

CHELSEA PITCH OWNERS PLC

FINANCIAL STATEMENTS

30 JUNE 1996

Registered number: 2800546

R J SEWELL & CO

COMMERCIAL ACCOUNTANTS

Walton-on-Thames



CHELSEA PITCH OWNERS PLC
FINANCIAL STATEMENTS
for the year ended 30 June 1996

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The following page does not form part of the statutory accounts

Detailed trading and profit and loss account	Appendix 1
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CHELSEA PITCH OWNERS PLC

COMPANY INFORMATION

30 June 1996

Incorporated England on 11 March 1993

Number 2800546

CHAIRMAN	Mr S J Frankham
OTHER DIRECTORS	Mr A L Banks MP Mr G J Pinchen - Resigned 6-12-95 Mr R G Hockings Mr D F Wise Mr G Bell - Appointed 6-12-95
SECRETARY	Mr R J Sewell
REGISTERED OFFICE	Stamford Bridge Grounds Fulham Road London SW6 1HS
BANKERS	Lloyds Bank plc Willesden Green Branch 1 Walm Lane London NW2 5SN
SOLICITORS	Jacobsens The Outer Temple 222 Strand London WC2R 1DE
ACCOUNTANTS	R J Sewell & Co Commercial Accountants First Floor, Brassey House New Zealand Avenue Walton-on-Thames Surrey KT12 1QD
AUDITORS	Knight & Partners Chartered Accountants Registered Auditor 11 Castle Hill Maidenhead Berkshire SL6 4AA

CHELSEA PITCH OWNERS PLC

DIRECTORS' REPORT

30 June 1996

The directors present their report and the audited financial statements for the year ended 30 June 1996.

Principal activity

The principal activity of the company remains that of acquiring the freehold interest in the land upon which Chelsea Football Ground is situate and to ensure that the land is available for use as a football stadium and unavailable for any other use.

Business review

The company's balance sheet as detailed on page 6 shows a satisfactory position, shareholders' funds amounting to £436,937.

Profit, dividends and appropriations

The results for the year are shown in the profit and loss account on page 5.

The directors do not propose payment of an ordinary dividend, the profit for the year is to be transferred to reserves.

Fixed assets

Changes in fixed assets during the year are set out in the notes to the accounts as follows

Tangible fixed assets - note 8

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows

	30 June 1996 Ordinary shares	1 July 1995 Ordinary shares
Mr S J Frankham	20	20
Mr A L Banks MP	3	3
Mr G J Pinchen - Resigned 6-12-95	1	1
Mr R G Hockings	1	1
Mr D F Wise	1	1
Mr G Bell - Appointed 6-12-95	65	61

In accordance with the Articles of Association, all the directors retire by rotation and offer themselves for re-election at the next Annual General Meeting.

Future developments

As can be seen from the Accounts, the company has exceeded 5000 fully paid-up shares and has increased the Pay-When-You-Can scheme. We have continued to reduce the company overheads and are pleased to show a profit for the first time.

continued

CHELSEA PITCH OWNERS PLC

DIRECTORS' REPORT
(continued)

30 June 1996

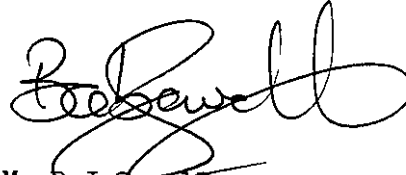
Share capital

The company issued a further 566 ordinary shares of £1 each during the year.

Auditors

Knight & Partners have agreed to offer themselves for re-appointment as auditors of the company.

On behalf of the board

A handwritten signature in black ink, appearing to read 'R. J. Sewell', written over a horizontal line.

Mr R. J. Sewell
Secretary

Stamford Bridge Grounds
Fulham Road
London
SW6 1HS

30 October 1996

CHELSEA PITCH OWNERS PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES

We are required under company law 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 profit or loss of the company for that period. In preparing those financial statements we are required to:

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

We are also responsible for:

- keeping proper accounting records;
- safeguarding the company's assets;
- taking reasonable steps for the prevention and detection of fraud.

