

**DUNDEE UNITED FOOTBALL COMPANY  
LIMITED**

**Report and Financial Statements**

**30 June 2003**



**Deloitte & Touche LLP  
Aberdeen**

# **DUNDEE UNITED FOOTBALL COMPANY LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2003**

### **CONTENTS**

### **Page**

**Officers and professional advisers** **1**

**Directors' report** **2**

**Statement of directors' responsibilities** **3**

**Independent auditors' report** **4**

**Profit and loss account** **6**

**Balance sheet** **7**

**Cash flow statement** **8**

**Notes to the accounts** **9**

# **DUNDEE UNITED FOOTBALL COMPANY LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2003**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

Edward H Thompson (Chairman)  
John M Bennett  
James D S Carnegie  
Gilbert B Haggart  
Derek W Robertson  
Stephen E Thompson  
Michael G Watson

#### **SECRETARY**

Spence Anderson

#### **REGISTERED OFFICE**

Tannadice Park  
Dundee  
DD3 7JW

#### **BANKERS**

Bank of Scotland  
2 West Marketgait  
Dundee  
DD1 1QN

#### **SOLICITORS**

McClure Naismith  
49 Queen Street  
Edinburgh  
EH2 3NH

#### **AUDITORS**

Deloitte & Touche LLP  
Aberdeen

# DUNDEE UNITED FOOTBALL COMPANY LIMITED

## DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 June 2003.

## PRINCIPAL ACTIVITIES

The principal activity of the company is that of a professional football club. The company is a founding member of the Scottish Premier League.

## RESULTS

The company incurred a loss for the year of £2,876,434 (2002: £2,309,614). The directors do not propose a dividend. The loss for the year has been set against reserves.

## REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

In common with most Scottish football clubs the company is experiencing difficult financial circumstances. At the time of signing these accounts, we are in the process of finalising and implementing measures designed to stabilise the club's finances.

## DIRECTORS AND THEIR INTERESTS

The present membership of the board is set out on page 1.

The beneficial interests of the Directors in the shares of the company, as defined by the Companies Act 1985, at 1 July 2002 and 30 June 2003, were as follows:

		Ordinary shares of 10p each	
		2003	2002
Edward H Thompson	(appointed 24 September 2002)	6,503	-
John M Bennett	(appointed 28 February 2002)	5	-
James D S Carnegie		124	257
Gilbert B Haggart		5	5
Derek W Robertson	(appointed 24 September 2002)	5	-
Stephen E Thompson	(appointed 24 September 2002)	5	-

Subsequent to the year end, the company completed a rights issues in which the directors subscribed for additional ordinary shares of 10p each, details of the changes can be found in note 23.

James W Barrie resigned as a director on 24 September 2002.

Michael G Watson was appointed as a director on 29 August 2003.

## AUDITORS

Deloitte & Touche LLP were appointed by the directors and have expressed their willingness to continue in office as auditors. A resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board

15 April 2004

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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 as at the end of the financial year 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; and
- 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 the system of internal control, safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DUNDEE UNITED FOOTBALL COMPANY LIMITED**

We have audited the financial statements of Dundee United Football Company Limited for the year ended 30 June 2003 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes 1 to 26. 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 directors and auditors**

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 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 the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

### **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.

### **Going concern**

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 to the accounts, concerning the uncertainty as to the implementation of the measures intended to reduce the cost base of the company. In view of the significance of this uncertainty we consider that it should be drawn to your attention, but our report is not qualified in this respect.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
DUNDEE UNITED FOOTBALL COMPANY LIMITED (continued)**

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 June 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche LLP.*

Deloitte & Touche LLP  
Chartered Accountants and Registered Auditors  
Aberdeen  
16 April 2004

