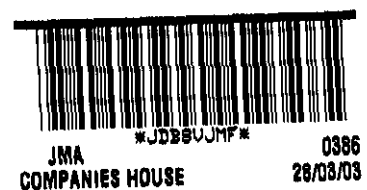


THE BURY FOOTBALL CLUB COMPANY LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MAY 2002
COMPANY NUMBER: 53268



MITCHELL CHARLESWORTH
Chartered Accountants
MANCHESTER

THE BURY FOOTBALL CLUB COMPANY LIMITED
DIRECTORS' REPORT

The directors present their 105th annual report and the audited financial statements of the company for the period ended 31 May 2002.

Principal Activity

The principal activity of the company continues to be that of running a professional football league club.

Business Review

	2002 £	2001 £
Turnover	2,411,665	2,862,975
Loss on ordinary activities before taxation	(240,528)	(414,000)
Taxation	-	-
Donations received	398,513	193,353
Profit/(loss) for the financial period/year	157,985	(220,647)
Exceptional items	(77,569)	-
Retained profit/loss for financial period/year	80,416	(220,647)

Analysis of turnover is given in note 2 to the financial statements.

Dividend

The directors recommend that no dividend be paid.

Fixed Assets

Information relating to changes in fixed assets is set out in note 11 to the financial statements.

Directors and Directors' Interests

The directors who have served during the period and their interests in the company's issued ordinary share capital were as follows:

	Interest at end of period	Interest at beginning of period
F J Mason	7,450	7,450
J Smith	13,038	13,038

F J Mason and J Smith were appointed as joint Chairmen on 29 January 2002

T Robinson resigned as chairman on 29 January 2002

R Barlow, I F Harrop and J W Lomas were all appointed as directors on 8 July 2002

I F Harrop and R Barlow retire from the Board by rotation and being eligible, offer themselves for re-election.

THE BURY FOOTBALL CLUB COMPANY LIMITED
DIRECTORS' REPORT (CONTINUED)

Legal Procedures

The company went into administration on 1 March 2002 and came out of administration on 31 May 2002. At this date the company went into a Company Voluntary Arrangement that was agreed by creditors. This arrangement will last for approximately 5 years.

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 of the company for that period. In preparing those financial statements, the directors are required to:

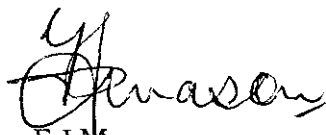
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

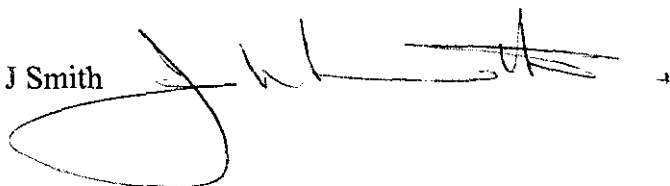
Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of Mitchell Charlesworth as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

On behalf of the Board


F J Mason
Joint Chairmen

J Smith



24.3.03

Gigg Lane
Bury
Lancashire
BL9 9HR

Mitchell Charlesworth

Chartered Accountants

Brazennose House West Brazennose Street Manchester M2 5FE

Independent Auditors' Report to the Shareholders of The Bury Football Club Company Limited

We have audited the accounts of the Bury Football Club Company Limited for the period ended 31 May 2002 which are set out on pages 6 to 22. These accounts have been prepared under the historical cost convention (as modified by the revaluations of certain fixed assets) and the accounting policies set out on pages 10 and 11.

This report is made solely to the company's members, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

The directors' responsibilities for preparing the Annual report and the accounts in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' responsibilities.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, 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 the law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited accounts. This other information comprises only the Director's Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to other information.

Basis of Audit Opinion

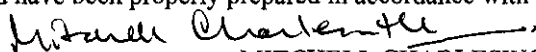
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

In forming our opinion we have considered the adequacy of the disclosures made in the financial statements concerning the going concern basis used in the preparation of the financial statements, see notes 1 and 26. Our opinion is not qualified in this respect.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 May 2002 and of its profit for the period then ended, and have been properly prepared in accordance with the Companies Act 1985.



