ORIGINAL HAS BEEN PLACED ON FILE

109244

as Attorney for P D Hillwood	as Attorney for R C L Carr
DBD	as Attorney for D D Fissmar
as Attorney for Sir Robert Bellinger	KJP
as Attorney for R G Gibbs	as Agent for J N Donald CPL Corporate Finance Ltd
as Attorney for C F B L Carr	As Agent for M D Walker CPL Corporate Finance Ltd

COMPANIES
14 AUG 1992
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HOUSE

SECOND PROSPECTUS

THE ARSENAL FOOTBALL CLUB plc

(Registered in England Number 109244)

Issue at par to raise up to £11,895,000
of
up to 5,213 A Debentures of £1,500 each
and
up to 3,705 B Debentures of £1,100 each
payable in full on application

Sponsored by

CPL Corporate Finance Limited

A Member of The Securities and Futures Authority Limited

46 Charlotte Square
Edinburgh
EH2 4HQ

14th August 1992

The Issue is a total of up to 5,213 A Debentures of £1,500 and up to 3,705 B Debentures of £1,100 each, payable at par and in full on application. These Debentures relate respectively to areas A and B of the new North Bank Stand at Arsenal Stadium, Avenell Road, Highbury, London as illustrated in the accompanying Brochure. The procedure for application is set out in the enclosed Application Form. Each application for a Debenture is and must be made subject to the information and terms and conditions contained in the Application Form and in the Prospectus Pack of which this document forms a part. The subscription list for the Debentures hereby offered will open at 9.00 am on 15th August 1992 and will close at such later date as the Board of Directors of The Arsenal Football Club plc may, in its sole discretion, decide.

IMPORTANT NOTE

This document is important. If you are in any doubt about what action to take you should consult your solicitor, accountant or other professional adviser immediately. The Bond is an unquoted debenture and, as it is an illiquid investment, investment therein is speculative, involving a degree of risk as well as the possibility of capital growth. The value of an unquoted debenture can go down as well as up.

This Prospectus is the second prospectus in a series issued by the Company. It supersedes the First Prospectus dated 10th May 1991. The Directors resolved on 11th August 1992 that the issue of Debentures in terms of the First Prospectus should be closed.

This Prospectus contains information given in connection with the proposed issue of up to 5,213 A Debentures of £1,500 each and 3,705 B Debentures of £1,100 each by The Arsenal Football Club plc. The Directors of the Club have taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no material facts, the omission of which would make misleading any statements in this document whether of fact or opinion. All of the Directors accept responsibility accordingly.

The Ordinary Shares of The Arsenal Football Club plc are traded under Rule 535.2 of The Stock Exchange. A successful application has been made to The Council of The Stock Exchange for the Debentures issued following the date hereof to be traded in a similar manner. Further details of the proposed dealing arrangements are set out in Part 5 of this document. It is emphasised that no application has been made for the Debentures to be admitted to the Official List of The Stock Exchange or dealt in on the Unlisted Securities Market.

Copies of the Prospectus Pack and the Accountants' Report set out in Part 11 hereof (together with the statement of adjustments thereon), and the documents specified in paragraphs 8 and 10 of Part 12 hereof, have been delivered to the Registrar of Companies for registration as required by Section 64 of the Companies Act 1985.

The terms and conditions attaching to the Debentures are set out in Part 10 of this document, and the conditions of issue on which Season Tickets are likely to be issued to Bondholders are set out in Part 9 of this document.

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PART 1 DIRECTORS AND ADVISERS

Directors	Peter D Hill-Wood *(Chairman)* David B Dein *(Vice-Chairman)* Sir Robert I Bellinger GBE DSc Roger G Gibbs Clive E B L Carr Richard C L Carr Daniel D Fiszman Kenneth J Friar *(Managing Director)*
Secretary	Kenneth J Friar
Manager	George Graham
Registered office	Arsenal Stadium Avenell Road Highbury London N5 1BU
Sponsor to the Issue	CPL Corporate Finance Limited 46 Charlotte Square Edinburgh EH2 4HQ
Solicitors to the Issue	Dorman Jeffrey & Co Madeleine Smith House 6/7 Blythswood Square Glasgow G2 4AD
Solicitors to the Company	Lawrence Jones Sea Containers House 20 Upper Ground Blackfriars Bridge London SE1 9LH
Auditors and Reporting Accountants	Kidsons Impey Chartered Accountants Spectrum House 20-26 Cursitor Street London EC4A 1HY

PART 2 DEFINITIONS

The following definitions apply throughout this document and in the other documents comprising the Prospectus Pack, except in Parts 9 and 10 of this document and where the context requires otherwise.

"Application Form"	the Application Form which accompanies and which forms part of this Prospectus.
"Arsenal", "Arsenal Football Club", "the Club" or "the Company"	The Arsenal Football Club plc incorporated under the Companies (Consolidation) Act 1908 (Number 109244) and having its registered office at Arsenal Stadium, Avenell Road, Highbury, London N5 1BU.
"The Arsenal Bond", "the Bond" or "Debenture"	means the Debenture relative to the Designated Seat of the class and having the nominal value specified on the face of the relevant Certificate.
"Bank of Scotland" or "the Bank"	*The Governor and Company of the Bank of Scotland.*
"the Benefits"	(i) the right to purchase a Season Ticket in respect of the Designated Seat; (ii) where the Company retains primary control over allocation of the Designated Seat for an event which is not covered by the Season Ticket, the first opportunity to purchase a ticket in respect of the Designated Seat for that event, within such period as the Company shall notify by public announcement or otherwise for the relevant event; (iii) the right to the use of such facilities as the Company shall from time to time specify as available within the North Bank Stand for the use of the Registered Holder, and (iv) the right to have the name of the Registered Holder affixed to the Designated Seat.
"the Board"	the Board of Directors of the Company.
"Bondholder" or "Registered Holder"	the person specified on the Register as the holder of a Debenture.
"Brewin Dolphin"	Brewin Dolphin & Co Ltd, 5 Giltspur Street, London, EC1A 9BD.
"the Brochure"	the information brochure which accompanies and which forms part of this Prospectus.
"Certificate"	a Debenture certificate issued to the Bondholder.
"Commencement Date"	such date (not being later than 31st December 1994) as the North Bank Stand shall be certified by all relevant regulatory authorities as available for use by the public.
"Conditions of Issue"	the Conditions of Issue applicable to Season Tickets for the North Bank Stand from time to time
"Debenture Series"	the series of Debentures comprising A Debentures of £1,500 each and B Debentures of £1,100 each created pursuant to resolutions of the Board.
"the Designated Seat"	the individually named and numbered seat in the North Bank Stand specified on the face of the Certificate.
"Directors"	the Directors of the Company whose names are set out on page 3 of this document.

"First Prospectus"	the Prospectus issued by the Company dated 10th May 1991 and withdrawn on 11th August 1992.
"Football Season"	a playing season as defined by the Club from time to time.
"the Issue"	the issue of Debentures as described in and pursuant to this Prospectus.
"Loan application form"	the application form relating to the Preferred Loan Scheme which forms part of the Application Form.
"Nominated Person"	a person duly nominated from time to time by the Registered Holder in accordance with Condition 12.6 of Part 10 of this document.
"the North Bank Stand"	a new North Bank Stand to replace the existing North Bank terrace at the Stadium.
"Ordinary Shares"	the 56,000 Ordinary Shares of £1 each in the capital of the Company which are presently in issue.
"Preferred Loan"	a loan under the Preferred Loan Scheme
"the Preferred Loan Scheme" or "the Bond Personal Loan Scheme"	the preferred rate personal loan scheme provided by Bank of Scotland as described in Part 8 of this document.
"the Project"	the construction of the North Bank Stand and other works to be carried out within and around the Stadium as outlined in Part 7 of this document.
"the Prospectus"	this document which sets out, inter alia, the terms and conditions of the Issue.
"the Prospectus Pack"	the Brochure, the Prospectus and the Application Form (including the prepaid envelope).
"Season Ticket"	a Season Ticket issued by the Club from time to time.
"the Stadium"	Arsenal Stadium, Avenell Road, Highbury, London N5 1BU.
"The Stock Exchange"	The International Stock Exchange of Great Britain and the Republic of Ireland Limited.
"The Taylor Report"	The Final Report of the Inquiry by the Rt Hon Lord Justice Taylor into The Hillsborough Stadium Disaster dated 18th January 1990.

PART 3 MERITS OF THE ISSUE

The Directors consider the principal merits of purchasing a Debenture are that:

- a Debenture will entitle the Bondholder to purchase a Season Ticket for the Designated Seat prior to each Football Season subject to the illustrative Conditions of Issue set out in Part 9 and the terms and conditions of the Debenture set out in Part 10 of this document and for so long as the Debenture remains in issue. ONLY Bondholders will be entitled to buy a Season Ticket for the North Bank Stand
- Season Tickets for the 1993/94 Season for Bondholders to the North Bank Stand will be priced at £240 and £195 (for £1,500 and £1,100 Bonds respectively). For the following nine Seasons (ie Season 1994/95 through to the end of Season 2002/2003) the Club will guarantee NOT to increase the Season Ticket prices for Bondholders for the North Bank Stand by more than the annual rate of inflation, which will be measured by reference to the Government's Retail Prices Index (see page 6 of the Brochure). A Bondholder who subscribes for a Bond prior to the 1993/94 Season could, within the ten Seasons from Season 1993/94, save an amount in excess of the price paid for his Bond
- guaranteed ticket allocation rights in other areas of the Stadium during the 1992/93 Season when capacity will be reduced to approximately 29,000 during construction work, subject to a written application for a ticket being received by the Club's Box Office not earlier than two months nor later than one month prior to the desired fixture
- a Debenture will give the Bondholder guaranteed rights to purchase a ticket in respect of the Designated Seat for all other Arsenal first team matches at the Stadium not covered by the Season Ticket (both domestic and European) where the allocation of a ticket for the Designated Seat is controlled by the Club, subject to availability
- a Debenture will give the Bondholder a prior right to purchase a ticket in respect of the Designated Seat for any other event where the Club retains primary control over allocation of the Designated Seat
- a Bondholder may assign his right to purchase a Season Ticket to a Nominated Person
- the concourse areas situated behind the North Bank Stand, which will be appointed to an impressive standard and provide a meeting place with a high level of catering and other facilities, will be available to Bondholders
- membership of the Bondholders' Club

PART 4 RISK FACTORS

The Directors believe the principal potential risk factors associated with the Issue are that:

- although it is envisaged construction of the North Bank Stand will be completed by August 1993 there may be unforeseen delays in completion and therefore in the availability of the Benefits to the Bondholder
- the Debentures are an unsecured debt of the Club and their value may increase or decrease
- the Debentures do not carry the right to any income and any increase in value will be dependent on capital growth in the proposed secondary market
- the Debentures are redeemable by the Club in certain circumstances and in any event after one hundred and fifty years, details of which are set out in Part 10
- in order to maintain permission to deal in the Debentures under Rule 535.2, The Stock Exchange requires there to be at least one reported transaction in each class of Debenture every twelve months. In the absence of such a transaction for either class of Debenture, the facility will lapse for that particular class. In such an event, the Company will use all reasonable endeavours to renew the facility if appropriate.

PART 5 REALISATION OF DEBENTURES

The Directors recognise that some Bondholders may wish to realise their Debenture(s) at some point in the future. Accordingly, Brewin Dolphin (which is a member of The Securities and Futures Authority Limited and The Stock Exchange) have successfully applied to The Stock Exchange on behalf of the Club for the Debentures to be traded on a matched bargain basis under Rule 535.2 of The Stock Exchange.

Brewin Dolphin will maintain a list of parties who have expressed a wish to acquire Debentures and will endeavour to match buyers with sellers, process the transactions and advise the Club and The Stock Exchange of the transfers. They will also liaise with other stockbrokers who have interested clients. Any Bondholder wishing to dispose of his/her holding should therefore contact Brewin Dolphin direct in the first instance (telephone 071-248 4400).

In addition, the Club may, in certain limited circumstances, repay the Debentures in whole or part pursuant to Condition 2 of the Debentures set out in Part 10 of this document. In any event, the Club will repay the Debentures after one hundred and fifty years.

PART 6 APPLICATION FOR DEBENTURES

All applications will be treated on a first come, first served basis and, on acceptance, are irrevocable.

Applications for Debentures must be accompanied by the correct remittance or must have the appropriate Access/Visa or Preferred Loan section of the Application Form completed. All applications must be made on the Application Form enclosed with this document. Arsenal will not accept responsibility for any delay that may be caused by an Application Form which is completed incorrectly.

The Club will use all reasonable endeavours to ensure that applicants receive Debentures in respect of those seats in the area(s) requested. It does, however, reserve the sole right to alter the number of Debentures in each class or to alter or withdraw (at its sole discretion and at any time prior to the Commencement Date) the allocation of any Debenture and the seat to which it relates in order to satisfy any requirement of the planning authorities, any requirement for the construction of the North Bank Stand or any statutory or regulatory requirements or obligations placed upon it prior to final completion of the Project. The Club reserves the right to allocate a lesser number of Debentures than are applied for and to reject at its sole discretion any application.

As soon as possible after a properly completed Application Form has been received and processed, applicants will be notified whether or not their Debenture application has been successful. In any event, all applicants will be notified of the result of their application within fourteen business days of the closing of the subscription list. Debenture certificates will be issued in due course by The Arsenal Bond Office.

In the case of unsuccessful applications, all application monies forwarded will be returned to each unsuccessful applicant without interest at his/her own risk. In the event that the Board determines in its sole discretion that any material obstacle to the construction of the North Bank Stand is unlikely to be resolved by 31st December 1992, or if the Company has not provided the Benefits by 31st December 1994, the Debentures shall be repaid and all application monies will be returned to successful applicants with interest from the date on which the application monies were credited to the Company's bank account, calculated on a daily basis at Bank of Scotland's base lending rate from time to time less a margin of 2 per cent.

All applications should be posted in the enclosed prepaid envelope to The Arsenal Bond Office, Freepost 146, London, N5 1SW. Your application will be processed when it is received by The Arsenal Bond Office and, subject to availability, a Bond will be reserved in your name. Once your payment has been cleared, a Bond will be allocated and an acknowledgement despatched as soon as possible thereafter. Interim Debenture Certificates will be issued by The Arsenal Bond Office within 48 days of the date of acknowledgement.

All applications, acceptances of applications and contracts resulting therefrom pursuant to the Issue shall be governed by and construed in accordance with English law and, in making application, each applicant submits to the jurisdiction of the English courts.

Each applicant, in making application, shall be deemed to acknowledge that neither the applicant nor any person on whose behalf the applicant is applying is relying on any information or representation in relation to the Company other than such as may be contained in the Prospectus Pack and accordingly that none of the Sponsor, the Company, the Bank and any person responsible wholly or jointly for the Prospectus Pack or any part thereof shall have liability for any such information or representation.

No person receiving a copy of the Prospectus Pack in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him, nor should he in any event use the Application Form contained within the Prospectus Pack unless in the relevant territory such an invitation or offer could lawfully be made to him and the Application Form could lawfully be used without contravention of any regulation or other legal requirements. It is a condition of any application by any person outside the United Kingdom that he has satisfied himself as to the full observance of the laws of any relevant territory, including the obtaining of any governmental or other consents which may be required and has observed any other formalities in such territory.

PART 7 IMPLEMENTATION OF THE PROJECT

The First Prospectus was issued on the basis of the original planning application which was submitted on 13th March 1991. This application was not approved and a subsequent application for an alternative design for the North Bank Stand ("the alternative design") was made on 6th December 1991.

Planning permission in respect of the alternative design was granted by Islington Borough Council on 3rd February 1992.

The alternative design has considerable advantages over the original design. Although the accommodation plan within the alternative design of the North Bank Stand is similar to that of the original design, there will be a new total capacity of around 12,366 (approximately 246 more than before) and spectators should benefit from a greatly improved standard of viewing, due in part to the omission of supporting columns which were originally planned for the lower tier.

The alternative design does not incorporate wing sections. Instead it consists simply of one rectangular area which should alleviate the complicated access and circulation arrangements envisaged by the original design. The alternative design has been carefully designed to construct a stand providing increased comfort and improved viewing standards for Bondholders, an increased ground capacity, additional areas available for facilities for Bondholders and a smaller structure which should mean less impact on the immediate locality and a more pleasing appearance for residents in the nearby vicinity.

Essential preliminary work on the Project commenced in the summer of 1991. Construction work on the North Bank Stand started on 5th May 1992 with the demolition of the existing North Bank terracing and the piling of foundations.

The timetable for the construction of the North Bank Stand anticipates the erection of a steel frame to support a two tiered cantilevered North Bank Stand during the course of the 1992/93 Season, with ancillary seating and safety and other general works being carried out to the South, East and West Stands commencing in May 1993.

Completion of the entire Project to provide an all-seater Stadium with a capacity of approximately 27,000, in line with The Taylor Report's recommendations, is anticipated in August 1993.

PART 8 THE BOND PERSONAL LOAN SCHEME

Arsenal has arranged the Bond Personal Loan Scheme with Bank of Scotland. This scheme provides credit facilities to be made available to individual Debenture applicants only (subject to status). Illustrative repayment tables for loans of £1,100 over four years are set out below. Further details are set out in the Loan application form together with an example repayment schedule and illustrative Annual Percentage Rates. Written quotations are available on request from Bank of Scotland, Central Banking Services, 2 Robertson Avenue, Edinburgh EH11 1PZ.

Debentures are priced at £1,100 and £1,500 according to position. Applicants may purchase a Debenture either from the proceeds of a Preferred Loan or partially from the proceeds of such a loan combined with a bank or building society cheque or banker's draft.

Loans under the Preferred Loan Scheme, for the purpose of purchasing Debentures, will be available for any amount between £1,100 and £10,500 (but in any event only in an equivalent amount to the total price of Debentures applied for) over a minimum period of one year and a maximum period of four years.

