



**THE SHEFFIELD UNITED
FOOTBALL CLUB LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 1997

Company Number : 61564

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 1997

Company Registration Number:	61564
Registered Office:	Bramall Lane Sheffield S2 4SU
Directors:	Anthony Michael McDonald Bernard Procter Kevin Charles McCabe Stewart White Freddie Pye
Vice-Presidents:	Frank Melling Dip Arch FRIBA Derek Dooley
Life Members:	Arthur H Connell OBE DL LLD MA Albert Jackson JP FRICS Kenneth Lee JP
Secretary :	David Capper AFA
Chief Executive :	Charles A Green
Team Manager:	Nigel Spackman
Bankers:	Midland Bank Plc 17 Church Street Sheffield S1 1HH
Solicitors:	Clegg & Sons Mazda Buildings Campo Lane Sheffield S1 2EF Dibb Lupton Alsop Fountain Precinct Sheffield S1 1RZ
Auditors:	Grant Thornton Registered Auditors Chartered Accountants Heron House Albert Square Manchester M60 8GT

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 1997

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THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 30 June 1997.

Principal activities

The principal activity of the company is that of a professional football club.

Business review

The loss for the year after taxation amounted to £4,040,081 (1996 : £858,978). The directors do not recommend the payment of a dividend, consequently the loss of £4,040,081 (1996 : £858,978) has been deducted from reserves.

Directors

The directors all of whom served throughout the year unless otherwise stated are detailed below.

A M McDonald and K C McCabe retire by rotation and, being eligible, offer themselves for re election. F Pye seeks election to the board as a director of the company following his appointment to the board since the last Annual General Meeting.

The interests of the directors in the shares of the company as at 1 July 1996 (or date of appointment if later) and 30 June 1997 were as follows :

	30 June 1997			1 July 1996		
	Original	Ordinary	Preference	Original	Ordinary	Preference
	shares	shares	shares	shares	shares	shares
	Number	Number	Number	Number	Number	Number
A M McDonald						
B Procter	-	-	20	4	344	20
K C McCabe				-	1	-
S White (appointed 9 July 1996)	-	-	-	-	-	-
F Pye (appointed 24 January 1997)	-	-	-	-	-	-
A H Laver (deceased 18 May 1997)	N/A	N/A	N/A	3	102	-
J A Plant (resigned 8 October 1996)	N/A	N/A	N/A	1	-	-
S Hinchcliffe (resigned 20 August 1996)	N/A	N/A	N/A	4	419	-

The interests of A M McDonald and K C McCabe in the shares of Sheffield United plc (the ultimate parent undertaking of Sheffield United Football Club Limited) are disclosed in that company's financial statements.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

REPORT OF THE DIRECTORS

The interests of B Procter, S White and F Pye in the shares of Sheffield United plc were as follows :

	30 June 1997 Ordinary shares of 10p each	1 July 1996 or date of appointment if later Ordinary shares of 1p each
B Procter	2,113,444	-
S White	548,820	-
F Pye	67,620	-

Directors' responsibilities for the financial statements

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 :

- i select suitable accounting policies and then apply them consistently;
- ii make judgements and estimates that are reasonable and prudent;
- iii state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- iv prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution to reappoint Grant Thornton as auditors will be proposed at the Annual General Meeting.

By order of the Board



D Capper
Secretary

23 September 1997

**REPORT OF THE AUDITORS TO THE MEMBERS OF
THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED**

We have audited the financial statements on pages 4 to 15 which have been prepared under the accounting policies set out on pages 4 and 5.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the financial statements. 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 the company's affairs at 30 June 1997 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Grant Thornton

**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
MANCHESTER**

23 September 1997

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention, except that freehold land and buildings are shown at their revalued amount.

The principal accounting policies of the company are set out below. The policies have remained unchanged from the previous year.

Turnover

Turnover comprises net gate and ticket receipts, sports contracts, television and sponsorship revenue, shop, programme and rental income, excluding VAT.

