

COMPANY REGISTRATION NUMBER 53100

SWINDON TOWN FOOTBALL COMPANY LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31ST MAY 2002



ROSS BROOKE LIMITED
 Chartered Accountants & Registered Auditors
 37 London Road
 Newbury
 Berkshire
 RG14 1JL

SWINDON TOWN FOOTBALL COMPANY LIMITED
FINANCIAL STATEMENTS
PERIOD FROM 1ST JULY 2001 TO 31ST MAY 2002

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SWINDON TOWN FOOTBALL COMPANY LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	W.H. Carson OBE Mrs S.A. Gray R.S. Holt J.S. Wills
Company secretary	Mrs S.A. Gray
Registered office	37 London Road Newbury Berkshire RG14 1JL
Auditors	Ross Brooke Limited Chartered Accountants & Registered Auditors 37 London Road Newbury Berkshire RG14 1JL
Bankers	National Westminster Bank Plc 6 High Street Chelmsford Essex CM1 1BL Barclays Plc PO Box 1068 10/14 High Street Swindon Wiltshire SN1 3TT Girobank Plc Bridle Road Bootle Merseyside
Solicitors	Clark Willmot & Clarke Equity Court 73-75 Milbrooke Road East Southampton SO15 1RJ The Rivers Partnership Alexandra Barn 1 Waverley Lane Farnham Surrey GU9 8BB

SWINDON TOWN FOOTBALL COMPANY LIMITED

THE DIRECTORS' REPORT

PERIOD FROM 1ST JULY 2001 TO 31ST MAY 2002

The directors present their report and the financial statements of the company for the period from 1st July 2001 to 31st May 2002.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the company during the year was that of a professional football league club.

RESULTS AND DIVIDENDS

The trading results for the period and the company's financial position at the end of the period are shown in the attached financial statements.

The directors have not recommended a dividend.

THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY

The directors who served the company during the period together with their beneficial interests, including family holdings, in the shares of the company were as follows:

		Ordinary Shares of £0.50 each	
		At 31 May 2002	At 1 July 2001 or later date of appointment
W.H. Carson OBE	(Appointed 7 December 2001)	100,003	100,003
A. Cuthbert	(Appointed 30 May 2002)	—	—
N. Prescott	(Appointed 7 December 2001)	50,201	50,201
R.S. Holt	(Appointed 7 December 2001)	—	—
Mrs W. Godwin	(Appointed 7 December 2001)	398,934	398,934
J.S. Wills	(Appointed 24 May 2002)	283,350	283,350
M. Squires	(Resigned 24 May 2002)	—	—

Mrs S.A. Gray was appointed as a director on 26th December 2002.

M.J. Devlin was appointed as a director on 26th December 2002, and resigned on 31 July 2004.

A. Cuthbert resigned as a director on 18th November 2002.

N. Prescott resigned as a director on 17th October 2002.

Mrs W. Godwin resigned as a director on 8th August 2002.

FIXED ASSETS

Information relating to changes in tangible and intangible fixed assets is given in the notes to the financial statements.

SWINDON TOWN FOOTBALL COMPANY LIMITED

THE DIRECTORS' REPORT *(continued)*

PERIOD FROM 1ST JULY 2001 TO 31ST MAY 2002

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 at the end of the period and of the profit or loss for the period then ended. In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on pages 11 to 12, and then apply them consistently;

make judgements and estimates that are reasonable and prudent; and

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. The directors 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.

CLOSE COMPANY PROVISIONS

In the opinion of the directors, the company is a close company within the meaning of S.414 Income and Corporation Taxes Act, 1988 (as amended).

AUDITORS

A resolution to re-appoint Ross Brooke Limited as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Signed by order of the directors



MRS S.A. GRAY
Company Secretary

Approved by the directors on13/4/05.....

SWINDON TOWN FOOTBALL COMPANY LIMITED
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
SWINDON TOWN FOOTBALL COMPANY LIMITED
PERIOD FROM 1ST JULY 2001 TO 31ST MAY 2002

We have audited the financial statements on pages 6 to 18 which have been prepared under the historical cost convention and the accounting policies set out on pages 11 to 12.

