

Company No. 1536806

ALTONWOOD LIMITED

REPORT AND  
FINANCIAL STATEMENTS

FOR THE PERIOD ENDING  
31 MAY 1998



**ALTONWOOD LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MAY 1998**

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<b>Contents</b>	<b>Pages</b>
Company information	1
Directors' report	2 - 4
Auditors' report	5
Group profit and loss account	6
Statement of total recognised gains and losses	7
Group balance sheet	8
Company balance sheet	9
Cash flow statement	10
Notes to the financial statements	11 - 33

**ALTONWOOD LIMITED**  
**COMPANY INFORMATION**  
**AS AT 31 MAY 1998**

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**DIRECTORS**

R G Noades  
B Coleman OBE  
Mrs L N Noades  
D W Waddington  
D A Miller

**SECRETARY**

D A Miller

**REGISTERED OFFICE**

FWP House  
Bourne Court  
Southend Road  
Woodford Green  
Essex IG8 8HD

**REGISTERED NUMBER**

1536806

**AUDITORS**

The Fordham Waddington Partnership  
Chartered Accountants  
FWP House  
17 Bourne Court  
Southend Road  
Woodford Green  
Essex IG8 8HD

## **ALTONWOOD LIMITED**

### **DIRECTORS' REPORT**

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The directors present their annual report with the financial statements of the group for the period ended 31 May 1998.

#### **PRINCIPAL ACTIVITIES**

The principal activity of the group in the period under review is that of a professional Football League Club.

The principal activities of the company are that of a holding, management and investment company.

The directors are satisfied with the group's performance during the year.

No significant change in the nature of these activities occurred during the period, other than the disposal of 11.7% of its holding in Crystal Palace F.C. (1986) Limited for £3,750,000 and the granting of a new lease of the stadium at Selhurst Park at a premium of £1,350,000.

#### **REVIEW OF THE BUSINESS**

The net loss after providing for taxation amounted to £2,709,024.

During the year the Club competed in the Premier League. In the 1998/99 football season the Club will compete in the Nationwide League First Division.

Adequate finance has been obtained to continue to improve the company's premises and the directors consider the state of affairs to be satisfactory.

#### **DIVIDENDS**

No dividends were paid during the period and no recommendation is made as to dividends.

#### **POST BALANCE SHEET EVENTS**

Since the end of the financial period the company has disposed of its remaining interest in Crystal Palace F.C. (1986) Limited for a consideration of £18,250,000. Subsequent to this sale the company acquired a controlling interest in Brentford Football and Sports Club Limited for £650,000.

The company also granted an option to purchase, for one year, with the right to extend for a further four years over its Freehold and Long Leasehold Properties at Selhurst Park at a consideration of £10,600,000.

The company has also disposed of all its investment in Mardonmain Holdings Limited for £100.

#### **FIXED ASSETS**

The directors are of the opinion, based on various valuations prepared by Messrs Edward Symons & Partners, that the value of the freehold interest in Selhurst Park Stadium at 31 May 1998 (so far as the Group is concerned) is not less than £25,000,000. They have therefore incorporated that value in the group balance sheet. The directors are also of the opinion that the value of the company's freehold interest in the stadium at 31 May 1998 is not less than £6,000,000. That value has been incorporated in the company's balance sheet.

The directors have also considered the value of the company's investment in its' subsidiary companies and, having regard to the disposal mentioned above, have concluded that the value of the company's interest in Crystal Palace F.C. (1986) Limited is not less than £15,000,000. This revaluation has been incorporated in these accounts.

# ALTONWOOD LIMITED

## DIRECTORS' REPORT

### DIRECTORS AND THEIR INTERESTS

The directors in office in the period and their beneficial interests in the company at the balance sheet date and the beginning of the year (or on appointment if later) were as follows:

	Ordinary Shares of £1 each	
	1998	1997
R G Noades	30,096	30,096
B Coleman OBE	17,663	17,663
Mrs L N Noades	-	-
D W Waddington	-	-
D A Miller	-	-

### 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;
- comply with applicable Accounting Standards, 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 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.