Transfer fees

Fees payable to and receivable from other football clubs on the transfer of players' registrations, together with associated costs, are dealt with through the profit and loss account in the accounting period in which the transfer of the players' registration takes place.

Depreciation

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets other than freehold properties by equal annual instalments over their expected useful lives. The rate generally applicable to equipment and vehicles is 20% per annum.

Depreciation is not provided on freehold properties. It is the company's policy to maintain its properties in such a condition that the estimated aggregate residual values are at least equal to their book values. Consequently, any element of depreciation would, in the opinion of the directors, be immaterial. Residual values are appraised each year by reference to the estimated depreciated replacement cost of the properties. Provision will be made in the event of any permanent diminution in value.

Grants

Grants received from the Football Trust in respect of capital expenditure are deducted from the cost of the related fixed asset. This is not in accordance with Schedule 4 of the Companies Act 1985, which requires assets to be shown at their purchase price or production cost and hence grants received would be shown as deferred income. This departure from the Companies Act 1985 is in the opinion of the directors, necessary to give a true and fair view as no provision is made for depreciation on land and buildings and therefore any grants relating to such assets would not be taken to the profit and loss account. The effect of the departure is that the revaluation reserve is £2,568,920 (1996 : £1,962,305) higher than it would otherwise have been.

Donations

Donations received from the Development Fund and other sources are treated as other operating income and have been credited to the profit and loss account in the year in which the donations are received.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

PRINCIPAL ACCOUNTING POLICIES

Stocks

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

Leased assets

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

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

Deferred income

Deferred income consists of season ticket and sponsorship income received prior to the year end in respect of the following football season.

Contributions to pension funds

Football League schemes

Certain employees of the company are members of the Football League defined benefit and defined contribution schemes, the assets of which are held separately from the company in independently administered funds. Contributions made are as advised by the scheme actuary and are expensed to the profit and loss account as incurred.

Defined contribution scheme

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

Deferred tax

Deferred tax is the taxation attributable to timing differences between profits or losses as computed for tax purposes and results as stated in the financial statements. Deferred tax is computed under the liability method using the tax rates estimated to arise when the timing differences reverse, and is provided to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 1997

	Note	1997 £	1996 £
Turnover	1	4,878,000	4,311,277
Cost of sales		<u>(4,787,030)</u>	<u>(4,387,022)</u>
Gross profit/(loss)		90,970	(75,745)
Administrative expenses (inclusive of exceptional costs)		(1,043,973)	(1,016,325)
Other operating income	2	<u>1,080,429</u>	<u>234,601</u>
Profit/(loss) before exceptional costs		127,426	(500,736)
Exceptional costs	3	-	(356,733)
Operating profit/(loss)		127,426	(857,469)
Interest payable	4	(187,498)	(175,009)
Net transfer fees	6	<u>(3,980,009)</u>	<u>173,500</u>
Loss for the year	1	(4,040,081)	(858,978)
Tax on loss on ordinary activities	7	-	-
Loss retained and transferred to reserves	17	<u><u>(4,040,081)</u></u>	<u><u>(858,978)</u></u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	1997 £	1996 £
Loss for the financial year	(4,040,081)	(858,978)
Unrealised surplus on revaluation of properties	3,083,807	-
Prior year adjustments	-	(8,320,000)
Total gains and losses recognised since last financial statements	<u><u>(956,274)</u></u>	<u><u>(9,178,978)</u></u>

The accompanying accounting policies and notes form an integral part of these financial statements.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