Should you wish to apply for a Preferred Loan, you should read carefully the Application Form and complete the Loan application form which forms part of the Application Form. Your completed Debenture Application Form and your completed Loan application form should then be detached where indicated and returned *together in the enclosed pre-paid envelope to The Arsenal Bond Office. Bank of Scotland will notify you* separately of the outcome of your loan application.

Applicants for a Preferred Loan will have their Bond applications recorded for allocation priority purposes when they are received by The Arsenal Bond Office, even although a period of time may elapse before their loan is approved by Bank of Scotland.

Illustrative Repayments on a loan of £1,100 without insurance (flat rate 10 per cent. per annum)			
Loan Period 48 months	Number of Monthly Repayments	Total Amount Repayable	Monthly Payment (without insurance)
APR 19%	48	£1,536.00	£32.00

Illustrative Repayments on a loan of £1,100 with insurance (flat rate 10 per cent. per annum)			
Loan Period 48 months	Number of Monthly Repayments	Total Amount Repayable	Monthly Payment (with insurance)
APR 19%	48	£1,789.92	£37.29

In the event that an application made for a Preferred Loan is successful, all future correspondence from each applicant relating to that loan must be directed to Bank of Scotland. Arsenal does not provide any loan facilities nor is it involved in the determination of any loan application. In the event that a Preferred Loan holder wishes to cancel his loan or amend his repayment schedule, any correspondence must be directed to Bank of Scotland. The Club cannot repay any loan monies received from Bank of Scotland to a loan applicant. All applicants should consider carefully the repayment terms of any Preferred Loan obtained from Bank of Scotland and how they will affect their own personal financial circumstances.

The Bank, in making loans available under the Preferred Loan Scheme, does not express any views on the merits of the investment or that subscribing for a Debenture issued by the Company is appropriate for any particular applicant. The Bank does not warrant the accuracy of any information contained in the Prospectus or the Brochure save to the extent that such information relates to the Preferred Loan Scheme.

PART 9 SEASON TICKET CONDITIONS OF ISSUE

The following are the principal illustrative terms and conditions upon which Season Tickets are likely to be issued to Bondholders and are subject always to the Directors making such amendment(s) as they shall at their sole discretion at any time determine.

Conditions of Issue

This Season Ticket relative to the Designated Seat is issued subject to the terms and conditions of the Debenture relative to such seat. Unless otherwise specified herein, terms and conditions defined in the Debenture also apply in this Season Ticket.

1 The right of admission to the Stadium of any ticket holder or other person in possession of a Season Ticket, is strictly reserved. In no case can the Season Ticket be transferred without the prior consent of The Arsenal Football Club plc ("the Club").

2 The Season Ticket is issued subject to such rules and regulations as the Club may make from time to time, and shall only be valid when enclosed in the wallet provided, together with the computer printout slip, carrying confirmation of the Season Ticket issue.

3 The Season Ticket admits the purchaser to games at the Stadium in which the Club participates in the following competitions (if applicable):
   (a) the FA Premier League Championship
   (b) Football Association Cup
   (c) Football League Cup
   (d) European Competitions.

4 The serial number of each match will be exhibited at the turnstiles and the appropriate coupon, bearing the number, must be handed to the gateman.

5 The coupons must be torn from the Season Ticket book in the presence of the gateman otherwise the holder may be refused admission. Gatemen have strict instructions to refuse admission to any person offering a loose coupon unless he can at the same time produce the Season Ticket book for inspection.

6 A duplicate Day Ticket, in respect of any Season Ticket being unavailable, can be obtained at the East Stand Ticket Office in Avenell Road, on payment of a £50.00 deposit per ticket. This deposit will be refunded providing the appropriate coupon, together with the counterfoil of the Duplicate Day Ticket, is returned to the Box Office at the next home match.

7 A Season Ticket must be produced for inspection at any time, on demand. If lost, a new ticket may be issued on payment of £50.00 subject to these conditions.

Renewal

8 If it is desired to renew a Season Ticket for the following football season, application must be received together with remittance at the Box Office before 1st June prior to the start of that season.

Cup-tie ticket instructions
Cup-ties at home and home replays

9 The Season Ticket is valid for the first seven Home Cup-ties played by the Club, including replays in the Football Association Cup, Football League Cup or any European Competition.

10 No refund can be claimed for unused Cup-tie coupons when such matches are actually played but if less than seven Cup-ties are played in the season at the Stadium an appropriate refund will be allowed. This may be collected either (a) by deduction when renewing the Season Ticket for the following season or, (b) if the Season Ticket is not renewed, by cash refund at the end of the current season.

11 In the event of there being more than seven such matches being played at the Stadium during the current season, information regarding tickets for subsequent Cup-ties for which Bondholders will have certain preferential rights will be available from the Box Office on request.

Cup-tie tickets — away

12 Season Ticket holders will be given preference to purchase a ticket for away Cup-ties on application (in writing) stating Block, Row and seat number, at the rate of one ticket per Season Ticket where possible but no guarantee of an allocation can given. This does not apply to away replays.

13 For the Semi-Final of the Football Association Cup on neutral ground, application should be made in the same manner as for an away Cup-tie and, in addition, the appropriate special coupon should be attached. For the Football League Cup Semi-Final or any European Competition Semi-Final, the home leg will be treated as a home Cup-tie, and the away leg as an away Cup-tie. Applications for the away leg tickets should be accompanied by the special coupon for this purpose.

14 In the event of the Club participating in a Cup Final, no guarantee of a ticket can be made.

Cup-ties — other than the above

15 No preference can be given in respect of Cup-ties at the Stadium in which the Club is not participating.

PART 10 TERMS AND CONDITIONS OF THE DEBENTURES

There are set out below the Terms and Conditions (which will appear on the Certificate) relating to the issue of the Debentures by Arsenal as described in the Prospectus Pack.

"1 Interpretation

1.1 For the purposes of this Certificate the following words and expressions shall have the following meanings:—

"Bank of Scotland"	means The Governor and Company of the Bank of Scotland.
"the Benefits"	means: (i) the right to purchase a Season Ticket; (ii) where the Company retains primary control over allocation of the Designated Seat for an event which is not covered by the Season Ticket, the first opportunity to purchase a ticket in respect of the Designated Seat for that event, within such period as the Company shall notify by public announcement or otherwise for the relevant event; (iii) the right to the use of such facilities as the Company shall from time to time specify as available within the North Bank Stand for the use of the Registered Holder; and (iv) the right to have the name of the Registered Holder affixed to the Designated Seat.
"Certificate"	means a Debenture certificate issued to the Registered Holder.
"Commencement Date"	means such date (not being later than 31st December 1994) as the North Bank Stand shall be certified by all relevant regulatory authorities as available for use by the public.
"Company"	means The Arsenal Football Club plc incorporated under the Companies (Consolidation) Act 1908 (number 109244), and having its registered office at Arsenal Stadium, Avenell Road, Highbury, London N5 1BU.
"Conditions of Issue"	means the Conditions of Issue applicable to Season Tickets for the North Bank Stand from time to time
"the Debenture"	means the Debenture relative to the Designated Seat of the class and having the nominal value specified on the face of this Certificate.
"Debenture Series"	means the series of debentures comprising A Debentures of £1,500 each and B Debentures of £1,100 each created pursuant to resolutions of the Board of Directors of the Company.
"Designated Seat"	means the numbered seat in the North Bank Stand specified on the face of this Certificate.
"the Directors"	means the Directors of the Company from time to time.
"football season"	means a playing season as specified by the Company from time to time.
"nominated person"	means a person duly nominated from time to time by the Registered Holder in accordance with Condition 12.6.
"North Bank Stand"	means a stand to be named the North Bank Stand, or such other name as the Directors in their sole discretion may determine, at the Stadium.
"prescribed form"	means in the form and on the terms and subject to the conditions from time to time prescribed by the Company

"Register"	means the register of the holders of Debentures to be maintained in accordance with and as contemplated in Condition 6.
"Registered Holder"	means the person specified on the Register as the holder of this Debenture.
"Registrars"	means the Company or such other person, firm or company as the Company may from time to time nominate to be registrars in connection with the Debenture Series.
"Season Ticket"	means a season ticket for the Designated Seat issued by the Company from time to time.
"Stadium"	means Arsenal Stadium, Avenell Road, Highbury, London N5 1BU.

1.2 The headings in this Certificate are for convenience only and shall not affect its interpretation.

1.3 Reference to a Condition is, unless otherwise specifically provided, to a Condition set out in this Certificate.

2 Repayment

2.1 The Debenture shall only become repayable to the Registered Holder in the circumstances set-out in Conditions 2.3, 2.4, 10 and 12.3 and the Benefits shall terminate in accordance with the terms hereof.

2.2 In the event of the Company repaying the Debenture under any of these Conditions, the Company may (unless prevented from so doing by any obligation imposed on it by law or any regulatory authority) re-issue the Debenture to such other person and at such price as the Company shall at its sole discretion determine.

2.3 Subject to Condition 13, the Debenture shall immediately become repayable at par without interest and the Benefits shall terminate and cease:—

2.3.1 if an order is made or an effective resolution is passed for the winding up of the Company (otherwise than on a winding up for the purposes of reconstruction or amalgamation); or

2.3.2 if an administrator or receiver or administrative receiver is appointed of the undertaking of the Company or any of its property or assets; or

2.3.3 if the Company ceases, on a permanent basis, to carry on its business as a football club at the Stadium; or

2.3.4 on the one hundred and fiftieth anniversary of the Commencement Date.

2.4 Subject to Condition 13, the Debenture shall immediately become repayable at par with interest from the date on which the application monies were credited to the Company's bank account, calculated on a daily basis at 2 per cent. below Bank of Scotland's base lending rate from time to time:—

2.4.1 if the Company has not obtained planning permission for the construction of the North Bank Stand, or the Directors determine in their sole discretion that any material obstacle to such construction is unlikely to be resolved, by 31st December 1992; or

2.4.2 if the Company has not provided the Benefits by 31st December 1994 and the Registered Holder, at any time thereafter, has served notice on the Company demanding such repayment not earlier than the expiry of one month from the date of receipt of the notice by the Company.

3 Interest

No interest will accrue or be payable on the Debenture in any circumstances other than those contemplated in Condition 2.4.

4 Security

The Debenture is an unsecured obligation of the Company.

5 Ranking

The Debenture is one of the series of A Debentures and B Debentures comprised in the Debenture Series. The Debentures of the said series all rank *pari passu* with respect to voting and repayment and, save with respect to the Designated Seat, without any preference or priority one over another.

6 Register

6.1 A register of the holders of the Debentures comprised in the Debenture Series will be kept by the Registrars in which there will be entered the names and addresses of the Registered Holders and particulars of the Debentures held by them respectively. The Register will be open at all reasonable times during business hours for inspection by the Registered Holder and his executors or administrators and any person authorised in writing by him or them (except when the Register shall be closed in accordance with the provisions hereof).

6.2 The Register may be closed at such time and for such period or periods (not exceeding in the whole thirty days in any year) as the Company may from time to time determine. The Register shall be finally closed on the date on which all monies advanced to the Company in respect of Debentures comprised in the Debenture Series shall have been repaid by the Company. No transfers will be registered during any period in which the Register is closed or after the date on which the Register is finally closed.

6.3 The Debenture shall not be registered in the name of more than one person, firm or company.

7 Trusts

The Company shall recognise and treat the Registered Holder or his executors or administrators as exclusively entitled to the benefit of the Debenture and as alone entitled to receive and give a discharge for any monies due on repayment of the Debenture. The Company shall not be bound to enter in the Register notice of any trust or to recognise any trust affecting the title to the Debenture save as ordered by a court of competent jurisdiction and the Company shall not be affected by notice of any trust or of any right, title or claim of any person other than the Registered Holder of the Debenture.

8 Transfers

8.1 The Debenture is only transferable in full and part only of the Debenture comprised in this Certificate may not be transferred. This Certificate must be surrendered before any transfer of the Debenture comprised herein can be registered or a new Certificate issued in exchange.

8.2 Every transfer of the Debenture must be in writing under the hand of the Registered Holder or his executors or administrators and in a form approved by the Company. The transfer must be delivered to the Registrars together with this Certificate and such reasonable administration fee in connection with the processing of such transfer as the Company may fix from time to time and such other evidence of title or identity as the Company may reasonably require. Thereupon the transfer will be registered and a new Certificate for the Debenture will be issued in the name of the transferee provided that the Directors shall, at their sole discretion, be entitled to refuse to register any transfer of any Debenture to any person not approved of by them without giving any reason therefor, in which event the name of the transferor will remain on the Register. The Company shall be entitled to retain any transfer document processed by it.

9 Death or Bankruptcy

Any person becoming entitled to the Debenture in consequence of the death or bankruptcy of the Registered Holder may, upon producing such evidence of title or identity as the Company may reasonably require, be registered as the holder of the Debenture, provided that the Directors shall, at their sole discretion, be entitled to refuse to register, as holder of the Debenture, any person not approved of by them without giving any reason therefor.

10 Repayment

10.1 The Company may, at any time on or after the thirty fifth anniversary of the Commencement Date give notice in writing to the Registered Holder or his executors or administrators of its intention to pay off all of the Debentures and, upon the expiration of such period as the Company may specify in the notice (being not more than six months) (the date of expiry of such notice being called "the Termination Date"), the Benefits shall *ipso facto* cease and determine and, subject only to surrender to the Company of the Certificate for the Debenture or in the event of it being lost, a duly signed indemnity in terms satisfactory to the Company, the Debenture shall become repayable at par without interest.

10.2 In the event of the Company exercising its right under Condition 10.1 and the Benefits ceasing and determining at any time during the currency of a football season, it shall, subject to having received return of the Certificate and any Season Ticket for all football matches for the remainder of that football season, be bound contemporaneously with repayment of the Debenture, to reimburse to the Registered Holder a rateable proportion of the price paid by the Registered Holder for the Season Ticket (if any) (as returned to the Company) then held by the Registered Holder or by any nominated *person, representing the unexpired portion of any such Season Ticket.*

10.3 Any monies payable in respect of the Debenture and the Benefits may be paid by cheque or warrant sent through the post to the Registered Holder at his registered address and at the risk of the Registered Holder. Every such cheque or warrant shall be made payable to the order of the Registered Holder and payment thereof shall be in satisfaction of the monies in respect of which it is drawn.

10.4 On the Termination Date the right of the Registered Holder and any nominated person to receive any of the Benefits shall cease forthwith and the Company may take all action necessary to effect the same (including without prejudice to the foregoing generality, cancellation of the unused portion, if any, of any Season Ticket). The Registered Holder undertakes to comply with and undertakes to procure that any nominated person complies with all requests for delivery of documents and other items relative to the Benefits which the Company may require at any time and from time to time.

10.5 Without prejudice to the generality of Condition 10.1 the Company shall be entitled at any time to pay off the Debenture at par without interest whether or not at the same time it pays off any other Debenture or Debentures from time to time comprised in the Debenture Series:–

10.5.1 if the Company requires to re-possess the Designated Seat to enable it to comply with any obligation imposed upon it by law or by any relevant regulatory authority or to satisfy any requirements for the construction of the North Bank Stand; or

10.5.2 if the Registered Holder has failed to apply, in accordance with Conditions 12.1.1 and 12.1.2, for a Season Ticket for not less than five consecutive football seasons; or

10.5.3 if the Company wishes to carry out any material alterations to or material redevelopment of the North Bank Stand.

In addition, the Company shall be entitled, by giving not less than three months notice to a Registered Holder, to convert any Debenture registered in the name of that Registered Holder into a Debenture of another class within the Debenture Series in any of the circumstances set out in Conditions 10.5.1 to 10.5.3 (inclusive). If the Debenture is converted into a Debenture of a lower nominal value the Company shall, following such conversion, repay to the Registered Holder the difference in nominal value without interest. A Debenture may only be converted into a Debenture of a higher nominal value with the prior written consent of the Registered Holder and subject to the Company receiving payment from the Registered Holder of the difference in the two nominal values.

10.6 The Registered Holder by his application for a Debenture hereby constitutes the Company his attorney for the execution of all documents and papers necessary to give effect to the foregoing provisions.

10.7 In the event that the Company is ready to repay or satisfy the Debenture and the Registered Holder fails to claim or accept the amount due to him within thirty days after the due date for redemption, the Company may deposit with a bank in the name of the Registered Holder an amount equal to the amount due to such Registered Holder. On such deposit being made, this Debenture shall be deemed to have been repaid or satisfied in accordance herewith and the Company shall not be responsible for the safe custody of such monies or for interest on them except such interest (if any) as those monies may earn on deposit less any expenses incurred by the Company in that connection.

11 Replacement Certificates

If any Certificate is worn-out or defaced then, upon production thereof to the Company, the Company may cancel the same and may issue a new Certificate or, if any Certificate is lost, stolen or destroyed then, upon proof, on such indemnity (whether with or without security) as the Company may deem adequate being given and upon payment to the Company of any expenses incurred by the Company in connection with such indemnity, a new Certificate in lieu thereof may be issued to the person entitled to such lost, stolen or destroyed Certificate. An entry as to the issue of the new Certificate and indemnity (if any) shall be made in the Register. There shall be paid to the Company in respect of any new Certificate issued under this provision such reasonable fee as the Company may determine.

12 Benefits

12.1 Subject to the provisions of Conditions 2, 10 and this Condition 12, the Registered Holder shall, with effect from and after the Commencement Date and for so long as the Debenture remains in issue and is not repaid hereunder or until earlier termination of the Benefits as herein provided, be entitled to the Benefits for each football season, provided that:—

12.1.1 with respect to the remainder of the football season during which the Commencement Date occurs, he shall, not later than four weeks prior to the Commencement Date, have made application in the prescribed form accompanied by the relevant payment therefor, for a Season Ticket in respect of the remaining fixtures for that football season;

12.1.2 he shall not later than such date as the Company may from time to time notify or otherwise announce prior to commencement of any subsequent football season have made application in the prescribed form accompanied by the relevant payment therefor, in respect of a Season Ticket;

12.1.3 he shall at all times during each football season have complied and acted in accordance with the Conditions of this Debenture, the Conditions of Issue and all other rules and regulations of the Company from time to time applicable to a ticket holder or other person entering, present at or leaving the Stadium.

