

**Newcastle United Football
Company Limited**

**Directors' and Auditors' reports and
financial statements**

31 July 1999

Registered number 31014



DIRECTORS' AND AUDITORS' REPORTS AND FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 July 1999.

Principal activity

The principal activity of the company during the year was that of a professional football club together with related and ancillary activities.

Business review

The Company's accounting policies for acquired player registrations and signing on fees were changed during the year. The change in policy for acquired player registrations was adopted to ensure compliance with Financial Reporting Standard FRS 10 Goodwill and Intangible Assets. In previous accounts, transfer fees and associated costs were written off to the profit and loss account in full at the inception of a contract. The costs of acquired player registrations are now capitalised and amortised over the period of the contracts.

Signing on fees, which were also previously written off in full at the inception of a contract, are now recognised in the balance sheet and amortised over the contract life. Any adjustment arising on the disposal of a player's registration is included as part of the profit or loss on disposal.

Prior period adjustments have been made to the comparative accounts for the year ended 31 July 1998, which have been restated to reflect the new policy.

Turnover for the year was £42.7m which is a decrease of £6.2m on the turnover of £48.9m for the previous year.

Operating profit after player trading was £1.6m compared to a profit of £4.4m (as restated) for the previous year.

The directors consider the results of the company to be satisfactory and look forward to the continued growth of the business.

Profit on ordinary activities after taxation was £1.0m and the Company has paid dividends of £4m. The resulting retained loss of £3.0m has been transferred to reserves.

Market value of land and buildings

In the opinion of the directors there is no material difference between the book value and the market value of the company's land and buildings.

Directors and directors' interests

The directors who held office during the year were as follows:

W F Shepherd
D S Hall
R Jones
A O Fletcher
L A Wheatley
A M Wilson (resigned 31/12/98)

None of the directors who held office at the end of the financial year had any disclosable interests in the ordinary shares of the company. The interests of the directors in the shares of the parent and ultimate parent undertakings are disclosed in the respective financial statements of those companies.

According to the register of directors' interests, no rights to subscribe for shares in the company were granted to any of the directors or their immediate families, or exercised by them, during the financial year.

Year 2000

The "Millennium bug" or "Year 2000 issue" refers to potential problems in the processing of data or the operation of electronic equipment affected by the transition from 1999 to 2000.

The directors recognise the potential risks associated with the issue and are taking all reasonable steps to ensure that the company is prepared for the transition. The costs associated with the transition are not considered significant, and are being charged to the profit and loss account as they are incurred.

Political and charitable donations

The company's charitable donations for the year amounted to £1,020 (1998: £1,368). There were no political contributions (1998: £nil).

DIRECTORS' REPORT

Employment, Health and Safety, and Environmental Policies

It is the company's policy that there should be no discrimination against any person on the grounds of race, sex, religion or otherwise.

In accordance with the company's equal opportunities policy, disabled people are given the same consideration as others when they apply for a job. Depending on their skills and abilities, they enjoy the same career prospects and scope for realising their potential as other employees. If an existing employee becomes disabled, reasonable steps are taken to retain him/her in employment.

Within the bounds of commercial confidentiality, staff are kept reasonably informed of matters that affect the progress of the company and are of interest to them as employees.

The company maintains its own health and safety and environmental policies covering its activities. Adherence to these policies is monitored on a regular basis.

Payments to suppliers

The company does not have a standard creditor payment policy but seeks the best possible terms from suppliers appropriate to its business and, in placing orders, gives consideration to quality, price and terms of payment, which will be agreed with suppliers when the details of each transaction are settled. The company will continue to honour its contractual and other legal obligations and to pay creditors on the dates agreed in contracts and purchase orders. Transfer fees and similar transactions are such that any calculation of the number of creditor days would prove meaningless.

Auditors

The company passed an elective resolution on 31 July 1997, in accordance with S379A of the Companies Act 1988, to dispense with the obligation to appoint auditors annually.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss 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 which are disclosed and explained in the financial statements, and
- prepare the financial statements on a 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

DIRECTORS' REPORT

Statement of auditors' responsibilities

Company law requires auditors to form an independent opinion on the financial statements presented by the directors based on their audit and to report their opinion to the shareholders. The Companies Act 1985 also requires auditors to report to the shareholders if the following requirements are not met:

- that the company has maintained proper accounting records;
- that the financial statements are in agreement with the accounting records;
- that directors' emoluments and other transactions with directors are properly disclosed in the financial statements; and
- that the auditors have obtained all the information and explanations which, to the best of their knowledge and belief, are necessary for the purpose of their audit.

