

COMPANIES HOUSE

Grant Thornton 

**THE SHEFFIELD UNITED
FOOTBALL CLUB LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 1999



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Company no 61564

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

FINANCIAL STATEMENTS

For the year ended 30 June 1999

Company registration number:	61564
Registered office:	Bramall Lane Sheffield S2 4SU
Directors:	Kevin C McCabe Stewart White
Secretary:	J W Howarth
Vice Presidents:	Frank Melling Dip Arch FRIBA Derek Dooley
Life Members:	Arthur H Connell OBE DL LLD MA Albert Jackson JP FRICS Kenneth Lee JP
Acting Chief Executive:	John L Thurman
Team Manager:	Adrian Heath
Bankers:	HSBC Plc
Solicitors:	Clegg & Sons Dibb Lupton Alsop
Auditors:	Grant Thornton Registered Auditors Chartered Accountants

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

FINANCIAL STATEMENTS

For the year ended 30 June 1999

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THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 30 June 1999.

Principal activities

The company is principally engaged in the operation of a professional football club.

Business review

There was a loss for the year after taxation amounting to £3,781,143 (1998: loss £5,923,532). The directors do not recommend payment of a dividend.

Directors

The membership of the Board at 30 June 1999 is set out below. All directors served throughout the year except P P Wood who was appointed on 21 November 1998 and resigned on 22 July 1999; I Townsend was appointed on 21 November 1998 and resigned on 23 March 1999; D Capper was appointed on 21 November 1998 and resigned on 11 May 1999; and F Pye resigned as a director on 3 November 1998. K C McCabe retires by rotation and being eligible offers himself for re-election. B Procter resigned as a director on 11 October 1999.

The interests of the directors and their families in the shares of the company as at 30 June 1999 and 1 July 1998, (or the date of their appointment to the Board if later), were as noted in the first table below. The subsequent table shows the interests of the directors in the shares of Sheffield United Plc, the ultimate parent undertaking, except for the interests of K C McCabe and B Procter which are disclosed in the financial statements of the ultimate parent undertaking as they were also directors of that company at 30 June 1999.

	Ordinary shares of £500 each		Preference shares of £10 each	
	30 June 1999	1 July 1998 (or date of appointment)	30 June 1999	1 July 1998 (or date of appointment)
Kevin C McCabe	1	1	20	20
Bernard Procter	1	1	-	-
Stewart White	1	1	-	-
Philip Wood	1	1	-	-
<hr/>				
	Ordinary shares of 10p each in Sheffield United plc			
Stewart White	-	-	706,150	706,150
Philip Wood (held directly)	-	-	1,108	1,108
Philip Wood (held in Blades Italia Limited)	-	-	1,785,714	1,785,714

The Ordinary shares held by the directors are held in trust. The Articles of Association require that directors hold at least 1 Original or 1 Ordinary share.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

REPORT OF THE DIRECTORS

Directors' responsibilities for the financial statements

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 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
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- 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 maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Post balance sheet events

On 11 October 1999 the 477 Original Shares of £100 each were re-designated as Deferred Shares 2022. The rights attaching to those shares were amended so that they no longer carry any right to participate in dividends, or to receive notice of, or to attend, or to vote at general meetings.

Holders of Deferred Shares 2022 have the right on winding up to receive the nominal value of their shares after the holders of Preference Shares and Ordinary Shares have received the nominal value of their shares.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

REPORT OF THE DIRECTORS

Year 2000 Compliance

Many computer systems which express dates using only the last two digits of the year may malfunction due to the date change to the Year 2000. This risk to the business relates not only to the company's computer systems, but also to some degree on those of the company's customers and suppliers.

The company has reviewed its computer systems for the impact of the Year 2000 date change. An impact analysis has been prepared to identify the major risks, and action plans have been developed to address these in advance of critical dates. The plans give priority to the systems which could have a significant financial or legal impact if they were to fail.

The main system affected is the accounting and management information system, which is Year 2000 compliant.

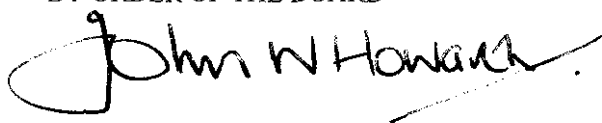
The company has requested from major customers, suppliers and other trading partners with whom information is traded electronically, confirmation that their relevant systems are Year 2000 compliant.

