



**NORTHAMPTON RUGBY
FOOTBALL CLUB LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MAY 2005

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

FINANCIAL STATEMENTS

For the year ended 31 May 2005

Company registration number: 3139409

Registered office: Franklin's Gardens
Weedon Road
Northampton

Directors: K L Barwell (Chairman)
L K L Barwell (Non-executive)
J A G D Raphael (Non-executive)
M A L Holmes (Non-executive)
A C Hewitt (Non-executive)
E R A Travis (Non-executive)
J J W Drown (Non-executive)
C Povey (Non-executive)
A Robson (Commercial Director)

Secretary: A T Cozzolino

Auditors: Grant Thornton UK LLP
Registered Auditors
Chartered Accountants

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

FINANCIAL STATEMENTS

For the year ended 31 May 2005

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NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 31 May 2005.

Principal activity

The principal activity of the company in the year under review was that of promoting the playing and furtherance of rugby football.

Business review

There was a profit for the year after taxation amounting to £415,574 (2004: £841,077). The directors do not recommend the payment of a dividend.

Directors

The present membership of the Board is set out below. All of the directors served on the Board throughout the year.

K L Barwell
L K L Barwell
J A G D Raphael
M A L Holmes
A C Hewitt
E R A Travis
J J W Drown
C Povey
A Robson

The interests of the directors, who are all directors of the parent undertaking, are disclosed in that company's financial statements.

J D Steele resigned as a director on 11 July 2005.

Directors' responsibilities for the financial statements

United Kingdom 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 profit or loss of the company 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 company will continue in business.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

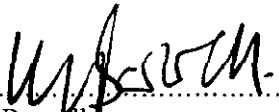
NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

REPORT OF THE DIRECTORS

Auditors

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD


.....
K L Barwell
Director

9 August 2005

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

We have audited the financial statements of Northampton Rugby Football Club Limited for the year ended 31 May 2005 which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 21. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with applicable law and United Kingdom accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards.

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 if, in our opinion, the directors' report is not 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 transactions with the company is not disclosed.

We read other information contained in the directors' report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with United Kingdom 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 other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED**

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 May 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Grant Thornton UK LLP

**GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

Northampton

9 August 2005

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

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

The principal accounting policies of the company are set out below. The policies have remained unchanged from the previous year.

TURNOVER

Turnover represents the amounts, excluding VAT and trade discounts, receivable by the company for match tickets, executive boxes, sponsorship, English Rugby Partnership income, rental of ground, gate receipts and the provision of goods supplied and services provided by the company.

DEFERRED INCOME

Deferred income represents amounts received in relation to sponsorship and executive boxes. Deferred income is released to the profit and loss account in the season to which the income relates and typically is over a period of between 1 and 4 years.

GOODWILL AND INTANGIBLE FIXED ASSETS

Purchased goodwill

Goodwill represents the surplus arising on the acquisition of the net assets of The Northampton Football Club on 12 February 1996.

The company has adopted a policy of amortising the cost over 20 years from February 1996.

Players' contracts, inception, transfer and registration related professional fees

Players' contracts have not been valued for the purposes of the balance sheet, however all related costs are written off over the period of the players' contracts.

The costs of inception, transfer and registration related professional fees whether paid to players, agents or other third parties are capitalised and written off over the duration of the player's contract. Amortisation thereon and other related player costs are included within cost of sales.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost, net of depreciation.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets other than freehold land over their expected useful lives. The rates generally applicable are:

Freehold property and new buildings	2% on cost
Leasehold property	Over the remaining term of the lease
Ground improvements	20% on reducing balance
Property improvements	10% on reducing balance
Furniture, fixtures and fittings	20% on reducing balance
Office equipment	20 - 33 1/3% on cost
Motor vehicles	33 1/3% on reducing balance

In respect of freehold property and improvements on assets taken over from The Northampton Football Club, depreciation is provided on the original costs of the assets. No depreciation is provided during the period of construction for freehold property.