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the 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.

However, the evidence available to us was limited because many of the accounting records were incomplete or could not be located. In these circumstances we were unable to carry out all the auditing procedures, or obtain all the information and explanations we considered necessary.

FUNDAMENTAL UNCERTAINTY

In forming our opinion we have considered the adequacy of disclosures made in note 1 of the financial statements concerning the financial position of the company and the reliance on the support of the company's majority shareholder. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

SWINDON TOWN FOOTBALL COMPANY LIMITED
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
SWINDON TOWN FOOTBALL COMPANY LIMITED *(continued)*
PERIOD FROM 1ST JULY 2001 TO 31ST MAY 2002

OPINION: DISCLAIMER ON VIEW GIVEN BY FINANCIAL STATEMENTS

Because of the possible effect of the limitation in evidence available to us, we were unable to form an opinion as to whether the financial statements give a true and fair view of the state of the company's affairs as at 31st May 2002 or of its loss for the period then ended. In all other respects, in our opinion the financial statements have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our work arising from incomplete or missing accounting records:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether proper accounting records have been maintained.



ROSS BROOKE LIMITED
Chartered Accountants
& Registered Auditors

37 London Road
Newbury
Berkshire
RG14 1JL

14.12.05

SWINDON TOWN FOOTBALL COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

PERIOD FROM 1ST JULY 2001 TO 31ST MAY 2002

	Note	31 May 02 £	Year to 30 Jun 01 £
TURNOVER	2	2,863,231	3,482,839
Cost of sales		3,649,100	3,931,346
GROSS LOSS		(785,869)	(448,507)
Administrative expenses	3	2,030,027	1,144,993
Other operating income		(70,317)	(70,896)
OPERATING LOSS	4	(2,745,579)	(1,522,604)
Profit on disposal of players' registrations	6	216,740	543,158
		(2,528,839)	(979,446)
Interest receivable		—	13,744
Interest payable	9	(133,310)	(46,486)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(2,662,149)	(1,012,188)
Tax on loss on ordinary activities		—	—
LOSS FOR THE FINANCIAL PERIOD		(2,662,149)	(1,012,188)

All of the activities of the company are classed as continuing.

The notes on pages 11 to 18 form part of these financial statements.

SWINDON TOWN FOOTBALL COMPANY LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
PERIOD FROM 1ST JULY 2001 TO 31ST MAY 2002

	31 May 02 £	Year to 30 Jun 01 £
Loss for the financial period attributable to the shareholders	(2,662,149)	(1,012,188)
Total recognised gains and losses relating to the period	<u>(2,662,149)</u>	<u>(1,012,188)</u>
Prior year adjustment (see note 10)	<u>100,000</u>	
Total gains and losses recognised since the last annual report	<u>(2,562,149)</u>	

The notes on pages 11 to 18 form part of these financial statements.

