

Swansea City Association Football Club Limited

Financial statements for the

Year ended 31 May 1999



SWANSEA CITY ASSOCIATION FOOTBALL CLUB LIMITED

Financial statements for the year ended 31 May 1999

Registered number : 123414

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SWANSEA CITY ASSOCIATION FOOTBALL CLUB LIMITED

Directors and advisers

Directors

S C Hamer (Chairman)
N J McClure (Vice Chairman)
D H Farmer
R G Hamill
M J Lewis (General Manager)

Secretary and registered office

C A Booth
The Vetch Field
Swansea SA1 3SU

Registered auditors

PricewaterhouseCoopers
1 Embankment Place
London WC2N 6NN

Solicitors

Nabarro Nathanson
Lacon House
Theobald's Road
London WC1X 8RW

James Chapman & Co
76 Kings Street
Manchester M2 4NH

Bankers

Royal Bank of Scotland
13 -14 Walter Road
Swansea SA1 5NG

SWANSEA CITY ASSOCIATION FOOTBALL CLUB LIMITED

Directors' report for the year ended 31 May 1999

The directors present their report and the audited financial statements of the company for the year ended 31 May 1999.

Principal activities

The principal activity of Swansea City AFC Limited continues to be professional association football.

Review of business and future developments

The results for the period under review are set out in the profit and loss account on page 6.

Football is a game of two halves, so it turned out for our year. In the first half we saw a period of consolidation under our new manager, John Hollins. Thereafter, the club had a significantly better second six months with a successful FA Cup run seeing victories over Millwall, Stoke City and West Ham, after a sell out replay at the Vetch. Finally, we were defeated before another sell out crowd against Derby County. At the same time the team began a serious challenge for promotion, finally finishing 7th in the league. Unfortunately, we narrowly lost in the promotion play-offs against Scunthorpe United.

During the year we established a new Centre of Excellence for younger players with the help of grants received from the Football League. We have already seen the benefit of our investment in youth with several players breaking into the senior squad during the year. We have also seen recognition through international call-ups with 6 players being called into the Welsh under 21 squad and 3 into the under 18 squad.

Good progress has also been made with the development of a new stadium at the Morfa, Swansea. In December 1998 we received planning permission for a 25,000 all seated stadium, together with its enabling commercial development. In January 1999, we received clearance for this scheme from the Secretary of State for Wales.

In August 1999 it was announced that Swansea Rugby Club had accepted our invitation to become joint tenants in the new stadium and detailed negotiations are now underway with Swansea Council to finalise these arrangements. Tenders have now been invited from interested parties and a shortlist of development partners has been finalised.

The club has had a steady start to the season, with a minor amount of transfer activity in and out of the club. Promotion from Division 3 has to be the principal objective for this year.

Results and dividends

The results of the company are shown on page 6. The directors do not recommend the payment of a dividend (1998: nil).

Directors

The directors of Swansea City AFC Limited at 31 May 1999 and who held office during the period, unless otherwise stated, were as follows :-

S C Hamer
N J McClure
P Day (resigned 16 October 1999)
D H Farmer
R G Hamill (appointed 1 June 1998)
M J Lewis

Directors' interests

No current director of the company holds any interest in the shares of Swansea City Association Football Club Limited.

Mr. N J McClure and Mr. R G Hamill are directors of the company's ultimate parent company, The Ninth Floor PLC (formerly Silver Shield Group PLC), and their interests are disclosed in the financial statements of that company.

Apart from these interests, no director at the balance sheet date had any beneficial interests in the shares of any other group company.

Year 2000

Swansea City AFC Limited carried out a review of the main business and financial systems operated in the company and identified where action was required to ensure, so far as possible that all systems were millennium compliant. Costs of rectification were not material. To date no business interruption has been experienced post 31 December 1999. However, there can be no guarantees that future millennium related disruption will not occur.