24.3.03

MITCHELL CHARLESWORTH
Chartered Accountants
& Registered Auditor

THE BURY FOOTBALL CLUB COMPANY LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 MAY 2002

	Notes	2002 £	2001 £
TURNOVER	2	2,411,665	2,862,975
Cost of sales		(151,189)	(166,886)
Players' and staff costs	4	(1,584,626)	(1,916,781)
Match and ground expenses		(404,623)	(406,062)
Administrative expenses		(390,430)	(428,439)
Depreciation charges		(35,876)	(38,700)
Amortisation charges		(63,542)	(156,934)
OPERATING LOSS	3	(218,621)	(250,827)
Interest receivable	6	1	2,965
Interest payable and similar charges	7	(21,908)	(166,138)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(240,528)	(414,000)
Taxation	8	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(240,528)	(414,000)
Donations received	9	398,513	193,353
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD/YEAR		157,985	(220,647)
Exceptional items	10	(77,569)	-
Profit/(loss) for the financial period/year		80,416	(220,647)
Retained loss brought forward		(3,277,275)	(3,056,628)
RETAINED LOSS CARRIED FORWARD		(3,196,859)	(3,277,275)

None of the company's activities were acquired or discontinued during the above financial period/year.

Comparative figures are for the year ended 30 June 2001.

THE BURY FOOTBALL CLUB COMPANY LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE PERIOD ENDED 31 MAY 2002

	2002	2001
	£	£
Profit/(loss) for the financial period/year	157,985	(220,647)
Exceptional items	(77,569)	-
Reduction in revaluation reserve	(3,799,517)	-
Unrealised surplus on the revaluation of land and buildings	-	936,098
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE PERIOD/YEAR	(3,719,101)	715,451

NOTE OF HISTORICAL COST PROFITS AND LOSSES
FOR THE PERIOD ENDED 31 MAY 2002

	2002	2001
	£	£
Reported loss on ordinary activities before taxation	(240,528)	(414,000)
Difference between a historical cost depreciation charge and the actual depreciation charge of the period calculated on revalued amount	(98,185)	(98,580)
HISTORICAL COST LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	(338,713)	(512,580)
HISTORICAL COST PROFIT/(LOSS) ON ORDINARY ACTIVITIES RETAINED AFTER TAXATION AND DONATIONS RECEIVED	59,800	(319,227)

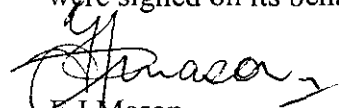
Comparative figures are for the year ended 30 June 2001.

The notes on pages 10 to 22 form part of these financial statements.

THE BURY FOOTBALL CLUB COMPANY LIMITED
BALANCE SHEET AS AT 31 MAY 2002

		2002		30 June 2001	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	11		907,642		9,097,843
Intangible assets	12		8,750		72,292
			<u>916,392</u>		<u>9,170,135</u>
CURRENT ASSETS					
Stocks	13	6,762		8,949	
Debtors	14	127,470		132,111	
Cash at bank and in hand		40,822		34,048	
		<u>175,054</u>		<u>175,108</u>	
CREDITORS: amounts falling due within one year	15	<u>(796,124)</u>		<u>(2,268,872)</u>	
NET CURRENT LIABILITIES			<u>(621,070)</u>		<u>(2,093,764)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			295,322		7,076,371
CREDITORS: amounts falling due after more than one year	16		<u>(717,181)</u>		<u>(964,365)</u>
			<u>(421,859)</u>		<u>6,112,006</u>
DEFERRED INCOME	17		-		<u>(2,814,764)</u>
NET (LIABILITIES)/ASSETS			<u>(421,859)</u>		<u>3,297,242</u>
CAPITAL AND RESERVES					
Called up share capital	18		2,500,000		2,500,000
Revaluation reserve	19		275,000		4,074,517
Profit and loss account			<u>(3,196,859)</u>		<u>(3,277,275)</u>
TOTAL SHAREHOLDERS' FUNDS	20		<u>(421,859)</u>		<u>3,297,242</u>

These financial statements were approved by the Board of Directors on 24 March 2003 and were signed on its behalf by:


F J Mason
Joint Chairmen

J Smith 

The notes on pages 10 to 22 form part of these financial statements.