SWINDON TOWN FOOTBALL COMPANY LIMITED

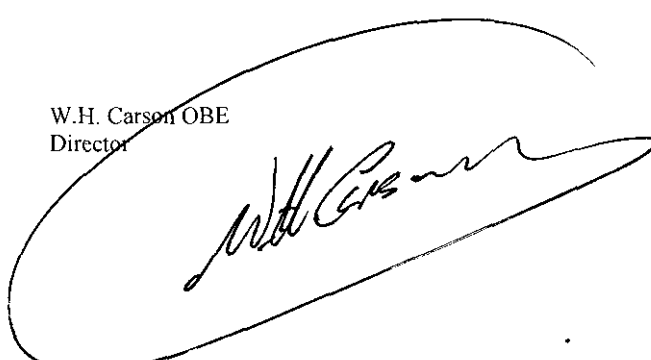
BALANCE SHEET

31ST MAY 2002

	Note	31 May 02 £	30 Jun 01 (as restated) £
FIXED ASSETS			
Intangible assets	11	61,820	316,274
Tangible assets	12	1,332,642	1,770,673
		1,394,462	2,086,947
CURRENT ASSETS			
Stocks	13	25,000	22,404
Debtors due within one year	14	199,802	874,995
Cash at bank and in hand		109,876	69,296
		334,678	966,695
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	15	7,960,686	7,275,304
NET CURRENT LIABILITIES		(7,626,008)	(6,308,609)
TOTAL ASSETS LESS CURRENT LIABILITIES		(6,231,546)	(4,221,662)
DEFERRED INCOME	17	1,055,681	1,202,541
		(7,287,227)	(5,424,203)
CAPITAL AND RESERVES			
Called-up equity share capital	20	2,250,000	1,759,009
Share premium account	21	2,585,161	2,277,027
Profit and loss account	22	(12,122,388)	(9,460,239)
DEFICIENCY	23	(7,287,227)	(5,424,203)

These financial statements were approved by the directors on the 13/4/05 and are signed on their behalf by:

W.H. Carson OBE
Director



The notes on pages 11 to 18 form part of these financial statements.

SWINDON TOWN FOOTBALL COMPANY LIMITED

CASH FLOW STATEMENT

PERIOD FROM 1ST JULY 2001 TO 31ST MAY 2002

	31 May 02		Year to 30 Jun 01
	£	£	£
NET CASH OUTFLOW FROM OPERATING ACTIVITIES		(927,981)	(1,592,571)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received	—		13,744
Interest paid	—		(46,486)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		—	(32,742)
CAPITAL EXPENDITURE			
Payments to acquire intangible fixed assets	—		(380,000)
Payments to acquire tangible fixed assets	—		(89,615)
Receipts from sale of fixed assets	377,309		545,767
NET CASH INFLOW FROM CAPITAL EXPENDITURE		377,309	76,152
CASH OUTFLOW BEFORE FINANCING		(550,672)	(1,549,161)
FINANCING			
Issue of equity share capital	800,000		7,000
Repurchase of equity share capital	(875)		
Decrease in other loans	(800,000)		
Increase in bank loans	651,942		1,544,497
NET CASH INFLOW FROM FINANCING		651,067	1,551,497
INCREASE IN CASH		100,395	2,336
RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES			
	31 May 02		Year to
	£		30 Jun 01
			£
Operating loss	(2,745,579)		(1,522,604)
Amortisation	93,885		217,450
Depreciation	438,031		250,941
(Increase)/decrease in stocks	(2,596)		13,971
Decrease/(increase) in debtors	675,193		(378,345)
Increase/(decrease) in creditors	613,085		(173,984)
Net cash outflow from operating activities	(927,981)		(1,592,571)

The notes on pages 11 to 18 form part of these financial statements.

SWINDON TOWN FOOTBALL COMPANY LIMITED

CASH FLOW STATEMENT *(continued)*

PERIOD FROM 1ST JULY 2001 TO 31ST MAY 2002

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	31 May 02		30 Jun 01	
	£	£	£	£
Increase in cash in the period	100,395		2,336	
Net cash (inflow) from bank loans	(651,942)		(1,544,497)	
		(551,547)		(1,542,161)
Change in net funds		(551,547)		(1,542,161)
Net funds at 1 July 2001		(4,492,946)		(2,950,785)
Net funds at 31 May 2002		(5,044,493)		(4,492,946)

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jul 2001 £	Cash flows £	At 31 May 2002 £
Net cash:			
Cash in hand and at bank	69,296	40,580	109,876
Overdrafts	(59,815)	59,815	—
Net funds	9,481	100,395	109,876
Debt:			
Loans	(4,502,427)	(651,942)	(5,154,369)
Net debt	(4,492,946)	(551,547)	(5,044,493)

The notes on pages 11 to 18 form part of these financial statements.

SWINDON TOWN FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1ST JULY 2001 TO 31ST MAY 2002

1. ACCOUNTING POLICIES

(i) Basis of accounting

The financial statements have been prepared under the historical cost convention.