12.2 In the event of the Registered Holder not making application in accordance with Conditions 12.1.1 and 12.1.2 in respect of any football season, the Company shall be entitled to the Benefits for that football season and be free to sell or grant the same to any other person.

12.3 In the event of the Registered Holder being disqualified from attending the Stadium in consequence of failure to comply with any of the obligations contemplated in Condition 12.1.3 at any time during a football season, he shall, with effect from and after the date of disqualification, be deemed to have forfeited all rights in and to the Benefits for the remainder of that football season. The Company shall be at liberty to deal with and grant to such other person as it shall in its sole discretion determine, all rights in and to the Benefits for the remainder of that football season without payment or other compensation to the Registered Holder.

12.4 In the event of the Registered Holder being disqualified from attending the Stadium as aforesaid for a period expiring beyond the end of the football season during which the disqualification came into effect, the Company, on becoming aware of such disqualification, shall at any time thereafter be entitled to give notice to the Registered Holder to the effect that he shall thereupon be deemed to have forfeited all rights in and to the Benefits and the Company shall be entitled to cancel the Debenture and, subject to the Registered Holder delivering to the Company the Certificate and the Season Ticket for all football matches for the remainder of that football season, repay whichever shall be the lower of the market value at the date of cancellation and the nominal value thereof, to the Registered Holder within eight weeks of the end of the football season during which such notice was sent to the Registered Holder, in each case without interest.

12.5 Without prejudice to the provisions of this Condition 12, the Company shall be entitled to make such further rules and regulations in connection with the foregoing matters as may, from time to time, be required of the Company by law or by any regulatory authority, or as the Company may otherwise, in its sole discretion, determine. In addition, the Company may restrict or withdraw the Benefits or any of them for such time as the Company shall deem appropriate (i) as a result of the misconduct or misbehaviour of the Registered Holder or any nominated person, or (ii) if in its sole discretion to continue the provision of any of the Benefits to the Registered Holder or any nominated person would or might be likely, in the reasonable opinion of the Company, to bring football or the Company into disrepute.

12.6 The Registered Holder shall, at his sole discretion, (but subject to the right of the Company to refuse to recognise any such nominated person if it has reasonable grounds to believe such person is not a fit and proper person) be entitled for such period as the Registered Holder shall determine, to nominate any other person in his place to be entitled to purchase a Season Ticket, in which event the whole provisions of this Condition 12 shall apply to such nominated person with the intent and to the effect that the nominated person shall be deemed to be the Registered Holder and the acts and omissions of the nominated person shall be deemed to be the acts and omissions of the Registered Holder. During the period in which a nominated person is enjoying the Benefits the provisions of Condition 15 will continue to apply to the Registered Holder.

13 Force Majeure

In the event of the Company being prevented or delayed at any time from performing any of the obligations incumbent upon it hereunder (including but not limited to the provision of the Benefits hereunder) by reason of any act, event, accident, or other happening beyond the control of the Company or which cannot be overcome by means normally employed in performance and at comparable expense, including without prejudice to the generality of the foregoing, strikes, lock-outs, industrial disputes, riots, war, civil disturbance, fires, explosions, storms, tempests, floods, subsidences, plant breakdown, power failures, power cuts, and governmental or local authority regulations and requirements, then and in such event any such failure or delay in performance shall not be deemed to constitute a breach of the terms of this Debenture, but performance of such obligations shall be suspended during the continued existence of such act, event, accident or happening as aforesaid and all rights of the Company at the time for performance of such obligations shall be extended for a period equal to the aggregate of:–

13.1 the period or periods of continued existence of such act, event, accident or happening, and

13.2 such further period (if any) as the Company may in its sole discretion reasonably consider is required, due to repairs, maintenance, re-building, delays in transportation, shortage of manpower or materials or other cause directly occasioned by, or attributable to such act, event, accident or happening.

14 Amendment of Conditions

14.1 Any part or the whole of these Conditions may be altered, modified or otherwise amended either by the Company as expressly provided herein or by the Company provided any such alteration, modification or amendment is first approved by a majority of not less than seventy five per cent. of the Registered Holders present and voting in general meeting.

14.2 For the purposes of any such general meeting, the whole provisions of the Articles of Association of the Company from time to time with respect to the convening, conduct of, and voting at meetings of members of the Company shall apply *mutatis mutandis*. A copy of the Articles of Association of the Company may be inspected by a Registered Holder at the Registered Office of the Company on request and on giving reasonable prior written notice to the Company.

15 Notices

Any communication may be served by the Company upon the Registered Holder by sending it through the post in a pre-paid letter addressed to such person at the address which appears on the Register. Any communication that requires to be served upon the Company may be served by sending it through the post in a pre-paid letter addressed to the Company at its Registered Office. Any communication served by post shall be deemed to have been served at the expiration of forty-eight hours after it is posted and in proving such service it shall be sufficient to prove that the letter containing the communication was properly addressed and posted."

PART 11 ACCOUNTANTS' REPORT

The following is a copy of the accountant's report prepared by the auditors and reporting accountants to the Company, Kidsons Impey.

"The Directors
The Arsenal Football Club plc
Avenell Road
Highbury
London
N5 1BU

and

The Directors
CPL Corporate Finance Limited
46 Charlotte Square
Edinburgh
EH2 4HQ

Spectrum House
20-26 Cursitor Street
London
EC4A 1HY

14th August 1992

Dear Sirs,

We have examined the audited financial statements of The Arsenal Football Club plc ("Arsenal") (formerly The Arsenal Football Club Limited) for the five financial years ended 31st May 1992 in accordance with the Auditing Guideline: Prospectuses and the reporting accountant.

We and our predecessor firms have acted as auditors of Arsenal throughout the relevant period, and issued unqualified audit reports in respect of each of these years. The financial information set out in Sections 1 to 4 below is based upon the audited financial statements of Arsenal after making such adjustments as we consider appropriate. No financial statements have been prepared for Arsenal in respect of any period subsequent to 31st May 1992.

The financial information set out below does not constitute full financial statements within the meaning of Section 240 of the Companies Act 1985. Copies of the full financial statements for each of the five financial years ended 31st May 1992 have been delivered to the Registrar of Companies as required by the Companies Act 1985.

In our opinion the financial information set out in this report, gives a true and fair view of the results of Arsenal for each of the five financial years ended 31st May 1992 and of the cash flows for the year ended 31st May 1992 and of the state of affairs of Arsenal as at 31st May 1992.

1 ACCOUNTING POLICIES

The principal accounting policies of Arsenal, which have been applied in the following financial summaries consistently throughout the period under review, are set out below:

a Basis of accounting

The financial statements have been prepared under the historical cost accounting rules and in accordance with the applicable accounting standards, except as stated below.

b Turnover

Turnover represents income from football and related activities.

c Depreciation

Depreciation is calculated to write off the cost of plant, equipment, motor vehicles and certain freehold improvements included in freehold property in equal annual instalments over their estimated useful lives at rates ranging from 10 to 20 per cent.

Leasehold properties are depreciated over the period of the leases in equal annual instalments.

Statement of Standard Accounting Practice Number 12 requires that provision be made for depreciation of fixed assets having a finite useful life. However, it is company policy to maintain freehold property in such condition that its value is not diminished by the passage of time and the related maintenance expenditure is charged to the profit and loss account in the year it is incurred. Therefore any element of depreciation is considered to be immaterial and no provision is made.

d Stocks

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

e Transfer fees

Transfer fees are charged or credited to the profit and loss account in the year in which they are contracted.

f Deferred income

Deferred income represents licence fees for executive boxes which are credited to the profit and loss account over the period of the licence and income from sponsorship agreements which is credited to the profit and loss account over the period of the agreement.

g Leases

Rentals payable under operating leases are charged to the profit and loss account in the period in which they fall due.

h Grants

Grants received are matched with the related expenditures. Accordingly where the expenditure is of a capital nature the amount of the grant is deducted from the cost of the related asset. The Directors believe that this is a fairer representation of the facts than the accounting treatment recommended in Statement of Standard Accounting Practice Number 4 (Revised).

i Pensions

The Company makes contributions on behalf of employees and Directors to a number of independently controlled pension funds. Contributions are charged to the profit and loss account over the period to which they relate.

j Deferred tax

No provision has been made for deferred tax on the basis that no potential liabilities are likely to crystallise in the foreseeable future. Details of the amount of deferred tax provided are shown in note 4(f) below.

2 PROFIT AND LOSS ACCOUNTS

	Notes	Years ended 31st May				
		1988	1989	1990	1991	1992
		£	£	£	£	£
Turnover	a	5,305,335	6,454,518	7,648,418	11,294,661	13,739,104
Costs and overheads less other income	b	3,850,634	4,996,205	5,137,556	9,422,209	11,525,876
Exceptional items	c	—	—	—	1,455,983	251,994
Profit on ordinary activities before transfer fees		1,454,701	1,458,313	2,510,862	416,469	1,961,234
Transfer fees (payable)/receivable		(587,500)	190,500	(1,696,250)	332,394	(2,126,000)
Profit/(loss) on ordinary activities before taxation		867,201	1,648,813	814,612	748,863	(164,766)
Taxation	f	249,379	590,000	217,741	109,799	(120,993)
Profit/(loss) on ordinary activities after taxation retained for the financial year		617,822	1,058,813	596,871	639,064	(43,773)

	Years ended 31st May				
	1988	1989	1990	1991	1992
	£	£	£	£	£
a Turnover					
Gate receipts	3,649,314	3,696,392	4,346,063	5,947,548	7,125,161
Ground advertising and other activities	1,625,021	2,619,351	3,302,355	5,172,350	6,613,943
Prize money	31,000	138,775	—	174,763	—
	5,305,335	6,454,518	7,648,418	11,294,661	13,739,104
b Costs and overheads less other income					
Employment costs (notes (d) and (e))	1,951,569	2,330,553	2,793,114	4,529,092	6,061,276
Depreciation	50,437	69,038	192,003	315,215	422,477
Other operating charges	1,974,356	2,685,266	2,622,942	4,650,177	5,371,466
Hire of plant and machinery	7,808	15,446	8,815	17,645	7,584
Other operating lease payments	—	—	—	33,334	92,151
Interest receivable	(133,705)	(104,098)	(479,318)	(123,254)	(429,078)
Interest payable	169	—	—	—	—
	3,850,634	4,996,205	5,137,556	9,422,209	11,525,876

c Exceptional items

The exceptional items in 1991 and 1992 are the costs relating to the Issue of the Debentures.

d Employees

The aggregate employee costs during the years were as follows:—

Wages and salaries	1,735,405	2,070,545	2,458,156	4,069,657	5,430,934
Social security costs	170,154	212,870	275,857	367,566	534,719
Other pension costs	46,010	47,138	59,101	91,869	95,623
	1,951,569	2,330,553	2,793,114	4,529,092	6,061,276

The average weekly number of employees was made up as follows:

	Number	Number	Number	Number	Number
Playing staff	40	42	48	48	54
Training staff	7	9	10	9	9
Administration staff	18	20	25	36	48
Ground staff	15	17	14	15	12
	80	88	97	108	123

e Directors' emoluments

	Years ended 31st May				
	1988	1989	1990	1991	1992
	£	£	£	£	£
Management remuneration including pension contributions	65,980	80,850	123,578	149,733	236,143
Remuneration of the Chairman	—	—	—	—	—
Remuneration of the highest paid director	65,980	80,850	106,078	106,433	108,669

The number of other directors whose emoluments were within the following ranges was:—

	Number	Number	Number	Number	Number
£Nil	7	5	4	4	5
£15,001 — £20,000	—	—	1	—	—
£25,001 — £30,000	—	—	—	1	—
£105,001 — £110,000	—	—	—	—	1

f Taxation

Corporation tax has been provided at the prevailing rates. Arsenal does not have any tax losses to carry forward at 31st May 1992.

g Dividends

No dividends were paid in any of the five financial years ended 31st May 1992.

3 CASH FLOW STATEMENT

For the year ended 31st May 1992

	Notes	£	£
Net cash outflow from operating activities	a		(558,051)
Cash outflow in respect of transfers			
Payments for purchase of players		(3,050,000)	
Receipts from sale of players		1,657,500	
			(1,392,500)
Returns on investment and servicing of finance			
Interest received			429,078
Taxation			
Corporation tax paid			(209,697)
Investing activities			
Payments to acquire tangible fixed assets		(1,571,450)	
Receipts from sale of freehold property		178,500	
Receipts from sale of motor vehicles		11,725	
Net cash outflow from investing activities			(1,381,225)
Net cash outflow before financing			(3,112,395)
Financing			
Donation received			80,000
Debenture subscriptions			2,034,450
Decrease in cash and cash equivalents			(997,945)

NOTES TO THE CASH FLOW STATEMENT

For the year ended 31st May 1992

a Reconciliation of operating profit to net cash flow from operating activities

	£
Operating profit	1,532,156
Depreciation	422,477
Profit on fixed asset disposal	(64,310)
Increase in stock	(162,905)
Increase in debtors	(515,122)
Decrease in creditors (excluding exceptional items)	(369,364)
Decrease in creditors (exceptional)	(1,400,983)
Net cash outflow from operating activities	(558,051)
Profit on ordinary activities before transfer fees	1,961,234
Interest receivable	(429,078)
Operating profit	1,532,156

b Analysis of changes in cash and cash equivalents during the year

At 1st June 1991	3,975,912
Net cash outflow	(997,945)
At 31st May 1992	2,977,967

c Analysis of balances of cash and cash equivalents as shown in the balance sheet

	Change in year £
Decrease in cash at bank and in hand	(866,005)
Decrease in short term investments	(131,940)
	(997,945)

d Analysis of changes in financing during the year

	Building Reserve £	Share capital (including premium) £	Debenture loan £	Total £
Balance at 31st May 1991	766,000	293,201	2,534,200	3,593,401
Cash inflow from financing	80,000	—	2,034,450	2,114,450
Balance at 31st May 1992	846,000	293,201	4,568,650	5,707,851

4 BALANCE SHEET

As at 31st May 1992

	Notes	£	£
Fixed assets			
Tangible assets	a		11,770,719
Current assets			
Stocks	b	545,153	
Debtors	c	1,717,309	
Cash at bank and in hand		2,977,967	
		5,240,429	
Creditors			
Amounts falling due within one year	d	(4,962,385)	
Net current assets			278,044
Total assets less current liabilities			12,048,763
Creditors			
Amounts falling due after more than one year	e		(7,486,227)
Net assets			4,562,536
Capital and reserves			
Called up share capital	g		56,000
Share premium account	h		237,201
Building reserve	h		846,000
Profit and loss account	h		3,423,335
Shareholders' funds			4,562,536

NOTES TO THE BALANCE SHEET

As at 31st May 1992

	Freehold properties £	Short leasehold properties £	Plant and equipment £	Motor vehicles £	Total £
a Tangible fixed assets					
Cost	10,188,962	700,425	1,944,498	148,803	12,982,688
Accumulated depreciation	187,912	121,868	806,369	95,820	1,211,969
Net book value	10,001,050	578,557	1,138,129	52,983	11,770,719

Grants received from The Football Trust during the year totalling £47,692 have been deducted from the cost of fixed assets in line with the Company's accounting policy set out above.

At 31st May 1992 the Company had the following capital commitments:—

Authorised and contracted for	8,222,605
Authorised but not contracted for	75,000

The Directors have agreed in principle the development plans for Highbury Stadium in order to comply with the requirements of The Taylor Report; these development plans are currently estimated to cost £22,500,000.

b Stocks

Goods for resale	545,153

c Debtors

Trade debtors	144,830
Other debtors	892,028
Corporation tax	81,000
Prepayments and accrued income	599,451
	1,717,309

Other debtors include £428,000 receivable in more than one year in respect of executive box licences being paid on an instalment basis and certain sponsorship agreements.

d Creditors

Amounts falling due within one year	
Trade creditors	259,215
Other taxation and social security	477,824
Other creditors	1,361,167
Accruals and deferred income	2,864,179
	4,962,385

e Creditors

Amounts falling due after more than one year	
Debenture subscriptions	4,568,650
Deferred income	2,917,577
	7,486,227

The Debenture subscriptions are to be applied in the redevelopment of Highbury Stadium. The Company received planning permission for the new North Bank Stand during the year and subscribers have been issued with interim certificates; Debenture certificates will be issued in due course. Under the terms and conditions of the Debentures the Debentures are repayable at par after 150 years.

f Deferred taxation

Unprovided deferred taxation	
Corporation tax deferred by accelerated capital allowances	249,500

As at 31st May 1992

g Called up share capital

	£
Authorised	
Ordinary shares of £1 each	56,000
Allotted, issued and fully paid	
Ordinary shares of £1 each	56,000

h Share premium and other reserves

	Share premium account £	Building reserve £	Profit and loss account £	Total £
Balance at 31st May 1991	237,201	766,000	3,467,108	4,470,309
Loss for the year	—	—	(43,773)	(43,773)
Donations	—	80,000	—	80,000
Balance at 31st May 1992	237,201	846,000	3,423,335	4,506,536

i Leasing commitments

Commitments due under operating leases for the period to 31st May 1993 are:—

	Land and Buildings £	Other £
Leases expiring in		
One year	59,201	8,000
Two to five years	17,500	—
Over five years	40,000	—
	116,701	8,000

j Contingencies

Under the conditions of a transfer agreement in respect of a player purchased in the year a further £50,000 will be payable should the player complete 50 First Team appearances. No provision has been made in these accounts for this amount as the Directors do not believe that the applicable number of appearances will be achieved in the foreseeable future.

