

**CARLISLE UNITED ASSOCIATION
FOOTBALL CLUB (1921) LIMITED**

Report and Financial Statements

30 June 2000



Deloitte & Touche
Gainsborough House
34-40 Grey Street
Newcastle upon Tyne
NE1 6AE

REPORT AND FINANCIAL STATEMENTS 2000

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

M Knighton - Chairman and Chief Executive (Resigned 13 December 1999)
R McKnight (Resigned 4 January 2001)
A Doweck (Resigned 4 January 2001)
H A Jenkins (Resigned 4 January 2001)
J T T Fuller (Resigned 4 January 2000)
J W Smart (Appointed 13 July 1999; Resigned 29 January 2000)
P W H Fletcher (Appointed 13 July 1999; Resigned 4 January 2001)
G Crooks (Appointed 13 July 1999; Resigned 4 January 2001)
S Pattison (Appointed 13 July 1999; Resigned 4 January 2001)
A Whittaker (Appointed 1 May 2000)
M M Knighton (Appointed 4 January 2001)

COMPANY SECRETARY

J T T Fuller (Resigned 4 January 2000)
J M A Peel (Appointed 4 January 2000; Resigned 13 October 2000)
A Whittaker (Appointed 13 October 2000)

REGISTERED OFFICE

Brunton Park
Warwick Road
Carlisle
CA1 1LL

BANKERS

HSBC Bank plc
Midland Bank Chambers
Court Square
Carlisle
CA1 1QU

SOLICITORS

Addlestone Keane
Carlton Tower
34 St Pauls Street
Leeds
LS1 2QB

AUDITORS

Deloitte & Touche
Chartered Accountants
Gainsborough House
34-40 Grey Street
Newcastle upon Tyne
NE1 6AE

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 30 June 2000.

ACTIVITIES

The company's principal activity is that of a professional Football League Club.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The directors are satisfied with the results for the year and are confident that results will improve both on and off the field in the current year.

DIVIDENDS AND TRANSFERS TO RESERVES

The directors do not recommend the payment of a dividend for the year. Retained losses of £602,030 (1999 – profit of £286,374) have been transferred (from)/to reserves.

DIRECTORS AND THEIR INTERESTS

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

C.U.F.C. Holdings Limited, a company controlled by Mr M Knighton, held 134,679 shares in the company at 30 June 2000 (1999 - 134,679). Details of Mr Knighton's shareholding in C.U.F.C. Holdings Limited are disclosed in the accounts of that company. The other directors had no interests in the share capital of the company or its ultimate parent company during the year.

DONATIONS

During the year the company made charitable donations to the value of £275 (1999 : £350).

AUDITORS

A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

DIRECTORS' REPORT (CONTINUED)

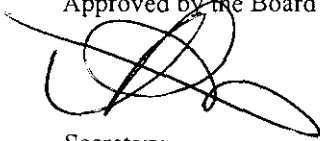
STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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



Secretary

Date 30/4/01



**AUDITORS' REPORT TO THE MEMBERS OF
CARLISLE UNITED ASSOCIATION
FOOTBALL CLUB (1921) LIMITED**

We have audited the financial statements on pages 5 to 20 which have been prepared under the accounting policies set out on page 9 and 10.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements which are required to be prepared in accordance with applicable English law and United Kingdom accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants and
Registered Auditors

30 April 2001.

**PROFIT AND LOSS ACCOUNT
Year ended 30 June 2000**

	Note	2000 £	1999 £
TURNOVER	2	<u>1,564,256</u>	<u>1,654,391</u>
Staff costs	3	1,346,094	1,313,890
Depreciation		199,015	84,037
Grants released		(38,587)	(23,521)
Other operating charges		<u>1,075,139</u>	<u>1,346,364</u>
		<u>2,581,661</u>	<u>2,720,770</u>
OPERATING LOSS BEFORE AMORTISATION OF PLAYERS		(1,017,405)	(1,066,379)
Amortisation of players		-	(100,000)
OPERATING LOSS	4	(1,017,405)	(1,166,379)
Profit on disposal of players		<u>342,500</u>	<u>1,689,693</u>
Profit before interest and taxation		(674,905)	523,314
Net interest payable	5	<u>(85,275)</u>	<u>(73,126)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(760,180)	450,188
Tax on (loss)/profit on ordinary activities	6	<u>(158,150)</u>	<u>163,814</u>
RETAINED (LOSS)/PROFIT FOR THE FINANCIAL YEAR TRANSFERRED (FROM)/TO RESERVES	7	<u>(602,030)</u>	<u>286,374</u>

All amounts stated above are derived from continuing operations.