The auditors' opinion does not encompass the directors' report. However, the Companies Act 1985 requires auditors to report to the shareholders if the matters contained in the directors' report are inconsistent with the financial statements.

By order of the board



R Cushing
Secretary

St James' Park
Newcastle upon Tyne
NE1 4ST

10 January 2000

AUDITORS' REPORT

REPORT BY THE AUDITORS TO THE MEMBERS OF NEWCASTLE UNITED FOOTBALL COMPANY LIMITED

We have audited the financial statements on pages 6 to 19, which have been prepared under the historical cost convention as modified by the revaluation of certain land and buildings and on the basis of the accounting policies set out on pages 8 and 9.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 3, the company's directors are responsible for the preparation of the financial statements and it is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

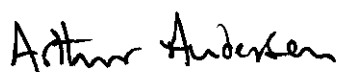
BASIS OF OPINION

We conducted our audit in accordance with 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 affairs of the company as at 31 July 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen,
Chartered Accountants and Registered Auditors,
Pearl Assurance House,
7 New Bridge Street,
Newcastle upon Tyne,
NE1 8BQ
10 January 2000

PROFIT AND LOSS ACCOUNT

for the year ended 31 July 1999

	Note	1999 £000	1998 as restated £000
Turnover	2	42,701	48,915
Operating expenses		(35,594)	(37,181)
Operating profit before player trading		7,107	11,734
Player trading	3	(5,534)	(7,353)
Operating profit after player trading		1,573	4,381
Exceptional item reported after operating profit	5	(491)	-
Interest receivable/(payable) and similar charges, net	4	283	915
Profit on ordinary activities before taxation	6	1,365	5,296
Taxation	9	(328)	(1,913)
Profit on ordinary activities after taxation		1,037	3,383
Dividends	10	(4,000)	(3,797)
Retained loss for the year	20	(2,963)	(414)

The movement on reserves is shown in note 20.

There is no material difference between the result disclosed above and the result as given on an unmodified historical cost basis.

The accompanying notes are an integral part of this profit and loss account.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

for the year ended 31 July 1999

	1999 £000	1998 as restated £000
Profit for the year attributable to shareholders	1,037	3,383
Note of prior year adjustment		
Total recognised gains and losses relating to year (as above)	1,037	
Prior year adjustment (note 20)	39,164	
Total gains and losses recognised since the last annual report	40,201	

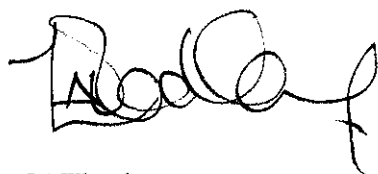
The accompanying notes are an integral part of this statement of total recognised gains and losses.

BALANCE SHEET

at 31 July 1999

	Note	1999 £000	1998 as restated £000
Fixed assets			
Intangible assets	11	53,184	35,622
Tangible assets	12	57,554	34,135
		110,738	69,757
Current assets			
Stocks	13	727	707
Debtors	14	33,053	37,295
Cash at bank and in hand		1,224	15,709
		35,004	53,711
Creditors: amounts falling due within one year	15	(29,027)	(19,427)
Net current assets		5,977	34,284
Total assets less current liabilities		116,715	104,041
Creditors: amounts falling due after more than one year	16	(20,229)	(4,096)
Provisions for liabilities and charges	17	(3,379)	(3,051)
Deferred income	18	(27,390)	(28,214)
Net assets		65,717	68,680
Capital and reserves			
Called up share capital	19	25,313	25,313
Profit and loss account	20	40,404	43,367
Equity shareholders' funds	20	65,717	68,680

These financial statements were approved by the board of directors on 10 January 2000 and were signed on its behalf by:



LA Wheatley
DIRECTOR

The accompanying notes are an integral part of this balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

(a) Basis of accounting

The financial statements are prepared under the historical cost convention, as modified by the revaluation of certain land and buildings, and in accordance with applicable accounting standards. The 1998 results have been restated to reflect the adoption of Financial Reporting Standard 10 (Goodwill and Intangible Assets) additional information is given in note 20.

