)	(4,792,239)
Net current assets		16,384,143	25,697,911	20,801,615	42,805,635
Total assets less current liabilities		156,647,243	147,615,678	126,473,344	120,655,374
Creditors :					
Amounts falling due after one year	20	84,030,248	79,942,628	73,795,814	73,757,044
Football Trust grants	22	3,100,000	3,100,000	-	-
Capital and reserves					
Called up share capital	24	1,588,350	1,583,873	1,588,350	1,583,875
Share premium account	25	37,761,921	37,374,895	37,761,921	37,374,895
Revaluation reserve	25	26,769,192	21,629,898	7,072,057	2,884,357
Profit and loss account	25	3,397,532	4,110,910	6,255,203	5,055,203
Shareholders' funds	25	69,516,995	64,699,576	52,677,530	46,898,330
Minority interests		-	(126,526)	-	-
		156,647,243	147,615,678	126,473,344	120,655,374

These financial statements were approved by the Board of Directors on 2 November 1999.

K.W. Bates

M.I. Russell

The notes numbered 1 to 32 form part of these financial statements

CHELSEA VILLAGE PLC
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 1999

	Note	1999 £	1998 £
Cash flow from operating activities	26.1	11,373,055	1,278,512
Returns on investments and servicing of finance	26.2	(5,392,669)	(2,676,874)
Taxation		(191,973)	(147,000)
Capital expenditure and financial investment	26.2	(24,935,587)	(36,415,397)
Acquisitions and disposals	26.2	(208,000)	(1,780,648)
Cash outflow before use of liquid resources and financing		(19,355,174)	(39,741,407)
Management of liquid resources	26.2	19,179,948	(29,583,210)
Financing			
Issue of shares	26.2	-	650,000
(Reduction) / increase in debt	26.2	(1,380,252)	69,141,699
		(1,380,252)	69,791,699
		(1,555,479)	467,082
Reconciliation of net cash flow to movement in net debt	26.3		
(Decrease) / Increase in cash in year		(1,555,479)	467,082
Cash outflow/ (inflow) from change in debt and lease financing		1,380,252	(69,141,699)
Cash (inflow) / outflow from increase / (decrease) in liquid resources		(19,179,948)	29,583,210
Change in net debt resulting from cashflows		(19,355,175)	(39,091,407)
New hire purchase and finance leases		-	(256,985)
Amortisation of Eurobond issue costs		(191,940)	-
Movement in net debt in period		(19,547,115)	(39,348,392)
Net debt at 1 July 1998.		(46,350,849)	(7,002,457)
Net debt at 30 June 1999		(65,897,964)	(46,350,849)

The notes numbered 1 to 32 form part of these financial statements

CHELSEA VILLAGE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 1999

1. Accounting policies

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

a) Basis of preparation of financial statements

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost convention with the exception that certain land and buildings have been revalued.

b) Consolidation

The Group financial statements incorporate the financial statements of Chelsea Village plc and all its subsidiary undertakings for the year ended 30 June 1999. Acquisitions are accounted for under the acquisition method with goodwill representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, being capitalised in the Balance Sheet and amortised over its expected useful life.

A separate profit and loss account dealing with the results of the Company only has not been presented as permitted by Section 230 of the Companies Act 1985.

c) Investment in subsidiaries

Subsidiary companies are valued in the parent company balance sheet at cost.

Where a diminution in value occurs and is considered to be permanent, the diminution below the cost of the investment, including loans, is written off to the profit and loss account.

d) Depreciation

Land and Buildings

Freehold and leasehold properties are maintained by a programme of repair and refurbishment such that the residual value is at least equal to its book value. Having regard to this, it is the opinion of the Directors that the depreciation of any such property as required by the Companies Act 1985 and accounting standards would not be material.

Fixtures and Fittings

The Group maintains a policy of replacing and renewing its fixed assets in order to sustain its level of service. These costs are then charged to the profit and loss account as and when they arise. Depreciation is therefore not charged on the Group's fixtures and fittings.

CHELSEA VILLAGE plc
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 1999

1. Accounting policies (cont.)

d) Depreciation (cont)

Other Assets

Depreciation is provided on other tangible fixed assets in equal instalments over their estimated useful lives. The following rates apply :

Plant and equipment	10% - 25%
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e) Deferred taxation

Deferred taxation is provided using the liability method to take account of all material timing differences to the extent that they are expected to reverse in the future without being replaced, calculated at the rate at which it is estimated that tax will be payable.

f) Transfer fees

All costs associated with the acquisition of a player's registration are capitalised as intangible fixed assets and are amortised evenly over the the period of the player's contract of employment with the Group. In the event that the initial contract is renegotiated prior to expiry, the written down value at the date of renegotiation is amortised over the extended period. Fees receivable are set off against the player's net book value at the date of sale, plus any payments made in settlement of the contracts, and the difference is treated as a profit or loss on disposal.

g) Players' signing on fees

Players' contracts of employment may include a signing on fee payable in equal instalments over the period of the contract. The Group's policy is to charge such fees to the profit and loss account as they fall due under the terms of the contract.

h) Capitalised interest

Separately identifiable borrowing costs and interest incurred on the development of specific projects are capitalised as part of the Group's development costs.

