

Registered number: 02800546

**CHELSEA PITCH OWNERS PLC**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30th JUNE 2007**



**CHELSEA PITCH OWNERS PLC**  
**INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30th JUNE 2007**

<b>INDEX</b>	<b>PAGE</b>
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Consolidated Profit & Loss Account	5
Statement of Total Recognised Gains and Losses	6
Balance Sheets	7
Group Cash Flow Statement	8
Notes to the Consolidated Financial Statements	9

**CHELSEA PITCH OWNERS PLC**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 30th JUNE 2007**

<b>DIRECTORS:</b>	Mr R D King Mr R J Sewell Mr P J Baker
<b>SECRETARY</b>	Mr R J Sewell
<b>REGISTERED OFFICE:</b>	Stamford Bridge Fulham Road London SW6 1HS
<b>REGISTERED NUMBER:</b>	2800546
<b>BANKERS.</b>	Lloyds Bank plc 1 Walm Lane Willesden Green London NW2 5SN
<b>ACCOUNTANTS:</b>	Sewell Accountancy First Floor, Unit 7 Waterside Trading Estate Weybridge Surrey KT15 2SN
<b>AUDITORS:</b>	Hannaways Chartered Accountants and Registered Auditors

**CHELSEA PITCH OWNERS PLC**  
**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 30th JUNE 2007**

The directors present their annual report and financial statements for the year ended 30th June 2007

**Principal activity**

The principal activity of the company and its subsidiary during the year was that of repaying a loan to Chelsea FC plc which arose when purchasing the freehold interest in the land upon which Chelsea Football Club is situate, and to ensure that the land is available for use as a football stadium and is unavailable for any other use

**Review of business**

The results for the year and financial position of the company and the group are as shown in the annexed financial statements

The increase in the turnover during the year resulted primarily for the income raised by the annual lunch. The annual lunch was not held in the previous financial period due to other commitments undertaken by the company. There was also an increase in the funds raised through the issue of shares compared to the previous financial period.

The directors consider the results of the year to be satisfactory

**Dividends**

No dividends will be distributed for the year ended 30th June 2007

**Directors and their Interests**

The directors during the period under review were

Mr R D King  
Mr R J Sewell  
Mr P J Baker

The beneficial interests of the directors holding office on 30th June 2007, and their interest at the beginning of the year or at their date of appointment if later, in the issued share capital of the company were as follows

	Ordinary £100 Shares	
	As at	As at
	30 6 2007	01 7 2006 (or appointment)
Mr R D King	12	11
Mr R J Sewell	5	5
Mr P J Baker	12	11

In accordance with the company's Articles of Association, all the directors retire by rotation and offer themselves for re-election

**Share capital**

The company issued a further 291 ordinary shares of £100 each during the year

**Payment of creditors**

The group does not have a standard code which deals specifically with the payment of suppliers. The company has generally agreed payment terms with suppliers, either by specific contract or custom. At 30th June 2007 the company had 43 days' purchases outstanding in creditors.

The subsidiary company had no trade creditors at 30th June 2007

**CHELSEA PITCH OWNERS PLC  
REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 30th JUNE 2007**

**Statement of director's responsibilities**

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to -

- select suitable accounting policies and then apply them consistently,
- make judgments 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 company 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Statement as to disclosure of information to auditors**

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

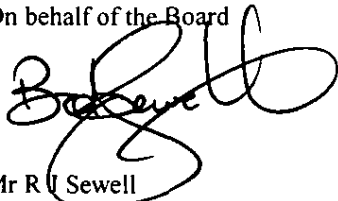
**Charitable and political donations**

During the year the company made a charitable donation of £25,000 to The Past Players Trust.

**Auditors**

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

On behalf of the Board



Mr R I Sewell  
Secretary

Dated 31st October 2007

**CHELSEA PITCH OWNERS PLC**  
**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF**  
**CHELSEA PITCH OWNERS PLC**

We have audited the financial statements of the Company and the Group for the year ended 30th June 2007 on pages five to sixteen. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of the directors and auditors**

As described in the Report of the Directors the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of Opinion**

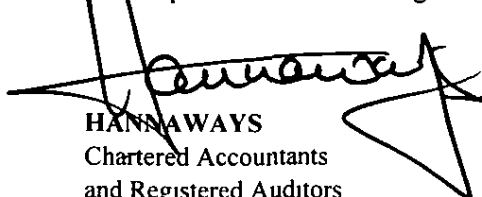
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the group and the company as at 30th June 2007 and of the results of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In our opinion the information given in the Report of the Directors is consistent with the financial statements.