# DUNDEE UNITED FOOTBALL COMPANY LIMITED

## PROFIT AND LOSS ACCOUNT

Year ended 30 June 2003

	Note	2003 £	2002 as restated (note 25) £
<b>TURNOVER: continuing operations</b>	2	3,086,440	4,027,647
Cost of sales – recurring costs		(4,432,400)	(5,185,281)
Cost of sales – exceptional costs	4	(524,896)	(75,631)
Total cost of sales		<u>(4,957,296)</u>	<u>(5,260,912)</u>
Gross loss		<u>(1,870,856)</u>	<u>(1,233,265)</u>
Administrative expenses		(839,680)	(1,281,827)
Other operating income		<u>42,391</u>	<u>65,458</u>
<b>OPERATING LOSS: continuing operations</b>	5	<u>(2,668,145)</u>	<u>(2,449,634)</u>
Profit on sale of player registrations		100,000	317,755
Interest receivable	6	1,039	11
Interest payable and similar charges	7	<u>(309,328)</u>	<u>(177,746)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>(2,876,434)</u>	<u>(2,309,614)</u>
Tax on loss on ordinary activities	8	<u>-</u>	<u>-</u>
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION</b>	18	<u>(2,876,434)</u>	<u>(2,309,614)</u>
<b>Retained profit brought forward</b>		<u>1,084,082</u>	<u>3,393,696</u>
<b>Retained (loss)/profit carried forward</b>		<u><u>(1,792,352)</u></u>	<u><u>1,084,082</u></u>

There are no recognised gains or losses other than those included in the profit and loss account. Accordingly, no statement of total recognised gains and losses is presented.



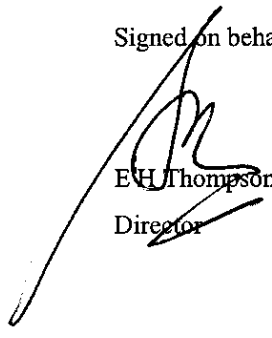
# DUNDEE UNITED FOOTBALL COMPANY LIMITED

## BALANCE SHEET 30 June 2003

	Note	2003 £	2002 £
<b>FIXED ASSETS</b>			
Intangible assets	9	539,345	45,036
Tangible assets	10	7,443,352	7,705,601
Investments	11	6,658	6,705
		<u>7,989,355</u>	<u>7,757,342</u>
<b>CURRENT ASSETS</b>			
Stocks	12	75,606	130,018
Debtors	13	450,083	330,925
Cash at bank and in hand		2,434	9,956
		<u>528,123</u>	<u>470,899</u>
<b>CREDITORS: amounts falling due within one year</b>	14	<u>(6,036,757)</u>	<u>(4,823,789)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(5,508,634)</u>	<u>(4,352,890)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2,480,721	3,404,452
<b>CREDITORS: amounts falling due after more than one year</b>	15	<u>(4,271,772)</u>	<u>(2,319,069)</u>
		<u>(1,791,051)</u>	<u>1,085,383</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	1,301	1,301
Profit and loss account		<u>(1,792,352)</u>	<u>1,084,082</u>
<b>EQUITY SHAREHOLDERS (DEFICIT)/FUNDS</b>	18	<u>(1,791,051)</u>	<u>1,085,383</u>

These financial statements were approved by the Board of Directors on 15 April 2004.

Signed on behalf of the Board of Directors

  
E.H. Thompson  
Director

# DUNDEE UNITED FOOTBALL COMPANY LIMITED

## CASH FLOW STATEMENT

Year ended 30 June 2003

	Note	2003 £	2002 £
Net cash outflow from operating activities	19	(1,713,671)	(1,537,432)
Returns on investments and servicing of finance	20(i)	(283,289)	(177,735)
Capital expenditure and financial investment	20(ii)	<u>(263,110)</u>	<u>527,924</u>
Net cash outflow before financing		(2,260,070)	(1,187,243)
Financing	20(iii)	<u>1,958,509</u>	<u>(54,287)</u>
Decrease in cash	21	<u><u>(301,561)</u></u>	<u><u>(1,241,530)</u></u>

**NOTES TO THE ACCOUNTS**

**Year ended 30 June 2003**

**1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted by the directors are described below.

**Basis of preparation**

The financial statements have been prepared on a going concern basis under the historical cost convention.