The issue is complex, and no business can guarantee that there will be no Year 2000 problems. However, the Board believes that its plans and the resources allocated are appropriate and adequate to address the issue.

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD



J W Howarth
Secretary
19 November 1999

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

We have audited the financial statements on pages 5 to 18 which have been prepared under the accounting policies set out on pages 5 to 6.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.


Basis of opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

SHEFFIELD
19 November 1999

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention except that certain freehold properties are shown at their revalued amounts.

The financial statements have been prepared on the going concern basis. The directors, having considered the trading and cash forecasts for the next twelve months, have a reasonable expectation that the borrowing facilities available to the group are sufficient to meet the requirements indicated by those forecasts.

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

TURNOVER

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

DEPRECIATION

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets other than freehold properties by equal annual instalments over their expected useful lives. The rate generally applicable is:

Equipment and vehicles	20%
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Depreciation is not provided on freehold properties. It is the company's policy to maintain its properties in such a condition that the estimated aggregate residual values are at least equal to their book values. Consequently, any element of depreciation would, in the opinion of the directors, be immaterial. Residual values are appraised each year by reference to the estimated depreciated replacement cost of the properties. Provision will be made in the event of any permanent diminution in value.

GRANTS

Grants received from the Football Trust in respect of capital expenditure are deducted from the cost of the related fixed asset. This is not in accordance with Schedule 4 of the Companies Act 1985, which requires assets to be shown at their purchase price or production cost and hence grants received would be shown as deferred income. The departure from the Companies Act 1985 is, in the opinion of the directors, necessary to give a true and fair view as no provision is made for depreciation on land and buildings and therefore any grants relating to such assets would not be taken to the profit and loss account. The effect of this departure is that the revaluation reserve is £2,568,920 (1998: £2,568,920) higher than it would otherwise have been.

PLAYERS' TRANSFER FEES

Fees payable to and receivable from other football clubs on the transfer of players' registrations, together with associated costs, are accounted for as intangible assets in line with Financial Reporting Standard No. 10: Goodwill and Intangible Assets.

The group has adopted a policy of amortising the cost of acquired player registrations over the period of the player's contract, with appropriate adjustments for permanent diminutions in value assessed to have taken place.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

PRINCIPAL ACCOUNTING POLICIES

STOCKS

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

DEFERRED TAXATION

Deferred tax is provided for using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

CONTRIBUTIONS TO PENSION FUNDS

The group operates defined contribution schemes for certain of its employees and directors. The group funds its pension liabilities through externally managed pension schemes. Contributions are charged against profits in the year in which payments are due.

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

LEASED ASSETS

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

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

DONATIONS

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

DEFERRED INCOME

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

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED**PROFIT AND LOSS ACCOUNT**

For the year ended 30 June 1999

	Note	1999 £	1998 £
Turnover	1	5,623,815	8,036,181
Cost of sales		(8,049,194)	(9,779,553)
Gross loss		(2,425,379)	(1,743,372)
Amortisation of cost of players	4	(1,419,000)	(3,287,000)
Administrative expenses		(2,083,825)	(1,971,872)
Other operating income		401,110	324,118
Operating loss		(5,527,094)	(6,678,126)
Exceptional profit on disposal of players		2,432,000	1,157,500
Net interest	2	(686,049)	(402,906)
Loss on ordinary activities before taxation	1	(3,781,143)	(5,923,532)
Tax on loss on ordinary activities	5	-	-
Loss transferred from reserves	14	(3,781,143)	(5,923,532)