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
Year ended 30 June 2000**

	Note	2000 £	1999 £
(Loss)/profit for the year		(602,030)	286,374
Surplus arising on revaluation of fixed assets		100,000	-
Total recognised gains and losses relating to the year (as above)		(502,030)	286,374
Prior period adjustment (note 27)		-	100,000
Total gains and losses recognised since last annual report		(502,030)	386,374

NOTE OF HISTORICAL COST PROFITS AND LOSSES

	2000 £	1999 £
(Loss)/profit on ordinary activities before taxation	(760,180)	450,188
Difference between the historic cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	43,737	-
Historical cost (loss)/profit on ordinary activities before taxation	(716,443)	450,188
Historical cost (loss)/profit for the year after taxation	(558,293)	286,374

RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
(Loss)/profit for the financial year	(602,030)	286,374
Surplus arising on revaluation	100,000	-
Net (reduction in)/ addition to shareholders' funds	(502,030)	286,374
Opening shareholders' funds	4,030,400	3,744,026
Closing shareholders' funds	3,528,370	4,030,400

**CARLISLE UNITED ASSOCIATION
FOOTBALL CLUB (1921) LIMITED**

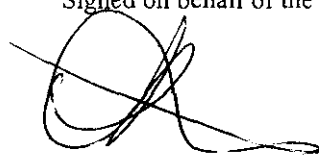
**Deloitte
& Touche**

**BALANCE SHEET
30 June 2000**

	Note	2000 £	1999 £
FIXED ASSETS			
Intangible assets	8	-	-
Tangible assets	9	6,128,773	6,184,295
		<u>6,128,773</u>	<u>6,184,295</u>
CURRENT ASSETS			
Stocks	10	20,077	30,907
Debtors	11	745,224	985,516
Cash at bank and in hand		54,482	15,314
		<u>819,783</u>	<u>1,031,737</u>
CREDITORS: amounts falling due within one year	12	<u>(1,975,300)</u>	<u>(1,906,369)</u>
NET CURRENT LIABILITIES		<u>(1,155,517)</u>	<u>(874,632)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,973,256	5,309,663
CREDITORS: amounts falling due after more than one year	13	(290,332)	(78,005)
DEFERRED INCOME	15	(1,078,437)	(1,100,446)
PROVISIONS FOR LIABILITIES AND CHARGES	16	<u>(76,117)</u>	<u>(100,812)</u>
TOTAL NET ASSETS		<u>3,528,370</u>	<u>4,030,400</u>
CAPITAL AND RESERVES			
Called up share capital	17	144,891	144,891
Revaluation reserve account	7	2,143,108	2,086,845
Profit and loss account	7	1,240,371	1,798,664
TOTAL EQUITY SHAREHOLDERS' FUNDS		<u>3,528,370</u>	<u>4,030,400</u>

These financial statements were approved by the Board of Directors on

Signed on behalf of the Board of Directors


Director 30/4/01

**CASHFLOW STATEMENT
Year ended 30 June 2000**

	Note	2000 £	1999 £
Net cash outflow from operating activities	20	(602,518)	(1,437,014)
Returns on investments and servicing of finance	21	46,924	(73,314)
Taxation		(309,128)	-
Capital expenditure	22	299,007	1,677,101
Cash (outflow)/inflow before financing		(565,715)	166,773
Financing – Increase/(decrease) in debt	23	300,458	(72,969)
(Decrease)/increase in cash in the year	24	(265,257)	93,804

**NOTES TO THE ACCOUNTS
Year ended 30 June 2000**

1. ACCOUNTING POLICIES

The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention as modified by the revaluation of freehold property.

The format of accounts has been adopted to conform with the normal presentation amongst football clubs.

Players registrations

In accordance with Financial Reporting Standard No. 10, the cost of player registrations is capitalised and amortised over the period of the player's contract.