### EMPLOYMENT OF DISABLED PERSONS

It is company policy to recruit disabled persons for appropriate positions. Once employed, whatever assistance is necessary in terms of training and career advancement is given.

### EMPLOYEE INVOLVEMENT

The company is committed to communication with employees by its established system of keeping employees informed of performance, development and progress through briefings by management, the club's monthly newspaper, Palace News, and widely distributed news and information bulletins.

### POLITICAL AND CHARITABLE CONTRIBUTIONS

During the period the company did not make any political contributions nor any charitable contributions.

### INSURANCE

During the financial period the group purchased and maintained liability insurance for its directors and officers as permitted by section 310(3) of the Companies Act 1985.

### YEAR 2000

The directors have considered the Year 2000 problem connected with computers so far as it affects the group and do not anticipate that the group will have any problems or significant associated costs in respect thereof.

### CLOSE COMPANY

The company is a close company, as defined by the Income and Corporation Taxes Act 1988.

ALTONWOOD LIMITED

DIRECTORS' REPORT

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**AUDITORS**

The auditors, The Fordham Waddington Partnership, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

By order of the board:



.....  
D A Miller  
Secretary

Approved by the board: 21. 12 - 98.....

## ALTONWOOD LIMITED

### AUDITORS' REPORT

We have audited the financial statements on pages 6 to 33 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and on the basis of accounting policies set out on pages 11 and 12.

#### RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

As described in the directors' report, the company's directors are responsible for the preparation of 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 as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. However, following the disposal of the company's holding in Crystal Palace F.C. (1986) Limited, the major subsidiary, the group have been denied their right to the audited accounts of that company and have been forced to incorporate unaudited management accounts for the period ended 31 May 1998 in these group financial statements. We have not been able to audit those accounts and any adjustments to those figures may have a consequential material effect on the group financial statements.

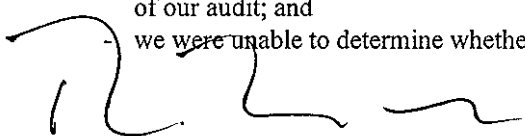
In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### OPINION: disclaimer on view given by financial statements

Because of the possible effect of the limitation in evidence available to us in respect of Crystal Palace F.C. (1986) Limited we are unable to form an opinion as to whether the financial statements give a true and fair view of the state of affairs of the group as at 31 May 1998 and of the group loss for the period then ended. We have, however, audited the accounts of all of the other subsidiaries and have not qualified the audit reports of those companies. In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 May 1998 and of its loss for the period then ended. In all other respects the financial statements have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our work relating to the audit of the financial statements of Crystal Palace F.C. (1986) Limited:

- 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.



.....  
The Fordham Waddington Partnership  
Chartered Accountants  
Registered Auditors  
FWP House  
17 Bourne Court  
Southend Road  
Woodford Green  
Essex IG8 8HD

21 December 1998

**ALTONWOOD LIMITED**

**GROUP PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD ENDED 31 MAY 1998**

	Notes	£	1998 £	£	1997 £
<b>TURNOVER</b>	2				
Continuing operations		1,564,448		1,157,817	
Discontinued operations		13,499,342		7,590,960	
			15,063,790		8,748,777
Cost of sales	3		(8,695,305)		(7,339,740)
<b>GROSS PROFIT</b>	3		6,368,485		1,409,037
Net operating expenses	3		(7,309,684)		(1,018,490)
<b>OPERATING LOSS</b>	5				
Continuing operations		3,657,336		284,870	
Discontinued operations		(4,598,535)		105,677	
			(941,199)		390,547
Profit on sale of fixed assets in discontinued operations			30,125		2,328
<b>LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST</b>			(911,074)		392,875
Investment income and interest receivable	6		52,983		5,950
Interest payable and similar charges	7		(820,869)		(608,328)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			(1,678,960)		(209,503)
Tax on loss on ordinary activities	10		(1,030,064)		-
<b>LOSS FOR THE PERIOD</b>			(2,709,024)		(209,503)
Dividends paid or proposed	11		-		(28,040)
			(2,709,024)		(237,543)
Minority interests	30		725,596		98,983
<b>ACCUMULATED LOSS FOR THE PERIOD</b>	28		(1,983,428)		(138,560)

The notes on pages 11 to 33 form part of these financial statements.