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

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

BALANCE SHEET AT 30 JUNE 1999

	Note	1999 £	1998 £
Fixed assets			
Intangible assets	6	2,093,000	4,282,654
Tangible assets	7	16,597,478	17,028,368
		<u>18,690,478</u>	<u>21,311,022</u>
Current assets			
Stocks	8	86,643	95,486
Debtors	9	1,936,624	2,216,633
Cash at bank and in hand		901,688	467,895
		<u>2,924,955</u>	<u>2,780,014</u>
Creditors: amounts falling due within one year	10	<u>(10,082,029)</u>	<u>(9,799,529)</u>
Net current liabilities		<u>(7,157,074)</u>	<u>(7,019,515)</u>
Total assets less current liabilities		<u>11,533,404</u>	<u>14,291,507</u>
Creditors: amounts falling due after more than one year	11	<u>(10,937,611)</u>	<u>(9,784,137)</u>
Deferred income	12	<u>(1,404,204)</u>	<u>(1,534,638)</u>
Net (liabilities)/assets		<u>(808,411)</u>	<u>2,972,732</u>
Capital and reserves			
Called up share capital	13	1,498,330	1,498,330
Revaluation reserve	14	8,545,374	8,545,374
Profit and loss account	14	<u>(10,852,115)</u>	<u>(7,070,972)</u>
Shareholders' funds	15	<u>(808,411)</u>	<u>2,972,732</u>
Equity shareholders' funds		<u>(817,541)</u>	<u>2,963,602</u>
Non-equity shareholders' funds		<u>9,130</u>	<u>9,130</u>
		<u>(808,411)</u>	<u>2,972,732</u>

The financial statements were approved by the Board of Directors on 19 November 1999.


K C McCabe

Director

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

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 1999

1 TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Turnover is attributable to the following classes of continuing business:

	1999 £	1998 £
Gate receipts	2,597,129	3,447,835
Television	1,030,654	1,199,521
Sponsorship, royalties, merchandising and advertising income	1,996,032	2,183,452
Conference and catering	-	1,205,373
	<u>5,623,815</u>	<u>8,036,181</u>

The loss on ordinary activities is stated after:

	1999 £	1998 £
Auditors' remuneration:		
Audit services	10,300	10,000
Non-audit services	2,500	5,555
Depreciation and amortisation:		
Players' contracts	1,419,000	1,757,000
Tangible fixed assets, owned	132,090	161,231
Tangible fixed assets, held under finance leases and hire purchase contracts	15,300	14,821
Other operating lease rentals	36,734	32,672
Other operating income includes:		
Donations	401,110	249,118
Compensation received in respect of former employee	-	75,000

2 NET INTEREST

	1999 £	1998 £
On bank loans and overdrafts	464,949	322,920
Finance charges in respect of finance leases	64,925	78,276
Other interest payable and similar charges	156,175	3,266
Other interest receivable and similar income	-	(1,556)
	<u>686,049</u>	<u>402,906</u>

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 1999

3 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	1999 £	1998 £
Wages and salaries	6,561,297	7,071,306
Social security costs	540,990	641,091
Other pension costs	24,916	27,782
	<u>7,127,203</u>	<u>7,740,179</u>

The average number of employees of the company during the year were as follows:

	1999 Number	1998 Number
Football	66	65
Non-football	53	53
	<u>119</u>	<u>118</u>

None of the directors received any remuneration during the year (1998: none).

4 COST OF PLAYERS

	1999 £	1998 £
Amortisation of transfer fees	1,419,000	1,757,000
Provision for permanent diminution in the value of players' contracts	-	1,530,000
	<u>1,419,000</u>	<u>3,287,000</u>

5 TAX ON LOSS ON ORDINARY ACTIVITIES

There is no taxation charge for the year due to the level of losses incurred. Unrelieved tax losses of approximately £15,600,000 (1998: £15,800,000) remain available to offset against future taxable trading profits.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 1999

6 INTANGIBLE FIXED ASSETS

	Cost of players £
Cost	
At 1 July 1998	9,338,654
Additions	1,242,000
Disposals	(6,108,654)
At 30 June 1999	4,472,000
Amortisation	
At 1 July 1998	5,056,000
Charge for the year	1,419,000
Released on disposal	(4,096,000)
At 30 June 1999	2,379,000
Net book amount at 30 June 1999	2,093,000
Net book amount at 30 June 1998	4,282,654