CHELSEA VILLAGE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 1999

1. Accounting policies (cont.)

i) Grants

Grants relating to assets which are not depreciated are deducted from the cost of fixed assets. This is not in accordance with Schedule 4 to the Companies Act 1985 ("the Act"), which requires fixed assets to be shown at their purchase price or production cost and hence grants contributions would be presented as deferred income. This departure from the requirements of the Act is, in the opinion of the Directors, necessary for the accounts to give a true and fair view as no provision is made for depreciation and any grants and contributions relating to such assets would not be taken to the profit and loss account.

j) Turnover

Turnover represents all income arising from the ordinary activities of the Group excluding transfer fees and excluding Value Added Tax.

k) Hire purchase and leasing commitments

Assets held under hire purchase contracts and finance leases are included in the fixed assets at total rental cost less finance charges. Finance charges are amortised over each lease term to give a constant rate of charge on the remaining balance of the obligation. Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the periods of the leases.

l) Pensions

The Group operates a number of defined contribution schemes. Contributions to these schemes are charged to the profit and loss account as incurred.

m) Stocks

Stocks, which comprise goods held for resale and food and beverages, are valued at the lower of cost and net realisable value.

n) Stadium development

The Group capitalises all expenditure incurred for the development of the Stamford Bridge Stadium.

o) Foreign Currencies

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling on the transaction date. Foreign currency monetary assets and liabilities are translated into sterling at the rate of exchange ruling at the balance sheet date. Exchange gains and losses are included in the profit and loss account.

CHELSEA VILLAGE plc
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 1999

2. Segmental information

	Turnover 1999 £	Profit / (loss) 1999 £	Turnover 1998 £	Profit / (loss) 1998 £
Football activities	44,075,827	3,498,932	37,108,643	3,066,884
Travel agency	29,102,608	(1,298,254)	33,047,248	(76,643)
Property sales / leasing	3,336,375	767,521	7,778,199	1,167,869
Hotel, catering	7,664,057	(2,161,963)	3,812,920	(855,416)
Merchandising	6,688,173	(806,058)	6,127,643	(453,565)
Publications / Licencing	368,794	(422,826)	377,642	(424,844)
Car parking / Events /Other	295,531	(84,175)	54,841	(323,668)
	<u>91,531,365</u>	<u>(506,823)</u>	<u>88,307,136</u>	<u>2,100,617</u>

All turnover arises in the United Kingdom, excludes value added tax and relates to continuing operations.

The net assets of the football and travel agency segments were £ 34,400,800 (1998 £ 31,770,120) and £ 1,796,000 liabilities (1998 £ 360,821 liabilities) respectively.

3. Player amortisation

Amortisation of cost of players' registrations	8,543,879	5,944,820
Gain on disposal of players' registrations	(5,669,165)	(2,859,864)
	<u>2,874,714</u>	<u>3,084,956</u>

4. Operating profit

This is stated after charging :

Amortisation of intangible assets :	8,942,058	6,432,892
Depreciation of tangible fixed assets :		
Owned	1,207,213	427,988
Leased	265,152	238,405
Operating lease rentals :		
Land and buildings	202,609	93,096
Other	1,334	4,271
Auditor's remuneration and expenses		
Audit	90,000	90,000
Other	20,000	17,000

CHELSEA VILLAGE plc
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 1999

5. Staff numbers and costs	1999 No.	1998 No.
The average number of employees of the Group during the year was as follows :		
Playing staff, managers and coaches	55	58
Ground staff	8	8
Administration and commercial	442	297
	<u>505</u>	<u>363</u>

The aggregate payroll costs of these employees were as follows :

	£	£
Wages and salaries	28,466,217	24,207,209
Social Security costs	3,055,900	2,527,879
Other pension costs	276,123	247,135
	<u>31,798,240</u>	<u>26,982,223</u>

6. Directors' emoluments

Aggregate emoluments	142,500	85,000
Pension contributions to money purchase schemes	14,250	8,000
	<u>156,750</u>	<u>93,000</u>

The number of directors to whom retirement benefits are accruing is :

Money purchase schemes	2	1
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The emoluments of the highest paid director were

Aggregate emoluments	100,000	85,000
Money purchase pension contributions	10,000	8,000
	<u>110,000</u>	<u>93,000</u>

CHELSEA VILLAGE plc
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 1999

7. Related party transactions

A company beneficially owned by K W Bates has contracted with a subsidiary undertaking for construction works to be carried out on an apartment held on long leasehold terms. The value of work to be undertaken, which has not yet been completed, is estimated at around £450,000.