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

PRINCIPAL ACCOUNTING POLICIES

LEASED ASSETS

All leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

INVESTMENTS

Investments are included at cost less amounts written off.

STOCKS

Stocks are stated at the lower of cost and net realisable value, after making allowance for obsolete and slow moving items.

DEFERRED TAXATION

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

CONTRIBUTIONS TO PENSION SCHEMES

Defined Contribution Scheme

The pension costs charged against operating profits are the contributions payable to the scheme in respect of the accounting period.

GRANTS RECEIVED

Grants received in respect of capital expenditure are credited to a deferred income account and are released to the profit and loss account by equal annual instalments over the expected useful lives of the relevant assets.

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 May 2005

	Note	2005 £	2004 £
Turnover	1	9,730,324	8,770,838
Cost of sales		<u>(5,754,695)</u>	<u>(4,721,295)</u>
Gross profit		3,975,629	4,049,543
Administrative expenses		<u>(3,512,587)</u>	<u>(3,138,469)</u>
Operating profit		463,042	911,074
Net interest	2	<u>(44,275)</u>	<u>(62,842)</u>
Profit on ordinary activities before taxation	1	418,767	848,232
Tax on profit on ordinary activities	3	(3,193)	(7,155)
Profit for the financial year	14	<u>415,574</u>	<u>841,077</u>

There were no recognised gains or losses other than the profit for the financial year.

The accompanying accounting policies and notes form an integral part of these financial statements.

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

BALANCE SHEET AT 31 MAY 2005

	Note	£	2005 £	£	2004 £
Fixed assets					
Intangible assets	5		274,697		70,757
Tangible assets	6		9,933,242		9,404,150
Investments	7		179		179
			<u>10,208,118</u>		<u>9,475,086</u>
Current assets					
Stocks	8	142,885		109,342	
Debtors	9	1,143,698		903,915	
Cash at bank and in hand		8,399		68,188	
		<u>1,294,982</u>		<u>1,081,445</u>	
Creditors: amounts falling due within one year	10	<u>(3,414,178)</u>		<u>(2,463,664)</u>	
Net current liabilities			<u>(2,119,196)</u>		<u>(1,382,219)</u>
Total assets less current liabilities			<u>8,088,922</u>		<u>8,092,867</u>
Creditors: amounts falling due after more than one year	11		<u>(6,000,765)</u>		<u>(6,420,284)</u>
			<u>2,088,157</u>		<u>1,672,583</u>
Capital and reserves					
Called up share capital	13		4,500,000		4,500,000
Profit and loss account	14		(2,411,843)		(2,827,417)
Shareholders' funds	15		<u>2,088,157</u>		<u>1,672,583</u>

The financial statements were approved by the Board of Directors on 9 AUGUST 2005

.....
K L Barwell
Director

.....
J Drown
Director

The accompanying accounting policies and notes form an integral part of these financial statements.

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2005

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover is attributable to the activity as stated in the Report of the Directors.

Turnover is attributable to the following classes of business:

	2005 £	2004 £
Rugby income	2,854,143	2,358,119
Premier Rugby income	1,832,901	1,886,940
Commercial income	5,043,280	4,525,779
	<u>9,730,324</u>	<u>8,770,838</u>

The profit on ordinary activities before taxation is stated after:

	2005 £	2004 £
Auditors' remuneration:		
Audit	13,300	12,700
Tax compliance work	1,950	1,850
Interim review and salary cap audits	9,050	8,650
Depreciation:		
Tangible fixed assets, owned	326,543	315,631
Hire of plant and machinery under operating leases	47,906	58,531
Hire of land and buildings under operating leases	12,150	33,777
Goodwill amortised	6,060	6,060
Inception, transfer and professional fees amortised	5,000	-
Profit on disposal of fixed assets	<u>(2,842)</u>	<u>(47,150)</u>

Included within wages and salaries is £554,000 which relates to the restructuring of the Operations Management, the termination of player contracts and the compensation for loss of office arising on the departure of the Operations Director.