BALANCE SHEET AT 30 JUNE 1997

	Note	1997 £	1996 £
Fixed assets			
Tangible assets	8	<u>16,282,335</u>	<u>12,522,053</u>
Current assets			
Stocks	9	57,345	79,868
Debtors	10	1,689,575	1,312,266
Cash at bank and in hand		<u>96,849</u>	<u>12,825</u>
		1,843,769	1,404,959
Creditors : amounts falling due within one year	11	<u>(3,283,753)</u>	<u>(7,653,677)</u>
Net current liabilities		<u>(1,439,984)</u>	<u>(6,248,718)</u>
Total assets less current liabilities		14,842,351	6,273,335
Creditors : amounts falling due after more than one year	12	(10,085,389)	(360,822)
Deferred income	14	(941,698)	(1,140,975)
Net assets		<u>3,815,264</u>	<u>4,771,538</u>
Capital and reserves			
Called up share capital	15	1,498,330	1,498,330
Revaluation reserve	16	8,545,374	5,461,567
Profit and loss account	16	<u>(6,228,440)</u>	<u>(2,188,359)</u>
Shareholders' funds	17	<u>3,815,264</u>	<u>4,771,538</u>
Equity shareholders' funds		3,806,134	4,762,408
Non-equity shareholders' funds		<u>9,130</u>	<u>9,130</u>
		<u>3,815,264</u>	<u>4,771,538</u>

The financial statements were approved by the Board of Directors on 23 September 1997.

A M McDonald

Director

B Procter

Director

The accompanying accounting policies and notes form an integral part of these financial statements.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 1997

1 TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	1997 £	1996 £
Turnover is attributable to the following classes of continuing business :		
Football income	2,652,589	2,184,627
Commercial and other income	2,225,411	2,126,650
	<u>4,878,000</u>	<u>4,311,277</u>
The loss on ordinary activities before taxation is stated after charging/(crediting) :		
Auditors' remuneration	10,000	8,000
Depreciation	91,648	96,932
Operating lease rentals : plant and equipment	32,028	29,000
Other exceptional costs (note 3)	-	356,733
Other exceptional receipts (note 2)	<u>(825,000)</u>	<u>-</u>

2 OTHER OPERATING INCOME

	1997 £	1996 £
Donations	255,429	234,601
Compensation received in respect of former employee	325,000	-
Keyman insurance receipt	500,000	-
	<u>1,080,429</u>	<u>234,601</u>

3 EXCEPTIONAL COSTS

	1997 £	1996 £
Termination payments to former employees	-	166,733
Provision for taxes in respect of previous years	-	190,000
	<u>-</u>	<u>356,733</u>

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 1997

4 INTEREST PAYABLE

	1997 £	1996 £
Interest on bank overdraft and loans	107,354	147,483
Interest on finance lease and hire purchase contracts	67,175	2,269
Other interest	12,969	25,257
	<u>187,498</u>	<u>175,009</u>

5 DIRECTORS AND EMPLOYEES

	1997 £	1996 £
Staff costs during the year were as follows :		
Wages and salaries	3,995,551	3,589,651
Social security costs	354,859	287,604
Other pension costs	30,737	33,145
	<u>4,381,147</u>	<u>3,910,400</u>

	1997 Number	1996 Number
The average number of employees during the year was as follows :		
Football	63	66
Non-football	39	43
	<u>102</u>	<u>109</u>

None of the directors received any remuneration during the year.

6 NET TRANSFER FEES

	1997 £	1996 £
Transfer fees receivable	83,500	3,736,000
Transfer fees payable	(4,063,509)	(3,562,500)
	<u>(3,980,009)</u>	<u>173,500</u>

7 TAXATION

There is no taxation charge on the results for the year due to the losses incurred; tax losses of approximately £10,300,000 (1996 : £5,500,000) are available to be carried forward and set against future trading profits.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 1997

8 TANGIBLE FIXED ASSETS

	Freehold land and buildings	Equipment and vehicles	Total
	£	£	£
Cost or valuation			
At 1 July 1996	12,372,062	1,064,172	13,436,234
Revaluation in year	3,083,807	-	3,083,807
Additions	718,674	63,587	782,261
Disposals	(14,138)	-	(14,138)
At 30 June 1997	<u>16,160,405</u>	<u>1,127,759</u>	<u>17,288,164</u>
Depreciation			
At 1 July 1996	-	914,181	914,181
Charge for the year	-	91,648	91,648
Disposals	-	-	-
At 30 June 1997	<u>-</u>	<u>1,005,829</u>	<u>1,005,829</u>
Net book value			
At 30 June 1997	<u>16,160,405</u>	<u>121,930</u>	<u>16,282,335</u>
Net book value			
At 30 June 1996	<u>12,372,062</u>	<u>149,991</u>	<u>12,522,053</u>

The net book value of equipment and vehicles includes an amount of £32,618 (1996 : £14,670) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation provided in the year in respect of these assets amounted to £10,872 (1996 : £3,690).