Yours faithfully,

Kidsons Impey"

PART 12 STATUTORY AND GENERAL INFORMATION

1 The Club and its share capital

(i) The Club was incorporated as a private limited company on 26th April 1910 under the Companies (Consolidation) Act 1908. On 9th May 1991, the Club re-registered as a public limited company under the Companies Act 1985.

(ii) The authorised and issued share capital of the Club both before and immediately after the issue of the Prospectus is £56,000 divided into 56,000 Ordinary Shares of £1 each.

2 Directors' interests

The Directors of the Company and their interests in the Company's share capital are set out below.

	Ordinary Shares
P D Hill-Wood	448
D B Dein	23,816
Sir Robert I Bellinger GBE DSc	712
R G Gibbs	200
C E B L Carr	4,120
R C L Carr	10,257
K J Friar	200
D D Fiszman	10,094

Of the above interests in shares, Mr D B Dein and Mr D D Fiszman have an interest in the same 10,000 shares which are included in the above holdings.

3 Indebtedness

At the close of business on 4th August 1992 ("the Indebtedness Date") the Company had outstanding:

(i) a bank overdraft of £240,640 pursuant to facilities from Barclays Bank PLC which are secured by a debenture in favour of Barclays Bank Limited dated 6th December 1946 (this does not take into account monies received from the issue of Debentures under the First Prospectus);

(ii) contingent liabilities of £50,000 in respect of transfer fees which will arise if certain conditions in transfer contracts are fulfilled;

(iii) no material hire purchase or finance lease commitments; and

(iv) 2,707 A Debentures of £1,500 each and 493 B Debentures of £1,100 each.

Save as aforesaid, the Company did not have at that date any loan capital (including term loans) outstanding or created or any mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts, liabilities under acceptances (other than normal trade bills) or acceptance credits, hire purchase commitments or guarantees or other material contingent liabilities.

4 Current trading

The Directors are confident that the strong financial position reflected in the accounts for the year ended 31st May 1992 will be continued into the current financial year. With the advent of the FA Premier League the Club's future level of income from football and related activities should increase.

5 Working capital

The Directors are of the opinion that, taking into account the anticipated minimum proceeds of the Issue, the working capital available to the Club is sufficient for its present requirements.

6 Litigation

The Directors are not aware of any litigation or claims of material importance pending or threatened against the Club.

7 Taxation

Arsenal has been advised that any capital gain arising on the sale, transfer or gift of a Debenture should, under current legislation, be exempt from capital gains tax as a Debenture comes within the definition of a qualifying corporate bond in Section 117 of the Taxation of Chargeable Gains Act 1992. The Club has also been advised that no tax liabilities will fall on a Bondholder either as a result of his acquisition or holding of a Bond or as a result of him exercising or enjoying his rights under the terms and conditions of Issue. However, if potential Bondholders have any doubt about their personal tax position, they should consult a professional adviser.

Arsenal has been further advised that the Issue should represent an exempt transaction for value added tax purposes in terms of the Value Added Taxes Act 1983, Schedule 6, Group 5, Item 6.

8 Material contracts

The only contracts entered into by the Club otherwise than in the ordinary course of business during the two years preceding the date of this document which are or may be material are as follows:

(i) an underwriting agreement ("underwriting agreement") dated 8th May 1991 between the Club and Bank of Scotland, whereby the Bank agreed to underwrite up to £14,437,500 of the debentures comprised in the Debenture Series. The underwriting agreement provided, *inter alia*, for the Club to pay the Bank an underwriting commission of £165,000 (plus VAT as applicable); and

(ii) an initial contract, for the first stage of the Project, which has been entered into between the Company and Norwest Holst Construction Limited ("Norwest") for approximately £8.2 million as constituted by invitation to tender dated September 1991, tender dated 18th November 1991, letter from Norwest dated 18th February 1992, letter from the Company dated 6th March 1992 and letter from Norwest dated 11th March 1992. Further contracts will be awarded as the Project proceeds.

9 The Sponsor

The Sponsor's role in the Issue has been to review the initial proposition and advise the Company on the structuring and marketing of the Issue. CPL Corporate Finance Limited has performed this role in relation to the Issue of the Second Prospectus and, in so doing, has relied upon the representations made and the information supplied to it on behalf of and by Arsenal, its officers and its agents.

10 Consents

(i) CPL Corporate Finance Limited, which is a Member of The Securities and Futures Authority Limited, and Bank of Scotland have each given and not withdrawn their written consent to the issue of the Prospectus Pack with the inclusion of the references to their names in the form and context in which they respectively appear.

(ii) Kidsons Impey has given and not withdrawn its written consent to the issue of the Prospectus Pack with the inclusion of the references to its name in the form and context in which it appears and to the inclusion of its report set out in Part 11 of this document.

11 Registration

A copy of the Prospectus Pack, the Accountants' Report set out in Part 11 (together with the statement of adjustments thereto) and a copy of each of the documents referred to in paragraphs 8 and 10 above have been delivered to the Registrar of Companies for registration.

12 General

(i) The total cost of the Project (including VAT and all professional fees in connection with the issue of the First and Second Prospectus) is presently estimated by the Directors at £22.5 million. This will be funded primarily by the Issue, which will raise a minimum of £14,437,500 from third party sources by virtue of the underwriting agreement. The balance will be funded by the Club. The Club has successfully made an application to The Football Trust for a grant of £2 million towards the total cost of the Project.

(ii) The estimated expenses of the Issue in terms of this Prospectus (which are included in the total cost of the Project above) are £200,000 excluding VAT and will be met by the Company from the amount raised by the Issue and by the issue made in terms of the First Prospectus.

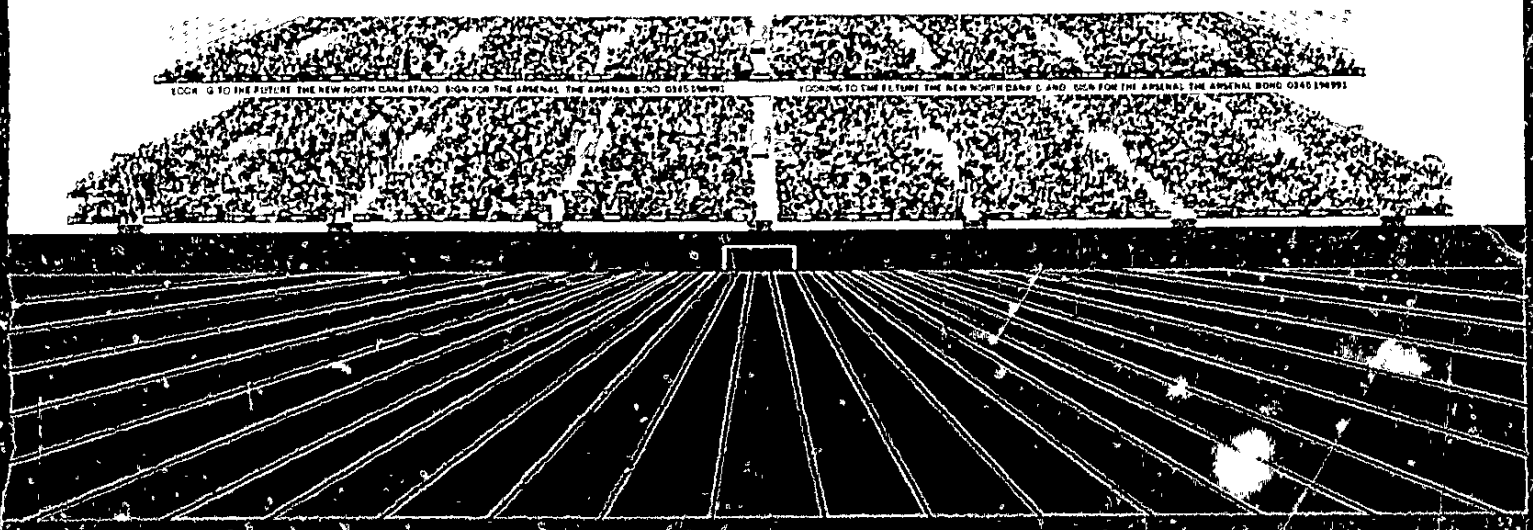
(iii) The financial information concerning Arsenal set out in Part 11 and otherwise referred to in this document does not comprise full accounts within the meaning of Section 240 of the Companies Act 1985. Full individual accounts in respect of Arsenal for the five year period ended 31st May 1992, on which the auditors have issued unqualified audit reports, have been lodged with the Registrar of Companies.

(iv) The Club will be liable to pay a commission of 1.25 per cent to Bank of Scotland in respect of all payments received by the Club for Debentures paid for by Access or Visa credit card.

(v) Save as disclosed herein, no amounts have been paid or will become payable to any person by Arsenal or CPL Corporate Finance Limited as commission for subscribing or agreeing to subscribe or procuring or agreeing to subscribe or procuring or agreeing to procure subscriptions for any Debentures.

Dated: 14th August 1992

SIGN FOR THE ARSENAL



THE
ARSENAL BOND

SECOND EDITION

LINE-UP

THE ULTIMATE GOAL

A HISTORY OF SUCCESS

THE ARSENAL BOND

YOUR BENEFITS AS A BONDHOLDER

THE NORTH BANK STAND

A CHOICE OF BOND AND WAYS TO PAY

HOW TO APPLY

THE ROOF

THE ULTIMATE GOAL

WITH THE CLUB entering the forthcoming season as one of the founder members of the FA Premier League the commitment which exists at Arsenal Football Club is as strong today as it was in October 1886 when a works football team, Dial Square FC, was formed at the Woolwich Arsenal munitions factory in south-east London. Arsenal has come a long way since then, culminating in the winning of our tenth first division championship in 1991. We continue to strive towards further success both on and off the field, for the benefit of everyone associated with the Club. We have a tradition of success, professionalism and leadership, a tradition of which Arsenal supporters can be rightly proud. The Bond scheme, which is outlined in this document, continues this tradition.

THE RECOMMENDATIONS of The Taylor Report place a high responsibility on football clubs throughout the country and have far reaching effects for Arsenal. With The Arsenal Bond we can redevelop our Stadium without sacrificing our goals on the field. We believe that our response to The Taylor Report is both imaginative and financially prudent. Our intention is to establish the Club at the forefront of European football and to make Highbury one of the best stadia in Britain. The Arsenal Bond is a further step towards achieving these objectives.

IN THIS and the accompanying documents we set out our plans for Highbury and give you the opportunity to become an integral part of Arsenal's future. The Bond scheme is explained in detail, with information on how to pay for the Bond, on the marvellous new North Bank Stand itself and on the various benefits which will be available to Bondholders.

IF YOU decide to apply, you are encouraged to return your completed Application Form as soon as possible. Should you have any queries on the Bond or how to apply, please telephone The Arsenal Bond Office on 0345 198999. If you have any doubts about what you should do, I would recommend that you seek the advice of a professional adviser.

LET'S GO forward together and make Arsenal the team of the Nineties with a stadium to match.

ARSENAL PUBLISHING 1991

P D Hill-Wood

P D Hill-Wood
Chairman

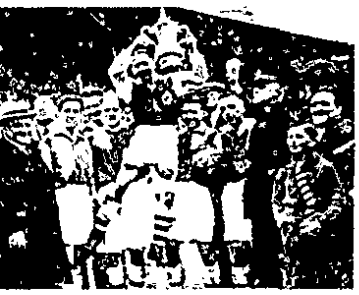
GLORY YEARS

A HISTORY OF SUCCESS

THERE ARE FEW clubs in England that can match Arsenal's record of success.

SINCE THE MOVE to Highbury almost 80 years ago, the Club has always been at the forefront of the game in England. The Club is a founder member of the new FA Premier League, having been a member of the Football League's First Division continuously since the First World War; a unique achievement.

IT IS NOT only on the football field that Arsenal has led the way. The East and West Stands at Highbury, built in the 1930s, are still among the best in the country, the Club was one of the first to install floodlighting and undersoil heating; and its 53 executive boxes and sports hall complex at the Clock End, completed in 1989, are much acclaimed. In addition, few football clubs in Britain can match the Arsenal World of Sport shop at Finsbury Park Station which opened in October 1990.



"IT'S UP FOR GRABS NOW"

GOAL

THE ARSENAL BOND

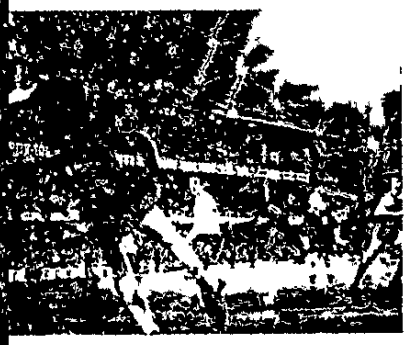
ARSENAL has always thrived on meeting challenges.

THE ONE now facing the Club is to comply with The Taylor Report by converting Highbury into an all-seater stadium by 1994 at the latest. Following completion of the Project, the capacity of Highbury will be reduced from 44,397 to approximately 37,000. Arsenal's aim is to make the quality of the Stadium as good as the quality of the team, so that both are equipped for further success in England and in Europe.

AT AN APPROXIMATE total cost of £22.5 million (including VAT but prior to any grant from The Football Trust), the Project is an ambitious one. The Arsenal Bond will raise up to £16.5 million towards the total cost of the Project. For the Club it is a challenge. But for you, the supporter, it is an opportunity.

THE ARSENAL BOND will cost either £1,500 or £1,100 according to position.

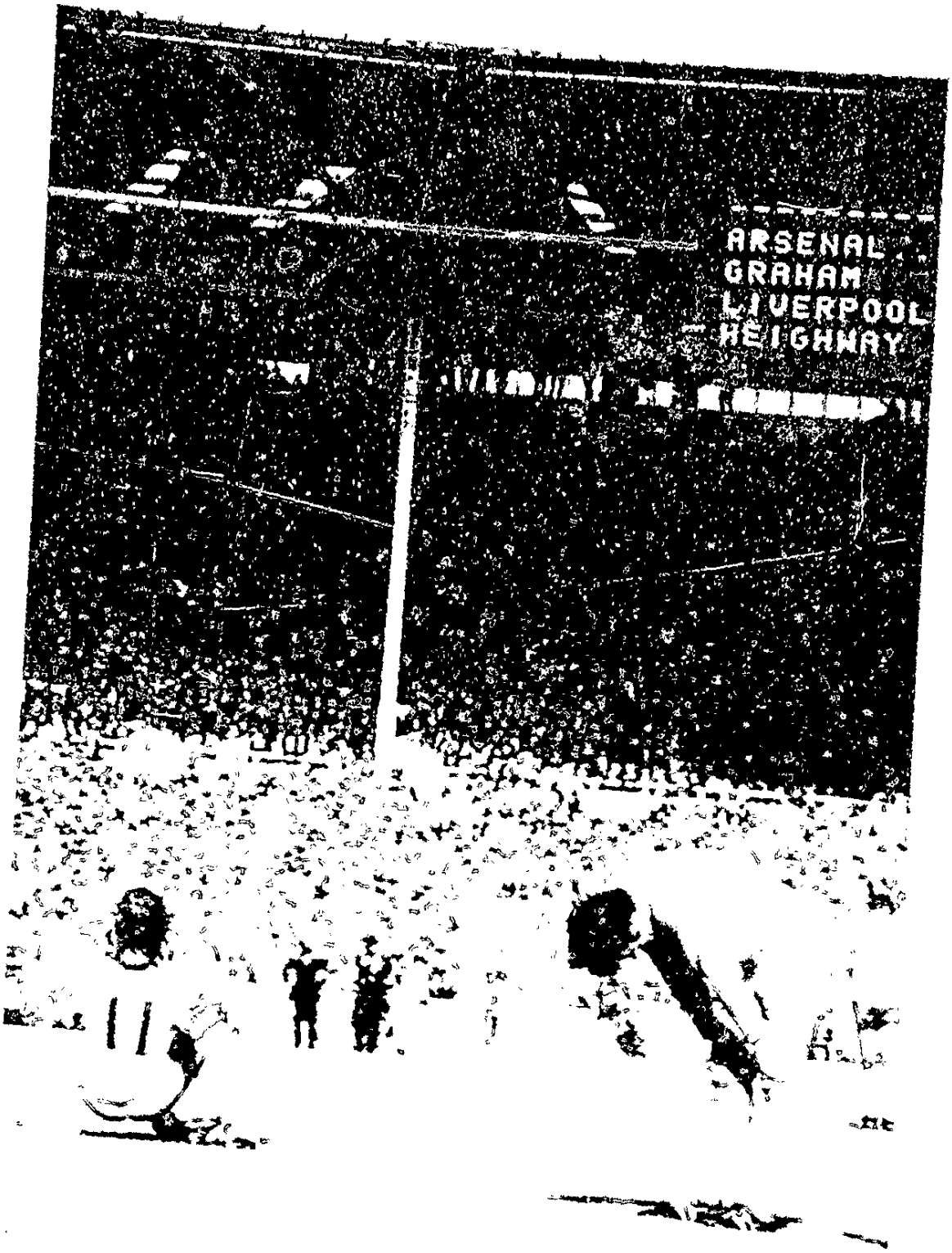
THE ARSENAL BOND gives you the right for up to 150 years to buy a Season Ticket for your own named seat in the North Bank Stand for all first team competitive matches in which Arsenal participates. In addition, you will have guaranteed rights to buy a ticket for your Designated Seat for all other Arsenal first team matches at the Stadium, not covered by the Season Ticket, (both domestic and European) for a similar period where allocation of a ticket for the Designated Seat is controlled by the Club, subject to availability.



RAY KENNEDY HEADS
THE GOAL THAT WINS
THE 1971 LEAGUE CHAMPIONSHIP

ON COMPLETION OF the North Bank Stand at the beginning of Season 1993/94, annual Season Tickets for Bondholders in the North Bank Stand will be priced at £240 and £195 (for £1,500 and £1,100 Bonds respectively) compared with £190 for a 1991/92 Season Ticket for the North Bank Terrace (standing).