THE BURY FOOTBALL CLUB COMPANY LIMITED
CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MAY 2002

	2002	2001
	£	£
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	(322,533)	(490,253)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest paid	(17,959)	(160,944)
Interest element of finance lease rental and hire purchase payments	(3,949)	(5,194)
Interest received	1	2,965
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(21,907)	(163,173)
TAXATION		
CAPITAL EXPENDITURE		
Receipts from sales of fixed assets	362,500	509,622
Payments to acquire fixed assets	(2,141)	(64,950)
NET CASH INFLOW FROM CAPITAL EXPENDITURE	360,359	444,672
NET CASH INFLOW/(OUTFLOW) BEFORE THE USE OF FINANCING AND LIQUID RESOURCES	15,919	(208,574)
FINANCING ACTIVITIES		
Repayments of borrowings	(30,000)	(106,874)
Hire purchase advances	-	-
Capital element of finance lease rental and hire purchase payments	(7,781)	(6,494)
Receipt of new loans	28,636	110,000
NET CASH OUTFLOW FROM FINANCING ACTIVITIES	(9,145)	(3,368)
INCREASE/(DECREASE) IN CASH	6,774	(212,122)

Individual cash flow categories are analysed further in note 23 to the financial statements.

THE BURY FOOTBALL CLUB COMPANY LIMITED
NOTES TO THE ACCOUNTS
(FORMING PART OF THE FINANCIAL STATEMENTS)

1. PRINCIPAL ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of Preparation

The financial statements are prepared in accordance with applicable Accounting Standards and under the historical cost convention, supplemented by a professional valuation of freehold land and buildings using an alternative use basis for the land and a depreciated replacement basis for the buildings.

The financial statements incorporate the results of the principal activity, which is described in the directors' report and which is continuing.

Going Concern Basis

The financial statements have been prepared on a going concern basis. See note 26.

Turnover

Turnover represents the total amount received by the company from matches and other income during the period, exclusive of value added tax.

Donations

Donations are dealt with on a received basis.

Tangible Fixed Assets and Depreciation

Freehold land is not depreciated. Depreciation is provided by the company to write off the value of buildings and the cost of other fixed assets by equal instalments over their estimated useful economic lives as follows:

Buildings	50 years (2% per annum)
Fixtures and equipment	5 and 10 years (20% and 10% per annum)
Motor vehicles	4 years (25% per annum)

Intangible Fixed Assets and Amortisation

Players registrations are capitalised according to Financial Reporting Standard 10 (FRS 10) 'Goodwill and Intangible Assets'. Amortisation is provided by the company to write off the value of registrations by equal instalments over the period of the players contracts.

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Transfer Fees and Registrations

The accounting policy relating to transfer fees and players registrations is in accordance with FRS10 'Goodwill and Intangible Assets'. Fees and associated costs payable to other football clubs are not dealt with through the profit and loss account in the period in which the transfer takes place but are capitalised as intangible assets in the balance sheet and written off over the period of a players registration.

Leased Assets

Assets held under finance leases and hire purchase contracts are capitalised at the estimated fair value at date of inception of each lease or contract. The assets are depreciated over their expected useful lives. The finance charges are allocated over the primary period of the lease in proportion to the capital element outstanding. All other leases are accounted for as operating leases and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

Pension Costs

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 amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Deferred Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Balance Sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less tax.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the Balance Sheet date.

Deferred Income

Amounts received in respect of safety work and ground improvements are carried in the balance sheet. These are released to the profit and loss account over the life of the assets to which they relate. The Football Trust grants received towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred. Following the decision to sell and lease back the freehold land and buildings (see note 11) the balance outstanding has been written off to exceptional items (see note 10).

THE BURY FOOTBALL CLUB COMPANY LIMITED
NOTES (CONTINUED)

2. ANALYSIS OF TURNOVER

	2002	2001
	£	£
Gate receipts, FL and FA distributions	1,208,343	954,152
Advertising, sponsorship, catering, events, bar and shop sales, programmes etc.	745,322	1,263,823
Profit on sale of players	320,000	507,000
Grants received	138,000	138,000
	<u>2,411,665</u>	<u>2,862,975</u>

The turnover is wholly attributable to the company's principal activity and arose solely in the United Kingdom.