Signing on fees are accounted for in the period in which they become payable. This represents a change in accounting policy and the results of the previous financial year have been restated on this basis.

Players transfer fees

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

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation. No depreciation is provided on freehold land. On other assets depreciation is provided on annual instalments over the estimated useful lives of the assets. The rates in use are as follows:

Freehold buildings	2% straight line
Furniture, fittings and ground equipment	10% straight line
Motor vehicles	25% straight line

Grants

Grants receivable from the Football Trust in respect of capital expenditure are treated as deferred income and released to the profit and loss account so as to match the depreciation charged on the fixed assets purchased with the grant. Deferred grant income in the balance sheet represents total grants received less amounts credited to the profit and loss account.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost represents the purchase price of goods for resale.

Deferred income

Revenue derived from season tickets, advertising and sponsorship is credited to income in the year to which it relates.

Leases

Assets held under finance leases and hire purchase contracts are capitalised at their fair value on inception of the leases and depreciated over their estimated useful lives. The finance charges are allocated over the period of the lease in proportion to the capital amount outstanding.

Pension costs

Pension costs represent contributions to the directors and employees defined contribution personal pension plans. Pension costs are charged to the profit and loss account as they become payable to the pension plan.

NOTES TO THE ACCOUNTS
Year ended 30 June 2000

1. ACCOUNTING POLICIES (continued)

Deferred taxation

Deferred taxation is provided on timing differences, arising from the different treatment of items for accounting and taxation purposes, which are expected to reverse in the future, calculated at the rates at which it is expected that tax will arise.

In view of the expected continuing use of the freehold properties within the trade, no provision is considered necessary in respect of the potential liability which might arise in the event of the disposal of the properties at the amounts at which they are included in these accounts, and in the opinion of the directors it would be impracticable and of no relevance to attempt to quantify such a liability.

Operating leases

Operating leases rentals are charged to profit and loss in equal annual amounts over the lease term.

2. TURNOVER

Turnover, which arises in the United Kingdom, represents amounts received and receivable in respect of football matches and other operating income, stated net of value added tax.

	2000 £	1999 £
Football income	772,527	753,288
General donations	11,864	5,042
Other non-football income	779,865	896,061
	<u>1,564,256</u>	<u>1,654,391</u>

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2000 £	1999 £
Directors' emoluments:		
Remuneration	67,982	193,061
Compensation for loss of office	30,000	-
	<u>97,982</u>	<u>193,061</u>

No pension contributions were made in respect of directors (1999 – nil).

Staff costs (including directors):

Wages and salaries	1,233,649	1,199,573
Social security costs	107,653	101,781
Pension costs	4,792	12,536
	<u>1,346,094</u>	<u>1,313,890</u>

Employee numbers:

	No.	No.
Football staff	44	44
Administration	85	95
	<u>129</u>	<u>139</u>

**NOTES TO THE ACCOUNTS
Year ended 30 June 2000**

4. OPERATING LOSS

	2000 £	1999 £
Operating loss is after charging:		
Amortisation of players	-	100,000
Depreciation		
Owned assets	192,967	62,729
Leased assets	6,048	21,308
Rentals under operating leases	114,848	224,812
Auditors' remuneration	7,500	6,750
	<u> </u>	<u> </u>
and after crediting:		
Profit on disposal of fixed assets	-	6,129
Grants released	38,587	23,521
	<u> </u>	<u> </u>

5. NET INTEREST PAYABLE

	2000 £	1999 £
Bank loans, overdrafts and other loans	53,132	55,343
Finance leases and hire purchase contracts	5,279	7,808
Other interest	143,098	15,800
Interest received	(116,234)	(5,825)
	<u> </u>	<u> </u>
	85,275	73,126
	<u> </u>	<u> </u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000 £	1999 £
United Kingdom corporation tax at 30% (1999 – 30.25%) based on the profit for the year	(165,771)	137,023
Deferred taxation	(24,695)	5,219
	<u> </u>	<u> </u>
	(190,466)	142,242
Adjustments in respect of prior years:		
Corporation tax	28,748	23,738
Deferred taxation	-	(2,166)
Group relief	3,568	-
	<u> </u>	<u> </u>
	(158,150)	163,814
	<u> </u>	<u> </u>

The tax credit arises following the carry back of current year tax losses against the profits of the year ended 30 June 1999 which results in a tax repayment.