THE BOARD CONSIDERED a range of options to raise funds for the Project. However, all options other than The Arsenal Bond would have had far reaching consequences for the Club, including a possible limit on the funds available for buying players. Instead, the Club is giving supporters the chance to become even more involved in Arsenal's future and to make Highbury one of the finest stadia in Britain.


ARSENAL
GRAHAM
LIVERPOOL
HEIGHWAY

SIGN

YOUR BENEFITS AS A BONDHOLDER

WHAT do you get for your money?

- guaranteed ticket allocation rights in other areas of the Stadium during the 1992/93 season, when capacity will be reduced to approximately 29,000 during construction work, subject to a written application for a ticket being received by the Club's Box Office not earlier than two months nor later than one month prior to the desired fixture.
- the exclusive right to purchase a Season Ticket for your own named seat in the splendid new all-seater North Bank Stand, at a price which the Club will guarantee will NOT increase by more than the annual rate of inflation (measured by reference to the Government's *Retail Prices Index) for the nine seasons from season 1994/95 to the* end of season 2002/2003. SEASON TICKETS IN THE NEW NORTH BANK STAND WILL NOT BE AVAILABLE TO NON-BONDHOLDERS.
- guaranteed rights to buy a ticket in respect of the Designated Seat for all other Arsenal first team matches at Highbury not covered by the Season Ticket (both domestic and European) where the allocation of a ticket for the Designated Seat is controlled by the Club, subject to availability.
- the right to purchase a ticket in respect of the Designated Seat for any other event where the Club retains primary control over allocation of the Designated Seat.
- access to new, exciting concourse areas with superior catering outlets, closed circuit TVs, modern toilet facilities, The Arsenal Museum and a travel club office. In addition the Club will be making available a limited number of creche places with priority being given to Bondholders.
- membership of the Bondholders Club which will include promotions, functions and special Bondholders merchandise.
- a specially designed and numbered Bond Certificate signed by the Chairman and Manager of the Club.

FOR THE AR

- the opportunity, if you so wish in the future, to sell your Bond on a secondary market organised on behalf of the Club subject to a buyer being available. It is expected that the Bonds will be traded under Rule 535.2 of The Stock Exchange. This is not the same as a Stock Exchange listing but is nevertheless intended to help match willing buyers and sellers. Details of these arrangements can be obtained from Brewin Dolphin & Co Ltd, 5 Giltspur Street, London, EC1A 9BD; telephone 071 248 4400

Once a Bond has been purchased the Club cannot and will not request further monies from Bondholders for the redevelopment work.

For the nine Seasons following Season 1993/94 (ie Season 1994/95 through to the end of Season 2002/2003) the Club will guarantee NOT to increase the Season Ticket prices for Bondholders for the North Bank Stand by more than the annual rate of inflation which will be measured by reference to the Government's Retail Prices Index or any replacement index ("RPI"). Bondholders' Season Ticket prices will be fixed in May of each year and the RPI figure that will be used will be for the year to the previous April. If there is no RPI figure available at any time the figure to be used will be the last published RPI figure. The accompanying table gives an indication of the possible savings for Bondholders assuming a future annual inflation rate of 5%, but with the prices rounded up or down to the nearest £5. In the year to April 1992 the annual increase in the RPI was 4.3%.

The possible savings, as illustrated on the tables opposite, show that Bondholders, who subscribe for their Bonds prior to the 1993/94 Season could, within the ten seasons from Season 1993/94, save an amount in excess of the price paid for their Bond. It is intended that Bonds will be in issue for not less than 35 years and not more than 150 years.

It is emphasised that the Club will not sell Season Tickets for the new North Bank Stand to non-Bondholders.

FIXTURES

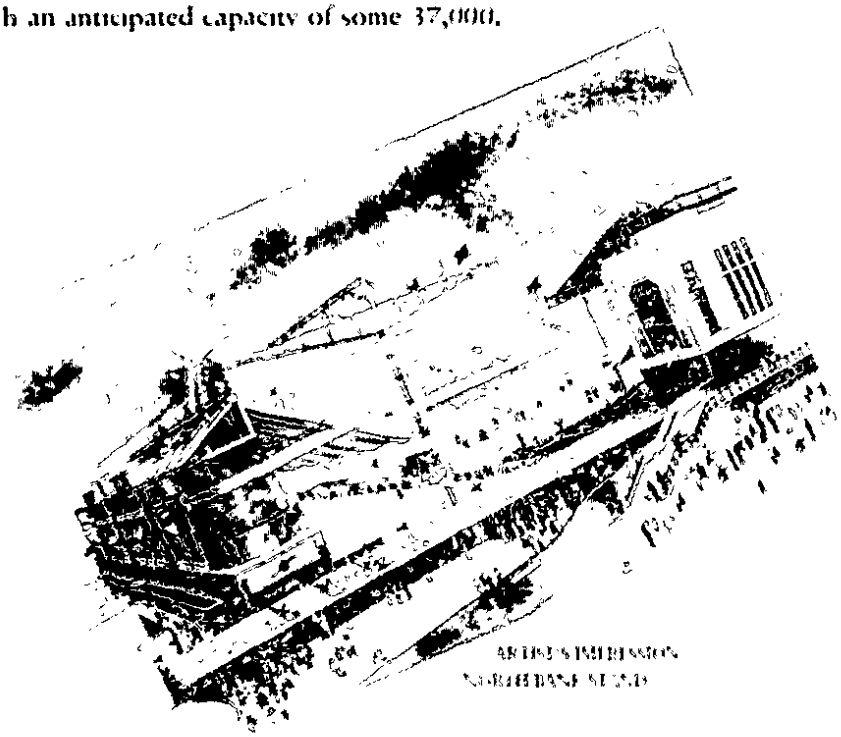
THE NORTH BANK STAND

THE BIGGEST SINGLE task in the Project is the building of a new two-tier stand seating some 12,000 supporters on the North Bank.

WORK ON THE North Bank Stand started on 5th May 1992. This means that the North Bank will be out of commission for the whole of Season 1992/93. It also means that Highbury's capacity has been cut from 44,397 to approximately 29,000 for Season 1992/93.

HOWEVER, IF YOU purchase a Bond, Arsenal will guarantee to accommodate you while building goes on subject to a written application for a ticket being received by the Club's Box Office not earlier than two months nor later than one month prior to the desired fixture.

THE CONVERSION of the South, East and West terraces to all-seating should start in May 1993. All building works should be completed by August 1993, when Highbury will be an all-seater stadium with an anticipated capacity of some 37,000.



SENAL

Illustrative tables showing possible savings for 'A' and 'B' Bondholders

'A' Bond (£1,500)

SEASON	ILLUSTRATIVE BONDHOLDER SEASON TICKET PRICE*	ILLUSTRATIVE NON-BONDHOLDER SEASON TICKET PRICE**	'A' BONDHOLDER'S POSSIBLE SAVING PER SEASON
1993/94	£240	£405	£165
1994/95	£250	£425	£175
1995/96	£265	£445	£180
1996/97	£280	£470	£190
1997/98	£290	£490	£200
1998/99	£305	£515	£210
1999/2000	£320	£545	£225
2000/01	£340	£570	£230
2001/02	£357	£600	£245
2002/03	£370	£630	£260

POSSIBLE SAVINGS FOR 'A' BONDHOLDERS OVER 10 SEASONS = £2,080

'B' Bond (£1,100)

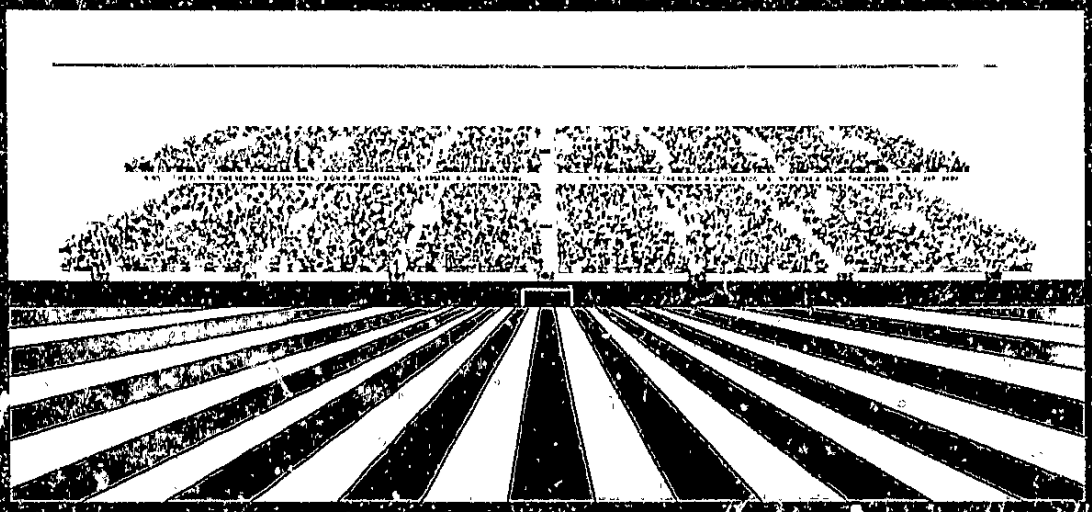
SEASON	ILLUSTRATIVE BONDHOLDER SEASON TICKET PRICE*	ILLUSTRATIVE NON-BONDHOLDER SEASON TICKET PRICE**	'B' BONDHOLDER'S POSSIBLE SAVING PER SEASON
1993/94	£195	£310	£115
1994/95	£205	£325	£120
1995/96	£215	£340	£125
1996/97	£225	£360	£135
1997/98	£235	£375	£140
1998/99	£250	£395	£145
1999/2000	£260	£415	£155
2000/01	£275	£435	£160
2001/02	£290	£460	£170
2002/03	£300	£480	£180

POSSIBLE SAVINGS FOR 'B' BONDHOLDERS OVER 10 SEASONS = £1,445

* For illustrative purposes the price of a Season Ticket for a Bondholder for Season 1993/94 and the succeeding Seasons has been assumed to increase at the rate of 5% per annum rounded up or down to the nearest £5.

** Based on current Season Ticket prices at the Stadium it is anticipated that if Season Tickets were made available to non-Bondholders in the North Bank Stand from the start of Season 1993/94 the price would be £405 or £310 depending on the position of the seat. For illustrative purposes this figure has been assumed to increase at the rate of 5% per annum rounded up or down to the nearest £5.

NORTH BANK STAND
SOUTH ELEVATION



PAUL MERSON CELEBRATES
AGAINST QPR (AUGUST 1991)

YOUR NAME

PAT RICE WITH THE
1979 FA CUP

TACTICS

A CHOICE OF BOND AND WAYS TO PAY

For any queries on the Bond or how to apply, please telephone The Arsenal Bond Office on 0345 198991.

Bonds are priced at £1,100 and £1,500 according to position. You may apply to buy as many as you like in either the upper or lower tier of the new Stand, subject to availability — for yourself, your family and friends. If you wish to sit next to other friends who are also applying for Bonds, please return all the relevant Application Forms in the same pre-paid envelope. Arsenal will then endeavour to accommodate your seating requests.

YOU CAN PAY in full for your Bond in one of three ways:

- by cheque or banker's draft to accompany your Application Form; or
- by Access or Visa card; or
- by taking advantage of the Bond Personal Loan Scheme which can cost as little as £32 per month (see below).

Illustrative Repayments on a loan of £1,100 without insurance
flat rate 10 per cent. per annum

Loan Period 48 months	Number of Monthly Repayments	Total Amount Repayable	Monthly Payment without insurance
APR 19%	48	£1,536.00	£32.00

Illustrative Repayment on a loan of £1,100 with insurance
flat rate 10 per cent. per annum

Loan Period 48 months	Number of Monthly Repayments	Total Amount Repayable	Monthly Payment with insurance
APR 19%	48	£1,789.92	£37.29

Each applicant may, on request, obtain full written details of the Bond Personal Loan Scheme and a written quotation from Bank of Scotland, Central Banking Services, Department PL, 2 Robertson Avenue, Edinburgh, EH11 1PZ.

Details on how to apply for a Bond are contained in the accompanying Application Form and Prospectus.

If an applicant wishes to take advantage of the Bond Personal Loan Scheme details are contained in the accompanying Application Form and Prospectus. Applications are subject to the Bank's normal lending criteria.

In the event that an application made for a Preferred Loan is successful, all future correspondence from each applicant relating to that loan must be directed to Bank of Scotland. Arsenal does not provide any loan facilities nor is it involved in the determination of any loan application. It cannot repay any loan monies received from Bank of Scotland to a loan applicant.

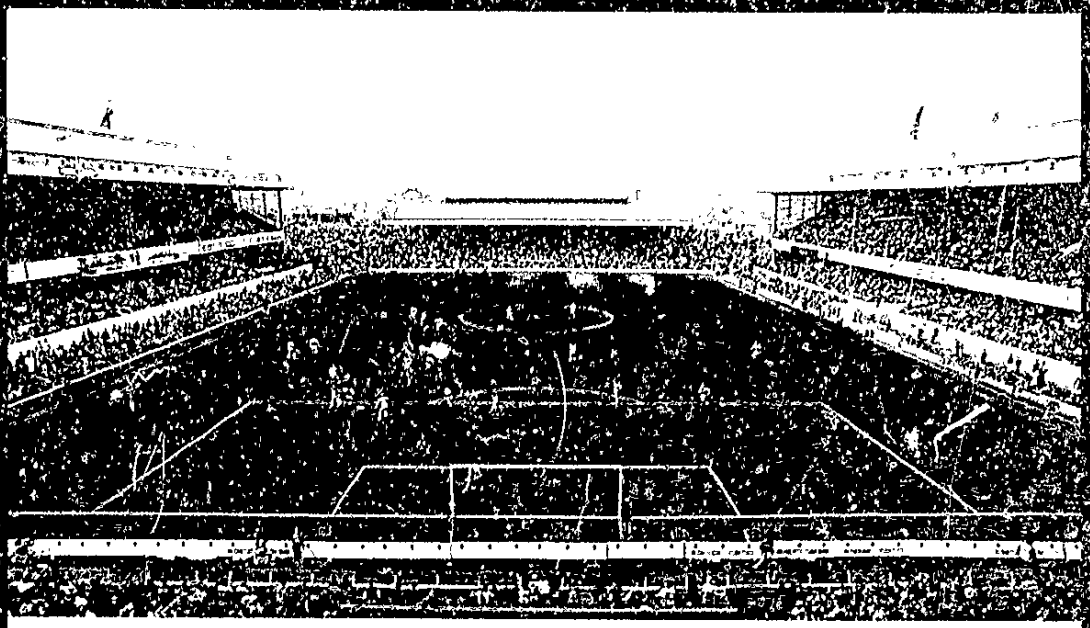
In the event that a Preferred Loan holder wishes to repay his loan or amend his repayment schedule, correspondence relating to that request must be directed to Bank of Scotland. All applicants should consider carefully the repayment terms of any Preferred Loan obtained from Bank of Scotland and how repayment of a Preferred Loan will affect their own personal financial circumstances.

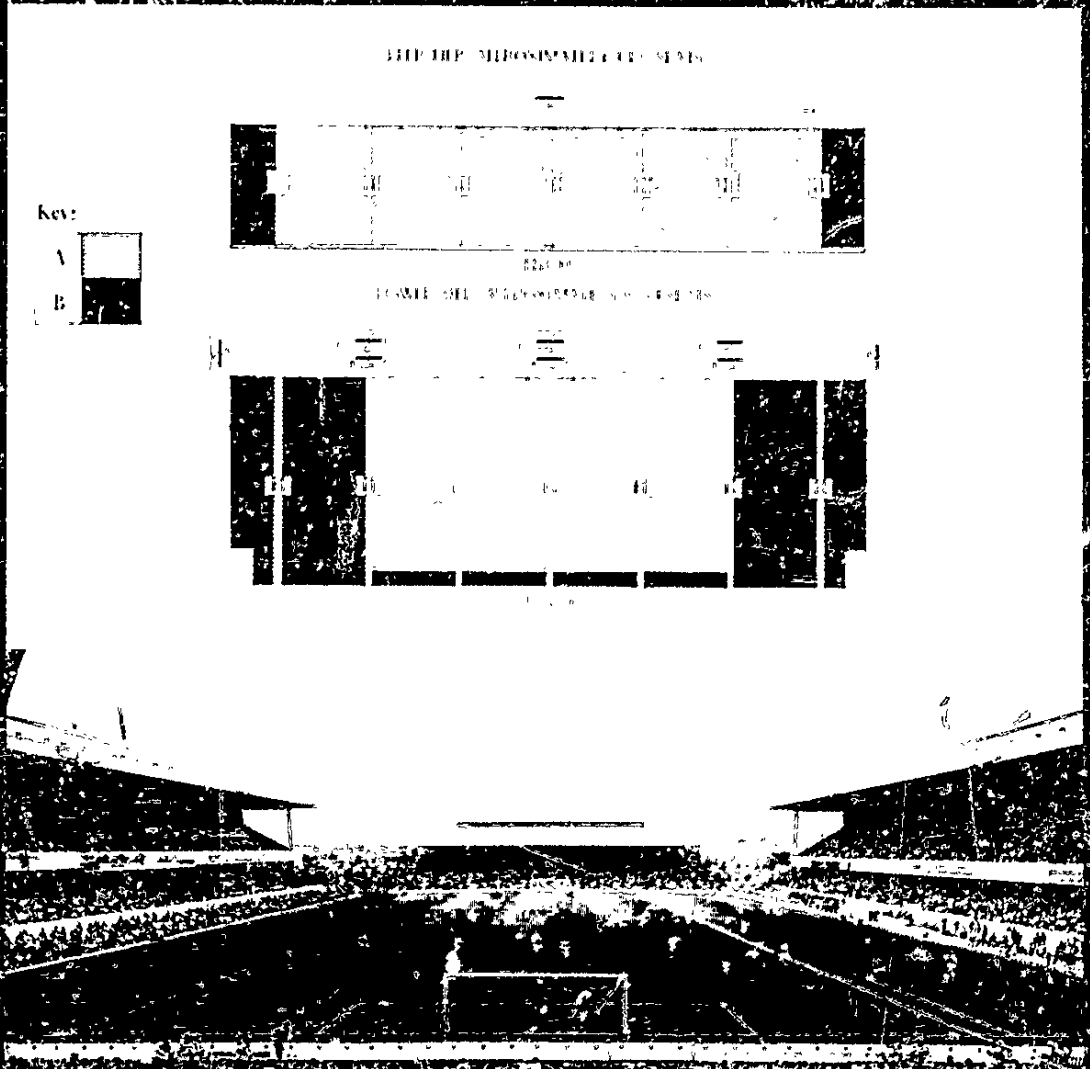
The Bank, in making loans available under the Preferred Loan Scheme, does not express any views on the merits of the investment or that subscribing for a Bond issued by the Company is appropriate for any particular applicant.