By order of the Board



C A Booth
Company Secretary
26 April 2000

SWANSEA CITY ASSOCIATION FOOTBALL CLUB LIMITED

Statement of directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year that 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.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 May 1999. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

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

By order of the Board

A handwritten signature in black ink, appearing to read 'C A Booth', written in a cursive style.

C A Booth
Company Secretary
26 April 2000

**Report of the auditors to the members of
Swansea City Association Football Club Limited**

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 and 12.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 4, this includes responsibility for preparing the financial statements in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Audit Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. 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 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 is not disclosed.

We read the other information in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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 relating 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.

Going Concern

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the basis of preparation and the continued funding by The Ninth Floor PLC (formerly Silver Shield Group PLC).

The financial statements have been prepared on a going concern basis, the validity of which depends on the continued support of The Ninth Floor PLC. The financial statements do not include any adjustments that would result from a failure to obtain such continued support. Details of the circumstances relating to this fundamental uncertainty are described in Note 1 to the financial statements. Our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 May 1999 and of its loss and cash flows for the period then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London

27 April 2000

SWANSEA CITY ASSOCIATION FOOTBALL CLUB LIMITED

Profit and loss account For the year ended 31 May 1999

	Notes	Year to 31 May 1999 £	11 months to 31 May 1998 restated £
Turnover	2	2,042,532	1,146,278
Net operating expenses			
- normal	3	(3,165,303)	(2,333,061)
- exceptional costs	3	(125,364)	(209,680)
- exceptional income	3	-	475,000
Total net operating expenses		(3,290,667)	(2,067,741)
Other operating income		103,806	128,790
Operating loss		(1,144,329)	(792,673)
Interest receivable and similar income	6	3,885	9,734
Interest payable and similar charges	7	(11,915)	(11,451)
Loss on ordinary activities before taxation	8	(1,152,359)	(794,390)
Taxation		-	-
Loss on ordinary activities after taxation		(1,152,359)	(794,390)
Dividends		-	-
Retained loss for the year	18	(1,152,359)	(794,390)

The results included within the profit and loss account above are all derived from continuing operations.

SWANSEA CITY ASSOCIATION FOOTBALL CLUB LIMITED

Statement of Total Recognised Gains and Losses for the year ended 31 May 1999

	Notes	Year to 31 May 1999 £	11 months to 31 May 1998 restated £
Loss for the financial year		(1,152,359)	(794,390)
Prior year adjustment – capitalisation of player registrations in accordance with FRS 10	18	231,698	
Total gains/(losses) recognised since last annual report		(920,661)	

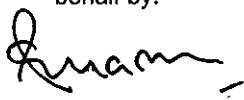
There is no difference between the loss on ordinary activities before tax and the loss for the period stated above, and their historical cost equivalents.

SWANSEA CITY ASSOCIATION FOOTBALL CLUB LIMITED

Balance Sheet at 31 May 1999

	Notes	1999 £	1998 restated £
Fixed assets			
Tangible fixed assets	9	1,296,279	1,321,902
Intangible fixed assets	10	94,574	231,698
		<hr/> 1,390,853	<hr/> 1,553,600
Current assets			
Stocks	11	29,242	5,000
Debtors	12	110,404	374,424
Cash at bank and in hand		16,002	6,976
		<hr/> 155,648	<hr/> 386,400
Creditors:			
Amounts falling due within one year	13	(2,523,965)	(1,745,442)
		<hr/> (2,368,317)	<hr/> (1,359,042)
Net current liabilities			
		<hr/> (977,464)	<hr/> 194,558
Total assets less current liabilities			
Creditors:			
Amounts falling due after more than one year	14	(1,421,150)	(1,421,150)
Football Trust grants	16	(747,237)	(766,900)
		<hr/> (3,145,851)	<hr/> (1,993,492)
Net liabilities			
		<hr/> (3,145,851)	<hr/> (1,993,492)
Capital and reserves			
Called up share capital	17	199,989	199,989
Profit and loss account – deficit	18	(3,345,840)	(2,193,481)
		<hr/> (3,145,851)	<hr/> (1,993,492)
Equity shareholders' deficit	19		

