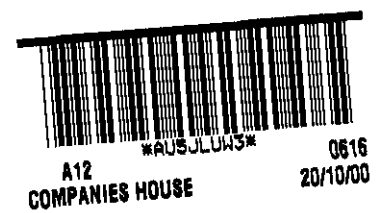


ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2000
FOR
NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED



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for the Year Ended 31 May 2000**

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COMPANY INFORMATION
for the Year Ended 31 May 2000

DIRECTORS: K L Barwell
A C Hewitt
M A L Holmes
Dr J Raphael
L K L Barwell

SECRETARY: A T Cozzolino

REGISTERED OFFICE: 7 Cheyne Walk
Northampton
NN1 5PT

REGISTERED NUMBER: 3139409 (England and Wales)

AUDITORS: F.E. HAWKES & CO.
Registered Auditors
'Danesbury House'
49 Cardiff Road
Luton
Bedfordshire
LU1 1PP

REPORT OF THE DIRECTORS
for the Year Ended 31 May 2000

The directors present their report with the financial statements of the company for the year ended 31 May 2000.

PRINCIPAL ACTIVITY

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

REVIEW OF BUSINESS

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

DIVIDENDS

No dividends will be distributed for the year ended 31 May 2000.

FIXED ASSETS

Movements in fixed assets are as summarised in notes 6 and 7 to the financial statements.

DIRECTORS

The directors during the year under review were:

K L Barwell
I R McGeechan - resigned 3.8.1999
R Horwood - resigned 5.6.2000
J A G D Raphael
M A L Holmes
M C Owen - deceased 21.10.1999
A C Hewitt
L K L Barwell - appointed 3.8.1999

The issued share capital of the company at 31 May 1999 was £4,500,000 in ordinary shares of £1 of which 4,000,000 were vested in trust for the beneficial interests of K. L. Barwell, L. K. L. Barwell and their immediate family.

POLITICAL AND CHARITABLE DONATIONS

During the year the company made no political contributions and the total donations to charitable bodies did not exceed £1,000.

STATEMENT OF 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 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

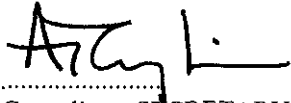
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE DIRECTORS
for the Year Ended 31 May 2000

AUDITORS

The auditors, F.E. HAWKES & CO., will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



.....
A T Cozzolino - SECRETARY

Dated: 13-10-2000

**REPORT OF THE AUDITORS TO
NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated financial statements on pages five to eighteen, together with the full financial statements of the company for the year ended 31 May 2000 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

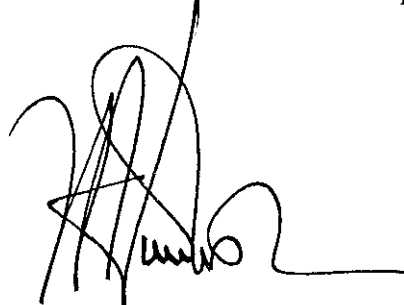
Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages five to eighteen are properly prepared in accordance with that provision.

F.E. HAWKES & CO.
Registered Auditors
'Danesbury House'
49 Cardiff Road
Luton
Bedfordshire
LU1 1PP



Dated: 19 October 2000

ABBREVIATED PROFIT AND LOSS ACCOUNT
for the Year Ended 31 May 2000

<u>1999</u>			<u>2000</u>
£		Notes	£
426,901	GROSS PROFIT		1,135,843
<u>2,125,963</u>	Administrative expenses		<u>2,045,650</u>
(1,699,062)	OPERATING LOSS	3	(909,807)
<u>13,895</u>	Interest payable and similar charges	4	<u>47,611</u>
(1,712,957)	LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(957,418)
<u>-</u>	Tax on loss on ordinary activities	5	<u>-</u>
(1,712,957)	LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		(957,418)
<u>(1,665,500)</u>	Deficit brought forward		<u>(3,378,457)</u>
<u>(3,378,457)</u>	DEFICIT CARRIED FORWARD		<u>£(4,335,875)</u>

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the losses for the current and previous years.