The company is dependent on the continuing support of its bankers and shareholders to continue to trade as a going concern. The current banking facilities comprise an overdraft and term loan, and the company's bankers have intimated that they continue to be supportive. The overdraft is repayable on demand with the next review date scheduled for February 2005, and a moratorium is in place, until notified otherwise, on capital payments falling due under the term loan.

The directors have prepared projected cash flow information for the period ending 30 June 2005, which incorporates measures to reduce the cost base of the company and align it to its expected future revenues. The projected cash flow information to 30 June 2005 indicates that there will be times when the overdraft requirement exceeds the facilities currently available. While a number of the measures included in the cash flow projection have still to be finalised and actioned, the directors are confident that the projected cash flow benefits arising from these measures will be achieved. Consequently the directors believe the projected cash flow information is prudent.

On the basis of the projected cash flow information to 30 June 2005, and discussions with the company's bankers, the directors have formed a judgement at the time of approving the financial statements that appropriate financial support will continue to be available to the company throughout the 12 months from the signing of these accounts.

On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result if the company is unable to continue to trade as a going concern.

**Exemption from group accounts**

The company is exempt by virtue of Section 248 of the Companies Act 1985 and FRS 2 from the requirement to prepare group accounts on the basis of being a medium sized group. The financial statements present information about the company as an individual undertaking and not about the group.

**Fixed assets and depreciation**

Depreciation is provided on fixed assets to write off the cost, less the estimated residual value, of each asset over its expected useful life, as follows:

Freehold buildings	2% straight line
Fixtures and fittings	15% reducing balance
Motor vehicles	25% reducing balance

Depreciation is not provided on freehold land.

**Grants receivable**

Grants receivable from the Football Grounds Improvement Trust, in respect of capital expenditure, are credited to deferred income in the balance sheet, and are released to revenue over the expected useful life of the relevant asset by equal annual amounts.

**Stocks**

Stocks which consist of goods for resale are stated at the lower of cost and net realisable value.

**NOTES TO THE ACCOUNTS**

**Year ended 30 June 2003**

**1. ACCOUNTING POLICIES (continued)**

**Transfer costs**

Amounts paid to third parties for players' registrations, football league levies and agent' commissions are capitalised as intangible assets and amortised on a straight line basis over the periods of their contracts.

Where contingencies are contained within those contracts for further payments, these costs are recognised when they crystallise and are amortised over the remaining period of the contract.

**Profit on sale of players' registrations**

The profit on sale of players' registrations represents the proceeds of sale less the net book value of the registration and any direct costs.

**Signing on fees**

Signing on fees and loyalty bonuses are charged to the profit and loss account as incurred. However, future instalments that are contingent on continued service are not recognised until the relevant conditions are satisfied.

**Leases**

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors.

**Deferred taxation**

Deferred tax is provided in full on timing differences which result in obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences on unremitted earnings of subsidiaries where there is no commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

**2. TURNOVER**

Turnover arises wholly within the UK from the company's activities and represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the year.

# DUNDEE UNITED FOOTBALL COMPANY LIMITED

## NOTES TO THE ACCOUNTS

Year ended 30 June 2003

### 3. INFORMATION REGARDING EMPLOYEES

	2003 No.	2002 No.
<b>Average number of persons employed</b>		
Football	57	59
Administration and management	21	21
Ground staff	12	12
	<u>90</u>	<u>92</u>

	2003 £	2002 £
<b>Directors' remuneration</b>		
Emoluments	96,995	22,587

	2003 £	2002 £
<b>Staff costs during the year (including directors)</b>		
Wages and salaries	2,948,513	3,209,186
Social security costs	343,789	320,169
	<u>3,292,302</u>	<u>3,529,355</u>

### 4. EXCEPTIONAL COSTS

These costs relate to redundancy and termination payments incurred as a result of changes within the football staff and management of the club.