Certain freehold properties were revalued by Lambert Smith Hampton, Chartered Surveyors as at 18 December 1996. The basis of the valuation used was depreciated replacement cost as this method is considered by the directors to be the most appropriate for the nature of the properties. If the freehold land and buildings had not been revalued, they would have been included on the historical cost basis at a cost of £7,413,931 (1996 : £6,709,395).

No provision has been made for deferred taxation in respect of estimated corporation tax that would be payable on disposal of the land and buildings at the valuation because, in the opinion of the directors, those assets are unlikely to be disposed of in the foreseeable future.

9 STOCKS

	1997	1996
	£	£
Goods held for resale	<u>57,345</u>	<u>79,868</u>

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 1997

10 DEBTORS

	1997 £	1996 £
Trade debtors	281,914	805,854
Amounts due from group undertakings	22,745	-
Other debtors	1,103,307	228,162
Prepayments and accrued income	281,609	278,250
	<u>1,689,575</u>	<u>1,312,266</u>

11 CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	1997 £	1996 £
Bank loans and overdrafts	1,034,234	1,656,256
Other loans	81,333	65,000
Directors' loans	-	1,100,000
Trade creditors	1,125,880	3,298,886
Amounts owed to group undertakings	29,109	903,525
Social security and other taxes	443,802	268,889
Accruals	301,851	348,536
Amounts due under finance leases	267,544	12,585
	<u>3,283,753</u>	<u>7,653,677</u>

The bank loans and overdrafts are secured by a fixed and floating charge over the assets of the company.

Included within other loans is an amount of £25,000 (1996 : £25,000) which is secured by a second legal charge over the freehold property known as Bramall Lane Football Ground. The remainder of other loans are unsecured.

12 CREDITORS : AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1997 £	1996 £
Other loans	292,491	357,484
Amounts due under finance leases	1,427,756	3,338
Amounts due to group undertakings	8,365,142	-
	<u>10,085,389</u>	<u>360,822</u>

Included within other loans is an amount of £179,174 (1996 : £204,174) which is secured by a second legal charge over the freehold property known as Bramall Lane Football Ground.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 1997

13 BORROWINGS

Borrowings are repayable as follows :

	1997 £	1996 £
<i>Within one year:</i>		
Bank overdraft	1,034,234	1,285,583
Bank loans	-	370,673
Other loans	81,333	2,068,525
Amounts due under finance leases	267,544	12,585
<i>Between one and two years:</i>		
Other loans	64,996	64,988
Amounts due under finance leases	269,029	3,338
<i>Between two and five years:</i>		
Other loans	227,495	188,306
Amounts due under finance leases	858,573	-
<i>After five years</i>		
Finance leases	300,154	104,190
	<u>3,103,358</u>	<u>4,098,188</u>

The balance due in over five years relates to a finance lease agreement which bears interest at 3.89%.

Other loans include an amount repayable by equal monthly instalments over a ten year period from 28 July 1995. This loan is interest free.

14 DEFERRED INCOME

	1997 £	1996 £
Deferred revenue income	<u>941,698</u>	<u>1,140,975</u>

Deferred income consists of season ticket and sponsorship income received prior to the year end in respect of future football seasons.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 1997

15 SHARE CAPITAL

	1997 and 1996 £
Authorised	
477 original shares of £100 each	47,700
2,883 ordinary shares of £500 each	1,441,500
1,046 preference shares of £10 each	10,460
	<u>1,499,660</u>
Allotted, called up and fully paid	
477 original shares of £100 each	47,700
2,883 ordinary shares of £500 each	1,441,500
913 preference shares of £10 each	9,130
	<u>1,498,330</u>

Preference shares

The preference shares are non-equity shares which carry an entitlement to a fixed cumulative dividend at the rate of 70p per share per annum. Cumulative dividends accrue for only three years and thereafter cease to be payable.