The notes form part of these financial statements

CASH FLOW STATEMENT
for the Year Ended 31 May 2000

1999			2000	
£	£	Notes	£	£
	Net cash outflow			
(1,574,388)	from operating activities	1		(36,096)
(13,945)	Returns on investments and servicing of finance	2		(47,611)
910	Taxation			-
(435,342)	Capital expenditure	2		(118,193)
(2,022,765)				(201,900)
1,147,778	Financing	2		986,492
<u>£(874,987)</u>	Increase/(Decrease) in cash in the period			<u>£784,592</u>
	Reconciliation of net cash flow to movement in net debt	3		
(874,987)	Increase/(Decrease) in cash in the period		784,592	
(10,627)	Cash outflow from decrease in debt and lease financing		<u>2,601</u>	
(885,614)	Change in net debt resulting from cash flows			<u>787,193</u>
(885,614)	Movement in net debt in the period			787,193
<u>88,866</u>	Net (debt)/funds at 1 June			<u>(796,748)</u>
£(796,748)	Net debt at 31 May			£(9,555)

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31 May 2000

1. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2000 £	1999 £
Operating loss	(909,807)	(1,699,062)
Depreciation charges	245,040	255,659
Loss on sale of fixed assets	31,022	4,897
Profit on sale of fixed assets	(1,340)	-
Decrease in stocks	11,575	1,835
Increase in debtors	(903,148)	(9,396)
Increase/(Decrease) in creditors	<u>1,490,562</u>	<u>(128,321)</u>
Net cash outflow from operating activities	<u>(36,096)</u>	<u>(1,574,388)</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2000 £	1999 £
Returns on investments and servicing of finance		
Interest received	-	604
Interest paid	(46,743)	(13,900)
Interest element of hire purchase payments	<u>(868)</u>	<u>(649)</u>
Net cash outflow for returns on investments and servicing of finance	<u>(47,611)</u>	<u>(13,945)</u>
Capital expenditure		
Purchase of intangible fixed assets	(30,000)	(141,725)
Purchase of tangible fixed assets	(125,193)	(293,617)
Sale of intangible fixed assets	18,000	-
Sale of tangible fixed assets	<u>19,000</u>	<u>-</u>
Net cash outflow for capital expenditure	<u>(118,193)</u>	<u>(435,342)</u>
Financing		
Finance lease/hire purchase repayments in year	(2,601)	-
Loan repayments in year	(10,000)	(114,500)
Mortgage	(907)	62,278
Cash receipt re share issue	<u>1,000,000</u>	<u>1,200,000</u>
Net cash inflow from financing	<u>986,492</u>	<u>1,147,778</u>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31 May 2000

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.6.99 £	Cash flow £	At 31.5.00 £
Net cash:			
Cash at bank and in hand	21,325	185,416	206,741
Bank overdrafts	<u>(807,446)</u>	<u>599,176</u>	<u>(208,270)</u>
	<u>(786,121)</u>	<u>784,592</u>	<u>(1,529)</u>
Debt:			
Hire purchase	<u>(10,627)</u>	<u>2,601</u>	<u>(8,026)</u>
	<u>(10,627)</u>	<u>2,601</u>	<u>(8,026)</u>
Total	<u>(796,748)</u>	<u>787,193</u>	<u>(9,555)</u>
Analysed in Balance Sheet			
Cash at bank and in hand	21,325		206,741
Bank overdrafts	<u>(807,446)</u>		<u>(208,270)</u>
Hire purchase			
within one year	<u>(2,255)</u>		<u>(2,255)</u>
after one year	<u>(8,372)</u>		<u>(5,771)</u>
	<u>(796,748)</u>		<u>(9,555)</u>

The notes form part of these financial statements

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the Year Ended 31 May 2000**

1. ACCOUNTING POLICIES**Accounting convention**

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents the total amounts receivable in the ordinary course of business, excluding value added tax.

Goodwill

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

The company has adopted the policy to amortise the cost over 20 years from February 1996.

Freehold property and improvements

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

Freehold property & improvements	- 2% on cost
Leasehold property	- over the remaining term of the lease
Stand & ground improvements	- 20% on reducing balance
Furniture, fixtures & fittings	- 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.

Stocks

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

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pensions

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 players contract.

Grants

Any capital grants received in respect of assets will be credited to profit and loss account on receipt.

Players' contracts

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

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the Year Ended 31 May 2000

2. STAFF COSTS

	2000	1999
	£	£
Wages and salaries	2,566,940	2,149,185
Social security costs	184,667	206,165
Other pension costs	14,867	9,658
	<u>2,766,474</u>	<u>2,365,008</u>

The average monthly number of employees during the year was as follows:

	2000	1999
Sports & Rugby Players	62	63
Bars & Catering	30	32
Administration & Commercial	64	89
	<u>156</u>	<u>184</u>

3. OPERATING LOSS

The operating loss is stated after charging:

	2000	1999
	£	£
Hire of plant and machinery	31,524	-
Vehicle lease & contract hire	58,629	46,412
Depreciation - owned assets	110,835	94,191
Loss on disposal of fixed assets	29,682	4,897
Goodwill written off	6,060	6,060
Signing on, transfer and professional written off	128,145	155,408
Auditors' remuneration	6,000	7,000
	<u>28,271</u>	98,871
Directors' emoluments	19,000	-
Compensation to directors for loss of office	<u>19,000</u>	<u>-</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2000	1999
	£	£
Bank interest	13,674	4,113
Bank loan interest	33,002	9,007
Interest on taxation	67	126
Hire purchase	868	649
	<u>47,611</u>	<u>13,895</u>

5. TAXATION

No liability to UK corporation tax arose on ordinary activities for the year ended 31 May 2000 nor for the year ended 31 May 1999.