During the year, in the normal course of business, R M Taylor, through his legal firm Mark Taylor & Co., was paid £ 63,488 in legal fees by the Company or its subsidiary undertakings.

In October 1998, the Company acquired the remaining 20% interest in the equity of the Bidgleam Group of Companies from G J Pinchen by the issue of 447,429 ordinary shares in Chelsea Village plc and £208,000 in cash.

At 30 June 1999 a subsidiary undertaking was owed £45,295 by a company controlled by G J Pinchen in respect of travel and other services and the settlement of a warranty claim (in part) by a former employee.

	1999 £	1998 £
8. Interest receivable		
Bank interest	<u>1,566,959</u>	<u>1,219,207</u>

9. Interest payable and similar charges

Interest payable on bank loans and overdrafts :		
repayable within five years	454,634	358,390
Eurobond 2007	6,043,753	3,126,313
Other loans	180,930	9,576
Finance lease charges	280,311	401,802
Eurobond 2007 issue costs	-	1,938,843
less : amounts capitalised	-	(1,938,843)
	<u>6,959,628</u>	<u>3,896,081</u>

10. Taxation

UK Corporation Tax		
Payment in respect of prior years	<u>206,555</u>	<u>-</u>

CHELSEA VILLAGE plc
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 1999

11. Profit for the financial year

The loss for the financial year of the Group includes a result of £ nil (1998 loss £239,145) dealt with in the individual accounts of Chelsea Village plc.

12. Earnings per share

The calculation of earnings per share is based on the loss for the year of £ 713,378 (1998 Profit £2,068,810) and on 158,835,012 (1998 158,387,583) ordinary shares in issue.

The Directors believe that in order to provide a more useful guide to the underlying performance of the Group an additional adjusted earnings per share figure should be included together with the traditional calculation. The adjusted figure excludes player trading and is considered to reflect the Groups operating performance.

	1999 £	1998 £
(Loss) / profit after taxation	(713,378)	2,068,810
Player trading	2,874,714	3,084,956
Adjusted profit after player trading	<u>2,161,336</u>	<u>5,153,766</u>
Weighted average number of shares in issue	158,835,012	158,387,583
(Loss) / earnings per share	(0.4)p	1.3p
Adjusted earnings per share	1.3p	3.3p

13. Intangible fixed assets

Group	Other Intangibles £	Cost of Players' Registrations £	Goodwill £	Total £
Cost				
At 1 July 1998	1,027,869	32,827,990	2,952,310	36,808,169
Additions	254,562	14,883,684	1,036,989	16,175,235
Disposals	(26,020)	(1,840,125)	-	(1,866,145)
At 30 June 1999	<u>1,256,411</u>	<u>45,871,549</u>	<u>3,989,299</u>	<u>51,117,259</u>
Amortisation				
At 1 July 1998	841,956	14,692,964	145,449	15,680,369
Charge for the year	221,179	8,543,879	177,000	8,942,058
Disposals	(9,290)	(1,370,936)	-	(1,380,226)
At 30 June 1999	<u>1,053,845</u>	<u>21,865,907</u>	<u>322,449</u>	<u>23,242,201</u>
Net Book Value				
At 30 June 1999	<u>202,566</u>	<u>24,005,642</u>	<u>3,666,850</u>	<u>27,875,058</u>
At 30 June 1998	<u>185,913</u>	<u>18,135,026</u>	<u>2,806,861</u>	<u>21,127,800</u>

Goodwill is amortised over its estimated useful life of 20 years.