NOTES TO THE ACCOUNTS
Year ended 30 June 2000

7. STATEMENT OF MOVEMENTS ON RESERVES

	Revaluation Reserve £	Profit and loss account £
At 1 July 1999	2,086,845	1,798,664
Loss for the year	-	(602,030)
Surplus on revaluation	100,000	-
Transfer of amount equivalent to additional depreciation on revalued assets	(43,737)	43,737
	<u>2,143,108</u>	<u>1,240,371</u>
At 30 June 2000	<u>2,143,108</u>	<u>1,240,371</u>

8. INTANGIBLE FIXED ASSETS

	Players Registrations £
Cost	
At 1 July 1999 and 30 June 2000	200,000
Disposals	(100,000)
	<u>100,000</u>
Amortisation	
At 1 July 1999	200,000
Charge for the year	-
Disposals	(100,000)
	<u>100,000</u>
At 30 June 2000	<u>100,000</u>
Net Book Value	
At 30 June 2000	<u>-</u>
At 30 June 1999	<u>-</u>

NOTES TO THE ACCOUNTS
Year ended 30 June 2000

9. TANGIBLE FIXED ASSETS

	Freehold property £	Freehold land £	Furniture fittings & ground equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 July 1999	5,320,000	418,023	789,794	35,990	6,563,807
Additions	-	-	37,833	5,660	43,493
Surplus on revaluation	100,000	-	-	-	100,000
At 30 June 2000	5,420,000	418,023	827,627	41,650	6,707,300
Accumulated depreciation					
At 1 July 1999	-	-	363,037	16,475	379,512
Charge for the year	108,400	-	80,212	10,403	199,015
At 30 June 2000	108,400	-	443,249	26,878	578,527
Net book value					
At 30 June 2000	5,311,600	418,023	384,378	14,772	6,128,773
At 30 June 1999	5,320,000	418,023	426,757	19,515	6,184,295
Comparable amounts determined according to historic cost convention					
Cost	3,233,155	418,023	827,627	41,650	4,520,455
Accumulated depreciation	64,663	-	443,249	26,878	534,790
At 30 June 2000	3,168,492	418,023	384,378	14,772	3,985,665
At 30 June 1999	3,233,155	418,023	426,757	19,515	4,097,450

The net book value of the company's fixed assets includes £33,261 (1999 - £39,310) in respect of assets held under finance leases and hire purchase contracts as follows:

	2000 £	1999 £
Furniture, fittings and ground equipment	33,261	39,310

FRS 15 Tangible Fixed Assets has been implemented and it has been decided that all Freehold property will now be held at valuation. Freehold land will be held at cost.

The Freehold property was valued by K Mosley a member of The Institute of Chartered Surveyors on 25 June 2000 on the basis of depreciated replacement cost. This valuation has been incorporated into these financial statements.

The Freehold land has not been depreciated.

NOTES TO THE ACCOUNTS
Year ended 30 June 2000

10. STOCKS

	2000 £	1999 £
Stock – Goods for resale	20,077	30,907

11. DEBTORS

	2000 £	1999 £
Trade debtors	38,560	66,664
Amounts owed by parent undertaking	537,337	362,431
Other debtors	-	556,346
Prepayments	3,556	75
Corporation tax recoverable	165,771	-
	<u>745,224</u>	<u>985,516</u>

Subsequent to the year end, the loan balance with CUFC Holdings was repaid in full.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £	1999 £
Bank loans and overdraft	527,846	151,421
Building Society mortgage	3,370	2,141
Brewery loan	5,905	5,905
Football Trust loans	6,666	39,996
Other mortgage loan	133,875	133,875
Obligations under finance leases and hire purchase contracts	6,048	12,095
Trade creditors	225,920	197,531
Directors' loan accounts	178,506	83,506
Other loan	50,000	-
Corporation tax	165,771	446,151
Group relief payable	3,568	-
Other tax and social security	424,306	435,685
Other creditors	146,819	260,303
Accruals and deferred income	96,700	137,760
	<u>1,975,300</u>	<u>1,906,369</u>

The bank loan and overdraft, brewery loan and other mortgage loan are secured by fixed and floating charges over certain of the company's freehold property.