The company went into administration in March 2002 following the failure of a Company Voluntary Arrangement. In August 2002 the company entered into a new Company Voluntary Arrangement. To date, all amounts due under the Arrangement have been paid.

In the event that this new Arrangement succeeds then a substantial amount of liabilities will be written off. It is not possible to determine how this may affect the 2002 balance sheet.

The company has entered into a Facility Agreement with Swindon Town F.C. Limited by which the company has unlimited access to funds for working capital until 30th August 2008. Sir Seton Wills has, within the same agreement, guaranteed to a third party the obligations of Swindon Town F.C. Limited to the company and has confirmed his intention to use his best endeavours to provide financial support to Swindon Town F.C. Limited to enable it to meet its obligations to the company under the Facility Agreement.

Accordingly the directors have prepared the financial statements on a going concern basis. The financial statements do not reflect any adjustments which would have to be made should this going concern basis prove invalid. The directors do not consider it possible to determine the effect of this with reasonable accuracy, but adjustments would have to be made to reduce the value of assets to their realisable amount, to provide for further liabilities which might arise, and to reclassify fixed assets and long term liabilities as current assets and liabilities.

(ii) Turnover

Turnover is stated net of value added tax and monies due to the Football League, Football Association and visiting football clubs. It reflects gate receipts, associated commercial activities and monies due from the Football Association, League income and other football clubs.

(iii) Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Player registrations - over the period of initial contract

(iv) Fixed assets

All fixed assets are initially recorded at cost.

(v) Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Buildings	-	Over 10 to 50 years straight line
Ground Improvements	-	Over 10 to 20 years
Equipment	-	Over 3 to 10 years straight line

During the period an impairment review was undertaken and fixed assets were written down by £110,775. This permanent diminution in value has been charged against the current period's losses and is included within depreciation.

(vi) Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

SWINDON TOWN FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1ST JULY 2001 TO 31ST MAY 2002

1. ACCOUNTING POLICIES *(continued)*

(vii) Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

(viii) Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

(ix) Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

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

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

(x) Transfer and signing-on fees

Transfer fees receivable are credited to the profit and loss account in the year in which the transfer is completed. Those fees that are contingent on subsequent appearances or transfer are dealt with in the profit and loss account in the year in which the relevant appearances or transfer take place. Transfer fees payable are capitalised at cost and amortised in the profit and loss account over the period of the players' contracts.

(xi) Grants

Grants of a revenue nature are credited to income and matched against associated expenditure in the year to which they relate. Grants of a capital nature are credited to a deferred income account and amortised over the life of the asset to which they relate.

(xii) Income recognition

All income classified as turnover is recognised on an accruals basis.

2. TURNOVER

An analysis of turnover by activity is given below:

	31 May 02	30 Jun 01
	£	£
Gate receipts	1,101,351	1,341,568
Associated commercial activities	783,608	1,130,052
Direct media fees	389,667	104,638
Sponsorship	152,230	157,138
Net share of FA and League distributions	427,625	746,557
Other	8,750	2,886
	<u>2,863,231</u>	<u>3,482,839</u>

SWINDON TOWN FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1ST JULY 2001 TO 31ST MAY 2002

3. EXCEPTIONAL ITEMS

The operating loss before player registrations includes the following exceptional income and expenditure:

	31 May 02 £	30 Jun 01 £
Accelerated TV rights income recognised following demise of ITV Digital	148,333	
Administrator costs and related legal fees	(508,854)	—
Accelerated depreciation as a result of an impairment review	<u>110,775</u>	<u>—</u>

4. OPERATING LOSS

Operating loss is stated after charging:

	31 May 02 £	Year to 30 Jun 01 £
Amortisation	93,885	217,450
Depreciation of owned fixed assets	438,031	250,941
Auditors' remuneration		
- as auditors	15,000	15,000
- for other services	10,000	3,000
Operating lease costs:		
Vehicles	25,000	—
Land and buildings	169,000	50,941
Hire of plant and equipment	<u>35,856</u>	<u>37,620</u>

5. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial period amounted to:

	31 May 02	30 Jun 01
Players, coaches, administration and ground staff	69	69
Commercial activity staff	<u>13</u>	<u>13</u>
	<u>82</u>	<u>82</u>

6. PROFIT ON DISPOSAL OF PLAYERS' REGISTRATIONS

	31 May 02 £	Year to 30 Jun 01 £
Profit on disposal of players' registrations	<u>216,740</u>	<u>543,158</u>

7. STAFF COSTS

	31 May 02 £	30 Jun 01 £
Wages and salaries	2,620,080	2,459,244
Social security costs	<u>272,082</u>	<u>263,396</u>
	<u>2,892,162</u>	<u>2,722,640</u>

SWINDON TOWN FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1ST JULY 2001 TO 31ST MAY 2002

8. TAXATION

There is no liability to corporation tax on the results for the year as there are substantial losses available. The tax losses at 31st May 2002 subject to Inland Revenue agreement are approximately £13,165,000 (2001 - £11,100,000).

9. INTEREST PAYABLE AND SIMILAR CHARGES

	31 May 02	Year to 30 Jun 01
	£	£
Interest payable on bank borrowing	—	13,453
Interest on other loans	133,310	33,033
	<u>133,310</u>	<u>46,486</u>

10. PRIOR YEAR ADJUSTMENT

The previous year's financial statements excluded the player registration cost of £600,000 and amortisation of £500,000 in respect of Mark Robinson.

11. INTANGIBLE FIXED ASSETS

	Player registrations £
COST	
At 1st July 2001	1,000,000
Disposals	(307,500)
At 31st May 2002	<u>692,500</u>
AMORTISATION	
At 1st July 2001	683,726
Charge for the period	93,885
On disposals	(146,931)
At 31st May 2002	<u>630,680</u>
NET BOOK VALUE	
At 31st May 2002	<u>61,820</u>
At 30th June 2001	<u>316,274</u>

SWINDON TOWN FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1ST JULY 2001 TO 31ST MAY 2002

12. TANGIBLE FIXED ASSETS

	Ground improvements £	Plant & equipment £	Total £
COST			
At 1st July 2001 and 31st May 2002	<u>3,474,981</u>	<u>1,186,507</u>	<u>4,661,488</u>
DEPRECIATION			
At 1st July 2001	2,052,707	838,108	2,890,815
Charge for the period	336,491	101,540	438,031
At 31st May 2002	<u>2,389,198</u>	<u>939,648</u>	<u>3,328,846</u>
NET BOOK VALUE			
At 31st May 2002	<u>1,085,783</u>	<u>246,859</u>	<u>1,332,642</u>
At 30th June 2001	<u>1,422,274</u>	<u>348,399</u>	<u>1,770,673</u>

13. STOCKS

	31 May 02 £	30 Jun 01 £
Stock	<u>25,000</u>	<u>22,404</u>

14. DEBTORS

	31 May 02 £	30 Jun 01 £
Trade debtors	180,052	300,187
Other debtors	6,000	535,789
Prepayments and accrued income	13,750	39,019
	<u>199,802</u>	<u>874,995</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 May 02 £	30 Jun 01 £
Bank loans and overdrafts	—	59,815
Trade creditors	1,796,334	845,485
PAYE and social security	766,243	624,906
VAT	294,542	437,419
Other creditors	15,000	7,209
Transfer fees payable	69,000	367,496
Loans	4,354,369	4,502,427
Accruals	665,198	430,547
	<u>7,960,686</u>	<u>7,275,304</u>

Included within loans from directors and connected persons (see note 16) is a loan of £2 million. This loan is secured against future transfer fee receipts and is repayable at 6 month's notice.

Included within loans from shareholders is a loan of £889,927 from Swindon Town Properties Limited. This loan is secured by a fixed and floating charge over the company's assets.

All other loans from directors and connected persons, shareholders and other persons are unsecured, repayable either at 3 months notice or on demand.