The company is exempt from the requirements of Financial Reporting Standard 1 (revised 1996) to prepare a cash flow statement as it is a wholly owned subsidiary of Newcastle United PLC and its cash flows are included within the consolidated cash flow statement of that company, which are publicly available.

(b) Turnover

Turnover represents all income arising from the ordinary activities of the company and excludes transfer fees receivable and value added tax.

(c) Tangible fixed assets

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

The rates of depreciation applied by the company are calculated to write off the cost or valuation of tangible fixed assets by equal instalments over their estimated useful economic lives, as follows:

Long leasehold property	Over the unexpired term of the lease
Fixtures and equipment	3-15 years
Motor vehicles	4 years

No depreciation is provided on freehold land or assets in the course of construction.

Interest incurred on borrowings to finance stadium redevelopment is capitalised.

(d) Stocks

Stocks are stated at the lower of cost and net realisable value. Net realisable value is based on the estimated selling price. Provision is made for obsolete, slow-moving or defective items where appropriate.

(e) Player trading

The costs of acquiring player registrations are capitalised and written off over the life of the contract.

(f) Signing-on-fees

Signing on fees payable to players are recognised in the balance sheet and amortised over the contract life. Any adjustments arising on the disposal of a players registration are included as part of the profit or loss on disposal.

(g) Deferred income

Deferred income comprises amounts received from capital grants, sponsorship, bond and season ticket income. Capital grants are released to the profit and loss account on a straight-line basis over the estimated useful life of the assets to which they relate. Other deferred income is released to the profit and loss account on a straight-line basis over the period to which it relates.

NOTES TO THE FINANCIAL STATEMENTS

(h) **Taxation**

The charge for taxation is based upon the result for the year and takes into account taxation deferred through timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred taxation except to the extent that it is probable that such taxation will not become payable.

(i) **Leases**

Assets held under finance leases are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding.

Rentals under operating leases are charged on a straight-line basis over the lease term.

(j) **Foreign currency**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

(k) **Debt**

The carrying amount is increased by the finance cost in respect of the accounting period and reduced by payments made in the period.

2. **Turnover**

All turnover is derived from the company's principal activities. The origin and destination of all turnover is the United Kingdom.

Television and sponsorship income from UEFA Champions League is distributed by the Football Association and is therefore classified as being of United Kingdom origin and destination.

NOTES TO THE FINANCIAL STATEMENTS

3. Player trading

	1999 £000	1998 as restated £000
Amortisation of acquired player registrations	14,615	10,091
Transfer fees not capitalised	7	-
Amortisation of signing on fees	2,976	2,954
Profit on disposal of player registrations	(12,064)	(5,692)
	5,534	7,353

4. Interest receivable/(payable) and similar charges, net

	1999 £000	1998 £000
Interest receivable	353	1,077
Interest payable:		
On bank loans, overdrafts and other loans	(517)	(126)
Finance charges payable in respect of finance leases and hire purchase contracts	(50)	(155)
	(567)	(281)
Less amounts capitalised	497	119
	(70)	(162)
Net interest	283	915

5. Exceptional items reported after operating profit

An exceptional loss on the disposal of fixed assets of £490,559 arose from the write off of the Milburn stand roof and other Milburn stand areas affected by the construction work.

6. Profit on ordinary activities before taxation

	1999 £000	1998 as restated £000
Profit on ordinary activities before taxation is stated after charging/(crediting)		
Auditors' remuneration:		
Audit	42	38
Other services	37	45
Depreciation and other amounts written off tangible fixed assets:		
Owned	641	617
Leased	449	607
Amortisation of intangible assets	14,615	10,091
Hire of plant and machinery - rentals payable under operating leases	299	297
Hire of other assets - operating leases	761	819
(Profit)/loss on disposal of tangible assets	(4)	541
Profit on disposal of intangible fixed assets	(12,064)	(5,692)
Capital grants release	(79)	(94)
Exceptional item (note 5)	491	-

NOTES TO THE FINANCIAL STATEMENTS

7. Directors' emoluments

Directors' emoluments totalled £nil (1998: £7,019).