### 5. OPERATING LOSS

	2003 £	2002 £
<b>Operating loss is after charging/(crediting)</b>		
Auditors' remuneration	9,000	8,000
Depreciation		
- owned assets	232,334	225,191
- leased assets	9,908	9,908
Amortisation of player registrations:		
- opening balance written off	45,036	-
- amortisation in year	72,053	757,940
Loss/(gain) on sale of assets	4,080	(8,083)
Write down of investment in subsidiary	1,000	-
Release of deferred income	(46,361)	(47,308)

# DUNDEE UNITED FOOTBALL COMPANY LIMITED

## NOTES TO THE ACCOUNTS

Year ended 30 June 2003

### 6. INTEREST RECEIVABLE

	2003 £	2002 £
Bank interest	1,039	11

### 7. INTEREST PAYABLE AND SIMILAR CHARGES

	2003 £	2002 £
Bank loans and overdrafts	307,667	176,414
Finance leases and hire purchase contracts	1,661	1,332
	309,328	177,746

### 8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2003 £	2002 £
Current tax		
UK corporation tax	-	-
	-	-

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 30%. The actual tax for the current and the previous year differs from the standard rate for the reasons set out in the following reconciliation.

	2003 £	2002 £
Loss on ordinary activities before tax	(2,876,434)	(2,309,614)
Tax on loss on ordinary activities at standard rate	(862,930)	(692,885)
<b>Factors affecting charge for the year</b>		
Expenses not deductible for tax proposed	51,355	9,789
Capital allowances in excess of depreciation	(22,437)	33,612
Loss arising	834,976	647,245
Other items	(964)	2,239
	-	-

# DUNDEE UNITED FOOTBALL COMPANY LIMITED

## NOTES TO THE ACCOUNTS

Year ended 30 June 2003

### 9. INTANGIBLE FIXED ASSETS

	Football registrations £
<b>Cost</b>	
At 1 July 2002	1,413,497
Write off	(1,413,497)
Additions	611,398
At 30 June 2003	611,398
<b>Accumulated depreciation</b>	
At 1 July 2002	1,368,461
Write off	(1,368,461)
Charge for the year	72,053
At 30 June 2003	72,053
<b>Net book value</b>	
At 30 June 2003	539,345
At 30 June 2002	45,036

### 10. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Fixtures & fittings £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 July 2002	8,594,163	1,226,589	128,583	9,949,335
Additions	20,764	22,070	-	42,834
Disposals	(38,000)	-	(45,882)	(83,882)
At 30 June 2003	8,576,927	1,248,659	82,701	9,908,287
<b>Accumulated depreciation</b>				
At 1 July 2002	1,316,086	852,478	75,170	2,243,734
Charge for the year	171,182	61,254	9,806	242,242
Disposals	-	-	(21,041)	(21,041)
At 30 June 2003	1,487,268	913,732	63,935	2,464,935
<b>Net book value</b>				
At 30 June 2003	7,089,659	334,927	18,766	7,443,352
At 30 June 2002	7,278,077	374,111	53,413	7,705,601

The net book value of the company's tangible fixed assets includes £38,000 (2002: £38,000) in respect of land, this is not depreciated.

The net book value of fixed assets includes £nil (2002: £29,722) in respect of assets held under hire purchase agreements.

# DUNDEE UNITED FOOTBALL COMPANY LIMITED

## NOTES TO THE ACCOUNTS

Year ended 30 June 2003

### 11. INVESTMENTS

	Investment in subsidiary £	Listed Investment £	Total £
<b>Cost</b>			
At 1 July 2002	1,000	5,705	6,705
Additions	-	953	953
	<u>1,000</u>	<u>6,658</u>	<u>7,658</u>
At 30 June 2003			
	<u>1,000</u>	<u>6,658</u>	<u>7,658</u>
<b>Provision</b>			
Impairment in year and at 30 June 2003	1,000	-	1,000
	<u>1,000</u>	<u>-</u>	<u>1,000</u>
<b>Net Book Value</b>			
At 30 June 2003	-	6,658	6,658
	<u>-</u>	<u>6,658</u>	<u>6,658</u>
At 30 June 2002	1,000	5,705	6,705
	<u>1,000</u>	<u>5,705</u>	<u>6,705</u>