**HANNAWAYS**  
Chartered Accountants  
and Registered Auditors  
Dated - 31st October 2007

**CHELSEA PITCH OWNERS PLC**  
**CONSOLIDATED PROFIT & LOSS ACCOUNT**  
**FOR THE YEAR ENDED 30th JUNE 2007**

	Notes	2007 £	2006 £
<b>TURNOVER</b>	<b>2</b>	186,724	104,136
Cost of sales		<u>64,599</u>	<u>10,431</u>
<b>GROSS PROFIT</b>		122,125	93,705
Administrative expenses		<u>121,495</u>	<u>94,384</u>
<b>OPERATING PROFIT/(LOSS)</b>	<b>4</b>	630	(679)
Interest receivable and similar income	<b>5</b>	1,243	1,256
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAX</b>		<u>1,873</u>	<u>577</u>
Tax on profit on ordinary activities	<b>6</b>	232	-
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<u>1,641</u>	<u>577</u>
Retained loss bought forward		(404)	(981)
<b>RETAINED PROFIT/(LOSS) CARRIED FORWARD</b>		<u>1,237</u>	<u>(404)</u>

**CONTINUING OPERATIONS**

None of the group's activities were acquired or discontinued during the current and previous years

The notes form part of these financial statements

**CHELSEA PITCH OWNERS PLC**  
**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**FOR THE YEAR ENDED 30th JUNE 2007**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	1,641	577
Surplus on revaluation	1,450,000	-
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>	<u><u>1,451,641</u></u>	<u><u>577</u></u>

The notes form part of these financial statements



**CHELSEA PITCH OWNERS PLC**  
**BALANCE SHEETS**  
**FOR THE YEAR ENDED 30th JUNE 2007**

		Group		Company	
	Notes	2007 £	2006 £	2007 £	2006 £
<b>FIXED ASSETS</b>					
Tangible assets	7	11,550,063	10,103,004	63	3,004
Investments	8	-	-	1	1
		<u>11,550,063</u>	<u>10,103,004</u>	<u>64</u>	<u>3,005</u>
<b>CURRENT ASSETS</b>					
Stocks	9	1,350	2,700	1,350	2,700
Debtors	10	78,598	100,037	10,120,541	10,141,980
Cash and bank balances		<u>80,477</u>	<u>2,860</u>	<u>80,477</u>	<u>2,860</u>
		160,425	105,597	10,202,368	10,147,540
<b>CREDITORS</b> Amounts falling due within one year	11	94,407	38,838	76,682	21,113
<b>NET CURRENT ASSETS</b>		<u>66,018</u>	<u>66,759</u>	<u>10,125,686</u>	<u>10,126,427</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		11,616,081	10,169,763	10,125,750	10,129,432
<b>CREDITORS</b> Amounts falling due after more than one year	12	8,720,944	8,755,367	8,720,944	8,755,367
<b>NET ASSETS</b>		<u>2,895,137</u>	<u>1,414,396</u>	<u>1,404,806</u>	<u>1,374,065</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	13	1,393,900	1,364,800	1,393,900	1,364,800
Profit and loss account		1,237	(404)	10,906	9,265
Investment property revaluation reserve	14	1,500,000	50,000	-	-
<b>SHAREHOLDERS' FUNDS</b>	15	<u>2,895,137</u>	<u>1,414,396</u>	<u>1,404,806</u>	<u>1,374,065</u>