8. Staff numbers and costs

The average number of employees during the year was:

	1999	1998
	Number of employees	
Full time	222	228
Part time	81	106
	303	334

The aggregate payroll costs of these persons was as follows:

	1999	1998
	£000	£000
Wages and salaries	21,389	19,118
Social Security costs	2,249	1,867
Other pension costs	186	167
	23,824	21,152

The company makes contributions on behalf of employees to a number of independently controlled defined contribution benefit schemes including the Football League Pension and Life Assurance Scheme. Contributions are charged to the profit and loss account over the period to which they relate. The assets of all schemes are held in funds independent from the company.

Contributions are also made into individuals private pension schemes.

9. Taxation

	1999	1998
	£000	£000
Deferred taxation	328	1,913

The company has utilised group losses to reduce corporation tax payable.

10. Dividends paid

	1999	1998
	£000	£000
Ordinary shares	4,000	599
Redeemable shares	-	3,198
Total dividend	4,000	3,797

NOTES TO THE FINANCIAL STATEMENTS

11.	Intangible assets – acquired player registrations	
	Cost	£000
	At 1 August 1998 (as restated)	53,444
	Additions	42,447
	Disposals	(16,143)
	Adjustment – league levy refund received	(440)
	At 31 July 1999	79,308
	Amortisation	
	At 1 August 1998 (as restated)	17,822
	Charge for year	14,615
	Disposals	(6,313)
	At 31 July 1999	26,124
	Net book value	
	At 31 July 1998 (as restated)	35,622
	At 31 July 1999	53,184

12.	Tangible fixed assets				
		Land and buildings £000	Fixtures and fittings £000	Motor vehicles £000	Total £000
	Cost or valuation				
	At beginning of year	35,249	3,816	82	39,147
	Additions	24,690	304	13	25,007
	Disposals	(535)	(171)	(61)	(767)
	At end of year	59,404	3,949	34	63,387
	Depreciation				
	At beginning of year	2,561	2,386	65	5,012
	Charge for year	485	586	19	1,090
	Disposals	(46)	(164)	(59)	(269)
	At end of year	3,000	2,808	25	5,833
	Net book value				
	At 31 July 1999	56,404	1,141	9	57,554
	At 31 July 1998	32,688	1,430	17	34,135

Included within the fixed assets are assets held under finance leases with the following net book values: land and buildings £796,000 (1998: £1,645,000) and fixtures and fittings £155,000 (1998: £414,000).

Included within the cost of land and buildings at 31 July 1999 are costs of £24,053,000 associated with stadium redevelopment. These costs are treated as assets in the course of construction. At 31 July 1999 assets in the course of construction amounted to £1,996,000 relating to stadium development. Assets in the course of construction have not been depreciated.

Interest capitalised on land and buildings included in additions during the year amounted to £497,000 (1998: £119,000).

The net book value of land and buildings comprises:

	1999 £000	1998 £000
Freehold	203	203
Long leasehold	56,201	32,485
	56,404	32,688

NOTES TO THE FINANCIAL STATEMENTS

12. Tangible fixed assets (continued)

Particulars relating to assets which have been revalued are given below:

	1999 £000	1998 £000
Land and buildings		
At 1993 valuation	15,000	15,000
Aggregate depreciation thereon	(2,200)	(1,822)
Net book value	12,800	13,178
Historical cost of revalued assets	14,711	14,711
Aggregate depreciation based on historical cost	(3,842)	(3,487)
Historical cost net book value	10,869	11,224

Other tangible fixed assets, including subsequent additions to land and buildings, are included at cost.

13. Stocks

	1999 £000	1998 £000
Goods for resale	727	707

14. Debtors

	1999 £000	1998 as restated £000
Trade debtors	10,668	10,424
Amounts owed by ultimate parent undertaking	1	9
Amounts owed by immediate parent undertaking	12,395	17,030
Amounts owed by fellow subsidiary undertakings	1,372	1,901
Other debtors	189	134
Prepayments and accrued income	8,428	7,797
	33,053	37,295

Included in trade debtors are transfer fees of £150,000 (1998: £3m) due after more than one year.

