



**NORTHAMPTON RUGBY
FOOTBALL CLUB LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MAY 2001

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

FINANCIAL STATEMENTS

For the year ended 31 May 2001

Company registration number: 3139409

Registered office: Franklins 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)

Secretary: A T Cozzolino

Auditors: Grant Thornton
Registered Auditors
Chartered Accountants

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

FINANCIAL STATEMENTS

For the year ended 31 May 2001

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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 2001.

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 loss for the year after taxation amounting to £291,477 (2000: £957,418). The directors do not recommend the payment of a dividend.

Directors

The present membership of the Board is set out below. All served on the Board throughout the year apart from E R A Travis and J J W Drown who were appointed to the Board on 1 November 2000 and C Povey who was appointed to the Board on 3 September 2001.

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

Directors' responsibilities for the financial statements

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

Political and charitable donations

During the year the company made no political contributions or charitable donations.

Auditors

Grant Thornton were appointed auditors on 13 June 2001 to fill a vacancy in accordance with section 388 (1) of the Companies Act 1985. Special notice pursuant to section 388 (3) having been given, a resolution to reappoint Grant Thornton as auditors will be proposed at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD

.....
A T Cozzolino
Secretary



13-9-01

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

We have audited the financial statements on pages 4 to 16 which have been prepared under the accounting policies set out on pages 4 and 5.

Respective responsibilities of the directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

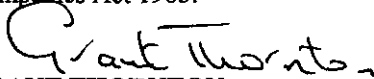
Basis of opinion

We conducted our audit in accordance with 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 May 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

Northampton

13 September 2001

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 accounting standards.

The principal accounting policies of the company are set out below. The policies have remained unchanged from the previous year except for that in respect of income from TV revenue and grants and perimeter board advertising. The policy in respect of TV revenue and grants and perimeter board advertising has been amended to include them within turnover, as opposed to other operating income, as has been the case in previous years. This change has been made as, in the opinion of the directors, this will give a fairer reflection of the gross margins attained (see note 1).

TURNOVER

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

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.

TANGIBLE FIXED ASSETS AND 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
Furniture, fixtures and fittings	20% on reducing balance
Motor vehicles	20% 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 and no depreciation is provided on work in progress on freehold improvements.

LEASED ASSETS

Assets held under hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other 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.

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

PRINCIPAL ACCOUNTING POLICIES

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 provided for using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

CONTRIBUTIONS TO PENSION SCHEMES

Defined Contribution Scheme

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

SIGNING ON, TRANSFER AND RELATED PROFESSIONAL FEES

These costs are capitalised by the company and written off over the duration of the player's contract.

PLAYERS' CONTRACTS

Players' contracts have not been valued for the purposes of the balance sheet.

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED**PROFIT AND LOSS ACCOUNT**

For the year ended 31 May 2001

	Note	2001 £	As restated 2000 £
Turnover	1	4,724,553	4,280,888
Cost of sales		<u>(3,011,891)</u>	<u>(3,189,057)</u>
Gross profit		1,712,662	1,091,831
Administrative expenses		<u>(1,960,109)</u>	<u>(2,045,650)</u>
		(247,447)	(953,819)
Other operating income		<u>7,366</u>	<u>44,012</u>
Operating loss		(240,081)	(909,807)
Net interest	2	<u>(51,396)</u>	<u>(47,611)</u>
Loss on ordinary activities before taxation	1	(291,477)	(957,418)
Tax on loss on ordinary activities	3	-	-
Loss for the financial year after taxation	14	<u>(291,477)</u>	<u>(957,418)</u>

There were no recognised gains or losses other than the loss 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 2001

	Note	£	2001 £	£	2000 £
Fixed assets					
Intangible assets	5		119,149		202,380
Tangible assets	6		3,973,519		1,575,403
Investments	7		179		-
			<u>4,092,847</u>		<u>1,777,783</u>
Current assets					
Stocks	8	58,497		18,019	
Debtors	9	1,940,460		1,448,434	
Cash at bank and in hand		<u>1,569,800</u>		<u>206,741</u>	
			<u>3,568,757</u>		<u>1,673,194</u>
Creditors: amounts falling due within one year	10	<u>(2,148,090)</u>		<u>(3,150,668)</u>	
Net current assets/(liabilities)			<u>1,420,667</u>		<u>(1,477,474)</u>
Total assets less current liabilities			<u>5,513,514</u>		<u>300,309</u>
Creditors: amounts falling due after more than one year	11		<u>(5,640,866)</u>		<u>(136,184)</u>
			<u>(127,352)</u>		<u>164,125</u>
Capital and reserves					
Called up share capital	13		4,500,000		4,500,000
Profit and loss account	14		(4,627,352)		(4,335,875)
Shareholders' funds	15		<u>(127,352)</u>		<u>164,125</u>

The financial statements were approved by the Board of Directors on

13th September 2001.