Creditors include £178,506 (1999 - £83,506) owed to the directors. The maximum amount outstanding during the year was £178,506. The directors' current accounts are interest free and repayable on demand.

The parent undertaking has secured borrowings by fixed and floating charges over certain of the company's freehold property.

NOTES TO THE ACCOUNTS
Year ended 30 June 2000

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2000 £	1999 £
Building Society mortgage	-	4,680
Brewery loan	41,332	41,332
Football Trust loans	-	6,666
Bank loan	234,000	-
Obligations under finance lease and hire purchase contracts	-	6,048
Accruals and deferred income	15,000	19,279
	<u>290,332</u>	<u>78,005</u>

The accruals and deferred income balance will be released within five years.

14. BORROWINGS

	2000 £	1999 £
Bank overdraft	455,846	151,421
Bank loan	306,000	-
Building Society Mortgage	3,370	6,821
Brewery loan	47,237	47,237
Football Trust loans	6,666	46,662
Other mortgage loan	133,875	133,875
Obligations under finance leases and hire purchase contracts	6,048	18,143
	<u>959,042</u>	<u>404,159</u>
Due within one year	683,710	345,433
Due after more than one year	275,332	58,726
	<u>959,042</u>	<u>404,159</u>

The mortgage is repayable in instalments by the year 2001 on normal capital repayment reducing balance terms. Interest is charged at 12% APR.

The brewery loan is being written down against barrellage.

The Football Trust loan is repayable in instalments over five years and is interest free.

Finance lease and hire purchase creditors are secured on the related assets.

The HSBC bank loan is repayable in instalments over 5 years. Interest is charged at 3½% above LIBOR rate.

**NOTES TO THE ACCOUNTS
Year ended 30 June 2000**

14. BORROWINGS (Continued)

	2000 £	1999 £
Analysis of repayments:		
Obligations under finance leases and hire purchase contracts		
Within one year	6,048	12,095
Between one and two years	-	6,048
	<u>6,048</u>	<u>18,143</u>
Bank, Building Society, Brewery, other mortgage loan and Football Trust loans and overdrafts:		
Within one year	677,662	333,338
Between one and two years	77,905	14,712
Between two and five years	179,715	20,254
After five years	17,712	17,712
	<u>952,994</u>	<u>386,016</u>

15. DEFERRED GRANT INCOME

The movements in deferred grant income during the year were as follows:

	2000 £	1999 £
At 1 July	1,136,741	1,160,262
Grants released in the year	(38,587)	(23,521)
	<u>1,098,154</u>	<u>1,136,741</u>
At 30 June		
The amount is disclosed within accruals and deferred income as follows:		
Within one year	4,717	17,016
Due after more than one year	15,000	19,279
Deferred income - New East Stand	1,078,437	1,100,446
	<u>1,098,154</u>	<u>1,136,741</u>

Grant income has been received from the Football Trust against approved capital projects and is not repayable. It is the company's policy to release deferred income to the profit and loss account so as to match depreciation charged on the fixed assets purchased with the grant.

The company is now releasing the grant received for the East Stand so as to match the depreciation charged on the freehold property in accordance with FRS 15.

NOTES TO THE ACCOUNTS
Year ended 30 June 2000

16. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation

	2000 £	1999 £
At 1 July	100,812	97,759
Profit and loss account charge	(24,695)	5,219
Adjustment in respect of prior years	-	(2,166)
	<u>76,117</u>	<u>100,812</u>
At 30 June	<u>76,117</u>	<u>100,812</u>
The amount of deferred tax provided in full in the financial statements is as follows:		
Capital allowances in excess of depreciation	95,845	101,645
Short term timing differences	(734)	(833)
	<u>95,111</u>	<u>100,812</u>
Unutilised losses	(18,994)	-
	<u>76,117</u>	<u>100,812</u>

17. CALLED UP SHARE CAPITAL

	2000 £	1999 £
Authorised		
5,000,000 ordinary shares of £1.00 each	<u>5,000,000</u>	<u>5,000,000</u>
Called up, allotted and fully paid		
144,891 ordinary shares of £1.00 each	<u>144,891</u>	<u>144,891</u>

18. FINANCIAL COMMITMENTS

Operating lease commitments

At 30 June 2000 the company was committed to making the following payments in respect of operating leases:

	Other £
Leases which expire:	
Within one year	<u>60,089</u>

19. PENSION SCHEMES

The company operates a defined contribution pension scheme for the benefit of the employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £4,792 (1999 - £12,536).