Approved by the Board of Directors on 31st October 2007



Mr R J Sewell  
Director



Mr R D King  
Director

The notes form part of these financial statements

**CHELSEA PITCH OWNERS PLC**  
**GROUP CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30th JUNE 2007**

	Notes	£	2007 £	£	2006 £
<b>Net cash inflow/(outflow) from operating activities</b>	16		81,697		(20,186)
<b>Returns on investments and servicing of finance</b>	17		1,243		1,256
<b>Taxation</b>			<u>-</u>		<u>(353)</u>
			82,940		(19,283)
<b>Financing</b>	17		(5,323)		(19,728)
<b>Increase/(decrease) in cash for the period</b>			<u>77,617</u>		<u>(39,011)</u>
<hr/>					
<b>Reconciliation of the net cash flow to the movement in net debt</b>	18				
Increase/(decrease) in cash for the period		77,617		(39,011)	
Cash outflow from decrease in debt and financing		34,423		43,628	
Change in net debt resulting from cash flows			<u>112,040</u>		<u>4,617</u>
<b>Movement in net debt in the period</b>			112,040		4,617
<b>Net debt at 1st July 2006</b>			(8,752,507)		(8,757,124)
<b>Net debt at 30th June 2007</b>			<u>(8,640,467)</u>		<u>(8,752,507)</u>

The notes form part of these financial statements

**CHELSEA PITCH OWNERS PLC**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30th JUNE 2007**

**1 ACCOUNTING POLICIES**

- 1.1** The financial statements have been prepared under the historical cost accounting convention, modified to include the revaluation of fixed assets

**1.2 Consolidation**

The group financial statements consolidate the accounts of Chelsea Pitch Owners plc and its subsidiary undertaking, made up to 30th June 2007. The results of group subsidiaries are included in the group profit and loss account from the date of acquisition, or in the case of disposals, up to the effective date at which the investment is sold.

In the company's financial statements, investments in subsidiaries are stated at cost. Only dividends received and receivable are credited to the company's profit and loss account.

No profit and loss account is presented for Chelsea Pitch Owners plc as permitted by section 230(3) of the Companies Act 1985.

**1.3 Turnover**

Turnover represents the net invoiced amount of goods and services provided and excludes value added tax.

**1.4 Depreciation**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Fixtures and fittings	25% reducing balance basis
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**1.5 Investment property**

The investment property is valued annually by professional valuers and the aggregate surplus or deficit is transferred to a revaluation reserve. Any permanent diminution in the value of the investment property is charged to the profit and loss account to the extent that the deficit exceeds the revaluation surpluses.

In accordance with Statement of Standard Accounting Practice 19, no depreciation is provided in respect of the investment property. This treatment is a departure from the requirements of the Companies Act 1985 concerning the depreciation of fixed assets. However, the property is not held for consumption but for investment, and the directors consider that the adoption of a policy of systematic depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the financial statements to give a true and fair view. Depreciation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

**1.6 Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

**CHELSEA PITCH OWNERS PLC**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30th JUNE 2007**

**1 ACCOUNTING POLICIES (continued)**

**1.7 Stock**

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

**1.8 Pensions**

The group operates a defined contribution pension scheme Contributions payable for the year are charged in the profit and loss account

**2 TURNOVER**

The turnover and profit are wholly attributable to the group's main activity The turnover arises wholly within the UK

	<b>Group</b>	
	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Turnover by activity is as follows,		
Sales of tickets for events	47,421	-
Auctions and raffles	56,064	-
Event management fees	75,000	95,000
Sundry income	8,239	9,136
	<u>186,724</u>	<u>104,136</u>

**3 STAFF COSTS**

The average number of persons (including directors) employed by the group during the year is shown below -

Office and management	<u>5</u>	<u>5</u>
The aggregate payroll costs of those staff were -		
	<b>£</b>	<b>£</b>
Wages and salaries	45,907	52,000
Social security costs	4,370	5,397
Other pension costs	2,503	2,333
	<u>52,780</u>	<u>59,730</u>

No directors remuneration was paid by the group during the current or previous period

**CHELSEA PITCH OWNERS PLC**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30th JUNE 2007**

**4 OPERATING PROFIT/(LOSS)**

The operating profit (2006 - operating loss) is stated after charging

**Group**  
**2007                      2006**

	<b>£</b>	<b>£</b>
Depreciation of owned assets	2,941	1,002
Auditors remuneration	<u>4,630</u>	<u>4,455</u>

**5 INTEREST RECEIVABLE AND  
SIMILAR INCOME**

Bank and other interest receivable  
Dividends received

	<b>£</b>	<b>£</b>
Bank and other interest receivable	791	862
Dividends received	<u>452</u>	<u>394</u>
	<u><u>1,243</u></u>	<u><u>1,256</u></u>