Director

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 2001

1 TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

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

The loss on ordinary activities before taxation is stated after:

	2001	As restated 2000
	£	£
Auditors' remuneration	12,000	6,000
Depreciation:		
Tangible fixed assets, owned	119,998	110,835
Tangible fixed assets, held under finance leases and hire purchase contracts	5,384	58,629
Hire of plant and machinery under operating leases	36,027	31,524
Goodwill written off	6,060	6,060
Signing on, transfer and professional fees written off	132,559	128,145

Prior year adjustment

As a result of the change in accounting policy detailed on page 4, TV revenue and grants and perimeter board advertising amounting to £1,095,875 (2000: £893,366) has been classified as turnover, as opposed to other operating income, as had been the case in previous years.

2 NET INTEREST

	2001	2000
	£	£
On bank loans and overdrafts	49,132	46,676
Hire purchase interest	2,264	868
Interest on taxation	-	67
	<u>51,396</u>	<u>47,611</u>

3 TAXATION

Unrelieved tax losses of £3,975,000 remain available to offset against future taxable trading profits.

4 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	2001	2000
	£	£
Wages and salaries	2,248,119	2,566,940
Social security costs	267,302	184,667
Other pension costs	41,708	14,867
	<u>2,557,129</u>	<u>2,766,474</u>

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2001

4 DIRECTORS AND EMPLOYEES (CONTINUED)

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

	2001 Number	2000 Number
Sports and rugby players	72	62
Bars and catering	20	30
Administration and commercial	76	64
	168	156

Included in the above are 95 part-time employees.

No remuneration was paid to any of the directors during the year.

5 INTANGIBLE FIXED ASSETS

	Goodwill £	Signing on, transfer and related professional fees £	Totals £
Cost			
At 1 June 2000	121,257	371,785	493,042
Additions	-	55,388	55,388
Disposals	-	(279,285)	(279,285)
At 31 May 2001	121,257	147,888	269,145
Amortisation			
At 1 June 2000	26,260	264,402	290,662
Provided in the year	6,060	132,559	138,619
Eliminated on disposals	-	(279,285)	(279,285)
At 31 May 2001	32,320	117,676	149,996
Net book amount at 31 May 2001	88,937	30,212	119,149
Net book amount at 31 May 2000	94,997	107,383	202,380

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2001

6 TANGIBLE FIXED ASSETS

	Freehold property, new buildings and ground improvements £	Leasehold property £	Furniture, fixtures and fittings £	Motor vehicles £	Totals £
Cost					
At 1 June 2000	1,499,748	3,076	413,713	14,650	1,931,187
Additions	2,474,479	-	20,169	28,850	2,523,498
Disposals	(30,933)	-	-	-	(30,933)
At 31 May 2001	3,943,294	3,076	433,882	43,500	4,423,752
Depreciation					
At 1 June 2000	169,905	267	181,054	4,558	355,784
Provided in the year	71,011	31	48,956	5,384	125,382
Eliminated on disposals	(30,933)	-	-	-	(30,933)
At 31 May 2001	209,983	298	230,010	9,942	450,233
Net book amount at 31 May 2001	3,733,311	2,778	203,872	33,558	3,973,519
Net book amount at 31 May 2000	1,329,843	2,809	232,659	10,092	1,575,403

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2001

6 TANGIBLE FIXED ASSETS (CONTINUED)

The figures stated above include assets held under hire purchase contracts as follows:

	Motor vehicles £
Net book value at 31 May 2001	<u>33,558</u>
Net book value at 31 May 2000	<u>10,092</u>
Depreciation provided in the period	<u>5,384</u>

7 FIXED ASSET INVESTMENTS

	Shares in group undertakings £	Investments other than loans £	Total £
Cost			
Additions in year and net book amount at 31 May 2001	<u>100</u>	<u>79</u>	<u>179</u>

At 31 May 2001 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.