3. OPERATING LOSS

	2002	2001
	£	£
Operating loss is stated after charging:		
Auditors' remuneration	5,000	3,000
Depreciation and other amounts written off		
Owned assets	30,621	23,951
Leased assets	5,255	14,749
Hire of plant and machinery	3,495	9,558
Amortisation of players contracts	63,542	156,934
Vehicle Leasing	15,047	23,141
Loss on disposal of fixed assets	13,966	-
	<u> </u>	<u> </u>
and after crediting:		
Profit on disposal of fixed assets	-	2,622
Grant release	57,585	62,849
	<u> </u>	<u> </u>

Comparative figures are for the year ended 30 June 2001.

THE BURY FOOTBALL CLUB COMPANY LIMITED
NOTES (CONTINUED)

4. STAFF NUMBERS AND COSTS

The average number of persons employed by the company during the period was as follows:

	2002	2001
Football Club		
Playing, training and coaching staff	50	53
Administrative and ground maintenance staff	22	22
	<u>72</u>	<u>75</u>
Social Club		
Administrative staff	<u>18</u>	<u>18</u>

The aggregate payroll costs of these persons were as follows:

	2002	2001
	£	£
Wages and salaries	1,453,583	1,722,344
Social security costs	112,977	142,413
Other pension costs	18,066	52,024
	<u>1,584,626</u>	<u>1,916,781</u>

5. DIRECTORS EMOLUMENTS

	2002	2001
	£	£
Aggregate emoluments (inc benefits in kind)	<u>-</u>	<u>10,763</u>

6. INTEREST RECEIVABLE

	2002	2001
	£	£
Bank deposit account interest receivable	<u>1</u>	<u>2,965</u>

Comparative figures are for the year ended 30 June 2001.

THE BURY FOOTBALL CLUB COMPANY LIMITED
NOTES (CONTINUED)

7. INTEREST PAYABLE AND SIMILAR CHARGES	2002	2001
	£	£
On bank loans, overdrafts and other loans wholly repayable within five years	17,959	160,944
Finance charges payable in respect of finance leases and hire purchase contracts	3,949	5,194
	<u>21,908</u>	<u>166,138</u>
8. TAXATION	2002	2001
	£	£
Tax on activity for the period/year	-	-
9. DONATIONS RECEIVED	2002	2001
	£	£
Lifeline and Development Association	156,864	146,059
Others	241,649	47,294
	<u>398,513</u>	<u>193,353</u>
10. EXCEPTIONAL ITEM	2002	
	£	£
The exceptional item in the profit and loss account is represented by four adjustments:-		
1. Adjustment to reflect the write down of the value of Land and Buildings to the proposed sales consideration of £500,000.	8,100,000	
Less: Deferred Ground Income written off	(2,757,179)	
Cancellation of Revaluation Reserve	(3,799,517)	
	<u>1,543,304</u>	
2. Adjustment of the pre-administration creditors to bring them in line with the company voluntary arrangement agreed at the creditors meeting held on 31 May 2002.		(994,187)
3. Exceptional professional fees in respect of the company administration.		124,000
4 Write off of the property mortgage in excess of the proposed repayment.	(500,000)	
Accrued mortgage interest written off	(95,548)	
	<u>(595,548)</u>	
		<u>77,569</u>

THE BURY FOOTBALL CLUB COMPANY LIMITED
NOTES (CONTINUED)

11. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Fixtures and equipment £	Motor vehicles £	Total £
Cost or Valuation				
At 1 July 2001	8,980,000	578,400	94,643	9,653,043
Additions	-	2,141	-	2,141
Disposals	(55,000)	-	(5,864)	(60,864)
Revaluations	(8,100,000)	-	-	(8,100,000)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 May 2002	825,000	580,541	88,779	1,494,320
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 July 2001	-	488,323	66,877	555,200
Charge for period	-	22,702	13,174	35,876
Disposals	-	-	(4,398)	(4,398)
Revaluations	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 May 2002	-	511,025	75,653	586,678
	<hr/>	<hr/>	<hr/>	<hr/>
Net Book Value				
At 31 May 2002	825,000	69,516	13,126	907,642
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2001	8,980,000	90,077	27,766	9,097,843
	<hr/>	<hr/>	<hr/>	<hr/>

Included in the total net book value of tangible fixed assets is £7,258 (2001: £34,595) in respect of assets acquired under finance leases and similar hire purchase contracts. Depreciation for the period on these assets was £5,255 (2001: £14,749).