**6 TAXATION ON ORDINARY ACTIVITIES**

The tax charge on the profit on ordinary activities for the year was as follows

	<b>£</b>	<b>£</b>
Current tax		
UK corporation tax	232	-
Total current tax charge	<u><u>232</u></u>	<u><u>-</u></u>

The tax assessed in the year is different from the standard rate of UK taxation applicable to the company  
19 25% (2006 - 19%) The differences are explained below

	<b>£</b>	<b>£</b>
Profit on ordinary activities before tax	<u>1,873</u>	<u>577</u>
Profit on ordinary activities at the standard rate of 19 25% (2006 -19%)	361	110
Depreciation for the period in excess of capital allowances	294	(110)
Tax losses brought forward	(423)	-
Current tax charge for the year	<u><u>232</u></u>	<u><u>-</u></u>

**CHELSEA PITCH OWNERS PLC**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30th JUNE 2007**

**7 TANGIBLE FIXED ASSETS**  
**Group**

	<b>Investment Property £</b>	<b>Fixtures &amp; Fittings £</b>	<b>Total £</b>
<b>COST OR VALUATION</b>			
At 1st July 2006	10,100,000	10,992	10,110,992
Revaluation	1,450,000	-	1,450,000
At 30th June 2007	<u>11,550,000</u>	<u>10,992</u>	<u>11,560,992</u>
<b>DEPRECIATION</b>			
At 1st July 2006	-	7,988	7,988
Charge for the year	-	2,941	2,941
At 30th June 2007	<u>-</u>	<u>10,929</u>	<u>10,929</u>
<b>NET BOOK VALUE</b>			
30th June 2007	<u>11,550,000</u>	<u>63</u>	<u>11,550,063</u>
30th June 2006	<u>10,100,000</u>	<u>3,004</u>	<u>10,103,004</u>

Cost or valuation at 30th June 2007 is represented by

	<b>Investment Property £</b>	<b>Fixtures &amp; Fittings £</b>
Valuation in 2002	(250,000)	-
Valuation in 2003	300,000	-
Valuation in 2007	1,450,000	-
Cost	<u>10,050,000</u>	<u>10,992</u>
	<u>11,550,000</u>	<u>10,992</u>

The investment property was valued on an open market basis on 30th June 2007 by Rawley & Co, Surveyors and Valuers

**Company**

	<b>Fixtures &amp; Fittings £</b>
<b>COST</b>	
At 1st July 2006 and 30th June 2007	<u>10,992</u>
<b>DEPRECIATION</b>	
At 1st July 2006	7,988
Charge for the Year	2,941
At 30th June 2007	<u>10,929</u>
<b>NET BOOK VALUE</b>	
30th June 2007	<u>63</u>
30th June 2006	<u>3,004</u>

**CHELSEA PITCH OWNERS PLC**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30th JUNE 2007**

**8 FIXED ASSET INVESTMENTS**

	<b>Group</b>		<b>Company</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At cost				
Shares in subsidiary undertaking	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>

**Listed investments (Group and Company)**

The company and the group also own 1,092 ordinary shares in HBOS plc. These were acquired at no cost on the demutualisation of the Halifax Building Society. The market value of the shares at 30th June 2007 was 986 0p (2006 - 940 0p) per share.

**Subsidiary undertaking (company)**

	<b>Class of Share</b>	<b>Proportion Owned</b>	<b>Country of Incorp'tion</b>	<b>Nature of Business</b>
Chelsea Stadium Limited	Ordinary	100%	Scotland	Property management

**Financial information summary - subsidiary undertaking -**

	<b>Aggregate Capital and Reserves</b>		<b>Profit/ (Loss) for the year</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Chelsea Stadium Limited	<u>40,332</u>	<u>40,332</u>	<u>-</u>	<u>-</u>
			<b>2007</b>	<b>2006</b>
			<b>£</b>	<b>£</b>
The value of the company's investment in its subsidiary undertaking using the equity method of valuation is			<u>40,332</u>	<u>40,332</u>

	<b>Group</b>		<b>Company</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>9 STOCK</b>				
Goods for resale	<u>1,350</u>	<u>2,700</u>	<u>1,350</u>	<u>2,700</u>