IAN WRIGHT CELEBRATES
THE FIRST GOAL OF HIS HAT-TRICK
ON HIS LEAGUE DEBUT
AT SOUTHAMPTON
SEPTEMBER 1991

WALL ANTORGET
ANDERS LIMPAR'S 9 YARD
CHIP JUST INSIDE
LIVERPOOL'S HALF
APRIL 1992

PICTURE TAKEN FROM THE CLOCK END TO ILLUSTRATE THE VIEW LIKELY TO BE AVAILABLE FROM THE UPPER TIER OF THE NORTH BANK STAND





PICTURE TAKEN FROM THE CLOCK END TO ILLUSTRATE THE VIEW LIKELY TO BE AVAILABLE FROM THE LOWER TIER OF THE NORTH BANK STAND

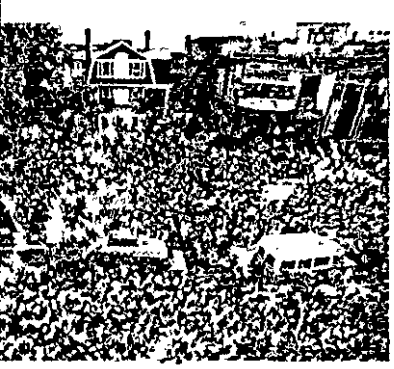
SIGN-UP

HOW TO APPLY

IF, AFTER having read the Prospectus Pack, you decide to apply for a Bond, all you have to do is to complete the enclosed Application Form following the instructions printed on the form. Use the accompanying *pre-paid envelope to send the completed form*, together with your payment if you are paying by cheque or banker's draft, to The Arsenal Bond Office, Freepost 146, London, N5 1SW. Please note that an application for a Bond is irrevocable.

If you are applying for a Preferred Loan to meet the whole of the cost of your total application, you should also complete the Loan application form which forms part of the Application Form.

Your application will be processed when it is received by The Arsenal Bond Office and, subject to availability, a Bond will be reserved in your name. Once your payment has been cleared, a Bond will be allocated and an acknowledgement despatched as soon as possible thereafter. Interim Debenture Certificates will be issued by The Arsenal Bond office within 48 days of the date of acknowledgement.



IF YOU HAVE any doubts about what to do, please consult your solicitor, accountant or other professional adviser immediately. Investment in an unquoted Bond of this nature, being an illiquid investment, is speculative involving a degree of risk as well as the possibility of capital growth. The value of unquoted Bonds can go down as well as up.

PLEASE NOTE THAT the definitions of certain words and phrases used in this Brochure are set out in Part 2 of the accompanying Prospectus, to which you must refer in any event for full details of The *Arsenal Bond*.

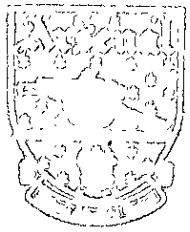
If you have any questions about The Arsenal Bond or how to apply, please telephone The Arsenal Bond Office on 0345 198991.

EXTRA ~~TIME~~ -VALUE

GUARANTEED SAVINGS TO BONDHOLDERS

BUYING SEASON TICKETS

SEE PAGE 6 — "SIGN FOR THE ARSENAL"



ACHIEVEMENTS

LEAGUE CHAMPIONS
1931, 1933, 1934, 1935, 1938,
1948, 1953, 1971, 1989, 1991

RUNNERS-UP
1926, 1932, 1973

FA CUP WINNERS
1930, 1936, 1950, 1971, 1979

RUNNERS-UP
1927, 1932, 1952, 1972, 1973, 1980

LITTLEWOODS CUP WINNERS
1987

RUNNERS-UP
1968

FOOTBALL LEAGUE CUP
RUNNERS-UP
1983, 1989

EUROPEAN WINNERS CUP WINNERS
1970

EUROPEAN CUP WINNERS CUP
RUNNERS-UP
1990

[illegible] TROPHY WINNERS
1[illegible]

[illegible] INTERNATIONAL
[illegible] WINNERS
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[illegible]
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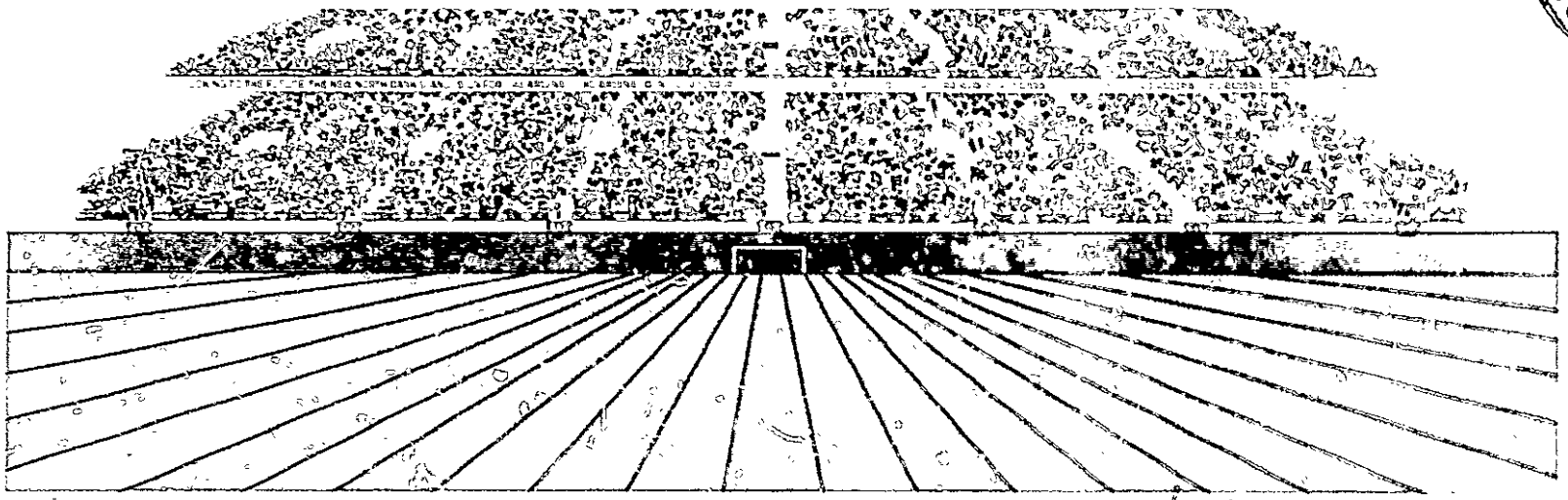
THE
ARCHIVAL BOND

QUESTIONS & ANSWERS

COMPANIES
14 AUG 1992
L C
HOUSE



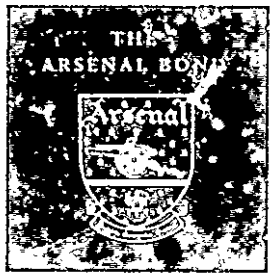
as Attorney for D J Hill Black

DJD

as Attorney for R G Gibbs

as Attorney for Robert Bellinger

as Attorney for C B L Carr



as Attorney for R

as Attorney for D J

as Agent for J D Crosby
& Co (Jersey) Limited
as Agent for M D Weir
& Co (Jersey) Limited

1. IS THE TAYLOR REPORT HERE TO STAY?

Yes. After the last general election the Government repeated its commitment to The Taylor Report in a statement by David Mellor, Minister for Heritage, in July 1992. He said that "We, the Government, have decided that it would be wrong to review either the principle or the timetable for all-seating at First Division grounds in the Football League (the new Premier League)."

The only relaxation of the Report which has been granted is for what are now Second and Third Division clubs in the Football League where some standing accommodation may be retained provided the remaining is safe.

David Mellor has emphasised that "It is essential that our top clubs meet the standards necessary to compete in Europe and make full use of the resources available to them to provide grounds of which we can all be proud."

Arsenal is committed to achieving that goal.

What does The Taylor Report mean?

Its recommendations are clear – supporters should only be admitted to seated accommodation at matches played by the FA Premier League clubs and First Division Football League clubs by the start of the 1994/1995 season. These recommendations will be implemented by the Football Licensing Authority who will determine the granting of the necessary safety certificates to the Clubs.

What will happen if our Club doesn't comply with The Taylor Report?

As supporters will not be admitted to any area of Highbury where seating has not been installed, this could mean that some 26,000 supporters would be refused admission to the ground.

The consequences of shutting out so many supporters could be catastrophic for Arsenal. It could mean approximately £6.24m per season in lost revenue, resulting in less money available both for maintaining a strong team and continuing the tradition of a quality Club. Everyone at Arsenal, players, supporters, officials and directors, have always prided themselves on being at the forefront of the game. This is not the time to change our way of thinking. We only have until August 1994 to comply with the Report. What's more the Government have said that they are not backing down and the Football Licensing Authority are committed to ensuring implementation of the recommendations within the time limits. Norman Jacobs, the Chairman of the Football Licensing Authority has made the position quite clear saying "Any Premier League or First Division Club which ignores this (The Taylor Report) as a fact of life may well be committing suicide".

The Taylor Report is here to stay.

2. WHAT IS THE ARSENAL BOND?

The Arsenal Bond is the Club's initiative in response to The Taylor Report. It is also the Bondholder's guarantee to a seat in the marvellous new North Bank Stand and all the benefits at a price exclusively available to Bondholders.

The decision to raise the money required to build the Stand, so as to comply with the Report, by way of a Bond issue was not taken lightly. The Club carefully considered other options for raising the £22.5m necessary to redevelop the stadium into all-seater but considered these to be inappropriate.

Why?

To borrow such a large amount of money would place a huge burden of debt on the Club for many years to come and prevent it from investing money in players and other facilities. Arsenal's policy has always been to provide the manager with the maximum resources possible for team-building.

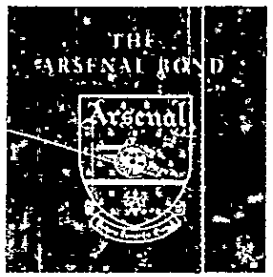
To part fund the raising of the money by selling Club assets could mean the sale of key players, the result of which could be catastrophic for the team's performance — something that everyone at Arsenal would be anxious to avoid.

A share flotation has been much discussed and may seem attractive to some but the record of share values of those clubs which have adopted this method of financing is not encouraging and, in any event, may not raise sufficient funds for the redevelopment. Further, if the Club were to make a public share offer and a minimum level of subscription was not reached within 40 days (in this case the minimum level would have been in excess of £16.5m) the Club would have to return all application monies, while still having to meet the costs of Issue. It must be clear to our supporters that we could not possibly raise a sum of this size within such a short period of time. The Arsenal Bond Scheme gives us a great deal more flexibility to raise the money we need.

3. WHAT WILL I GET FOR MY MONEY?

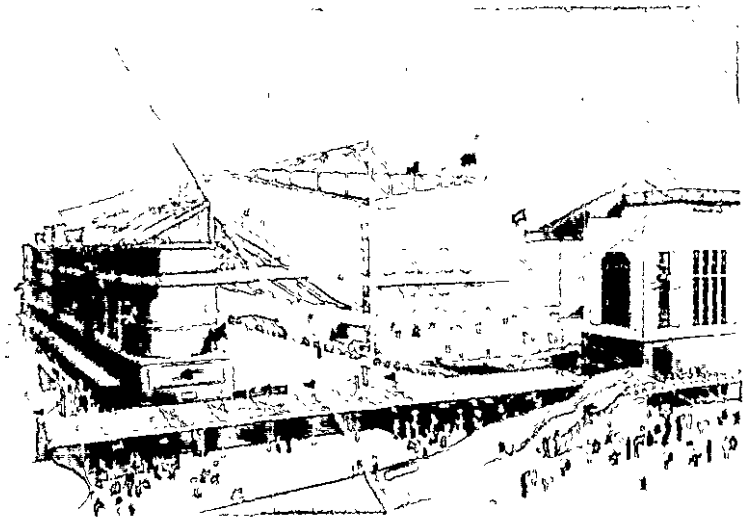
- guaranteed ticket allocation rights in other areas of the Stadium during the 1992/93 season, when capacity will be reduced to approximately 29,000 during construction work, subject to a written application for a ticket being received by the Club's Box Office not earlier than two months nor later than one month prior to the desired fixture.
- the exclusive right to purchase a Season Ticket for your own named seat in the splendid new all-seater North Bank Stand, at a price which the Club guarantees will not increase by more than the annual rate of inflation (measured by reference to the Government's Retail Prices Index) for the nine seasons from season 1994/95 to the end of the season 2002/2003.
- guaranteed rights to buy a ticket in respect of the Designated Seat for all other Arsenal first team matches at Highbury not covered by the Season Ticket (both domestic and European) where the allocation of a ticket for the Designated Seat is controlled by the Club, subject to availability.
- the right to purchase a ticket in respect of the Designated Seat for any other event where the Club retains primary control over allocation of the Designated Seat.
- access to new, exciting concourse areas with superior catering outlets, closed circuit TVs, modern toilet facilities. The Arsenal Museum and a travel club office. In addition the Club will be making available a limited number of creche places with priority being given to Bondholders.
- membership of the Bondholders Club which will include promotions, functions and special Bondholders merchandise.
- a specially designed and numbered Bond Certificate signed by the Chairman and Manager of the Club.
- the opportunity to sell your Bond on the secondary market organised on behalf of the Club, subject to a buyer being available.

Once a Bond has been purchased the Club cannot and will not request further monies from Bondholders for the redevelopment work.


THE
ARSENAL BOND
Arsenal

4. WHAT WILL THE NEW STAND LOOK LIKE?

On completion of the redevelopment, the capacity at Highbury will be reduced from 44,397 to approximately 37,000 with the new North Bank Stand seating approximately 12,366 supporters. During the construction period (ie season 1992/93) the Stadium's capacity has been reduced to approximately 29,000.



Artist's Impression — North Bank Stand

5. CAN I SIT NEXT TO FRIENDS WHO ARE ALSO APPLYING FOR BONDS IN THE SAME AREA?

Yes—by returning, in the same envelope, all the individual application forms of those supporters who wish to sit together. The Club will then endeavour to accommodate all seating requests.

6. WHEN WILL SEATS BE ALLOCATED?

The allocation of seats has started and Bondholders will be invited to the Stadium and given the opportunity to choose their seats(s), subject to availability.

7. WHAT HAPPENS TO BOND SEATS THAT ARE NOT SOLD?

They will be sold on a match by match basis albeit at a premium price. The Club has decided that Season Tickets for the new North Bank Stand will ONLY be sold to Bondholders.

8. HOW MUCH WILL THE SEASON TICKETS BE?

Annual Season Tickets for the North Bank Stand will be priced at £240 and £195 (for £1,500 and £1,100 Bonds respectively) for Season 1992/93 compared with £190 for a 1991/92 Season Ticket for the North Bank Terrace (standing).

For the following nine Seasons (ie Season 1994/95 through to the end of Season 2002/2003) the Club will guarantee NOT to increase the Season Ticket prices for the North Bank Stand by more than the annual rate of inflation which will be measured by reference to the Government's Retail Prices Index or any replacement index ("RPI"). Bondholders' Season Ticket prices will be fixed in May of each year and the RPI figure that will be used will be for the year to the previous April. If there is no RPI figure available at any time, the figure to be used will be the last published RPI figure. The accompanying tables give an indication of the possible savings for Bondholders assuming a future annual inflation rate of 5%, with the prices rounded up or down to the nearest £5. In the year to April 1992 the annual increase in the RPI was 4.3%.

Illustrative tables showing possible savings for 'A' and 'B' Bondholders

'A' Bond (£1,500)

SEASON	ILLUSTRATIVE BONDHOLDER SEASON TICKET PRICE*	ILLUSTRATIVE NON-BONDHOLDER SEASON TICKET PRICE**	'A' BONDHOLDERS POSSIBLE SAVING PER SEASON
1993/94	£240	£405	£165
1994/95	£250	£425	£175
1995/96	£265	£445	£180
1996/97	£280	£470	£190
1997/98	£290	£490	£200
1998/99	£305	£515	£210
1999/2000	£320	£545	£225
2000/01	£340	£570	£230
2001/02	£355	£600	£245
2002/03	£370	£630	£260

POSSIBLE SAVINGS FOR 'A' BONDHOLDERS
OVER 10 SEASONS = £2,080

'B' Bond (£1,100)

SEASON	ILLUSTRATIVE BONDHOLDER SEASON TICKET PRICE*	ILLUSTRATIVE NON-BONDHOLDER SEASON TICKET PRICE**	'B' BONDHOLDERS POSSIBLE SAVING PER SEASON
1993/94	£195	£310	£115
1994/95	£205	£325	£120
1995/96	£215	£340	£125
1996/97	£225	£360	£135
1997/98	£235	£375	£140
1998/99	£250	£395	£145
1999/2000	£260	£415	£155
2000/01	£275	£435	£160
2001/02	£290	£460	£170
2002/03	£300	£480	£180

POSSIBLE SAVINGS FOR 'B' BONDHOLDERS
OVER 10 SEASONS = £1,445

These possible savings show that Bondholders, who subscribe for their Bonds prior to the 1993/94 Season, could, within the ten Seasons from Season 1993/94, save an amount equivalent to the price paid for their Bond. It is intended that Bonds will be in issue for not less than 35 years and not more than 150 years.