The sports stadium freehold land and buildings were re-valued on 31 May 2002 to an amount negotiated with a third party to acquire the sports stadium freehold land and buildings. The sports stadium freehold land and buildings will be leased back to The Bury Football Club Company Limited and the proceeds of the sale will be used to settle the outstanding mortgage in full.

As at the date of approval of the financial statements the transaction to dispose of the sports stadium freehold land and buildings had not yet been concluded. The directors are confident that the transaction will soon be completed.

THE BURY FOOTBALL CLUB COMPANY LIMITED
NOTES (CONTINUED)

11. TANGIBLE FIXED ASSETS (CONTINUED)

The Social Club freehold land and buildings have been valued by the directors on a current use basis on 31 May 2002. In the opinion of the directors there has been no significant change in value during the period.

The land and buildings are shown at valuation as follows:

	£	£
Sports Stadium		
Land and buildings - Balance brought forward	8,600,000	
Revaluation	(8,100,000)	
		500,000
Retail Premises		
Buildings – Balance brought forward	55,000	
Disposals	(55,000)	
		-
Social Club		
Land	20,000	
Buildings	305,000	
		325,000
Cost or valuation at 31 May 2002		825,000

The amount of freehold land and buildings, included at valuation, determined according to the historical cost accounting rules, is as follows:

	£	£
Cost brought forward		4,964,242
Disposal		(55,000)
		4,909,242
Depreciation brought forward	674,060	
Disposal	(3,300)	
Depreciation charge for period @ 2%	98,185	
		(768,945)
Net book value		4,140,297

THE BURY FOOTBALL CLUB COMPANY LIMITED
NOTES (CONTINUED)

12. INTANGIBLE FIXED ASSETS

	Players Registrations £
Cost	
At 1 July 2001	257,500
Additions	-
Disposals	(202,500)
	<hr/>
At 31 May 2002	55,000
	<hr/>
AMORTISATION	
At 1 July 2001	185,208
Charge for period	63,542
Disposals	(202,500)
	<hr/>
At 31 May 2002	46,250
	<hr/>
NET BOOK VALUE	
At 31 May 2002	8,750
	<hr/>
At 30 June 2001	72,292
	<hr/>

13. STOCK	2002 £	2001 £
Goods for resale	6,762	8,949
	<hr/>	<hr/>
14. DEBTORS	2002 £	2001 £
Transfer fees receivable	-	25,588
Prepayments and accrued income	127,470	106,523
	<hr/>	<hr/>
	127,470	132,111
	<hr/>	<hr/>

THE BURY FOOTBALL CLUB COMPANY LIMITED
NOTES (CONTINUED)

15. CREDITORS: amounts falling due within one year	2002	2001
	£	£
Trade creditors	2,657	457,641
Obligations under finance leases and hire purchase contracts (see note 16)	8,540	12,074
Other loans (see note 16)	510,000	1,151,267
Taxation and social security	40,000	304,780
Transfers fees payable	-	10,000
Accruals and deferred income	234,927	333,110
	<u>796,124</u>	<u>2,268,872</u>

16. CREDITORS: amounts falling due after more than one year	2002	2001
	£	£
Major shareholder's loan	74,917	749,171
Obligations under finance leases and hire purchase contracts	5,802	10,049
Other loans (see below)	345,048	205,145
Taxation and social security	258,534	-
Other creditors	32,880	-
	<u>717,181</u>	<u>964,365</u>

Obligations under finance leases and hire purchase contracts

	2002	2001
	£	£
Instalments falling due:		
In one year (see note 15)	8,540	12,074
In two to five years	5,802	10,049
	<u>14,342</u>	<u>22,123</u>

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

THE BURY FOOTBALL CLUB COMPANY LIMITED
NOTES (CONTINUED)

16. CREDITORS: amounts falling due after more than one year (continued)

Obligations under finance leases and hire purchase contracts

	2002	2001
	£	£
Other loans		
Daniel Thwaites		
Variable interest rate mortgage loans, repayable		
In varying instalments	163,173	146,412
The Football Trust		
Interest free loan repayable in varying instalments	70,000	100,000
Professional Footballers Association		
Due to be repaid after 12 months in varying instalments	121,875	110,000
Mortgage (see note 11)	500,000	1,000,000
	<u>855,048</u>	<u>1,356,412</u>
 Instalments falling due:		
In one year (see note 15)	510,000	1,151,267
In two to five years	229,875	115,068
In five years or more	115,173	90,077
	<u>855,048</u>	<u>1,356,412</u>

	2002	2001
	£	£
Maturity of Debt		
In one year	500,000	1,110,000
Between one and two years	121,875	-
Between two and five years	70,000	100,000
In five years or more	163,173	146,412
	<u>855,048</u>	<u>1,356,412</u>

The Daniel Thwaites loan is secured on the Social Club freehold land and buildings. See note 11 for directors' valuation.