NOTES TO THE FINANCIAL STATEMENTS

15. **Creditors: amounts falling due within one year**

	1999 £000	1998 £000
Term loans	21	21
Obligations under finance leases and hire purchase contracts	321	829
Trade creditors	16,606	6,291
Amounts owed to ultimate parent undertaking	7	-
Amounts owed to fellow subsidiary undertakings	66	88
Taxes and social security	1,191	963
Other creditors	2,148	2,815
Accruals	8,667	8,420
	29,027	19,427

16. **Creditors: amounts falling due after more than one year**

	1999 £000	1998 £000
Bank loans and overdrafts	14,765	-
Term loans	52	73
Obligations under finance leases and hire purchase contracts	50	383
Other creditors	11	45
Accruals	5,351	3,595
	20,229	4,096

(i) **Bank loans and overdrafts
Group**

	1999 £000	1998 £000
Repayable in the first to second year	-	-
Repayable in the second to fifth year	14,765	-
Repayable after five years	-	-
	14,765	-

All the Company's bank borrowings are at a floating rate, which is based on UK LIBOR plus 1%, that is fixed on a quarterly basis.

(ii) **Term loans**

	1999 £000	1998 £000
Repayable within five years	73	94
Repayable after five years	-	-
	73	94
Due within one year	(21)	(21)
	52	73

The term loan is repayable in monthly instalments of £1,736. Interest is charged at the higher of 13% or 3% above base rate but has been waived because the company has complied with certain conditions of the loan.

(iii) **The maturity of obligations under finance leases and hire purchase contracts is as follows:**

	1999 £000	1998 £000
Within one year	321	829
In the second to fifth years	50	383
	371	1,212

The obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

NOTES TO THE FINANCIAL STATEMENTS

17. Provisions for liabilities and charges

The company had unrelieved UK corporation tax losses of approximately £5.6m at the end of the year and accordingly no tax charge arises on the profit for the year.

The amounts provided for deferred taxation and the amounts not provided are set out below:

	1999		1998	
	Provided	Unprovided	Provided	As restated Unprovided
	£000	£000	£000	£000
Difference between accumulated depreciation and capital allowances	(36)	-	(26)	-
Other timing differences	5,895	-	11,251	-
UK corporation tax losses	(2,480)	-	(8,539)	-
	3,379	-	2,686	-

A movement for deferred tax is as follows:-

	1999 £000
At 1 August 1998, as previously reported	-
Prior year adjustments:-	
Charged to profit and loss account	1,913
Charged to profit and loss reserve	1,138
At 1 August 1998, as restated	3,051
Charged to profit and loss account	328
At 31 July 1999	3,379

18. Deferred income

	1999 £000	1998 £000
Capital grants	3,194	3,273
Other deferred income	24,196	24,941
	27,390	28,214

Other deferred income comprises sponsorship, bond, executive scheme and season ticket income.

The movement on capital grants was as follows:

	1999 £000	1998 £000
At 1 August 1998	3,273	3,367
Credited to profit and loss account	(79)	(94)
At 31 July 1999	3,194	3,273

NOTES TO THE FINANCIAL STATEMENTS

19. Share capital

	Number '000	1999 £000	Number '000	1998 £000
Authorised				
Ordinary shares of 50p each	20,000	10,000	20,000	10,000
Redeemable shares of £1 each	100,000	100,000	100,000	100,000
	120,000	110,000	120,000	110,000
<hr/>				
	Number '000	1999 £000	Number '000	1998 £000
Allotted, called up and fully paid				
Ordinary shares of 50p each	7,990	3,995	7,990	3,995
Redeemable shares of £1 each	21,318	21,318	21,318	21,318
	29,308	25,313	29,308	25,313

20. Analysis of movement on equity shareholders' funds

Movement on equity shareholders' funds includes all movements on reserves.

	Share Capital	Profit and Loss	Equity Shareholders' Funds
At 1 August 1998 as previously reported	25,313	4,203	29,516
Prior year adjustment	-	39,164	39,164
At 1 August 1998 as restated	25,313	43,367	68,680
Loss for the year			
At 31 July 1999			

Prior Year Adjustment

The Company's accounting policies for acquired player registrations and signing on fees were changed during the year.

The change in policy for acquired player registrations was adopted to ensure compliance with Financial Reporting Standards FRS 10 'Goodwill and Intangible Assets'. In previous financial statements, transfer fees and associated costs were written off to the profit and loss account in full at the inception of a contract. The costs of acquired player registrations are now capitalised and amortised over the period of the contracts.

Signing on fees, which were also previously written off in full at the inception of a contract, are now recognised in the balance sheet and amortised over the contract life. Any adjustment arising on the disposal of player's registration is included as part of the profit or loss on disposal.

Prior period adjustments have been made to the comparative accounts for the year ended 31 July 1998, which have been restated to reflect the new policy.