Loans from directors and connected persons, shareholders and other persons incur interest on the balance outstanding at various rates up to a maximum of 3% above bank base rate.

SWINDON TOWN FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1ST JULY 2001 TO 31ST MAY 2002

16. DEBT MATURITY

The maturity of debt (excluding bank overdraft and obligations under finance leases and hire purchase contracts) may be analysed as follows:

	31 May 02 £	30 Jun 01 £
Wholly repayable within five years:		
Loans from - directors and connected persons	2,720,000	2,720,000
- shareholders	1,581,869	1,729,927
- other persons	52,500	52,500
	<u>4,354,369</u>	<u>4,502,427</u>
Amounts repayable by instalments		
Within five years	<u>4,354,369</u>	<u>4,502,427</u>
	<u>4,354,369</u>	<u>4,502,427</u>
Included in creditors:		
Amounts falling due within one year	<u>4,354,369</u>	<u>4,502,427</u>
	<u>4,354,369</u>	<u>4,502,427</u>

17. DEFERRED INCOME

	31 May 02 £	30 Jun 01 £
Grants	605,681	675,998
Other deferred income:		
Season ticket sales	325,000	380,632
Marketing income	65,000	85,911
Sponsorships	60,000	60,000
	<u>1,055,681</u>	<u>1,202,541</u>
Amounts to be recognised within one year	508,784	597,439
Amounts to be recognised after one year	546,897	605,102
	<u>1,055,681</u>	<u>1,202,541</u>

18. PENSION COMMITMENTS

The Football League operates a Players' Benefit Scheme. This is funded as part of a levy imposed by the League on transfer fees. Additionally, contributions are paid by the company into personal pension plans for certain employees. There is no pension commitment outstanding at the year end.

19. OTHER FINANCIAL COMMITMENTS

The lease relating to the County Ground expires on 31 March 2013. The terms are that the rent payable shall be base rent plus an additional rent of 2% of the company's gross turnover for its previous financial year. The minimum base rent payable is £77,907 per annum, with increases in future years based on movements in the Retail Price Index. The additional net payable during that period was waived as a one off gesture, in return for community benefits provided by the club.

SWINDON TOWN FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1ST JULY 2001 TO 31ST MAY 2002

20. SHARE CAPITAL

Authorised share capital:

	31 May 02	30 Jun 01
	£	£
4,500,000 Ordinary shares of £0.50 each	<u>2,250,000</u>	<u>2,250,000</u>

Allotted, called up and fully paid:

	31 May 02	30 Jun 01
	No £	No £
Ordinary shares of £0.50 each	<u>4,500,000</u> <u>2,250,000</u>	<u>3,518,018</u> <u>1,759,009</u>

During the year 983,732 shares were issued to Swindon Town Properties Limited for 81.32296 pence each. This followed the repurchase of 1,750 shares by the company.

21. SHARE PREMIUM ACCOUNT

	31 May 02	30 Jun 01
	£	£
Balance brought forward	2,277,027	2,271,777
Premium on shares issued in the year	308,134	5,250
	<u>2,585,161</u>	<u>2,277,027</u>

22. PROFIT AND LOSS ACCOUNT

	31 May 02	Year to 30 Jun 01
	£	£
Original balance brought forward	(9,560,239)	(8,448,051)
Prior year adjustment (note 10)	100,000	—
Restated balance brought forward	(9,460,239)	(8,448,051)
Accumulated loss for the financial period	(2,662,149)	(1,012,188)
Balance carried forward	<u>(12,122,388)</u>	<u>(9,460,239)</u>

23. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 May 02	30 Jun 01
	£	£
Loss for the financial period	(2,662,149)	(1,012,188)
New equity share capital subscribed	491,866	1,750
Premium on new share capital subscribed	308,134	5,250
Share capital repurchased	<u>(875)</u>	<u>—</u>
	799,125	7,000
Net reduction to funds	(1,863,024)	(1,005,188)
Opening shareholders' equity deficit	(5,524,203)	(4,419,015)
Prior year adjustment (see note 10)	<u>100,000</u>	<u>—</u>
	(5,424,203)	(4,419,015)
Closing shareholders' equity deficit	<u>(7,287,227)</u>	<u>(5,424,203)</u>