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 1999

7 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Equipment and vehicles £	Total £
Cost or valuation			
At 1 July 1998	16,336,586	1,867,865	18,204,451
Additions	208,199	120,170	328,369
Disposals	(206,863)	(60,310)	(267,173)
Transfers to group undertakings	(119,844)	(293,174)	(413,018)
At 30 June 1999	16,218,078	1,634,551	17,852,629
Depreciation			
At 1 July 1998	-	1,176,083	1,176,083
Provided in the year	-	147,390	147,390
Eliminated on disposals	-	(26,617)	(26,617)
Transfers to group undertakings	-	(41,705)	(41,705)
At 30 June 1999	-	1,255,151	1,255,151
Net book amount at 30 June 1999	16,218,078	379,400	16,597,478
Net book amount at 30 June 1998	16,336,586	691,782	17,028,368

The figures stated above include assets held under finance leases and similar hire purchase contracts, as follows:

	Equipment and vehicles £	Freehold land and buildings £
Net book amount at 30 June 1999	43,700	1,926,000
Net book amount at 30 June 1998	49,563	1,926,000
Depreciation provided during year	15,300	-

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 1999

The figures stated above for cost or valuation include valuations as follows:

	Freehold land and buildings	
	1999	1998
	£	£
At cost	218,078	336,586
Valuation - 1997	16,000,000	16,000,000
	<u>16,218,078</u>	<u>16,336,586</u>

If the freehold land and buildings had not been revalued, they would have been included on the historical cost basis at the following amount:

	Freehold land and buildings
	£
Cost and net book amount at 30 June 1999	7,672,704
Cost and net book amount at 30 June 1998	<u>7,791,212</u>

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

8 STOCKS

	1999	1998
	£	£
Goods held for resale	<u>86,643</u>	<u>95,486</u>

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 1999

9 DEBTORS

	1999 £	1998 £
Trade debtors	532,116	489,949
Amounts owed by group undertakings	79,528	32,548
Other debtors	1,064,711	1,542,690
Prepayments and accrued income	260,269	151,446
	<u>1,936,624</u>	<u>2,216,633</u>

Included above are the following amounts which are due after more than one year:

Other debtors	<u>400,000</u>	<u>-</u>
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10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1999 £	1998 £
Other loans	624,500	65,000
Bank loan and overdraft	7,209,741	5,775,627
Trade creditors	351,628	2,303,902
Amounts owed to group undertakings	121,624	131,753
Social security and other taxes	651,968	669,200
Accruals	829,405	564,432
Amounts due under finance leases	293,163	289,615
	<u>10,082,029</u>	<u>9,799,529</u>

The bank loan and overdraft are secured by a fixed and floating charge over all the assets of the company.

Included within other loans is an amount of £25,000 (1998: £25,000) which is secured by a second legal charge over the freehold property known as Bramall Lane Football Ground. The remainder of other loans are unsecured.

11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1999 £	1998 £
Other loans	171,008	227,500
Amounts owed to group undertakings	9,882,711	8,390,619
Amounts due under finance leases	883,892	1,166,018
	<u>10,937,611</u>	<u>9,784,137</u>

Included within other loans is an amount of £154,178 (1998: £179,174) which is secured by a second legal charge over the freehold property known as Bramall Lane Football Ground. The remainder of other loans are unsecured.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 1999

Borrowings are repayable as follows:	1999 £	1998 £
Within one year		
Bank and other borrowings	7,834,241	5,840,627
Finance leases	293,163	289,615
After one and within two years		
Bank and other borrowings	49,826	64,992
Finance leases	292,913	284,462
After two and within five years		
Bank and other borrowings	49,500	162,508
Finance leases	590,979	881,556
After five years		
Bank and other borrowings	71,682	-
	<u>9,182,304</u>	<u>7,523,760</u>

Bank and other borrowings repayable after five years comprise:	1999 £	1998 £
Other loans	<u>71,682</u>	<u>-</u>

12 DEFERRED INCOME

	1999 £	1998 £
Deferred revenue income	<u>1,404,204</u>	<u>1,534,638</u>

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

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 1999

13 SHARE CAPITAL

	1999 £	1998 £
Authorised		
477 Original shares of £100 each	47,700	47,700
2,883 Ordinary shares of £500 each	1,441,500	1,441,500
1,046 Preference shares of £10 each	10,460	10,460
	<u>1,499,660</u>	<u>1,499,660</u>
Allotted, called up and fully paid		
477 Original shares of £100 each	47,700	47,700
2,883 Ordinary shares of £500 each	1,441,500	1,441,500
913 Preference shares of £10 each	9,130	9,130
	<u>1,498,330</u>	<u>1,498,330</u>

Preference shares

The preference shares are non-equity shares which carry an entitlement to a dividend at the rate of 70p (net) per share per annum. Preference share shareholders have the right on a winding-up to receive, in priority to any other class of shares, the nominal value. Cumulative dividends accrue for only three years and thereafter cease to be payable.