CHELSEA VILLAGE plc
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 1999

14. Tangible fixed assets

Group	Land and Buildings £	Plant and Equipment £	Site Development Costs £	Total £
Cost / valuation				
At 1 July 1998	76,783,382	5,490,280	19,689,808	101,963,470
Additions	5,811,146	1,432,436	905,338	8,148,920
Revaluation	5,215,463	-	-	5,215,463
Disposals	-	(101,878)	-	(101,878)
Transfers	17,391,143	1,694,141	(19,085,284)	-
Transferred to current assets	-	-	(269,923)	(269,923)
At 30 June 1999	105,201,134	8,514,978	1,239,939	114,956,052
Depreciation				
At 1 July 1998	60,189	1,113,314	-	1,173,503
Charge for the year	53,937	1,418,428	-	1,472,365
Disposals	-	(77,859)	-	(77,859)
At 30 June 1999	114,126	2,453,883	-	2,568,009
Net Book Value				
At 30 June 1999	105,087,008	6,061,095	1,239,939	112,388,043
At 30 June 1998	76,723,193	4,376,966	19,689,808	100,789,967
Cost or valuation comprises :				
At cost	33,313,283	8,514,978	1,239,939	43,068,201
At 30 June 1999 valuation	71,887,851	-	-	71,887,851
At 30 June 1999	105,201,134	8,514,978	1,239,939	114,956,052
The net book value of land and buildings comprises :		1999 £		1998 £
Freehold land and buildings		32,131,008		9,343,193
Long leasehold building		72,946,000		67,370,000
Short leasehold land and buildings		10,000		10,000
		<u>105,087,008</u>		<u>76,723,193</u>

CHELSEA VILLAGE plc
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 1999

14. Tangible fixed assets (cont.)

Company

	Land and Buildings £	Plant and Equipment £	Site Development Costs £	Total £
Cost / valuation				
At 1 July 1998	2,730,115	1,236,659	-	3,966,774
Additions	-	104,900	905,338	1,010,239
Revaluation	5,465,000	-	-	5,465,000
Group transfers	(7,210,354)	-	-	(7,210,354)
At 30 June 1999	984,761	1,341,559	905,338	3,231,659

Depreciation

At 1 July 1998	-	194,093	-	194,093
Charge for the year	-	141,436	-	141,436
At 30 June 1999	-	335,529	-	335,529

Net Book Value

At 30 June 1999	984,761	1,006,030	905,338	2,896,130
At 30 June 1998	2,730,115	1,042,566	-	3,772,681

Cost or valuation comprises :

At cost	500,000	1,341,559	905,338	2,746,898
At 30 June 1999 valuation	484,761	-	-	484,761
At 30 June 1999	984,761	1,341,559	905,338	3,231,659

The net book value of land and buildings comprises :

	1999 £	1998 £
Freehold land and buildings	984,761	2,730,115
Long leasehold building	-	-
Short leasehold land and buildings	-	-
	<u>984,761</u>	<u>2,730,115</u>

CHELSEA VILLAGE plc
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 1999

14. Tangible fixed assets (cont.)

Valuations

Group

The open market value of the Group's freehold and leasehold interest in the hotel, car park and stadium were valued by Chesterton International plc, Chartered Surveyors as at 30 June 1999 in the sum of £103,736,000 in accordance with the Statement of Asset Valuation Practice and Guidance Notes of the Royal Institution of Chartered Surveyors.

Included within this valuation are :

1. The stadium was valued at £ 68,520,000 calculated on a depreciated replacement cost basis.
2. The club shop and hotel have been valued to existing use value.
3. The sports and leisure and additional hotel site have been valued to future development value.
4. The Group's freehold and leasehold residential units have not been re-valued at the year end as it is the Directors' opinion there has been no material change since the last year end.
5. The re-development of Stamford Gate House has been included within short term developments.

Group	1999 £	1998 £
Included in revalued land and buildings are :		
Finance arrangement costs	189,700	189,700
Interest payable	1,120,812	1,120,812
	<hr/>	<hr/>
	<u>1,310,512</u>	<u>1,310,512</u>

CHELSEA VILLAGE plc
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 1999

14. Tangible fixed assets (cont.)

The value of land and buildings (included at cost or valuation) determined according to the historical cost accounting rules is as follows ;

	Group		Company	
	1999	1998	1999	1998
	£	£	£	£
Cost				
Freehold property	30,121,000	9,942,583	594,000	1,219,000
Long leasehold property	48,310,000	41,597,901	-	-
	<u>78,431,000</u>	<u>51,540,484</u>	<u>594,000</u>	<u>1,219,000</u>
Depreciation				
Freehold property	1,420,000	874,274	64,000	48,742
Long leasehold property	445,000	207,989	-	-
	<u>1,865,000</u>	<u>1,082,263</u>	<u>64,000</u>	<u>48,742</u>
Net book value				
Freehold property	28,701,000	9,068,309	530,000	1,170,258
Long leasehold property	47,865,000	41,389,912	-	-
	<u>76,566,000</u>	<u>50,458,221</u>	<u>530,000</u>	<u>1,170,258</u>
Included in fixed assets are assets which are held under finance leases and hire purchase contracts as follows :				
Net book value	<u>5,932,000</u>	<u>6,197,248</u>	<u>845,000</u>	<u>938,371</u>
Depreciation charged in the year	<u>265,000</u>	<u>318,190</u>	<u>93,000</u>	<u>70,613</u>