The financial statements on pages 6 to 18 were approved by the Board of Directors on 26 April 2000 and were signed on its behalf by:


Director

SWANSEA CITY ASSOCIATION FOOTBALL CLUB LIMITED

Cash flow statement for the year ended 31 May 1999

	Year ended 31 May 1999 £	11 Months to 31 May 1998 £
Net cash inflow/(outflow) from operating activities (page 10)	51,550	(233,579)
Returns on investments and servicing of finance		
Interest received	3,885	9,734
Interest paid	(10,966)	(36)
Interest paid on finance leases	(949)	(998)
Net cash (outflows)/ inflow from returns on investments and servicing of finance	(8,030)	8,700
Taxation		
United Kingdom corporation tax paid	-	-
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(12,563)	(15,238)
Purchase of intangible fixed assets (player registrations)	(10,000)	(313,000)
Sale of tangible fixed assets	2,254	9,375
Proceeds from the disposal of intangible assets (player registrations)	-	585,000
Net cash (outflow)/inflow from capital expenditure	(20,309)	266,137
Net cash inflow before management of liquid resources and financing	23,211	41,258
Financing		
Repayment of principal under finance leases	(2,420)	(978)
New finance lease	8,235	9,296
Repayment of loans	(20,000)	(86,405)
Net cash outflow from financing	(14,185)	(78,087)
Increase/(decrease) in cash in the period (note 20)	9,026	(36,829)

SWANSEA CITY ASSOCIATION FOOTBALL CLUB LIMITED

Reconciliation of operating profit to net cash flow from operating activities

	Year to 31 May 1999	11 months to 31 May 1998 restated
	£	£
Operating loss	(1,144,329)	(792,673)
Profit on disposal of player registrations	-	(475,000)
Amortisation of player registrations	147,124	151,710
Amortisation of grant	(19,663)	(19,622)
Depreciation charges	35,988	52,543
(Increase) in stock	(24,242)	(1,025)
Decrease/(increase) in debtors	264,020	(130,133)
Increase in creditors	792,652	980,621
	<hr/>	<hr/>
Net cash inflow/(outflow) from operating activities	51,550	(233,579)
	<hr/>	<hr/>
Reconciliation of net cash flow to movement in net debt		
Increase/ (decrease) in cash in the year	9,026	(36,829)
Movement in borrowings	14,185	78,087
Net debt at 1 June 1998	(1,443,470)	(1,484,728)
	<hr/>	<hr/>
Net debt at 31 May 1999 (note 20)	(1,420,259)	(1,443,470)
	<hr/>	<hr/>

SWANSEA CITY ASSOCIATION FOOTBALL CLUB LIMITED

Notes to the financial statements for the year ended 31 May 1999

1. Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of preparing the financial statements - going concern assumption

During the year the company incurred a loss of £1,152,359 and at the balance sheet date its current liabilities exceeded its current assets by £2,368,317. The company has relied on the financial support of its parent company, The Ninth Floor PLC (formerly Silver Shield Group PLC), during the period since acquisition on 1 August 1997. The Ninth Floor PLC have provided financial support for the post acquisition period and the company will continue to rely on this financial support in the future.

The financial statements have been prepared on the going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the continued financial support of its parent company.

If the company was unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the balance sheet value of assets to their recoverable amounts, to provide for further liabilities that might arise, and to reclassify fixed assets and long term liabilities as current assets and liabilities.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

Turnover

Turnover is the total amount, excluding VAT, receivable by the company from footballing and commercial activities.

Tangible fixed assets

Depreciation is calculated to write down the cost of assets, less their estimated residual values, by equal annual instalments over their expected useful lives.