#### Subsidiary Undertaking

	Country of incorporation	Proportion of ordinary shares held	Nature of business
Tannadice Catering Limited	Scotland	100%	Non trading

#### Listed Investments

Aggregate market value £12,732

### 12. STOCK

	2003 £	2002 £
Goods for resale	75,606	130,018
	<u>75,606</u>	<u>130,018</u>

### 13. DEBTORS

	2003 £	2002 £
Trade debtors	366,273	19,117
Other debtors	-	25,285
Prepayments and accrued income	83,810	286,523
	<u>450,083</u>	<u>330,925</u>



# DUNDEE UNITED FOOTBALL COMPANY LIMITED

## NOTES TO THE ACCOUNTS

Year ended 30 June 2003

### 14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £	2002 £
Bank overdraft (note 15)	4,177,458	3,883,419
Hire purchase creditor	-	15,228
Other loans	-	25,327
Trade creditors	429,002	223,939
Amounts owed to subsidiary	-	1,000
Other taxes and social security	544,128	198,964
Other creditors	2,868	7,500
Accruals and deferred income	883,301	468,412
	<u>6,036,757</u>	<u>4,823,789</u>

### 15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2003 £	2002 £
Bank loan	2,000,000	-
Hire purchase creditor	-	936
Accruals and deferred income (note 16)	2,271,772	2,318,133
	<u>4,271,772</u>	<u>2,319,069</u>

The bank loan and overdraft are secured by a bond and floating charge over the assets of the company. The loan bears interest at 1.75% above the bank's base rate. The bank loan is subject to a moratorium on capital payments until notified otherwise by the bank.

Subsequent to 30 June 2003 a personal guarantee up to a maximum of £200,000 has been provided in connection with the bank borrowings by Mr E H Thompson, a director and the majority shareholder.

### 16. ACCRUALS AND DEFERRED INCOME

	£
Football grounds improvement grants	
At 1 July 2002	2,318,133
Released to profit and loss account	(46,361)
At 30 June 2003	<u>2,271,772</u>

### 17. CALLED UP SHARE CAPITAL

	2003 £	2002 £
Authorised		
25,000 ordinary shares of 10p each	<u>2,500</u>	<u>2,500</u>
Called up, allotted and fully paid		
13,004 ordinary shares of 10p each	<u>1,301</u>	<u>1,301</u>

# DUNDEE UNITED FOOTBALL COMPANY LIMITED

## NOTES TO THE ACCOUNTS

Year ended 30 June 2003

### 18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS (DEFICIT)/FUNDS

	2003 £	2002 £
Loss for the year	(2,876,434)	(2,309,614)
Opening shareholders' funds	1,085,383	3,394,997
Closing shareholder's (deficit)/funds	<u>(1,791,051)</u>	<u>1,085,383</u>

### 19. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2003 £	2002 £
Operating loss	(2,668,145)	(2,449,634)
Depreciation	242,242	235,099
Amortisation of intangible assets	117,089	757,940
Impairment of investment	1,000	-
Loss/(gain) on sale of fixed assets	4,080	(8,083)
Release of grant income	(46,361)	(47,308)
Decrease / (increase) in stocks	54,412	(43,363)
(Increase) / decrease in debtors	(119,158)	25,699
Increase / (decrease) in creditors	701,170	(7,782)
Net cash outflow from operating activities	<u>(1,713,671)</u>	<u>(1,537,432)</u>

### 20. GROSS CASH FLOWS

#### i) Returns on investments and servicing of finance

	2003 £	2002 £
Interest received	1,039	11
Interest paid	(282,667)	(176,414)
Interest element of finance lease and hire purchase contract payments	<u>(1,661)</u>	<u>(1,332)</u>
	<u>(283,289)</u>	<u>(177,735)</u>