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the Year Ended 31 May 2000

6. INTANGIBLE FIXED ASSETS

	<u>Goodwill</u>	<u>Signing on, transfer & related professional fees</u>	<u>Totals</u>
	£	£	£
COST:			
At 1 June 1999	121,257	461,010	582,267
Additions	-	30,000	30,000
Disposals	-	(119,225)	(119,225)
	<u>121,257</u>	<u>371,785</u>	<u>493,042</u>
At 31 May 2000	<u>121,257</u>	<u>371,785</u>	<u>493,042</u>
AMORTISATION:			
At 1 June 1999	20,200	216,181	236,381
Charge for year	6,060	128,145	134,205
Eliminated on disposals	-	(79,924)	(79,924)
	<u>26,260</u>	<u>264,402</u>	<u>290,662</u>
At 31 May 2000	<u>26,260</u>	<u>264,402</u>	<u>290,662</u>
NET BOOK VALUE:			
At 31 May 2000	<u>94,997</u>	<u>107,383</u>	<u>202,380</u>
At 31 May 1999	<u>101,057</u>	<u>244,829</u>	<u>345,886</u>

7. TANGIBLE FIXED ASSETS

	<u>Totals</u>	<u>Freehold property & improvements</u>	<u>Leasehold property</u>
	£	£	£
COST:			
At 1 June 1999	1,835,289	1,266,143	3,076
Additions	125,193	-	-
Disposals	(29,295)	-	-
	<u>1,931,187</u>	<u>1,266,143</u>	<u>3,076</u>
At 31 May 2000	<u>1,931,187</u>	<u>1,266,143</u>	<u>3,076</u>
DEPRECIATION:			
At 1 June 1999	246,863	64,273	236
Charge for year	110,835	25,323	31
Eliminated on disposals	(1,914)	-	-
	<u>355,784</u>	<u>89,596</u>	<u>267</u>
At 31 May 2000	<u>355,784</u>	<u>89,596</u>	<u>267</u>
NET BOOK VALUE:			
At 31 May 2000	<u>1,575,403</u>	<u>1,176,547</u>	<u>2,809</u>
At 31 May 1999	<u>1,588,426</u>	<u>1,201,869</u>	<u>2,840</u>

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the Year Ended 31 May 2000

7. **TANGIBLE FIXED ASSETS - continued**

	<u>Stand & ground improvements</u>	<u>Furniture, fixtures & fittings</u>	<u>Motor vehicles</u>
	£	£	£
COST:			
At 1 June 1999	186,537	345,309	34,224
Additions	56,789	68,404	-
Disposals	(9,721)	-	(19,574)
	<u>233,605</u>	<u>413,713</u>	<u>14,650</u>
DEPRECIATION:			
At 1 June 1999	52,603	126,411	3,340
Charge for year	27,706	54,643	3,132
Eliminated on disposals	-	-	(1,914)
	<u>80,309</u>	<u>181,054</u>	<u>4,558</u>
NET BOOK VALUE:			
At 31 May 2000	<u>153,296</u>	<u>232,659</u>	<u>10,092</u>
At 31 May 1999	<u>133,935</u>	<u>218,898</u>	<u>30,884</u>

8. **STOCKS**

	<u>2000</u>	<u>1999</u>
	£	£
Brochures, bar and shop stock	<u>18,019</u>	<u>29,594</u>

9. **DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	<u>2000</u>	<u>1999</u>
	£	£
Trade debtors	274,510	153,412
Prepayments & accrued income	392,093	65,666
Other debtors	<u>651,831</u>	<u>196,208</u>
	<u>1,318,434</u>	<u>415,286</u>

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the Year Ended 31 May 2000

**10. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2000	1999
	£	£
Bank loans, overdrafts & mortgage (see note 12)	209,228	808,398
Northampton Borough Council (see note 12)	10,000	10,000
Hire purchase contracts (see note 13)	2,255	2,255
Trade creditors	389,794	384,653
Other creditors	1,015,240	167,447
Deferred income	69,294	216,566
Social security & other taxes	249,238	127,689
Accrued expenses	<u>1,075,619</u>	<u>412,268</u>
	<u><u>3,020,668</u></u>	<u><u>2,129,276</u></u>