SWINDON TOWN FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1ST JULY 2001 TO 31ST MAY 2002

24. POST BALANCE SHEET EVENTS

In August 2002 a new Company Voluntary Arrangement was entered into. Subsequent to August 2002 loans secured over the lease of the County Ground have been made to the company in order to finance current trading and meet its obligations under the Company Voluntary Arrangement as well as funding the discharge of the £1.2m debenture of Swindon Town Properties Limited.

25. CONTROLLING PARTY

During the period the company was controlled by Sir Seton Wills. On 30th September 2003 the company became a subsidiary of Swindon Town F.C. Limited. That company is controlled by J.S. Wills.

SWINDON TOWN FOOTBALL COMPANY LIMITED
MANAGEMENT INFORMATION
PERIOD FROM 1ST JULY 2001 TO 31ST MAY 2002

**The following pages do not form part of the statutory financial statements
which are the subject of the independent auditors' report on pages 4 to 5.**

SWINDON TOWN FOOTBALL COMPANY LIMITED

DETAILED PROFIT AND LOSS ACCOUNT

PERIOD FROM 1ST JULY 2001 TO 31ST MAY 2002

	31 May 02	Year to 30 Jun 01
	£	£
TURNOVER	2,863,231	3,482,839
COST OF SALES		
Opening stock	22,404	—
Staff costs	2,892,162	2,722,640
Other direct costs	665,649	1,013,660
Amortisation of player costs	93,885	217,450
	<u>3,674,100</u>	<u>3,953,750</u>
Closing stock	(25,000)	(22,404)
	<u>3,649,100</u>	<u>3,931,346</u>
GROSS LOSS	(785,869)	(448,507)
OVERHEADS		
Rent, rates and water	264,116	251,371
Light and heat	55,114	50,838
Insurance	15,884	13,519
Ground maintenance	103,793	83,174
Motor expenses	55,429	61,091
Travel and subsistence	180,983	160,460
Vehicle leasing charges	25,000	—
Telephone	45,551	—
Hire of equipment	35,856	37,620
Equipment repairs and renewals	11,807	—
Postage, telephone and stationery	42,155	44,096
Training and recruitment	15,000	9,320
Staff welfare	90,671	7,631
Medical expenses	32,500	32,542
Sundry expenses	12,685	—
Subscriptions and donations	20,125	3,157
General expenses	—	15,800
Fines and penalties	15,000	8,133
Advertising and public relations	10,000	4,760
Legal and professional fees	508,854	90,545
Accountancy fees	20,000	—
Auditors remuneration	15,000	—
Depreciation	438,031	250,941
Bank charges	16,473	19,995
	<u>2,030,027</u>	<u>1,144,993</u>
	(2,815,896)	(1,593,500)
OTHER OPERATING INCOME		
Release of deferred income grants	70,317	70,896
OPERATING LOSS	(2,745,579)	(1,522,604)
Profit on disposal of players' registrations	216,740	543,158
	<u>(2,528,839)</u>	<u>(979,446)</u>
Bank interest receivable	—	13,744
	<u>(2,528,839)</u>	<u>(965,702)</u>
Interest payable	(133,310)	(46,486)
LOSS ON ORDINARY ACTIVITIES	<u>(2,662,149)</u>	<u>(1,012,188)</u>

SWINDON TOWN FOOTBALL COMPANY LIMITED

NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT

PERIOD FROM 1ST JULY 2001 TO 31ST MAY 2002

	31 May 02 £	Year to 30 Jun 01 £
INTEREST RECEIVABLE		
Bank interest receivable	—	13,744
	<u>—</u>	<u>13,744</u>
INTEREST PAYABLE		
Bank interest payable	—	13,453
Interest on other loans	133,310	33,033
	<u>133,310</u>	<u>46,486</u>