NOTES TO THE FINANCIAL STATEMENTS

The effects of the change in policy are summarised below:

Profit and Loss Account	12 months to 31 July 1998 £000
Retained profit for the year as previously reported	158
Net transfer fees and associated costs as previously reported	8,694
Player trading (Note 3)	(7,353)
Movement in provision for deferred taxation (Note 17)	(1,913)
Retained loss for the year as restated	(414)

Balance Sheet	31 July 1998 £000
Net assets as previously reported	29,516
Net book value of acquired player registrations at 1 August 1998	35,622
Signing on fees prepaid at 1 August 1998	6,593
Provision for deferred taxation at 1 August 1998	(3,051)
Net assets as restated	68,680

21. Contingent liabilities

Under the terms of certain contracts for the signing of players, additional amounts may become payable to other football clubs. The maximum unprovided liability which may arise in respect of these players at 31 July 1999 is £5,536,666 (1998: £4,100,000).

22. Commitments

(i) Capital commitments at the end of the financial year for which no provision has been made:

	1999 £000	1998 £000
Contracted for but not provided for	20,844	-

(ii) Annual commitments under non-cancellable operating leases are as follows:

	Land and buildings 1999 £000	1998 £000
Expiring within one year	61	30
Expiring after five years	692	692
	753	722

NOTES TO THE FINANCIAL STATEMENTS

23. Related party transactions

The company's related parties, as defined by Financial Reporting Standard 8 (Related Party Disclosures) the nature of the relationship and the extent of transactions with them in the year ended 31 July 1999 are summarised below:-

	Value of transactions with related parties in the year ended 31 July 1999 £000	Amounts owing to (owed by) the company at 31 July 1999 £000
Ultimate parent undertaking - Cameron Hall Developments Limited		
Sales to ultimate parent on normal trading terms	11	(6)
Purchases from ultimate parent on normal trading terms	18	
Subsidiaries of the ultimate parent undertaking		
The Sporting Club Limited		11
Courtlands (Shopping Centres) Limited		205
Sportlands Limited		(43)
Sales to subsidiaries of the ultimate parent undertaking on normal trading terms	381	
Purchases from subsidiaries of the ultimate parent undertaking on normal trading terms	1,693	

As a wholly owned subsidiary undertaking of Newcastle United PLC, the company has taken advantage of the exemption in FRS 8 "Related Party Disclosures" not to disclose transactions with other members of the group headed by Newcastle United PLC.

Included within sales and purchases above are the sales and purchases with Newcastle Rugby Football Club Ltd, St James Security Ltd and Touchline Event Management Ltd up to the dates when they were no longer part of the Cameron Hall Group Ltd.

Related parties

Shepherd Offshore plc is a company of which Mr WF Shepherd is a director and in which he has an interest. Sales of £12,225 were made by the company to Shepherd Offshore plc during the year on normal trading terms. Purchases of £2,834 were made by the company from Shepherd Offshore plc during the year on normal trading terms. At the end of the year the amount owing to the company from Shepherd Offshore plc was £1,670.

NOTES TO THE FINANCIAL STATEMENTS

24. Ultimate parent

The company is an associate undertaking of Cameron Hall Developments Limited, a Company registered in England and Wales. The accounts of that company are available from Companies House.

The smallest group in which the results of the company are consolidated is that headed by Newcastle United PLC. The accounts of that company are available from Companies House.

25. Post balance sheet events

Subsequent to 31 July 1999, the Company transferred the registrations of Andreas Andersson to AIK Solna for £1,500,000 and Franck Dumas to Olympic Marseille for £1,250,000 and acquired the registrations of John Karelse from NEC Breda for £600,000 and Kevin Gallacher from Blackburn Rovers for £500,000.

On 28 August 1999 the Company announced that the Board had received and accepted Mr Ruud Gullit's resignation as team manager. Bobby Robson was appointed on 3 September 1999.

On 17 September 1999 the Company repaid the outstanding balance of £14.7 million on the Barclays Bank stadium development loan and cancelled the facility.

The Barclays loan was replaced with a £55 million sterling term loan facility provided by St James Park Newcastle Limited. The loan has a weighted average fixed interest rate of 7.43% and is repayable in annual instalments from 2001 to 2016.

On 4 October 1999 compensation payable in respect of the resignation of Kenny Dalglish was settled. This amount does not materially differ from the Directors' best estimate of the liability included within these accounts.