30 October 1996

On behalf of the board

A handwritten signature in black ink, appearing to read 'S J Frankham', with a long horizontal line extending to the right.

Mr S J Frankham
Chairman

CHELSEA PITCH OWNERS PLC

AUDITORS' REPORT

Auditors' report to the members of

Chelsea Pitch Owners PLC

We have audited the financial statements on pages 5 to 12 which have been prepared under the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 3, 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 company'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 error or other irregularity. 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 the company's affairs as at 30 June 1996 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Knight & Partners
Registered Auditors
Chartered Accountants

Maidenhead
30 October 1996

CHELSEA PITCH OWNERS PLC

PROFIT AND LOSS ACCOUNT

for the year ended 30 June 1996

	Note	1996 £	1995 £
Turnover	2	17,555	18,507
Cost of sales		(12,705)	(13,160)
Gross profit		4,850	5,347
Net operating expenses			
Administrative expenses		(16,180)	(36,987)
Operating loss	3	(11,330)	(31,640)
Investment income	5	22,742	20,194
Interest payable	6	(5)	(82)
Profit/(loss) on ordinary activities before taxation		11,407	(11,528)
Taxation	7	-	-
Profit/(loss) on ordinary activities after taxation		11,407	(11,528)
retained for the year	14		

Movements in reserves are shown in note 14.

None of the company's activities were acquired or discontinued during the above two financial years.

There are no recognised gains and losses in 1996 or 1995 other than the profit/(loss) for the year.

CHELSEA PITCH OWNERS PLC

BALANCE SHEET

at 30 June 1996

	Note	£	1996	£	£	1995	£
Fixed assets							
Tangible assets	8			1,725			2,301
Current assets							
Stocks	9	1,504				1,469	
Debtors	10	21,370				27,246	
Cash at bank and in hand			416,416			341,678	
			<u>439,290</u>			<u>370,393</u>	
Creditors: amounts falling due within one year	11	(4,078)				(3,764)	
Net current assets				<u>435,212</u>			<u>366,629</u>
Total assets less current liabilities				<u><u>436,937</u></u>			<u><u>368,930</u></u>
Capital and reserves							
Called up share capital	13		516,500			459,900	
Profit and loss account	14		(79,563)			(90,970)	
Total shareholders' funds	12		<u><u>436,937</u></u>			<u><u>368,930</u></u>	

The financial statements on pages 5 to 12 were approved by the board of directors on 30 October 1996.



Mr S J Frankham
Chairman

CHELSEA PITCH OWNERS PLC

CASH FLOW STATEMENT

for the year ended 30 June 1996

	1996		1995	
	£	£	£	£
Net cash outflow from operating activities		(4,599)		(47,790)
Returns on investments and servicing of finance				
Interest received	22,742		20,194	
Interest paid	(5)		(82)	
		<u>22,737</u>		<u>20,112</u>
Net cash inflow from returns on investments and servicing of finance				
		18,138		(27,678)
Net cash inflow/(outflow) before financing				
Financing				
Issue of share capital	56,600		114,400	
		<u>56,600</u>		<u>114,400</u>
Net cash inflow from financing				
		74,738		86,722
Increase in cash and cash equivalents		<u>74,738</u>		<u>86,722</u>

See Note 15 for the notes to this statement.

CHELSEA PITCH OWNERS PLC

NOTES ON FINANCIAL STATEMENTS

30 June 1996

1 Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Fixtures and fittings	25% on written down value
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Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

2 Analysis of results

Turnover represents the amount derived from the provision of goods and services which fall within the company's ordinary activities stated net of value added tax.