2 NET INTEREST

	2005 £	2004 £
On bank loans and overdrafts	63,217	71,459
Bank interest receivable	(18,942)	(5,187)
Loan interest receivable	-	(3,430)
	<u>44,275</u>	<u>62,842</u>

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2005

3 TAXATION

The tax charge represents:

	2005	2004
	£	£
Corporation tax at 19% (2004: 30%)	3,311	7,155
Adjustment in respect of prior year	(118)	-
Total current tax	<u>3,193</u>	<u>7,155</u>

Factors affecting the tax charge for the year

The tax assessed for the year is different to the standard rate of corporation tax in the UK of 19% (2004: 30%). The differences are explained as follows:

	2005	2004
	£	£
Profit on ordinary activities before tax	<u>418,767</u>	<u>848,232</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2004: 30%)	79,566	254,470
Effects of:		
Expenses not deductible for tax purposes	43,381	49,375
Tax rate adjustment	-	(4,143)
Capital allowances for the year in excess of depreciation	(32,914)	(96,152)
Utilised trading losses in the year	(87,194)	(196,395)
Other timing differences	760	-
Marginal relief	(288)	-
Adjustment in respect of prior year	(118)	-
Current tax charge for the year	<u>3,193</u>	<u>7,155</u>

Tax losses of approximately £1,680,000 remain available to carry forward for offset against future taxable trade.

4 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	2005	2004
	£	£
Wages and salaries	3,900,803	3,231,245
Social security costs	341,595	312,912
Other pension costs	97,024	75,416
	<u>4,339,422</u>	<u>3,619,573</u>

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2005

4 DIRECTORS AND EMPLOYEES (CONTINUED)

The average number of employees of the company during the year was:

	2005 Number	2004 Number
Sports and rugby players	51	49
Administration and commercial	164	154
	215	203

Included in the above are 144 (2004: 131) part-time employees.

Remuneration in respect of directors was as follows:

	2005 £	2004 £
Emoluments	259,864	280,537
Pension contributions to money purchase pension schemes	15,718	13,633
Compensation for loss of office	203,000	-
	478,582	294,170

During the year 2 directors (2004: 2) participated in money purchase pension schemes.

The amounts set out above include remuneration in respect of the highest paid director as follows:

	2005 £	2004 £
Emoluments	128,891	142,275
Pension contributions to money purchase pension scheme	8,334	6,600

In addition, the highest paid director was entitled to receive £203,000 as compensation for loss of office subsequent to the year end.

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2005

5 INTANGIBLE FIXED ASSETS

	Purchased goodwill £	Inception, transfer and registration related professional fees £	Totals £
Cost			
At 1 June 2004	121,257	-	121,257
Additions	-	215,000	215,000
Termination of contract	-	(5,000)	(5,000)
At 31 May 2005	<u>121,257</u>	<u>210,000</u>	<u>331,257</u>
Amortisation			
At 1 June 2004	50,500	-	50,500
Provided in the year	6,060	5,000	11,060
Eliminated on termination of contract	-	(5,000)	(5,000)
At 31 May 2005	<u>56,560</u>	<u>-</u>	<u>56,560</u>
Net book amount at 31 May 2005	<u>64,697</u>	<u>210,000</u>	<u>274,697</u>
Net book amount at 31 May 2004	<u>70,757</u>	<u>-</u>	<u>70,757</u>

Purchased goodwill relates to the surplus arising from the acquisition of the net assets of the Northampton Football Club and is amortised over its useful economic life of 20 years.