At 30 June 1997 £1,917 (1996: £1,917) of preference dividend was payable. This has not been accrued as the directors are of the opinion the dividend will not be payable in the foreseeable future.

Holders of preference shares are not entitled to receive notice of or to attend and vote at any general meeting, unless on a resolution varying the right attached to the preference share, when a holder shall have one vote in respect of his holding of preference shares.

On a winding up the preference shares are repaid at nominal value.

16 RESERVES

	Revaluation reserve £	Profit and loss account £
At 1 July 1996	5,461,567	(2,188,359)
Revaluation in year	3,083,807	-
Loss for the financial year	-	(4,040,081)
At 30 June 1997	<u>8,545,374</u>	<u>(6,228,440)</u>

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 1997

17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997 £	1996 £
Shareholders' funds at 1 July 1996	4,771,538	5,630,516
Loss for the financial year	(4,040,081)	(858,978)
Revaluation in year	3,083,807	-
Shareholders' funds at 30 June 1997	<u>3,815,264</u>	<u>4,771,538</u>

18 CAPITAL COMMITMENTS

	1997 £	1996 £
Contracted for but not provided in these financial statements	<u>450,000</u>	<u>896,165</u>

19 SIGNING-ON AND TRANSFER FEES PAYABLE

Commitments in respect of deferred signing-on fees due to players under contract at the year end and not provided in the financial statements amounted to £1,627,662 (1996 : £1,068,500).

Under the terms of certain contracts with other football clubs in respect of player transfers, certain additional amounts would be payable by the company if conditions as to future team selection or performance are met. The maximum that could be payable is £650,934 (1996 : £320,305).

20 PENSIONS

Football League scheme

Certain employees of the company participate in the following pension schemes administered by the Football League :

- i The Football League Pension and Life Assurance Scheme
- ii The Football League Players Benefit Scheme
- iii The Football League Players Retirement Income Scheme

Scheme (iii) is a defined contribution scheme, whilst schemes (i) and (ii) are defined benefit schemes. The assets of each scheme are held separately from those of the group, being invested with an insurance company. The company makes contributions to scheme (i), schemes (ii) and (iii) being non-contributory schemes.

The company makes contributions to scheme (i) in accordance with the recommendations of the scheme actuary. Contributions are expensed to the profit and loss account as they become payable. The amounts charged to the profit and loss account were £30,737 (1996 : £34,859).

Defined contribution scheme

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

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 1997

21 LEASING COMMITMENTS

Operating lease payments amounting to £4,503 (1996 : £9,104) are due within one year. The leases to which these amounts relate expire as follows:

	1997 Plant and equipment £	1996 Plant and equipment £
In one year or less	2,083	6,260
Between one and five years	2,420	2,844
	<u>4,503</u>	<u>9,104</u>

22 CONTINGENT LIABILITIES

In August 1994 a settlement was reached between the Club and the Trustees in Bankruptcy of Paul Woolhouse. This settlement was subject to the right of the Trustees to make further claims should new information become available. As far as the Directors are aware no new information has become available, and accordingly no provision is required against future possible claims.

The company has entered into cross guarantee arrangements regarding the bank facilities of certain other group subsidiaries. The amount guaranteed at 30 June 1997 amounted to £11,243 (1996 : nil).

23 RELATED PARTY TRANSACTIONS

As a wholly owned subsidiary of Sheffield United plc, the company is exempt from the requirements of FRS8 to disclose transactions with other members of the group.

During the year the company purchased services to the value of £171,819 from Event Stewarding Limited, of which D Capper was a shareholder. At 30 June 1997 the balance due to Event Stewarding Limited was £30,503 (1996 : £Nil).

24 POST BALANCE SHEET EVENTS

Change of bankers

On 28 July 1997 the company transferred its banking arrangements from Barclays Bank plc to Midland Bank plc.

25 ULTIMATE PARENT COMPANY

The directors consider that at 30 June 1997 the ultimate parent company was Sheffield United plc, a company incorporated in England and Wales. Copies of that company's financial statements are available from its registered office.