The expected lives of the assets have been taken as:-

Short leasehold improvements	Period of lease
Plant and machinery	5 years
Fixtures and fittings	5 years
Motor vehicles	4 years
Freehold property	80 years

Football grants

Capital grants are credited to trading profit over the expected useful lives of the assets to which they relate. Amounts not yet credited to profits are included in the balance sheet as deferred income.

Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Where necessary, provision is made for obsolete, slow moving and defective stocks.

SWANSEA CITY ASSOCIATION FOOTBALL CLUB LIMITED

Notes to the financial statements for the year ended 31 May 1999

Note 1 (Principal accounting policies) continued:

Transfer registrations and transfer fees

Following the issue of Financial Reporting Standard No. 10 'Goodwill and Intangible Assets', the company has changed its accounting policy for the cost of players registrations.

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

The effect of this change in accounting policy upon the profit and loss reserves of the company is shown in note 18.

Taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

Finance and operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term. Leasing agreements which transfer to the company substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element is applied to reduce the outstanding obligations and the interest element is charged against profit so as to give a constant periodic rate of charge on the remaining balance outstanding at each accounting period.

Pension costs

Pension costs relate to contributions made by the company to private pension schemes, the costs of which are recognised in the profit and loss account in the period to which they relate.

2 Turnover

The analysis of turnover by activity is as follows:-

	Year ended 31 May 1999 £	11 Months ended 31 May 1998 £
Football	1,536,466	977,527
Commercial	506,066	168,751
	<u>2,042,532</u>	<u>1,146,278</u>

3 Net operating expenses and exceptional costs

	Year ended 31 May 1999 £	11 Months ended 31 May 1998 £
Administrative expenses	3,165,303	2,333,061
Exceptional costs	125,364	209,680
Exceptional income – profit on transfers of player registrations	-	(475,000)
Total administrative expenses	<u>3,290,667</u>	<u>2,067,741</u>

Exceptional costs relate to costs incurred in connection with the new stadium development in Swansea.

SWANSEA CITY ASSOCIATION FOOTBALL CLUB LIMITED
Notes to the financial statements for the year ended 31 May 1999

4 Directors' emoluments

The remuneration paid to the directors was:-

	Year ended 31 May 1999 £	11 Months ended 31 May 1998 £
Aggregate emoluments	<u>112,857</u>	<u>48,389</u>

5 Employee information

The average weekly number of persons (including directors) employed during the year was:-

	Year ended 31 May 1999 Number	11 Months ended 31 May 1998 Number
Directors	3	2
Football	58	52
Commercial	17	4
Administration	7	5
	<u>85</u>	<u>63</u>

Staff costs (for the above persons):-

	£	£
Wages and salaries	1,601,891	1,209,427
Social security costs	145,161	89,059
Other pension costs	11,917	11,602
	<u>1,758,969</u>	<u>1,310,088</u>

6 Interest receivable

	Year ended 31 May 1999 £	11 Months ended 31 May 1998 £
Other interest receivable and similar income	<u>3,885</u>	<u>9,734</u>

7 Interest payable and similar charges

	Year ended 31 May 1999 £	11 Months ended 31 May 1998 £
On bank loans	-	453
On finance leases	949	998
Other interest	10,966	10,000
	<u>11,915</u>	<u>11,451</u>

SWANSEA CITY ASSOCIATION FOOTBALL CLUB LIMITED
Notes to the financial statements for the year ended 31 May 1999

8 Loss on ordinary activities before taxation

	Year ended 31 May 1999 £	11 Months ended 31 May 1998 £
Loss on ordinary activities before taxation is stated after charging /(crediting):-		
Depreciation charge for the year:		
Tangible owned fixed assets	33,822	49,751
Tangible assets held under finance leases	2,166	2,792
Amortisation of player registrations	147,124	151,710
Auditors' remuneration	12,000	12,900
Hire of plant and machinery – operating leases	47,234	2,598
Hire of other assets – operating leases	-	130
Profit on disposal of tangible fixed assets	(56)	-
Profit on disposal of player registrations	-	(475,000)
Amortisation of Football Trust grants	(19,663)	(19,662)