#### ii) Capital expenditure and financial investment

	2003 £	2002 £
Payments to acquire tangible fixed assets	(42,834)	(70,359)
Payments to acquire football registrations	(378,084)	(83,497)
Payments to acquire investments	(953)	-
Receipts from sale of tangible fixed assets	58,761	171,780
Receipts from sale of players registrations	100,000	510,000
	<u>(263,110)</u>	<u>527,924</u>

# DUNDEE UNITED FOOTBALL COMPANY LIMITED

## NOTES TO THE ACCOUNTS

Year ended 30 June 2003

### 20. GROSS CASH FLOWS (continued)

#### iii) Financing

	2003 £	2002 £
Loans advanced	2,000,000	-
Capital elements of finance lease payments	(16,614)	(14,291)
Loans repaid	(25,327)	(39,996)
	<u>1,958,059</u>	<u>(54,287)</u>

### 21. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2003 £	2002 £
Decrease in cash in the year	(301,561)	(1,241,530)
Cash (inflow) / outflow from increase in debt	<u>(1,958,509)</u>	<u>54,287</u>
Change in net debt resulting from cash flow	(2,260,070)	(1,187,243)
New hire purchase contracts	-	(22,455)
Movement in debt in the year	(2,260,070)	(1,209,698)
Net debt at 1 July	<u>(3,914,954)</u>	<u>(2,705,256)</u>
Net debt at 30 June	<u>(6,175,024)</u>	<u>(3,914,954)</u>

### 22. ANALYSIS OF CHANGES IN NET DEBT

	At 1 July 2002 £	Cashflow £	Other non-cash movements £	At 30 June 2003 £
Cash at bank and in hand	9,956	(7,522)		2,434
Bank overdraft	(3,883,419)	(294,039)		(4,177,458)
		(301,561)		
Debt due within year	(25,327)	25,327	-	-
Debt due after one year	-	(2,000,000)	-	(2,000,000)
Finance leases				
Due within one year	(15,228)	15,228	-	-
Due after one year	(936)	936	-	-
		<u>(1,958,509)</u>		
	<u>(3,914,954)</u>	<u>(2,260,070)</u>	<u>-</u>	<u>(6,175,024)</u>

# DUNDEE UNITED FOOTBALL COMPANY LIMITED

## NOTES TO THE ACCOUNTS

Year ended 30 June 2003

### 23. SUBSEQUENT EVENTS

On 26 March 2004, the company completed a rights issue with the issuance of a further 9,945 ordinary shares of 10p each raising £328,185. On completion of the rights issue the shareholdings of the directors are noted as being:

	Ordinary shares of 10p each	
	Post Issue	Before Issue
Edward H Thompson	13,005	6,503
John M Bennett	110	5
James D S Carnegie	244	124
Gilbert B Haggart	10	5
Derek W Robertson	10	5
Stephen E Thompson	10	5
Michael G Watson	-	-

### 24. RELATED PARTY TRANSACTIONS

JDS Carnegie is a director of Dand Carnegie Kirk Consulting Limited a firm providing accounting and taxation services to the company. In 2003 the fees charged to Dundee United Football Company Limited amounted to £29,370 (2002: £18,583), and sales of £2,251 (2002: £nil) were made by the company. At the year end £7,193 (2002: £nil) was due to Dand Carnegie Kirk Consulting Limited.

The company also traded with Morning Noon & Night Limited, a company in which Edward H Thompson and Stephen E Thompson are directors and shareholders. Sales of £7,136 were made to Morning Noon & Night Limited in the year.

### 25. RESTATEMENT OF COMPARATIVE FIGURES

The directors believe it more appropriate for players termination costs and the amortisation of players registration to be included within costs of sales and not administrative expenses. As a result the profit and loss account has been restated for 2002.

### 26. CONTINGENT LIABILITIES

At 30 June 2003 the company had contingent liabilities in respect of signing and other bonuses under the terms of contracts amounting to £196,500 (2002: £701,000). The company also has liabilities under certain players contracts to pay percentages ranging from 5% to 20% on any future gain made on the subsequent transfers of these players' registrations.