* For illustrative purposes the price of a Season Ticket to a Bondholder for Season 1993/94 and the succeeding seasons has been assumed to increase at the rate of 5% per annum rounded up or down to the nearest £5.

** Based on current Season Ticket prices at the Stadium it is anticipated that at least 1 Tickets will be available to non Bondholders to the North Bank Stand from the start of Season 1993/94 the price would be £405 or £450 depending on the position of the seat. For illustrative purposes this figure has been assumed to increase at the rate of 5% per annum rounded up or down to the nearest £5. It is emphasised that the Club will not sell Season Tickets for the new North Bank Stand to non Bondholders.

9. IS THERE ANY REAL ADVANTAGE OF BEING A BONDHOLDER – COULD I JUST BECOME A MEMBER OF THE ARSENAL TICKET REGISTRATION SCHEME?

Becoming a member of the registration scheme will not guarantee you a place at Highbury. Being a Bondholder will. The ticket registration scheme is simply a waiting list and will only provide you with a preference over other members of the general public for match day tickets.

10. IS THERE A CLOSING DATE FOR APPLICATIONS?

Applications will be treated on a strictly first come first served basis and the Directors will decide when it is appropriate to close the Issue.

11. HOW DO I APPLY FOR A BOND?

Anybody can apply as many times as they like for as many Bonds as they want simply by completing and returning the Application Form enclosed in the Prospectus Pack together with the appropriate remittance.

If you have not already received a new Prospectus Pack dated 14th August 1992 and would like to receive one or, require any assistance in completing the Application Form, people are available to help. Simply call The Arsenal Bond Office on 0345 198991; the lines are open from 9am-6pm Monday to Friday (calls charged at local rates).

This document has been approved for issue by CPL Corporate Finance Limited, a Member of The Securities and Futures Authority. It is not an invitation to subscribe for The Arsenal Bond. Applications will only be made on the basis of the Prospectus Pack. Definitions used in this document are set out in Part 2 of the Prospectus.

109244

Chartered Accountants

Spectrum House 20-26 Cursitor Street
London EC4A 1HY Telephone 071 405 2088
Facsimile 071 831 2206
DX458 London Chancery Lane WC 2

Our Ref: WGH/MFK/1-CS/sd

14 August 1992

The Directors
The Arsenal Football Club plc
Arsenal Stadium
Avenell Road
Highbury
London
N5 1BU

and

The Directors
CPL Corporate Finance Limited
46 Charlotte Square
Edinburgh
EH2 4HQ

Dear Sirs

The Arsenal Football Club plc
Issue of Debentures ("the Issue")

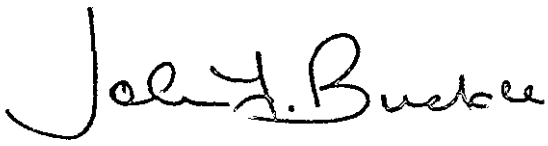
We hereby confirm that we have given and not withdrawn our consent:-

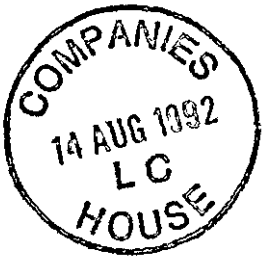
(a) to the inclusion of references to us in Prospectus Pack (as defined in the Prospectus dated 14 August 1992) relative to the Issue in the form and context in which they appear; and

(b) to the issue of the said Prospectus Pack relative to the Issue with our report (of the same date) included therein.

We attach a copy of the Prospectus pack initialled by us for the purpose of identification.

Yours faithfully





.....
J F Buckle
(for and on behalf of Kidsons Impey)

O:\awilk\sd\carobrow.let

109244

CPL CORPORATE FINANCE

MDW/JH

RECEIVED
13 AUG 1992

13th August 1992

The Arsenal Football Club plc
Arsenal Stadium
Highbury
London N5 1BU

Dear Sirs

THE ARSENAL FOOTBALL CLUB PLC
ISSUE OF DEBENTURES ("the Issue")

We hereby confirm that we have given and not withdrawn our consent:-

(a) to the inclusion of references to us in the Prospectus Pack (as defined in the Prospectus dated 14th August 1992) relative to the Issue in the form and context in which they appear; and

(b) to the issue of the said Prospectus Pack relative to the Issue.

We attach a copy of the Prospectus Pack initialled by us for the purpose of identification.

Yours faithfully

Mark D Walker
Director

COMPANIES
14 AUG 1992
L C
HOUSE

109244

BANK OF SCOTLAND
Constituted by Act of Parliament 1695

U.K. Banking
Corporate Division
P.O. Box No. 12
Uberior House, 31 Grassmarket
EDINBURGH EH1 2JF

Telephone: Direct Line: 031 243
Switchboard: 031-442 7777
Fax: 031-243 5948
Telex: 727583

Our Ref: PAB/J/6

Your Ref:

The Arsenal Football Club plc
Arsenal Stadium
Avenell Road
LONDON

and

CPL Corporate Finance Limited
46 Charlotte Square
EDINBURGH

11th August 1992

Dear Sirs,

We refer to the Prospectus Pack dated or intended to be dated 14th August 1992 ("the Prospectus") relating to the proposed issue of the Debenture Series (as such expression is defined in the Prospectus) and hereby consent to the references to the Bank in the form and context in which they appear in the Prospectus, including but not limited to the references and statements with respect to the Preferred Loan Scheme (as such expression is defined in the Prospectus) therein.

Yours faithfully,

.....

FOR AND ON BEHALF OF
BANK OF SCOTLAND

COMPANIES
14 AUG 1992
L C
HOUSE

Doc. Name: A144JM.DOC/GMB/sl

11 August, 1992

I, JAMES MACDONALD being a Director of CPL Corporate Finance Limited, hereby appoint Graeme Murray Bruce of 6/7 Blythswood Square, Glasgow as my agent to sign for me and on my behalf the following documents in connection with the issue ("the Issue") by The Arsenal Football Club plc of Debentures:-

(a) Prospectus to be dated 14th August, 1992;

(b) Brochure;

(c) Application Forms;

and any other documents which my agent deems necessary or appropriate for the Issue.

And I declare this appointment to be irrevocable.

.....

COMPANIES
14 AUG 1992
LC
HOUSE

Doc. Name: A144MW.DOC/GMB/sl

11 August, 1992

I, MARK DOUGLAS WALKER being a Director of CPL Corporate Finance Limited, hereby appoint Graeme Murray Bruce of 6/7 Blythswood Square, Glasgow as my agent to sign for me and on my behalf the following documents in connection with the issue ("the Issue") by The Arsenal Football Club plc of Debentures:-

(a) Prospectus to be dated 14th August, 1992;

(b) Brochure;

(c) Application Forms;

and any other documents which my agent deems necessary or appropriate for the Issue.

And I declare this appointment to be irrevocable.

.....

COMPANIES
14 AUG 1992
LC
HOUSE

109144

THE ARSENAL FOOTBALL CLUB PLC

STATEMENT OF ADJUSTMENTS

TO FINANCIAL INFORMATION INCLUDED IN

PROSPECTUS DATED 14 AUGUST 1992

COMPANIES
14 AUG 1992
L C
HOUSE

Kidsons Impey
Chartered Accountants
Spectrum House
20-26 Cursitor Street
London EC4A 1HY

KIDSONS IMPEY Chartered Accountants

Spectrum House 20-26 Cursitor Street
London EC4A 1HY Telephone 071 405 2088
Facsimile 071 831 2206
DX458 London Chancery Lane WC2

Our Ref: WGH/MFK/1-CS/cc

14 August 1992

The Directors
The Arsenal Football Club plc
Arsenal Stadium
Avenell Road
Highbury
London
N5 1BU

and

The Directors
CPL Corporate Finance Limited
46 Charlotte Square
Edinburgh
EH2 4HQ

Dear Sirs,

The Arsenal Football Club plc
Statement of Adjustments

We enclose a statement setting out the adjustments which we have made in arriving at the figures shown in our report dated 14 August 1992 which form part of the prospectus which you propose to publish in connection with the issue of Debentures.

We confirm that all adjustments, which are appropriate for the purposes of our report, have been made to the figures for the periods covered by our report and that we have not made any other adjustments.

Yours faithfully

Kidsons Impey

Kidsons Impey

Encl.

A member of HLB INTERNATIONAL A world-wide organisation of accounting firms

THE ARSENAL FOOTBALL CLUB PLC

STATEMENT OF ADJUSTMENTS

DETAILS OF THE ADJUSTMENT TO THE NOTES TO THE PROFIT AND LOSS ACCOUNT

Year ended 31 May 1989

	Statutory Accounts £	Notes	Adjustments DR (CR)	Accountants' Report £
Management remuneration including pension contributions and remuneration of highest paid director	77,000	1	3,850	80,850

Year ended 31 May 1990

	Statutory Accounts £		Adjustments DR (CR)	Accountants' Report £
		1	5,078	
		2	17,500	
Management remuneration including pension contributions	101,000		22,578	123,578
Remuneration of highest paid director	101,000	1	5,078	106,078

Year ended 31 May 1991

	Statutory Accounts £		Adjustments DR (CR)	Accountants' Report £
Management remuneration including pension contributions	163,050	2	(13,317)	149,733

NOTES

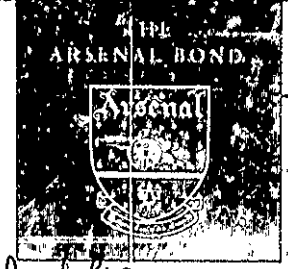
1. Directors' pension scheme contributions paid by the Company were not disclosed in the statutory accounts for all years These contributions are now disclosed for all years in the Accountants Report.

2. Adjustments to the Directors' remunerations to reflect remuneration voted after the accounts were signed. Bands of other Directors' remuneration adjusted to reflect this in the Accountants' Report.

109244

Our Ref: 1~

Friday 14 August, 1992



as Agent for JM McDonald CPL Corporate Finance Ltd

as Agent for MD Waller CPL Corporate Finance Ltd

as Attorney for PD Hill Wood

as Attorney for Sir Robert Bellis

BSD

as Attorney for RG Gibbs

as Attorney for CEBC Corr

as Attorney for DD Fiszman

KJF

2~ 3~
4?~
5?~
6?~
7?~
8?~
9?~
13?~

Dear 14~

THE ARSENAL BOND

Thank you for enquiring about The Arsenal Bond.

As you may be aware, work on our North Bank Stand started on 5th May 1992 and, when completed in August 1993, will be a major step forward for us in satisfying the requirements of The Taylor Report. All of us at the Club are saddened to see the demolition of our famous North Bank Terrace but The Taylor Report recommends that spectators should only be admitted to seated accommodation at matches played by what are now FA Premier League clubs and First Division Football League clubs by the start of Season 1994/95. The Report's recommendations will be implemented by the Football Licensing Authority who will determine the granting of the necessary safety certificates to allow clubs to admit supporters to their stadia.

The Arsenal Bond should enable us to build a superb stadium with little effect on the funds needed for team building and player purchases. Whichever Bond you choose, either £1,100 or £1,500, the cash raised will go towards re-developing the Arsenal Stadium and for no other purpose. Money that would otherwise be spent on redevelopment can therefore be used by our manager to maintain and build our squad of players.

I have enclosed the new Prospectus Pack for your information. If you look in the Brochure you will see the benefits of being a Bondholder, details of the new prices for Bondholders Season Tickets and how, over 10 years, Bondholders could save an amount in excess of the price paid for their Bond (see page 6 of the Brochure).

We started Season 1992/93 as a founder member of the new FA Premier League. Let's build a stadium that is worthy of one of the best teams in England. With The Arsenal Bond we have the opportunity to do just that.

If you have any questions about The Arsenal Bond, please do not hesitate to call The Arsenal Bond Office on 0345 198991.

Yours sincerely

Peter Hill-Wood, Chairman

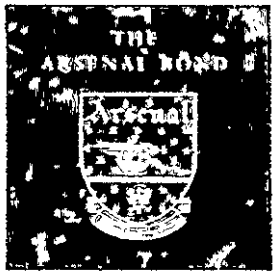
COMPANIES
14 AUG 1992
L C
HOUSE

This letter has been approved for issue by CPL Corporate Finance Limited, a Member of The Securities and Futures Authority Limited. It is not an invitation to subscribe for The Arsenal Bond. Applications must only be made on the basis of the Prospectus Pack. Definitions used in this letter are set out in Part 2 of the Second Prospectus.

Secretary: KJ FRIAR Manager: G GRAHAM
The Arsenal Bond Office, FREEPOST 146, London N5 1SW. The Arsenal Bond Hotline 0345 198991

The Arsenal Football Club plc Company Registration No. 1109244 England. Registered Office: Arsenal Stadium, Avenell Road, Highbury, London N5 1BU

	as Attorney for PD Hill (Wood)		as Attorney for RCL Carr
	DJD		as Attorney for DAF Swan
	as Attorney for Sir Robert Bellinger		KJA
	as Attorney for RG Gibbs		as Agent for J McDonald CPL Corporate Finance Ltd
	as Attorney for CEBL Carr		as Agent for M Bullen CPL Corporate Finance Ltd

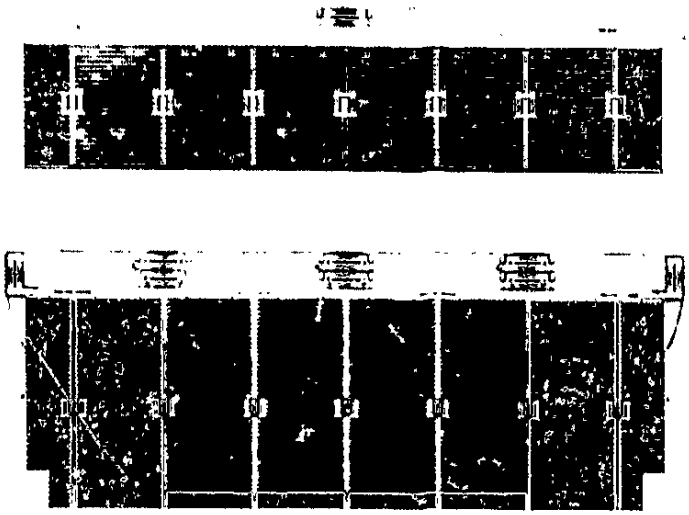


IMPORTANT

Please read carefully the enclosed instructions. When completed the Bond Application Form and, where appropriate, the Trust application form should be detached and returned in the enclosed prepaid envelope to The Arsenal Bond Office, Freepost 140, London NW1 8Yn. If you have any questions or need help please telephone The Arsenal Bond Office on 0345 198[illegible]

GUIDE TO THE BOND APPLICATION FORM

THE ARSENAL BOND



Area	Price per Bond
A	£1,500
B	£1,100

The following instructions should be read in conjunction with the Application Form. The definitions contained in Part 2 of the accompanying Prospectus have the same meaning and apply equally to the Application Form. BLOCK CAPITALS should be used throughout.

SECTION 1

Personal applicants only should complete Box 1A with their personal information. Corporate applicants should complete Box 1B only. Enter the name to appear in the Registered Holder section of the Bond certificate and the Designated Seat in the North Bank stand in which the Bond is to be allocated. Along the application form, you should also complete the appropriate Bond Box (in these instances the Bond Box should be the proposed Club Registered Holder).

If you have applied [illegible] in respect of [illegible] Bond, and you wish to have the names and addresses appearing on each Bond certificate [illegible] each Designated Seat, you should [illegible] and address [illegible] of paper and [illegible] Application Form.

SECTION 2

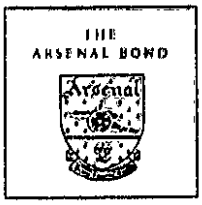
All applicants must complete this section by ticking the boxes provided. The number of Bonds you wish to apply for. For example, if you wish to apply for Bonds at £1,500 in the Upper Tier, you should insert "2" in the first box under "Upper Tier". If you wish 1 Bond at £1,100 in the Lower Tier, you should insert "1" in the last box under "Lower Tier". You may apply for more than one type of Bond in different areas. Please then insert the total of your application in the Box provided. The number of Bonds applied [illegible] each Bond.

SECTION 3

[illegible]

3A [illegible] Section 1 [illegible] Section 2 [illegible] Section 3

THE ARSENAL FOOTBALL CLUB plc
BOND APPLICATION FORM



Each application must be made in BLOCK CAPITALS on an approved Application Form and will be subject to the terms and conditions set out in the accompanying Prospectus (of which this Application Form is a part). Please read carefully the Prospectus Pack and the accompanying "Guide to the Application Form" and "Further Terms and Conditions of Application" before completing this form. Once completed this Application Form should be detached and returned in the prepaid envelope provided.

FOR OFFICIAL USE ONLY (SECOND PROSPECTUS)

Application No.	Code 1	Code 2

1A PERSONAL APPLICANT

Mr ☐ Mrs ☐ Miss ☐ Other ☐

Full name _____

_____

Address _____

_____

_____

_____

Post Code _____

Tel no: _____

Signature _____

1B CORPORATE APPLICANT

Company name _____

Address _____

_____

_____

_____

Post Code _____

Tel no: _____

Signature _____

Name of Signatory _____

Position held _____

1C REGISTERED HOLDER OF BOND (If different from applicant)

Mr ☐ Mrs ☐ Miss ☐ Other ☐

Full name _____

Address _____

_____

_____

_____

_____

Post Code _____

Tel no: _____

2 BOND APPLICATION

Please enter the number of Bonds you wish to apply for in the appropriate box(es) below.