NOTES TO THE ACCOUNTS
Year ended 30 June 2000

20. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2000 £	1999 £
Operating loss	(1,017,405)	(1,166,379)
Depreciation	199,015	84,037
Amortisation	-	100,000
Profit on disposal of fixed assets	-	(6,129)
Grant released	(38,587)	(23,521)
Decrease in stocks	10,830	16,102
Decrease/(increase) in debtors	406,063	(416,416)
Decrease in creditors	(162,434)	(24,708)
Net cash outflow from operating activities	<u>(602,518)</u>	<u>(1,437,014)</u>

21. RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2000 £	1999 £
Interest received	116,234	5,825
Interest paid	(64,031)	(71,331)
Interest element of finance lease rentals	(5,279)	(7,808)
Net cash inflow/(outflow) from returns on investments and servicing of finances	<u>46,924</u>	<u>(73,314)</u>

22. CAPITAL EXPENDITURE

	2000 £	1999 £
Payments to acquire tangible fixed assets	(43,493)	(12,742)
Receipts from sales of tangible fixed assets	-	150
Players registration fees paid	-	(84,057)
Players transfer fees received	342,500	1,773,750
Net cash inflow from capital expenditure	<u>299,007</u>	<u>1,677,101</u>

NOTES TO THE ACCOUNTS
Year ended 30 June 2000

23. FINANCING

	2000 £	1999 £
Debt due beyond a year:		
New borrowings	410,000	-
Repayment of secured loans	(97,447)	(45,971)
Capital element of finance lease rental payments	(12,095)	(26,998)
	<u>300,458</u>	<u>(72,969)</u>

24. A) RECONCILIATION OF NET CASHFLOW TO MOVEMENTS IN NET DEBT

Decrease in cash in the period	265,257
Cash inflow from increase in debt and lease finance	300,458
Movement in net debt in period	<u>565,715</u>
Net debt at 1 July 1999	<u>388,845</u>
Net debt at 30 June 2000	<u>954,560</u>

24. B) ANALYSIS OF CHANGES IN NET DEBT

	At 1 July 1999 £	Cashflows £	Other non-cash movements £	At 30 June 2000 £
Cash at bank and in hand	15,314	39,168	-	54,482
Overdrafts	(151,421)	(304,425)	-	(455,846)
	<u>(136,107)</u>	<u>(265,257)</u>	<u>-</u>	<u>(401,364)</u>
Debt due within one year	(181,917)	(89,899)	-	(271,816)
Debt due after one year	(52,678)	(222,654)	-	(275,332)
Finance leases	(18,143)	12,095	-	(6,048)
TOTAL	<u>(388,845)</u>	<u>(565,715)</u>	<u>-</u>	<u>(954,560)</u>

25. ULTIMATE PARENT COMPANY

At 30 June 2000 the ultimate parent company was C.U.F.C. Holdings Limited a company incorporated in England. Copies of the financial statements of C.U.F.C. Holdings Limited are available from Companies House, Crown Way, Cardiff, CF4 3UZ.

26. RELATED PARTY TRANSACTIONS

In the preparation of these financial statements the directors have taken advantage of the exemption under Financial Reporting Standard No. 8 Related Party Disclosures and have not disclosed the details of related party transactions with entities that are part of the same group.

NOTES TO THE ACCOUNTS
Year ended 30 June 2000

27. PRIOR PERIOD ADJUSTMENT

In the previous year the company made a prior period adjustment to change its accounting policy for the cost of payers' registrations in line with FRS 10 'Goodwill and Intangible Assets'.

Under the new accounting policy the company capitalises as an intangible asset the element of a player's transfer fee which relates to his registration together with associated costs and amortises that element over the period of his contract including subsequent agreed extensions. FRS 10 makes no provision for the value of players developed within the company.

Previously fees payable to and receivable from other football clubs on the transfer of players' registrations, together with associated costs were accounted for in the profit and loss account as 'net players transfers' in the period in which the transfer took place. The amortisation of players' registrations is disclosed separately in the profit and loss account.