At 30 June 1999 £1,917 (1998: £1,917) of preference dividend was payable. This has not been accrued as the directors are of the opinion the dividend will not be payable in the foreseeable future.

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

14 RESERVES

	Revaluation reserve £	Profit and loss account £
At 1 July 1998	8,545,374	(7,070,972)
Retained loss for the year	-	(3,781,143)
At 30 June 1999	<u>8,545,374</u>	<u>(10,852,115)</u>

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 1999

15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1999 £	1998 £
Loss for the financial year	(3,781,143)	(5,923,532)
Shareholders' funds at 1 July 1998	2,972,732	8,896,264
Shareholders' funds at 30 June 1999	<u>(808,411)</u>	<u>2,972,732</u>

16 CAPITAL COMMITMENTS

	1999 £	1998 £
Contracted for but not provided in these financial statements	<u>21,000</u>	<u>80,000</u>

17 SIGNING-ON AND TRANSFER FEES PAYABLE

Commitments in respect of deferred signing-on fees due to players under contract at the year end and agents and not provided in the financial statements amounted to £1,004,000 (1998: £1,778,749).

Under the terms of certain contracts with other football clubs in respect of player transfers, certain additional amounts would be payable by the company if conditions as to future team selection or performance are met. The maximum that could be payable is £690,000 (1998: £925,000).

18 CONTINGENT LIABILITIES

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

The company has entered into cross guarantee arrangements regarding the bank facilities of certain other group subsidiaries. The amount guaranteed at 30 June 1999 amounted to £215,279 (1998: £184,962).

The trustees of the Football League Pension and Life Assurance Scheme have notified members that the scheme is to be wound up with effect from 31 August 1999. There is a possibility that the company may be required to contribute any shortfall arising in the scheme although it is not possible at present to quantify any such contribution.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 1999

19 PENSIONS

Certain employees of the company are members of The Football League Pension and Life Assurance Scheme ("FLPLAS"), a defined benefit scheme. The Company is one of a number of participating employers in the FLPLAS, it is not possible to allocate that part of any actuarial surplus or deficit relating to the company's employees. Consequently, contributions are expensed in the profit and loss account as they become payable.

Contributions are also made to defined contribution pension arrangements for certain employees of the company. The contributions are charged against the profit and loss account in the year in which they become payable.

The assets of all the pension schemes are held separately from those of the company in independently administered funds.

20 LEASING COMMITMENTS

Operating lease payments amounting to £36,972 (1998: £1,614) are due within one year. The leases to which these amounts relate expire as follows:

	1999 Other £	1998 Other £
In one year or less	333	1,291
Between one and five years	36,639	323
	<u>36,972</u>	<u>1,614</u>

21 TRANSACTIONS WITH RELATED PARTIES

As a wholly owned subsidiary of Sheffield United Plc, the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by Sheffield United Plc.

During the year the company purchased services from Event Stewarding Limited, a company of which D Capper is a shareholder. The services purchased amounted to £218,094 (1998: £226,000) to the date of Mr Capper's resignation.

22 CONTROLLING RELATED PARTY

The ultimate parent undertaking of this company is Sheffield United Plc incorporated in England and Wales. Group accounts for Sheffield United Plc are available from that company's registered office.

23 POST BALANCE SHEET EVENTS

On 11 October 1999 the 477 Original Shares of £100 each were re-designated as Deferred Shares 2022. The rights attaching to those shares were amended so that they no longer carry any right to participate in dividends, or to receive notice of, or to attend, or to vote at general meetings.

Holders of Deferred Shares 2022 have the right on winding up to receive the nominal value of their shares after the holders of Preference Shares and Ordinary Shares have received the nominal value of their shares.