THE BURY FOOTBALL CLUB COMPANY LIMITED
NOTES (CONTINUED)

17. DEFERRED INCOME	2002	2001
	£	£
Balance at 1 July 2001	2,814,764	2,877,613
Grants received in the year	-	445,000
Transfer to profit and loss account	(57,585)	(507,849)
Transfer to exceptional items	(2,757,179)	-
Balance at 31 May 2002	<u>-</u>	<u>2,814,764</u>

18. SHARE CAPITAL	2002		2001	
	Number	£	Number	£
Authorised				
Ordinary shares of £1 each	<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>
Allotted, called up and fully paid				
Ordinary shares of £1 each	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>

19. REVALUATION RESERVE	2002	2001
	£	£
Balance at 1 July 2001	4,074,517	3,138,419
(Decrease)/increase in valuation of land and buildings	(3,799,517)	936,098
Balance at 31 May 2002	<u>275,000</u>	<u>4,074,517</u>

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2002	2001
	£	£
Opening shareholders funds	3,297,242	2,581,791
Profit/(loss) for period/year	134,552	(220,647)
Revaluation of fixed assets	(3,799,517)	936,098
Exceptional items (see note 10)	(54,136)	-
Closing shareholders funds	<u>(421,859)</u>	<u>3,297,242</u>

21. CAPITAL COMMITMENTS

The amount of future capital expenditure relating to amounts contracted for, but not yet provided for in the accounts as at 31 May 2002 is £Nil (2001:£Nil).

22. OTHER COMMITMENTS

At 31 May 2002 the company had no annual commitments under non-cancellable operating leases.

23. NOTES TO THE CASH FLOW STATEMENT

	2002	2001
	£	£
Reconciliation of operating profit to net cash inflow/(outflow) from operating activities:		
Operating profit/(loss)	179,892	(57,474)
Exceptional items – legal costs	(124,000)	-
Depreciation charges	35,876	38,700
Loss/(profit) on sale of fixed assets	13,966	(2,622)
Profit on sale of players	(320,000)	(507,000)
Amortisation of registrations	63,542	156,934
Decrease/(Increase) in stocks	2,187	(564)
Decrease/(Increase) in debtors	4,641	(6,977)
Decrease in creditors	(178,637)	(111,250)
Net cash outflow from operating activities	<u>(322,533)</u>	<u>(490,253)</u>
		£
Reconciliation of net cash flow to movement in net debt:		
Increase in cash		6,774
Cashflows:		
Net decrease of debt		<u>1,183,399</u>
Change in net debt		1,190,173
Net debt at 1 July 2001		<u>(2,093,658)</u>
Net debt at 31 May 2002		<u>(903,485)</u>

24. NOTES TO THE CASH FLOW STATEMENT (CONTINUED)

Analysis of changes in net debt:

	At 1 July 2001 £	Other Cash flow £	non- cash changes £	At 31 May 2002 £
Cash at bank and in hand	34,048	6,774	-	40,822
Debt due within one year	(1,163,341)	644,801	-	(518,540)
Debt due after one year	(964,365)	538,598	-	(425,767)
Total	(2,093,658)	1,190,173	-	(903,485)

25. CONTINGENT LIABILITIES

It is unlikely that any further payments will be made in respect of players registrations already transferred to the Club.

26. LEGAL PROCEDURES

The company went into administration on 1 March 2002 and came out of administration on 31 May 2002. At this date the company went into a Company Voluntary Arrangement that was agreed by creditors. This arrangement will last for approximately 5 years.

27. DIRECTOR'S INTERESTS IN CONTRACTS

During the course of the year management services have been provided to the Company by Dalesgale Limited a company, which is controlled by T Robinson. The arrangement was for the provision of management services to the company. In the year to 31 May 2002, the charges for services amounted to £27,300 (2001: £53,650).