I/We hereby irrevocably apply for Bond(s) as follows:—

Upper Tier of North Bank Stand £1,500 ☐ and/or £1,100 ☐ and/or Lower Tier of North Bank Stand £1,500 ☐ and/or £1,100 ☐

Total application price of Bonds applied for £

3 PAYMENT METHOD

Applicants may make payment, for the full price of Bond(s) applied for only, in one of three ways. Please complete one only of the sections below, as appropriate to your chosen payment method.

3A Payment by Cheque

I/We attach a cheque/banker's draft made payable to "The Arsenal Football Club plc" and crossed "Not Negotiable —A/C Payee Only" for

£

being the total price of Bond(s) applied for.

3B Payment by Credit Card

I/We hereby authorise Arsenal to debit my/our credit card account, details of which are as follows, with the total price of Bond(s) applied for and allocated to me/us:—

ACCESS ☐ VISA ☐

Name on card _____ Expiry Date _____

Card Number ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐

3C Payment by the Bond Personal Loan Scheme (for personal applicants only)

I/We have applied for a loan from Bank of Scotland on the accompanying Loan application form. I/We authorise that if loan facilities are made available to me/us under the terms of the Bond Personal Loan Scheme, the funds obtained may be drawn down from my/our loan account by Arsenal or their duly appointed agents in satisfaction of all sums due in respect of my/our Bond application.

Name(s) _____

Signature(s) _____ Date _____

THE ARSENAL FOOTBALL CLUB plc BOND ISSUE

PREFERRED LOAN APPLICATION FORM

BANK OF SCOTLAND
A FRIEND FOR LIFE

Application Number
Account Number

Data Protection Act

The personal information given on this Loan application form will be treated in confidence and will not be disclosed to any third parties, including other members of the Bank of Scotland Group except where permitted by law or where your consent has been received. The information will be held in confidence in Bank of Scotland's computer systems and may be used in the following ways:—

- the information will assist the Bank in providing the service for which you have applied.
- where a lending decision is involved, the information will aid the Bank in assessing the extent of the credit the Bank will offer to you. In taking credit decisions the Bank seeks to protect applicants from the dangers of over-commitment.
- to keep you informed of other services which may be of interest to you, provided the Bank have your consent to do so.
- enquiries may also be made with credit reference agencies and in such cases the agencies will keep a record of the Bank's enquiry. However, the Bank will only disclose to the agencies information about you in the event of your defaulting on a debt.

These uses of your personal information are covered by Bank of Scotland's registration under the Data Protection Act 1984. Under the terms of the Act you have the right to obtain a copy of the information Bank of Scotland holds about you, upon payment of the appropriate fee.

1 YOUR NAME AND ADDRESS

Mr ☐ Mrs ☐ Miss ☐ Other title ☐

First names

Surname

First names Second Applicant (Joint Application)

Surname

Permanent Address

Postcode ☐☐☐☐☐☐☐ Years at this address ____ yrs.

If at present address less than three years give former address

Years at former address ____ yrs.

2 YOUR PERSONAL DETAILS AND TELEPHONE NUMBER

Date of Birth ☐☐☐☐☐☐ Nationality

No. of Dependants — Children ☐ Others ☐

Home Telephone No. including STD Code

Business Telephone No. including STD Code

Are you — Single ☐ Married ☐ Widow/er ☐ Divorced ☐ Separated ☐

3 YOUR EMPLOYMENT

Are you a full time employee ☐ a part time employee ☐ Retired ☐

If a part time employee, number of hours worked per week ____ hrs.

N.B. If you work less than 16 hours per week, you will NOT be eligible for Scotgard Insurance.

Your occupation

Employer

Business Address

Years with present employer ____ yrs.

Second applicant's details (if applicable) Nationality

Occupation

Employer

Business Address

Years with present employer ____ yrs. Date of Birth ☐☐☐☐☐☐

4 YOUR HOME

Are you Owner ☐ Tenant Furnished ☐ Tenant Unfurnished ☐ With Parents ☐

Other (please state)

If house is mortgaged give name of lender

Estimated value of house £

Balance outstanding £

5 YOUR BANK

Bank ____ Sorting Code ☐☐-☐☐-☐☐

Branch Address (in full)

Account Number(s)

Years with present Bank ____ yrs.

Type of account — Cheque ☐ Deposit ☐ Loan ☐

Cheque guarantee card held ☐

6 CREDIT/CHARGE CARDS HELD

Bank of Scotland Visa ☐ Access ☐ Barclaycard ☐

Trustcard ☐ American Express ☐ Diners Club ☐

Other Visa cards (Names)

Store cards (Names)

Building Society cards (Names)

7 EXPENDITURE/INCOME (NOTE: Please enclose two most recent payslips)

Gross Annual Income — Self £ ____ p.a. Spouse ____ p.a.

MONTHLY EXPENDITURE IN £'s		MONTHLY INCOME IN £'s	
Mortgage		Self (after tax)	
Rent/Rates		Spouse (after tax)	
Life Assurance		Other Income (give details)	
Household Expenses			
H.P. & Other Payments (details below		Total Income LESS: Total Monthly Expenditure	
Total Monthly Expenditure		FREE FUNDS	

Give details of all current agreements with H.P. Companies, Stores, Finance Companies, Credit Cards, Loans etc.

NAME OF COMPANY	MONTHLY PAYMENT (£'s)	DATE OF FINAL PAYMENT	BALANCE OUTSTANDING (£'s)

8 INSURANCE DETAILS – SCOTGARD

LIFE, DISABILITY AND INVOLUNTARY UNEMPLOYMENT COVER

Please make sure you tick the following box if you wish us to arrange this valuable cover to pay your loan repayments. ☐ (cover ceases on attaining age 65).

NOTE: FOR JOINT APPLICATIONS, COVER WILL APPLY TO THE FIRST NAMED APPLICANT.

9 LOAN DETAILS

Amount of Loan Required £

Repayment Period ____ months

(See annual varying rates)

FOR OFFICE USE ONLY

Part 1

Amount of Loan £

Total Charge for Credit (Interest) £

Total Amount payable £

*Monthly Instalment £

Part 2

Scotgard Premium (if Applicable) £

Total Charge for Credit (Interest) £

Total Amount payable £

*Monthly Instalment £

Part 1 and 2

*Combined Monthly Instalment £

Period of Loan ____ Months

Date of 1st Instalment

Loan Sanctioned

Manager

DECLARATION TO BANK OF SCOTLAND

[illegible]

☐ I/We wish to be kept informed of other services which may be of interest to me/us

First Applicant's Signature ____ Second Applicant's Signature ____ Date ____

PLEASE ALSO COMPLETE AND SIGN THE DIRECT DEBITING INSTRUCTION ATTACHED. PLEASE DO NOT DETACH THIS FROM THE LOAN APPLICATION FORM.

IMPORTANT NOTE

SCOTGARD LIFE, DISABILITY AND INVOLUNTARY UNEMPLOYMENT INSURANCE

When you take out a loan you are planning for the future, using the money to improve the quality of your life. Not everything, however, can be planned. *The unexpected will happen.*

Consider for a moment the effect of an illness on your carefully worked out budget or what would happen should you suddenly become unemployed.

To protect you against the consequences of an accident, illness, unemployment or even your untimely death, Bank of Scotland has arranged special insurance, SCOTGARD, which they are pleased to recommend to all eligible borrowers.

WHAT IS SCOTGARD?

It is a special Life, Disability and Unemployment insurance scheme, arranged by Bank of Scotland Insurance Services Ltd., in conjunction with member Companies of Financial Insurance Group.

What does SCOTGARD Life, Disability and Unemployment Insurance provide?

In the event of your death during the term of your loan, the insurance company will pay the outstanding balance due on your loan, less arrears.

If you are incapacitated by accident or sickness for a period of 14 consecutive days or more, the insurance company will pay you 1/30th of your monthly repayment for each consecutive day you are unable to work.

Should you become unemployed for a period of 14 consecutive days or more, the insurance company will pay 1/30th of your monthly repayment for each consecutive day you are unemployed subject to a maximum of 12 monthly repayments per period of unemployment.

Once you have made your claim you will receive an initial payment and subsequent payments monthly.

Who is eligible for SCOTGARD Insurance?

Anybody who is in full time employment or engaged full time in business on their own or in partnership, at the date of taking out a loan. It should be noted however that cover ceases when you become 65 years of age. In the case of joint applications cover will be restricted to the first named signatory only.

How do I pay the premium?

Bank of Scotland shall include the premium in your loan.

When does SCOTGARD become effective?

Immediately, as soon as your loan is agreed.

Is a medical examination needed to obtain SCOTGARD insurance?

No.

SOME QUESTIONS ON THE DISABILITY ELEMENT OF SCOTGARD

How long will payments be made to me if I am sick or have an accident?

You will receive payments in respect of the period commencing the day on which you first received medical treatment from a qualified medical practitioner until your loan is repaid or you are able to return to work, whichever occurs first.

Am I covered by SCOTGARD if I am paid while off work, or if I have other insurance benefits?

Yes.

Are all occupations covered?

Yes. The only exclusions are where you are not in receipt of an income in respect of your occupation.

Is there a limit to the number of times I can claim?

No, provided each claim is covered under the terms of the policy.

Do I have to be confined to house or bed?

No, but you must be unable to work.

Must I have a doctor's certificate to support each claim?

Yes.

Are there any types of disability which are not covered?

Yes. These are:

a. any disability resulting from an accident or illness for which following diagnosis by a doctor medical treatment was received within the 12 months immediately prior to taking out your cover;

b. any disability from, or consequent upon childbirth, pregnancy or miscarriage;

c. any injury resulting from civil commotion or war, from the consumption of alcohol, or the taking of drugs other than under qualified medical advice, and any injury which is self inflicted.

Are there any other conditions?

Yes. The disability must:

(a) result from an injury or illness diagnosed after the commencement of your insurance cover, and

(b) must commence during a period while you are in full time employment or engaged full time in business on your own or in partnership.

SOME QUESTIONS ON THE UNEMPLOYMENT ELEMENT OF SCOTGARD

How long will unemployment claim payments be made to me?

You will receive payments in respect of the period commencing from the day you first became unemployed until you either obtain employment or a total claim benefit equal to 12 times your monthly repayments has been paid.

Are there any types of unemployment that are not covered by SCOTGARD?

Yes, the main exclusions are voluntary unemployment, including early retirement; unemployment which is seasonal or which you were aware of when taking out SCOTGARD or is the result of any wilful misconduct; any unemployment arising out of a strike or lock out in which you were directly or indirectly participating; any self inflicted injury. Furthermore, you need to have been in full time employment in the UK for at least 180 days prior to becoming unemployed. All unemployment cover ceases when you become 65 years of age.

Are there any other conditions?

Yes. The unemployment must be certified by an official of the Department of Employment. Benefit under this section will not be paid if you are already receiving payments under the Disability part of the scheme.

Are the self-employed covered?

Yes.

Full detailed the cover, terms and conditions are governed by law, a copy of which is available on request. Arranged by Bank of Scotland Insurance Services Limited and underwritten by Financial Assurance Company Limited and Financial Insurance Company Limited.

To help us deal quickly with your loan application please complete all boxes on this loan application form and on the mandate (below) in BLOCK LETTERS and tick boxes or sign where applicable. Loans are not available to persons under 18 years of age. Once completed this whole form should be detached and returned to The Arsenal Bond Office in the accompanying prepaid envelope along with your Bond Application Form. DO NOT detach the accompanying mandate form.

INSTRUCTION TO YOUR BANK/BUILDING SOCIETY TO PAY DIRECT DEBITS

DIRECT Debit

Please complete Parts 1 to 5 below to instruct your bank building society to make payments directly from your account. Then return this mandate to:

Bank of Scotland
Department PL
2 Robertson Avenue
Edinburgh EH11 1PZ

Originator's Identification Number 0 7 6 4 0 9

Originator's Reference _____

1 The Manager

_____

2 Name of account holder _____

3 Account Number

4 Sort Code — —

5 Your instructions to the bank, building society and signature.

- I instruct you to pay direct debits from my account at the request of Bank of Scotland.
- The amounts are variable and may be debited on various dates.
- I understand that Bank of Scotland may change the amounts and dates only after giving me prior notice.
- I will inform the bank building society in writing if I wish to cancel this Instruction.
- I understand that if any direct debit is paid which breaks the terms of this Instruction, the bank building society will make a refund.

Signature(s) _____

Date _____

Note: Banks/Building Societies may refuse to accept instructions to pay direct debits from some types of accounts.

REPAYMENT TERM

1 Monthly repayments can be set at an affordable level by choosing terms of 12, 24, 36 or 48 months.

2 Loans may be for £1,100 or £1,500 or any multiple/combination thereof up to a maximum of £10,500.

3 Monthly repayments are fixed for the period of the loan. The enclosed tables provide illustrative details of monthly repayments at the interest rate fixed for the purpose of the Bond Personal Loan Scheme.

4 Repayments will be made automatically each month from your ordinary bank account or eligible building society account by direct debit.

THE ARSENAL FOOTBALL CLUB plc
THE BOND PERSONAL LOAN SCHEME

THE ARSENAL BOND

ILLUSTRATIVE REPAYMENTS FOR A LOAN OF £1,100

(flat rate 10 per cent. per annum)

Term Months (total number of repay-ments)	APR %	With Insurance			Without Insurance	
		Total Amount Payable £	Includes Premium £	Monthly Repay-ment £	Total Amount Payable £	Monthly Repay-ment £
12	19.5	1,298.88	81.84	108.24	1,209.96	100.83
24	19.7	1,459.92	118.47	60.83	1,320.00	55.00
36	19.4	1,623.60	149.38	45.10	1,429.92	39.72
48	19.0	1,789.92	178.64	37.29	1,536.00	32.00

ILLUSTRATIVE REPAYMENTS FOR A LOAN OF £1,500

(flat rate 10 per cent. per annum)

Term Months (total number of repay-ments)	APR %	With Insurance			Without Insurance	
		Total Amount Payable £	Includes Premium £	Monthly Repay-ment £	Total Amount Payable £	Monthly Repay-ment £
12	19.5	1,771.20	111.60	147.60	1,650.00	137.40
24	19.7	1,990.80	161.55	82.95	1,800.00	75.00
36	19.4	2,214.00	203.70	61.50	1,949.76	54.16
48	19.0	2,440.80	243.60	50.85	2,088.00	43.50

EXPLANATORY NOTES

If you wish, an indication of what your repayment will be can be found from the relevant table above.

The repayment calculated by Bank of Scotland may differ by a few pence because of the effects of rounding. The precise repayment for the loan you have in mind and written quotations can, of course, be obtained from Bank of Scotland, Central Banking Services, Department PL, 2 Robertson Avenue, Edinburgh EH11 1PZ.

Notes

1. The premium for Scotgard Life Disability and Involuntary Unemployment Insurance will be included in your repayments unless you give a specific indication to the contrary in your loan application.
2. The rate of interest charged will remain constant throughout the chosen period.
3. In the event of early repayment a rebate of interest and insurance premium will be given. Full details are available from Bank of Scotland Central Banking Services at the address shown above.

Arsenal Bank plc, trading as Arsenal Personal Finance, the Bond application of 10 per cent. flat. Please see the illustrative repayment table above.

In the event that a application made for a Preferred Loan is successful, the correspondence from the applicant relating to the loan must be directed to Bank of Scotland. **Arsenal does not provide any loan facilities nor is it involved in the determination of any loan application. In the event that the Preferred Loan holder wishes to cancel his loan or amend his repayment schedule, correspondence must be directed to *Bank of Scotland*.** [illegible] Preferred Loan offered, [illegible] how they will offer their [illegible] services.

The Bank, in making loans available under the Preferred Loan Scheme, does not express any view on the merits of the investment or that subscribing for a Bond issued by the Company is appropriate for any particular applicant.

TERMS AND CONDITIONS

1. A Preferred Loan Account will be made available in your name by Bank of Scotland subject to the undermoted Terms and Conditions wherein "the Bank" means the Governor and Company of the Bank of Scotland, "Account" means the Preferred Rate Personal Loan Account and "You" and "Your" refers to the account holders.
2. The Bank reserves the right to make any enquiries it may deem necessary for confirmation of the particulars in the application form and for credit reference purposes.
3. The Bank will grant you a Preferred Loan ("the Loan") which will be repayable over the agreed repayment period in equal monthly instalments. Each month you shall pay to the Bank on or around the due date the monthly repayment as advised on the Preferred Loan agreement form.
4. Interest will be added to your Account on the current and applied at the rate ruling at the date [illegible] drawn. The interest rate shall remain [illegible] the term of the Loan.
5. [illegible]
6. [illegible]
7. [illegible]
8. You may redeem the Preferred Loan before the expiration of the final term upon notice in writing to the Bank. On any such repayment and provided all payments to the proposed date of repayment shall have been paid, a rebate will be made in respect of the unexpired portion of the interest. Information on the rebate of interest is available from the Bank at any time during the term of the Loan.
9. The Bank may at any time disclose to its agents, or any credit reference bureaux any information *on the Account and on your financial affairs.*
10. The following conditions apply to Accounts covered by Scotgard Insurance:-
    a) the Bank will add the cost of the single premium to the amount of the Loan at the outset and adjust the monthly payments to take account of this;
    b) the Bank may disclose at any time to the underwriters, Financial Insurance Group Limited, any information relating to you which is appropriate to the provision of insurance and the consideration of claims.

[illegible] that to comply with current legislation, Bank of Scotland, in common with all other Banks and Building Societies, has undertaken to observe detailed account opening procedures drawn up by the British Bankers' Association in co-operation with the Bank of England. You may therefore be required, on opening an account, to provide additional information which will verify your identity. In the event that these requirements are not satisfied, the Bank may suspend operations on the account until [illegible] is established. However, this will depend on individual circumstances, and in most cases will [illegible] no inconvenience to you.