CHELSEA VILLAGE plc
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 1999

15. Fixed asset investments

Company	Shares	Loan	
	£	Accounts	Total
Investment in subsidiary undertakings		£	£
Cost / valuation			
At 1 July 1998	11,571,011	63,651,726	75,222,737
Additions	601,411	-	601,411
Movement during the year	-	28,097,130	28,097,130
At 30 June 1999	<u>12,172,422</u>	<u>91,748,856</u>	<u>103,921,278</u>
Provision for diminution			
At 1 July 1998 and at 30 June 1999	<u>417</u>	<u>1,145,262</u>	<u>1,145,679</u>
Net book value			
At 30 June 1999	<u>12,172,005</u>	<u>90,603,594</u>	<u>102,775,599</u>
At 30 June 1998	<u>11,570,594</u>	<u>62,506,464</u>	<u>74,077,058</u>

Acquisitions in the year

In October 1998 the Company acquired the remaining 20% of the ordinary share capital of Bidgleam Limited. The consideration for the purchase was £ 208,000 in cash and £391,500 in the form of ordinary shares issued by Chelsea Village plc.

Details of the Company's subsidiary undertakings are shown in Note 32.

CHELSEA VILLAGE plc
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 1999

	Group		Company	
	1999	1998	1999	1998
	£	£	£	£
16. Stocks				
Merchandising	894,396	1,020,127	-	-
Food and beverages	107,127	97,931	-	-
	<u>1,001,523</u>	<u>1,118,058</u>	<u>-</u>	<u>-</u>
17. Debtors				
Trade debtors	6,820,279	8,377,155	-	9,369
Other debtors	654,543	635,375	68,905	132,559
Prepayments and accrued income	2,002,134	3,743,047	142,291	636,265
	<u>9,476,956</u>	<u>12,755,577</u>	<u>211,196</u>	<u>778,193</u>
Due after one year				
Other debtors	9,684,972	11,150,751	9,684,972	11,150,751
	<u>9,684,972</u>	<u>11,150,751</u>	<u>9,684,972</u>	<u>11,150,751</u>

As part of the Eurobond issue (see note 21), the Group made a loan to Chelsea Pitch Owners plc of £ 11,150,751, which is interest free and with repayment date unspecified. This was used to acquire the share capital of Stardust Investments Limited and discharge the debts of that Company in order to leave the freehold interest in the stadium site unencumbered.

Contemporaneously, Stardust Investments Limited sold to the Company the common parts of the freehold site and granted a long leasehold interest over the stadium site at a peppercorn rent to Chelsea Football Club Limited. Chelsea Pitch Owners plc is obliged to repay the debt in full.

18. Current asset investments

Short term development	<u>13,065,687</u>	<u>5,590,921</u>	<u>-</u>	<u>-</u>
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The property development held for resale includes the development of the Court Hotel and a number of residential apartments that will be sold on long term leases.

CHELSEA VILLAGE plc
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 1999

	Group		Company	
	1999	1998	1999	1998
	£	£	£	£
19. Creditors :				
Amounts falling due within one year :				
Bank loans and overdrafts	-	24,001	-	24,001
Trade creditors	6,879,264	13,289,251	302,770	258,928
Corporation tax	14,700	119	-	-
Other loans	-	25,000	-	-
Other creditors	681,851	1,798,096	159,583	-
Other tax and social security	2,762,091	2,866,101	16,697	8,801
Accruals and deferred income	7,327,359	8,721,707	3,790,292	4,328,175
Hire purchase and finance lease obligations	686,374	2,120,991	117,937	172,334
	18,351,639	28,845,266	4,387,279	4,792,239
Payments received in advance	12,956,222	11,270,422	-	-
	31,307,861	40,115,688	4,387,279	4,792,239

20. Creditors :

Amounts falling due after one year

Bank loans and overdrafts	5,000,000	5,053,892	-	53,892
Payments received in advance	40,793	32,499	-	-
Other loans	73,368,707	73,176,767	73,368,707	73,176,767
Other creditors	4,315,000	505,980	-	-
Hire purchase and finance lease obligations	1,305,748	1,173,490	427,107	526,385
	84,030,248	79,942,628	73,795,814	73,757,044

Other loans represent the net proceeds from the £75,000,000 Eurobond issue after deducting the issue costs of £1,938,842 which are being amortised over 10 years.