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2005

6 TANGIBLE FIXED ASSETS

	Freehold property, new buildings and ground improvements £	Short leasehold property £	Furniture, fixtures and fittings and office equipment £	Totals £
Cost				
At 1 June 2004	9,726,434	3,076	800,474	10,529,984
Additions	578,862	-	279,931	858,793
Disposals	-	-	(11,800)	(11,800)
At 31 May 2005	<u>10,305,296</u>	<u>3,076</u>	<u>1,068,605</u>	<u>11,376,977</u>
Depreciation				
At 1 June 2004	670,663	391	454,780	1,125,834
Provided in the year	203,158	31	123,354	326,543
Eliminated on disposals	-	-	(8,642)	(8,642)
At 31 May 2005	<u>873,821</u>	<u>422</u>	<u>569,492</u>	<u>1,443,735</u>
Net book amount at 31 May 2005	<u>9,431,475</u>	<u>2,654</u>	<u>499,113</u>	<u>9,933,242</u>
Net book amount at 31 May 2004	<u>9,055,771</u>	<u>2,685</u>	<u>345,694</u>	<u>9,404,150</u>

Included within freehold property, new buildings and ground improvements is land at a cost of £1,144,952 (2004: £1,144,952) which is not depreciated.

Included within freehold property, new buildings and ground improvements additions for the year are assets in the course of construction amounting to £532,756 (2004: £Nil).

7 FIXED ASSET INVESTMENTS

	Shares in group undertakings £	Investments other than loans £	Total £
Cost and net book amount At 1 June 2004 and at 31 May 2005	<u>100</u>	<u>79</u>	<u>179</u>

At 31 May 2005 the company held more than 20% of the equity of the following:

	Class of share capital held	Proportion held	Nature of business	Capital and reserves £
Saints Rugby Limited	£1 Ordinary shares	100%	Dormant	100

The company is exempt from preparing consolidated financial statements on the grounds that it is an intermediate holding company in a medium sized group. The financial statements therefore present information about the company as an individual undertaking and not about its group.

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2005

8 STOCKS

	2005 £	2004 £
Shop stock	<u>142,885</u>	<u>109,342</u>

9 DEBTORS

	2005 £	2004 £
Trade debtors	194,968	216,362
Amounts owed by group undertakings	1,318	2,503
Other debtors	315,376	176,792
Prepayments and accrued income	632,036	508,258
	<u>1,143,698</u>	<u>903,915</u>

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £	2004 £
Bank loans and overdrafts	1,547,452	689,882
Trade creditors	915,936	543,183
Corporation tax	3,311	7,155
Social security and other taxes	254,278	206,150
Other creditors	71,901	43,997
Accrued expenses	437,332	437,091
Deferred income	183,968	536,206
	<u>3,414,178</u>	<u>2,463,664</u>

The bank loan held with Svenska Handelsbanken AB is secured by a fixed and floating charge over all the assets of the group.

11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2005 £	2004 £
Bank loans	297,423	682,423
Amounts owed to group undertakings	4,542,411	4,527,411
Deferred income	1,160,931	1,210,450
	<u>6,000,765</u>	<u>6,420,284</u>

The bank loan held with Svenska Handelsbanken AB is secured by a fixed and floating charge over all the assets of the group.

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2005

12 BORROWINGS

Borrowings are repayable as follows:

	2005	2004
	£	£
Within one year		
Bank overdrafts	652,452	294,882
Bank loan	375,000	375,000
Other loans	520,000	20,000
After one and within two years		
Bank loan	281,250	375,000
Other loans	10,000	10,000
After two and within five years		
Bank loan	-	281,250
Other loans	5,000	15,000
After five years		
Other loans	1,173	1,173
	<u>1,844,875</u>	<u>1,372,305</u>

Interest on bank overdrafts is charged at 1.0% over the bank base rate.

The bank loan is repayable by quarterly instalments at an interest rate of 1.15% above the quarterly LIBOR rate.

Included within other loans is a loan of £500,000 which has interest being charged on it at 5%. The loan is repayable within one year. The other remaining loans are interest free and are repayable over 10 years with annual instalments of £10,000.

Following the year end the group has agreed a new loan facility with Handelsbanken to provide finance of £2.5m. The first draw down on this facility was made in July 2005 in order to repay the outstanding loan and to facilitate the remaining funding for the redevelopment of Franklin's Gardens. When fully drawn down the loan is due to be repaid via annual instalments of £500,000.