8 STOCKS

	2001 £	2000 £
Brochures, bar and shop stock	<u>58,497</u>	<u>18,019</u>

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2001

9 DEBTORS

	2001	2000
	£	£
Trade debtors	443,930	274,510
Amounts owed by group undertakings	1,777	-
Prepayments and accrued income	279,997	392,093
Other debtors	1,214,756	781,831
	<u>1,940,460</u>	<u>1,448,434</u>

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2001	2000
	£	£
Bank loans, overdrafts and mortgage	525,171	219,228
Trade creditors	741,388	389,794
Other creditors	38,204	1,145,240
Deferred income	309,782	69,294
Social security and other taxes	111,950	249,238
Accrued expenses	409,841	1,075,619
Amounts due under hire purchase contracts	11,754	2,255
	<u>2,148,090</u>	<u>3,150,668</u>

11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2001	2000
	£	£
Bank loans and mortgage	610,439	130,413
Amounts owed to group undertakings	3,781,851	-
Deferred income	1,228,700	-
Amounts due under hire purchase contracts	19,876	5,771
	<u>5,640,866</u>	<u>136,184</u>

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2001

12 BORROWINGS

Borrowings are repayable as follows:

	2001 £	2000 £
Within one year		
Bank overdrafts	394,045	208,270
Bank loan	120,000	-
Mortgage	1,126	958
Other loans	10,000	10,000
Finance leases	11,754	2,255
After one and within two years		
Bank loan	120,000	-
Mortgage	1,126	1,038
Other loans	10,000	10,000
Finance leases	19,876	2,255
After two and within five years		
Bank loan	360,000	-
Mortgage	3,378	3,656
Other loans	30,000	30,000
Finance leases	-	3,516
After five years		
Mortgage	54,761	55,719
Other loans	31,174	30,000
	<u>1,167,240</u>	<u>357,667</u>

The other loans are interest free and are repayable over 10 years with annual instalments of £10,000.

The mortgage is repayable by monthly instalments, to be repaid by approximately July 2023.

13 SHARE CAPITAL

	2001 £	2000 £
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>

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2001

14 RESERVES

	Profit and loss account £
At 1 June 2000	(4,335,875)
Retained loss in year	(291,477)
At 31 May 2001	<u>(4,627,352)</u>

15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001 £	2000 £
Loss for the financial year	(291,477)	(957,418)
Shares issued	-	1,000,000
Shareholders' funds at 1 June 2000	<u>(291,477)</u>	42,582
	164,125	121,543
Shareholders' funds at 31 May 2001	<u>(127,352)</u>	<u>164,125</u>

16 CAPITAL COMMITMENTS

	2001 £	2000 £
Contracted but not provided for in the financial statements	<u>2,389,055</u>	-

These amounts relate to the redevelopment of Franklin's Gardens.

17 PENSIONS

Defined Contribution Scheme

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

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2001

18 LEASING COMMITMENTS

Operating lease payments amounting to £86,107 (2000: £13,832) are due within one year. The leases to which these amounts relate expire as follows:

	Land and buildings £	2001 Other £	Land and buildings £	2000 Other £
In one year or less	4,881	59,501	1,303	12,529
Between one and five years	-	21,725	-	54,628
	<u>4,881</u>	<u>81,226</u>	<u>1,303</u>	<u>67,157</u>

19 SECURED DEBTS

The bank borrowings are secured by an unscheduled mortgage debenture dated 25 February 2000 incorporating a fixed and floating charge over all current and future assets of the company and incorporating a right of set off.

20 TRANSACTIONS WITH DIRECTORS AND OTHER RELATED PARTIES

(a) Transactions with directors

Director	Type of transaction	Value in the year £	Due to the company £	Due from the company £
K L Barwell and L K L Barwell	Sales Interest payable	77,446 30,775	80 -	- -
A C Hewitt	Sales Professional fees	45,605 6,575	66 -	- -
M A L Holmes	Sales Legal and professional fees	2,150 17,083	- -	- -
J A G D Raphael	Doctor fees	7,000	-	-
E R A Travis	Sales	79,549	-	5,566

Sales by the company to directors or companies connected with them relate principally to the rental of hospitality suites.

(b) Transactions with other related parties

During the year, amounts totalling £966,306 due under loan agreements to The Barwell Corporation Limited, a company in which the directors K L Barwell and L K L Barwell have an interest, were repaid in full.

During the year, freehold property was acquired by Northampton Rugby Football Club Limited from The Barwell Corporation. Consideration for the purchase amounted to £1,500,000. The balance owed by the company at the year end amounted to £80.

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.

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2001

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.