**11. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	2000	1999
	£	£
Bank loans & mortgage (see note 12)	60,413	61,326
Northampton Borough Council (see note 12)	70,000	80,000
Hire purchase contracts (see note 13)	<u>5,771</u>	<u>8,372</u>
	<u><u>136,184</u></u>	<u><u>149,698</u></u>

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the Year Ended 31 May 2000

12. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	2000 £	1999 £
Amounts falling due within one year or on demand:		
Bank overdrafts	208,270	807,446
Mortgage	958	952
Northampton Borough Council	<u>10,000</u>	<u>10,000</u>
	<u>219,228</u>	<u>818,398</u>

Amounts falling due between one and two years:

Mortgage	1,038	1,124
Northampton Borough Council	<u>10,000</u>	<u>10,000</u>
	<u>11,038</u>	<u>11,124</u>

Amounts falling due between two and five years:

Mortgage	3,656	3,661
Northampton Borough Council	<u>30,000</u>	<u>30,000</u>
	<u>33,656</u>	<u>33,661</u>

Amounts falling due in more than five years:

Repayable by instalments		
Mortgage	55,719	56,541
Northampton Borough Council	<u>30,000</u>	<u>40,000</u>
	<u>85,719</u>	<u>96,541</u>

Further details are as follows:

1. The loan from Northampton Borough Council is interest free and is repayable over 10 years with annual instalments of £10,000.
2. The mortgage with Nationwide Building Society is repayable by monthly instalments, to be repaid by approximately July 2023.

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the Year Ended 31 May 2000

13. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	2000	1999
	£	£
Gross obligations repayable:		
Within one year	3,202	3,202
Between one and five years	<u>6,245</u>	<u>9,714</u>
	<u>9,447</u>	<u>12,916</u>
Finance charges repayable:		
Within one year	947	947
Between one and five years	<u>474</u>	<u>1,342</u>
	<u>1,421</u>	<u>2,289</u>
Net obligations repayable:		
Within one year	2,255	2,255
Between one and five years	<u>5,771</u>	<u>8,372</u>
	<u>8,026</u>	<u>10,627</u>

The following payments are committed to be paid within one year:

	Operating leases			
	Land and buildings		Other	
	2000	1999	2000	1999
	£	£	£	£
Expiring:				
Within one year	-	1,031	12,529	16,059
Between one and five years	<u>-</u>	<u>-</u>	<u>54,628</u>	<u>12,075</u>
	<u>-</u>	<u>1,031</u>	<u>67,157</u>	<u>28,134</u>

14. 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.

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the Year Ended 31 May 2000

15. CALLED UP SHARE CAPITAL

Authorised:			2000	1999
Number:	Class:	Nominal value:	£	£
20,000,000	Ordinary	£1	<u>20,000,000</u>	<u>20,000,000</u>

Allotted and issued:			2000	1999
Number:	Class:	Nominal value:	£	£
4,500,000	Ordinary	£1	<u>4,500,000</u>	<u>3,500,000</u>

1,000,000 Ordinary shares of £1 each were allotted at par during the year.

16. CONTINGENT LIABILITIES

The company has contingent liabilities in respect of bonus payments due to players but these are met by claims due from insurers.

17. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £14,867 (1999 - £9,658).

18. CAPITAL COMMITMENTS

	2000	1999
	£	£
Contracted but not provided for in the financial statements	<u>-</u>	<u>95,649</u>

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the Year Ended 31 May 2000

19. TRANSACTIONS WITH DIRECTORS

The following is a summary of directors transactions with the company or transactions with companies in which the directors have an interest:

Director	Type of transaction	Value in the year	Balance at year end	
			Due to the company	Due from the company
		£	£	£
K L Barwell & L K L Barwel	Sales	36,156		
	Purchases-rent paid	1		
	Purchases-interest payable	28,100	-	993,702
M Owen (pre resignation)	Sales	38,209		
A C Hewitt	Sales	18,469	603	-
M A L Holmes	Sales	2,150		
	Purchases-legal & professional fees	7,335	800	-
J A G D Raphael	Purchases-doctor fees	6,000		
I R McGeechan (pre resignation)	Interest free loan	25,000	-	

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Loss for the financial year	(957,418)	(1,712,957)
Shares issued	<u>1,000,000</u>	<u>1,200,000</u>
Net addition/(reduction) to shareholders' funds	42,582	(512,957)
Opening shareholders' funds	<u>121,543</u>	<u>634,500</u>
Closing shareholders' funds	<u>164,125</u>	<u>121,543</u>
Equity interests	<u>164,125</u>	<u>121,543</u>