9 Tangible Fixed Assets

	<u>Land and buildings</u>				
	<u>Freehold</u>	<u>Short leasehold improve- ments</u>	<u>Plant & machinery & vehicles</u>	<u>Fixtures & fittings</u>	<u>Total</u>
	£	£		£	£
Cost					
At 1 June 1998	40,584	1,664,604	120,946	20,673	1,846,807
Additions	-	-	11,151	1,412	12,563
Disposals	-	-	(8,700)	-	(8,700)
At 31 May 1999	<u>40,584</u>	<u>1,664,604</u>	<u>123,397</u>	<u>22,085</u>	<u>1,850,670</u>
Depreciation					
At 1 June 1998	9,083	405,867	100,419	9,536	524,905
Charge for the period	2,803	21,344	8,197	3,644	35,988
Eliminated in respect of disposals	-	-	(6,502)	-	(6,502)
At 31 May 1999	<u>11,886</u>	<u>427,211</u>	<u>102,114</u>	<u>13,180</u>	<u>554,391</u>
Net book value at 31 May 1999	<u>28,698</u>	<u>1,237,393</u>	<u>21,283</u>	<u>8,905</u>	<u>1,296,279</u>
Net book value at 31 May 1998	<u>31,501</u>	<u>1,258,737</u>	<u>20,527</u>	<u>11,137</u>	<u>1,321,902</u>

The net book value of tangible fixed assets includes £14,912 (1998: £9,961) in respect of assets held under finance lease.

SWANSEA CITY ASSOCIATION FOOTBALL CLUB LIMITED
Notes to the financial statements for the year ended 31 May 1999

10 Intangible Fixed Assets: Player registrations.

This represents the costs and amortisation of the costs of purchasing player registrations.

	1999 £
Cost	
At 1 June 1998 (as restated)	343,763
Additions	10,000
Disposals	(108,546)
At 31 May 1999	<u>245,217</u>
Depreciation	
At 1 June 1998 (as restated)	112,065
Charge for the period	147,124
Eliminated in respect of disposals	(108,546)
At 31 May 1999	<u>150,643</u>
Net book value at 31 May 1999	<u>94,574</u>
Net book value at 31 May 1998 (as restated see note 18)	<u>231,698</u>

11 Stocks

	1999 £	1998 £
Goods for resale	29,242	5,000

12 Debtors: Amounts falling due within one year

	1999 £	1998 £
Trade debtors	38,348	30,348
Other debtors	42,611	344,076
Prepayments	29,445	-
	<u>110,404</u>	<u>374,424</u>

13 Creditors: amounts falling due within one year

	1999 £	1998 £
Obligations under finance lease	15,111	9,296
Trade creditors	227,696	308,208
Amounts due to parent company	2,026,408	657,449
Other creditors	-	78,082
Taxation and social security	194,426	387,838
Other loans	-	20,000
Accruals and deferred income	60,324	284,569
	<u>2,523,965</u>	<u>1,745,442</u>

Other loans in 1998 represents an unsecured loan from a director of the company. It was repaid in June 1998.

SWANSEA CITY ASSOCIATION FOOTBALL CLUB LIMITED
Notes to the financial statements for the year ended 31 May 1999

14 Creditors: amounts falling due after more than one year

	1999 £	1998 £
Loans due to parent company	<u>1,421,150</u>	<u>1,421,150</u>

The loans due to the parent company have no fixed terms of repayment and carry interest at the rate of 2% over base rate which has been waived for the year to 31 May 1999.

The loans falling due to the parent company after more than one year are secured by way of a mortgage over the freehold land and buildings and the Vetch Field Stadium. In addition the parent company holds a fixed and floating charge over all assets of the company

15 Finance leases

The net finance lease obligations to which the company is committed are:

	1999 £	1998 £
In one year or less	15,111	9,296
Between one and two years	-	-
Between two and five years	-	-
	<u>15,111</u>	<u>9,296</u>

16 Football Trust grants

	1999 £	1998 £
At 1 June 1998	766,900	786,522
Amount credited to the profit and loss account	(19,663)	(19,622)
At 31 May 1999	<u>747,237</u>	<u>766,900</u>

The Football Trust grants were received in relation to improvements to the existing stadium, the costs of which are disclosed under short leasehold improvements (see note 9).