CHELSEA VILLAGE plc
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 1999

21. Borrowings and secured liabilities

	Group		Company	
	1999	1998	1999	1998
	£	£	£	£
The aggregate borrowings amounted to:				
Bank loans and overdrafts	5,000,000	5,077,893	-	77,893
Hire purchase and finance lease obligations	1,992,122	3,294,481	545,044	698,719
Eurobond 2007	73,368,707	73,176,767	73,368,707	73,176,767
Other loans	-	25,000	-	-
	<u>80,360,829</u>	<u>81,574,141</u>	<u>73,913,751</u>	<u>73,953,379</u>

Which are repayable as follows :

Within one year or on demand

Bank loans	-	24,001	-	24,001
Hire purchase and finance lease obligations	686,374	2,120,991	117,937	172,334
Other loans	-	25,000	-	-
	<u>686,374</u>	<u>2,169,992</u>	<u>117,937</u>	<u>196,335</u>

Between two and five years

Bank loans	-	53,892	-	53,892
Hire purchase and finance lease obligations	1,305,748	1,173,490	427,107	526,385
	<u>1,992,122</u>	<u>3,397,374</u>	<u>545,044</u>	<u>776,612</u>

After five years

Eurobond 2007	73,368,707	73,176,767	73,368,707	73,176,767
Bank loans	5,000,000	5,000,000	-	-
	<u>80,360,829</u>	<u>81,574,141</u>	<u>73,913,751</u>	<u>73,953,379</u>

On 17 December 1997 Chelsea Village plc issued a £ 75,000,000 Eurobond. The coupon rate is 8.875% payable annually on the anniversary of the issue. As a condition of the issue the Group repaid all existing bank borrowings and the Group acquired either freehold or long leasehold interests in the entire Stamford Bridge site.(see note 17)

The Trustee of the Issue holds a first mortgage debenture over the Group's assets.

Obligations under finance leases and hire purchase contracts are secured by the related leased assets. Liabilities under hire purchase agreements amounting to £626,492 are further secured by an assignment and floating legal and equitable charges over all rights and monies due to the Group under a sponsorship agreement dated 30 November 1995.

The bank overdraft is secured by a fixed second charge on the freehold owned by the Company and its subsidiaries.

CHELSEA VILLAGE plc
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 1999

21. Borrowings and secured liabilities (cont.)

	Group		Company	
	1999	1998	1999	1998
	£	£	£	£

Loans due after five years

Included in amounts due after one year are amounts repayable in instalments, some of which fall due after five years :

Due within five years :

Hire purchase and finance lease liabilities	-	538,571	-	538,571
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	-	538,571	-	538,571
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Due after five years

Bank loans	5,000,000	5,000,000	-	-
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Hire purchase and finance lease liabilities	-	-	-	-
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	5,000,000	5,000,000	-	-
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Chelsea Football Club Limited received an interest only 10 year bank loan of £5,000,000 repayable in full on 31 July 2007. The loan is guaranteed by the Estate of the late Matthew Harding and interest is payable at a rate of 0.5% over LIBOR.

CHELSEA VILLAGE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 1999

	Group		Company	
	1999	1998	1999	1998
	£	£	£	£
22. Football trust grants				
Grants receivable	3,100,000	3,100,000	-	-

The grants receivable from the Football Trust are in respect of the completed North Stand Development at the stadium and are repayable in the event of Chelsea Football Club Limited ceasing to use the Stamford Bridge ground.

23. Deferred taxation

No provision for deferred taxation has been made. An analysis of the deferred taxation (assets) / liabilities unprovided, calculated at 31%, is as follows :

Accelerated capital allowances	4,738,000	4,977,000	-	-
Other timing differences	-	(13,000)	-	-
	4,738,000	4,964,000	-	-
Taxation losses	(2,427,000)	(1,812,000)		
Property and investment revaluations	9,883,000	9,402,000	169,000	1,358,000
	12,194,000	12,554,000	169,000	1,358,000

24. Share capital

	1999		1998	
	Number	£	Number	£
Ordinary shares of 1p each				
Authorised	170,000,000	1,700,000	170,000,000	1,700,000
Allotted, issued and fully paid	158,835,012	1,588,350	158,387,583	1,583,876

447,429 ordinary shares were issued during the year to acquire the remaining 20% interest in the equity of the Bidgleam Group of Companies.