**10 DEBTORS**

Amounts owed by group undertakings	-	-	10,041,943	10,041,943
Prepayments	77,407	97,275	77,407	97,275
Other debtors	1,191	2,762	1,191	2,762
	<u>78,598</u>	<u>100,037</u>	<u>10,120,541</u>	<u>10,141,980</u>

**CHELSEA PITCH OWNERS PLC**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30th JUNE 2007**

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	Group		Company	
	2007 £	2006 £	2007 £	2006 £
Trade creditors	7,616	81	7,616	81
Other taxes and social security costs	30,254	14,668	30,254	14,668
Corporation tax	232	-	232	-
Other creditors	49,175	17,725	31,450	-
Accruals	7,130	6,364	7,130	6,364
	<u>94,407</u>	<u>38,838</u>	<u>76,682</u>	<u>21,113</u>

**12 CREDITORS AMOUNTS FALLING  
DUE AFTER MORE THAN ONE YEAR**

Loans	<u>8,720,944</u>	<u>8,755,367</u>	<u>8,720,944</u>	<u>8,755,367</u>
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The loan was advanced by Chelsea FC plc on 17th December 1997

The loan is repayable by the company and the group by 14th December 2012. However, the company and the group have an option to extend the loan period for a further 10 years, and can continue to exercise this option provided that the loan is repaid within 199 years of the initial advance date of 17th December 1997.

The loan is unsecured and is interest free.

**13 CALLED UP SHARE CAPITAL**  
**Company and Group**

	2007 £	2006 £
<b>Authorised</b>		
110,000 Ordinary shares of £100 each	<u>11,000,000</u>	<u>11,000,000</u>
<b>Allotted, issued and fully paid</b>		
13,939 Ordinary shares of £100 each	<u>1,393,900</u>	<u>1,364,800</u>

During the year 291 ordinary shares of £100 were issued at par and were fully paid.

**14 INVESTMENT PROPERTY REVALUATION RESERVE**  
**Group**

	£
At 1st July 2006	50,000
Surplus on revaluation	1,450,000
At 30th June 2007	<u>1,500,000</u>



**CHELSEA PITCH OWNERS PLC**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30th JUNE 2007**

**15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS**

<b>Group</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	1,641	577
Surplus on revaluation	1,450,000	-
Issue of ordinary share capital	29,100	23,900
<b>Net increase in shareholders funds</b>	<b>1,480,741</b>	<b>24,477</b>
Opening shareholders funds	1,414,396	1,389,919
<b>Closing shareholders' funds</b>	<b>2,895,137</b>	<b>1,414,396</b>

<b>Company</b>	<b>£</b>	<b>£</b>
Profit for the financial year	1,641	577
Issue of ordinary share capital	29,100	23,900
<b>Net increase in shareholders funds</b>	<b>30,741</b>	<b>24,477</b>
Opening shareholders' funds	1,374,065	1,349,588
<b>Closing shareholders' funds</b>	<b>1,404,806</b>	<b>1,374,065</b>

**16 RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Operating profit/(loss)	630	(679)
Depreciation	2,941	1,002
Decrease in stock	1,350	1,075
Decrease/(increase) in debtors	21,439	(33,305)
Increase in creditors	55,337	11,721
<b>Net cash inflow/(outflow) from operating activities</b>	<b>81,697</b>	<b>(20,186)</b>

**17 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	<b>£</b>	<b>£</b>
<b>Returns on investments and servicing of finance</b>		
Interest received	791	862
Dividend income	452	394
<b>Net cash inflow for returns on investments and servicing of finance</b>	<b>1,243</b>	<b>1,256</b>
<b>Financing</b>		
Issue of ordinary share capital	29,100	23,900
Repayment of debt due after one year	(34,423)	(43,628)
<b>Net cash outflow from financing</b>	<b>(5,323)</b>	<b>(19,728)</b>

**CHELSEA PITCH OWNERS PLC**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30th JUNE 2007**

**18 ANALYSIS OF CHANGE IN NET DEBT**

	<b>At 1 07 06</b>	<b>Cash Flow</b>	<b>At 30.6.07</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	2,860	77,617	80,477
Debt due after one year	(8,755,367)	34,423	(8,720,944)
Total	<u>(8,752,507)</u>	<u>112,040</u>	<u>(8,640,467)</u>