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2005

13 SHARE CAPITAL

	2005 £	2004 £
Authorised 20,000,000 ordinary shares of £1 each	<u>20,000,000</u>	<u>20,000,000</u>
Allotted, called up and fully paid 4,500,000 ordinary shares of £1 each	<u>4,500,000</u>	<u>4,500,000</u>

14 RESERVES

	Profit and loss account £
At 1 June 2004	(2,827,417)
Retained profit in year	415,574
At 31 May 2005	<u>(2,411,843)</u>

15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2005 £	2004 £
Profit for the financial year and net increase in shareholders' funds	415,574	841,077
Shareholders' funds at 1 June 2004	1,672,583	831,506
Shareholders' funds at 31 May 2005	<u>2,088,157</u>	<u>1,672,583</u>

16 CAPITAL COMMITMENTS

	2005 £	2004 £
Contracted but not provided for in the financial statements	<u>2,255,374</u>	<u>45,000</u>

These amounts relate to the continued redevelopment of Franklin's Gardens which is hoped will be completed by October 2005.

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2005

17 RETIREMENT BENEFITS

Defined Contribution Scheme

The company operates a defined contribution pension scheme for the benefit of the employees and certain directors. The assets of the scheme are administered by trustees in a fund independent from those of the company.

18 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 May 2005 or 31 May 2004.

19 LEASING COMMITMENTS

Operating lease payments amounting to £49,870 (2004: £60,056) are due within one year. The leases to which these amounts relate expire as follows:

	2005		2004	
	Land and buildings £	Other £	Land and buildings £	Other £
In one year or less	31,437	3,708	12,150	25,374
Between one and five years	-	14,725	-	22,532
	<u>31,437</u>	<u>18,433</u>	<u>12,150</u>	<u>47,906</u>

20 TRANSACTIONS WITH DIRECTORS AND OTHER RELATED PARTIES

(a) Transactions with directors

Director/company	Type of transaction	Value in the year		Due to/(from) the group	
		2005 £	2004 £	2005 £	2004 £
K L Barwell and L K L Barwell (Barwell Corporation)	Sales from the group	228	9,593	-	10,621
	Purchases made by the group	73,317	20,000	(3,406)	(11,536)
L K L Barwell (Vision Security Group Limited)	Sales from the group	8,278	8,111	4,396	1,365
	Purchases made by the group	74,710	141,152	(22,238)	(12,907)
A C Hewitt (Burbage Realty)	Sales from the group	550	-	-	-
	Purchases made by the group	10,000	5,000	(11,750)	-
M A L Holmes (DFA Law)	Sales from the group	6,216	7,339	-	96
	Purchases made by the group	8,856	10,299	(4,415)	-
J A G D Raphael	Purchases made by the group	6,000	10,000	-	-

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2005

20 TRANSACTIONS WITH DIRECTORS AND OTHER RELATED PARTIES (CONTINUED)

Sales and purchases between the company and companies connected with the directors were at arms length and relate principally to sponsorship and the rental of hospitality suites.

Included within other debtors in 2004 was an interest free loan to Mr J D Steele, a director of the company. The loan was made prior to Mr Steele's appointment as a director in order to assist with his relocation following the commencement of his employment by the company in 1999. During the year ended 31 May 2005 the loan to Mr Steele was written off as part of his compensation for loss of office, leaving nothing outstanding at the year end.

(b) Transactions with other related parties

An unsecured loan for £500,000 was made on 21 April 2005 to the company by the Barwell Corporation, a company with Mr K L Barwell and Mr L K L Barwell as directors. The full balance was outstanding at the year end, but is due for repayment within the next financial period. Interest has been charged at 5%.

As a wholly owned subsidiary of Northampton Saints PLC, the company is exempt from the requirement of FRS 8 to disclose transactions with other members of the group headed by Northampton Saints PLC on the grounds that accounts are publicly available from Companies House.

21 CONTROLLING RELATED PARTY

The directors consider that the ultimate parent undertaking and controlling related party of this company is Northampton Saints PLC.

The largest group of undertakings for which group accounts have been drawn up is that headed by Northampton Saints PLC.