CHELSEA VILLAGE plc
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 1999

25. Movement on reserves and reconciliation of movement in shareholders' funds

Group	Share capital £	Share premium account £	Revaluation reserve £	Profit and loss £	Total shareholders' funds £
<i>Balance at 30 June 1998</i>	1,583,875	37,374,895	21,629,898	4,110,910	64,699,578
Loss for the financial year	-	-	-	(713,378)	(713,378)
Unrealised surplus on revaluation of property	-	-	5,139,294	-	5,139,294
Issue of share capital	4,475	387,026	-	-	391,501
Equity shareholders' funds at 30 June 1999	<u>1,588,350</u>	<u>37,761,921</u>	<u>26,769,192</u>	<u>3,397,532</u>	<u>69,516,995</u>

Company

<i>Balance at 30 June 1998</i>	1,583,875	37,374,895	2,884,357	5,055,203	46,898,330
Loss for the financial year	-	-	-	(1)	(1)
Unrealised surplus on revaluation of property	-	-	5,387,700	-	5,387,700
Issue of share capital	4,475	387,026	-	-	391,501
Transfer	-	-	(1,200,000)	1,200,000	-
Equity shareholders funds at 30 June 1999	<u>1,588,350</u>	<u>37,761,921</u>	<u>7,072,057</u>	<u>6,255,202</u>	<u>52,677,529</u>

CHELSEA VILLAGE plc
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 1999

26 Notes to the Cash Flow Statement	1999 £	1998 £
26.1 Reconciliation of operating profit to operating cash flows		
Operating profit	4,885,846	4,777,491
Depreciation charges	1,472,365	666,393
Loss on sale of tangible fixed assets	19,520	-
Profit on sale of intangible fixed assets	(5,668,935)	(2,859,864)
Amortisation of Eurobond issue costs	191,940	-
Amortisation of players' registrations	8,543,879	5,944,820
Amortisation of commercial rights	221,179	342,623
Amortisation of goodwill	177,000	145,449.00
Decrease / (Increase) in stocks	116,535	(1,085,749)
Decrease / (Increase) in debtors	4,744,400	(14,817,049)
Increase / (Decrease) in creditors	(3,330,674)	8,164,398
Net cash inflow from operating activities	<u>11,373,055</u>	<u>1,278,512</u>
26.2 Analysis of cash flows for headings netted in the cash flow statement		
Returns on investments and servicing of finance		
Interest received	1,566,959	1,219,207
Interest paid	(6,679,317)	(3,494,279)
Interest element of finance lease payments	(280,311)	(401,802)
	<u>(5,392,669)</u>	<u>(2,676,874)</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(7,705,863)	(26,601,592)
Cost of short term development	(7,204,843)	(4,481,019)
Purchase of intangible fixed assets	(16,175,235)	(8,292,650)
Grants received	-	100,000
Sale of tangible fixed assets	4,500	-
Sale of intangible fixed assets	6,145,854	2,859,864
	<u>(24,935,587)</u>	<u>(36,415,397)</u>
Acquisition and disposals		
Acquisition of subsidiary	(208,000)	(219,000)
Net overdrafts acquired with subsidiary	-	(1,561,648)
Net cash outflow for acquisitions and disposals	<u>(208,000)</u>	<u>(1,780,648)</u>

CHELSEA VILLAGE plc
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 1999

26 Notes to the Cash Flow Statement (cont.)

26.2 Analysis of cash flows for headings netted in the cash flow statement (cont.)	1999 £	1998 £
Management of liquid resources		
Cash withdrawn/(deposited) on deposits of less than one year.	19,179,948	(29,583,210)
Net cash outflow from from management of liquid resources	<u>19,179,948</u>	<u>(29,583,210)</u>
Financing		
Issue of ordinary share capital	-	650,000
Expenses of issuing share capital	-	-
Debt due within one year		
Increase in short term borrowings	-	-
Repayment of short term borrowings	(24,001)	(724,403)
Debt due after one year		
New secured loan	-	75,000,000
Expenses of raising new secured loan	-	(1,823,233)
Repayment of secured loan	(53,892)	(1,974,001)
Hire purchase and capital element of finance lease rental payments	(1,302,359)	(1,336,664)
	<u>(1,380,252)</u>	<u>69,141,699</u>
	<u>(1,380,252)</u>	<u>69,791,699</u>

26.3 Analysis of net debt

	At 1 July 1998 £	Cash flow £	Other non cash changes £	At 30 June 1999 £
Cash at bank and in hand	580,082	(580,082)	-	-
Bank overdrafts	-	(975,397)	-	(975,397)
	<u>580,082</u>	<u>(1,555,479)</u>	<u>-</u>	<u>(975,397)</u>
Debt due within one year	(24,001)	24,001	-	-
Debt due after one year	(78,230,659)	53,892	191,940	(78,368,707)
Hire purchase and finance leases	(3,294,481)	1,302,359	-	(1,992,122)
Money market deposits	<u>34,618,210</u>	<u>(19,179,948)</u>	<u>-</u>	<u>15,438,262</u>
	<u>(46,350,849)</u>	<u>(19,355,175)</u>	<u>191,940</u>	<u>(65,897,964)</u>