17 Called up share capital

	1999 £	1998 £
Authorised		
4,000 ordinary shares of 25p each	1,000	1,000
398,000 ordinary shares of 50p each	199,000	199,000
	<u>200,000</u>	<u>200,000</u>
Allotted, called up and fully paid		
4,000 ordinary shares of 25p each	1,000	1,000
397,978 ordinary shares of 50p each	198,989	198,989
	<u>199,989</u>	<u>199,989</u>

SWANSEA CITY ASSOCIATION FOOTBALL CLUB LIMITED

Notes to the financial statements for the year ended 31 May 1999

18 Reserves

	Profit and loss account £
At 31 May 1998	(2,425,179)
Prior year adjustment	231,698
As restated 1 June 1998	(2,193,481)
Loss for the year	(1,152,359)
At 31 May 1999	(3,345,840)

The profit and loss reserves at 31 May 1998 have been re-stated following the adoption of a policy of capitalising player registration fees as intangible fixed assets (following the introduction of FRS 10 "Goodwill and intangible assets"). Previously these costs were dealt with through the profit and loss account in the accounting period in which the player transfer took place. The effect of this change in policy was to reduce 31 May 1998 losses by £51,290 and to increase the current year's losses by £137,124.

19 Reconciliation of movements in shareholders' deficit

	1999 £	1998 £
Loss for the year	(1,152,359)	(794,390)
Shareholders' deficit as at 1 June 1998 (originally £(2,225,190), restated for prior year adjustment of £231,698)	(1,993,492)	(1,199,102)
Shareholders' deficit as at 31 May 1999	(3,145,851)	(1,993,492)

20 Analysis of net debt

	1 June 1998 £	Cash flows £	Other non-cash changes £	31 May 1999 £
Net cash				
Cash at bank and in hand	6,976	9,026	-	16,002
Debt				
Finance leases	(9,296)	-	(5,815)	(15,111)
Other loans	(20,000)	20,000	-	-
Loans and interest falling due after one year	(1,421,150)	-	-	(1,421,150)
	<u>(1,450,446)</u>	<u>20,000</u>	<u>(5,815)</u>	<u>(1,436,261)</u>
Net debt	<u>(1,443,470)</u>	<u>29,026</u>	<u>(5,815)</u>	<u>(1,420,259)</u>

SWANSEA CITY ASSOCIATION FOOTBALL CLUB LIMITED
Notes to the financial statements for the year ended 31 May 1999

21 Related party transactions

Swansea City Association Football Club Limited's related parties as defined by Financial Reporting Standard 8, the nature of the relationship and the extent of the transactions with them are summarised below:

	Note	1999 £	1998 £
Amounts due to parent company	13	2,026,408	657,449
Loans due to parent company	14	1,421,150	1,421,150

Amounts due to the parent company have arisen as a result of funding provided by The Ninth Floor PLC for normal operating activities.

22 Ultimate parent company

The company's ultimate parent company is The Ninth Floor PLC (formerly Silver Shield Group PLC) which is incorporated in Great Britain and registered in England and Wales.

Copies of the parent's consolidated financial statements may be obtained from The Secretary, The Ninth Floor PLC, Winchester House, 259 Old Marylebone Road, London NW1 5RA.

23 Contingent liabilities

The company had no contingent liabilities at 31 May 1999.

24 Capital commitments

The company had no capital commitments at 31 May 1999.

25 Financial commitments

At 31 May 1999 the company had annual commitments under a non-cancellable operating lease equivalent to 5% of annual turnover from football activities. This lease expires in more than 5 years.