The turnover before taxation attributable to the different classes of the company's business are:

Turnover

	1996 £	1995 £
Sales of tickets for events	13,335	10,937
Income from auctions/raffles	3,484	5,357
Sundry income	736	2,213
	<u>17,555</u>	<u>18,507</u>

CHELSEA PITCH OWNERS PLC

NOTES ON FINANCIAL STATEMENTS

30 June 1996

3 Operating loss

	1996 £
Operating loss is stated after charging	
Auditors' remuneration	2,000
Auditors' remuneration - non-audit work	-
	<u> </u>
Depreciation of tangible fixed assets (note 8)	
owned assets	575
	<u> </u>

1995 £
2,000
750
<u> </u>
767
<u> </u>

4 Directors and employees

	1996 Number
Average number employed including executive directors	
Office and management	6
	<u> </u>

1995 Number
6
<u> </u>

Directors

There was no directors' remuneration paid during the year.

5 Investment income

	1996 £
Interest receivable	22,742
	<u> </u>

1995 £
20,194
<u> </u>

6 Interest payable

	1996 £
Bank interest	5
	<u> </u>
	5
	<u> </u>

1995 £
82
<u> </u>
82
<u> </u>

CHELSEA PITCH OWNERS PLC
NOTES ON FINANCIAL STATEMENTS

30 June 1996

7 Taxation

The company has no liability for taxation.

8 Tangible fixed assets

Cost or valuation	Fixtures and Fittings £
1 July 1995 and 30 June 1996	4,427
Depreciation	
1 July 1995	2,126
Charge for year	575
30 June 1996	2,701
Net book amount	
30 June 1996	1,725
1 July 1995	2,301

9 Stocks

	1996 £	1995 £
Stock of promotional items	1,504	1,469
	1,504	1,469

10 Debtors

	1996 £	1995 £
Amounts falling due within one year		
Trade debtors	300	7,700
Other debtors	-	28
Prepayments and accrued income	21,070	19,518
	21,370	27,246

CHELSEA PITCH OWNERS PLC

NOTES ON FINANCIAL STATEMENTS

30 June 1996

11 Creditors: amounts falling due within one year

	1996 £	1995 £
Other taxation and social security	587	364
Other creditors	91	-
Accruals and deferred income	3,400	3,400
	<u>4,078</u>	<u>3,764</u>

12 Reconciliation of movements in shareholders' funds

	1996 £	1995 £
Profit/(loss) for the financial year	11,407	(11,528)
New share capital subscribed	56,600	114,400
Net addition to shareholders' funds	68,007	102,872
Opening shareholders' funds	368,930	266,058
Closing shareholders' funds	<u>436,937</u>	<u>368,930</u>

13 Called up share capital

	1996		1995	
	Number of shares	£	Number of shares	£
Authorised				
Authorised share capital - o	<u>70,000</u>	<u>7,000,000</u>	<u>70,000</u>	<u>7,000,000</u>
Allotted called up and fully paid				
Authorised share capital - o	<u>5,165</u>	<u>516,500</u>	<u>4,599</u>	<u>459,900</u>

CHELSEA PITCH OWNERS PLC

NOTES ON FINANCIAL STATEMENTS

30 June 1996

14 Profit and loss account

	1996 £
1 July 1995	(90,970)
Retained profit for the year	11,407
30 June 1996	<u>(79,563)</u>

15 Notes to the cash flow statement

Reconciliation of operating loss to
net cash outflow from operating activities

	1996 £	1995 £
Operating loss	(11,330)	(31,640)
Depreciation charges	575	767
(Increase)/decrease in stocks	(35)	29
Decrease/(increase) in debtors	5,877	(15,113)
Increase/(decrease) in creditors	314	(1,833)
Net cash outflow from operating activities	<u>(4,599)</u>	<u>(47,790)</u>
Analysis of changes in cash and cash equivalents as shown in the balance sheet		
Balance at 1 July 1995	341,678	254,958
Net cash inflow	74,738	86,720
Balance at 30 June 1996	<u>416,416</u>	<u>341,678</u>

Analysis of the balances of cash and cash
equivalents as shown in the balance sheet

	1996 £	1995 £	Change in year £
Cash at bank and in hand	<u>416,416</u>	<u>341,678</u>	<u>74,738</u>

Analysis of changes in financing during the year

	Share Capital £
Balance at 1 July 1995	459,900
Cash outflow from financing	56,600
Balance at 30 June 1996	<u>516,500</u>