CHELSEA VILLAGE plc
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 1999

26 Notes to the Cash Flow Statement (cont.)

26.4 Purchase of subsidiary undertakings	1999	1998
	£	£
Tangible fixed assets	-	229,903
Debtors	-	2,476,408
Cash at bank	-	21,083
Creditors	-	(1,897,549)
Bank overdrafts	-	(1,582,731)
Loans and finance leases	-	(24,563)
Minority shareholders' interests	-	155,490
	<hr/>	<hr/>
	-	(621,959)
Goodwill	-	2,940,959
	<hr/>	<hr/>
	<hr/>	<hr/>
	-	2,319,000

CHELSEA VILLAGE plc
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 1999

27. Operating lease and capital commitments

The annual commitments under non-cancellable operating leases are :

	Group		Company	
	1999	1998	1999	1998
	£	£	£	£
Land and buildings :				
Leases expiring within one year	12,000	12,000	-	-
Leases expiring within two to five years	261,857	70,901	-	-
Leases expiring in more than five years	53,890	193,555	-	-
	<u>327,747</u>	<u>276,456</u>	<u>-</u>	<u>-</u>
Other				
Leases expiring within two to five years	1,334	3,996	-	-

Capital expenditure commitments were as follows :

Contracted for but not provided :

Tangible fixed assets	4,200,000	11,711,183	-	-
Intangible fixed assets	13,620,000	12,200,000	-	-
	<u>17,820,000</u>	<u>23,911,183</u>	<u>-</u>	<u>-</u>

28. Contingent liabilities

a) The Company has guaranteed the overdrafts of its subsidiary undertakings.

The amount covered by this guarantee at 30 June 1999 was £ 1,102,469.

b) The Company has guaranteed a hire purchase liability of a subsidiary undertaking. The amount

covered by this guarantee at 30 June 1999 was £ 196,729

29. Pension commitments

A subsidiary undertaking contributes to pension schemes providing benefits based both upon contributions made and upon final salary. Both schemes are administered by the Football League Limited. The Group also contributes to other schemes providing benefits based upon contributions made. The assets of the schemes are held separately from those of the Company in independently administered funds. The pension cost charge of £ 276,000 (1998 £ 247,135) is payable to these funds.

30. Post balance sheet events

Since 30 June 1999 the Group has acquired the registrations of 6 professional football players and sold 4 others. The net expenditure of these transfers was £ 13.9m.

31. Financial instruments

At 30 June 1999 there were no material differences between the book value and the fair value of the Group's financial assets and liabilities.

CHELSEA VILLAGE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 1999

32. Subsidiary undertakings

The Company has the following subsidiary undertakings :

Trading

Chelsea Football Club Limited
Chelsea Car Parks Limited
Chelsea Village Communications Limited

Chelsea Village Contractors Limited
Chelsea Village Catering Limited
Chelsea Village Hotel Limited
Chelsea Village Merchandising Limited
Chelsea Village Management Limited
Chelsea Financial Consultants Limited
Chelsea Leisure Services Limited
Chelsea Pacific Limited
Bidgleam Limited
Elizabeth Duff Travel Limited
Fulham Securities Limited
Stamford Bridge Properties Limited
Stamford Bridge Securities Limited
Chelsea Limited

Dormant

Arkles Limited
Chelsea Caterers Limited
Chelsea Events Limited
Chelsea Garden Village Limited
Chelsea Pensioner Limited
Chelsea Village Television Limited
Chelsea T.V. Limited
Chelsea Vintners Limited
Chelsea Worldwide Travel Limited
London Voice Limited
The Chelsea Style Limited
Chelsea Exclusive Events Limited
Midnight at Chelsea Limited
Chelsea Village Car Rentals Limited
Chelsea Village Radio Limited
Chelsea Village Dot Com Limited
Chelsea Football Club Dot Com Limited

Nature of business

Professional football club
Car park management
Publications, Television, Radio
Internet operations
Property development
Catering services
Hotel management
Merchandising and Mail Order
Group utilities and facilities
Insurance
Property development
Nightclub
Holding company of travel agency
Travel agency
Property lessors and development
Property lessors
Property lessors and development
Holding company of Chelsea Football Club Limited

All of the above companies are incorporated in Great Britain and registered in England and Wales.

The entire share capital and control of 100% of the voting rights of all the subsidiary undertakings is held by the Company, with the exception of Chelsea Village Radio Limited and Chelsea Exclusive Events Limited both of which are 50% owned.