**ALTONWOOD LIMITED**

**GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE PERIOD ENDED 31 MAY 1998**

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	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
Loss for the financial period after taxation	(2,709,024)	(209,503)
Unrealised movement on revaluation of properties	(60,814)	16,590,704
<b>TOTAL RECOGNISED LOSSES RELATING TO THE PERIOD</b>	<b>(2,769,838)</b>	<b>16,381,201</b>

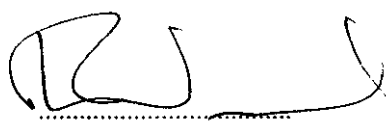
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The notes on pages 11 to 33 form part of these financial statements.

**ALTONWOOD LIMITED**  
**GROUP BALANCE SHEET**  
**AT 31 MAY 1998**

	Notes	£	1998 £	£	1997 £
<b>FIXED ASSETS</b>					
Tangible assets	12		37,497,830		34,120,992
Investments	13		641,613		911,374
			<u>38,139,443</u>		<u>35,032,366</u>
<b>CURRENT ASSETS</b>					
Stocks	15	269,430		215,738	
Debtors	16	5,019,673		2,425,456	
Investments	17	2,616		3,339	
Cash at bank and in hand		1,613,490		491,951	
		<u>6,905,209</u>		<u>3,136,484</u>	
<b>CREDITORS: amounts falling due within one year</b>	18	(22,166,638)		(12,753,210)	
<b>NET CURRENT LIABILITIES</b>			<u>(15,261,429)</u>		<u>(9,616,726)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>22,878,014</u>		<u>25,415,640</u>
<b>CREDITORS: amounts falling due after more than one year</b>	19		(5,098,180)		(4,870,426)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	22		<u>(5,128,615)</u>		<u>(5,128,615)</u>
<b>NET ASSETS</b>			<u>12,651,219</u>		<u>15,416,599</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	23		54,300		54,300
Share premium account	24		6,750		6,750
Revaluation reserve	25		11,445,946		11,508,345
Consolidation reserve	27		14,228		368,162
Profit and loss account	28		1,120,766		3,104,194
<b>SHAREHOLDERS' FUNDS</b>	29		<u>12,641,990</u>		<u>15,041,751</u>
Minority interest	30		9,229		374,848
			<u>12,651,219</u>		<u>15,416,599</u>

The financial statements were approved by the board of directors on 21. 12. 98  
and signed on its behalf by:



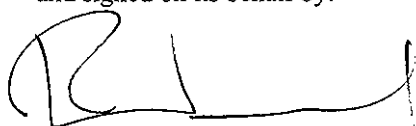
R G Noades  
Director

The notes on pages 11 to 33 form part of these financial statements.

**ALTONWOOD LIMITED**  
**COMPANY BALANCE SHEET**  
**AT 31 MAY 1998**

		1998	1997
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	12	6,552,166	6,294,521
Investments	14	15,112,974	20,112,971
		<u>21,665,140</u>	<u>26,407,492</u>
<b>CURRENT ASSETS</b>			
Debtors	16	5,351,144	2,462,648
Cash at bank and in hand		860,752	203,813
		<u>6,211,896</u>	<u>2,666,461</u>
<b>CREDITORS: amounts falling due within one year</b>	18	<u>(2,503,814)</u>	<u>(2,056,971)</u>
<b>NET CURRENT ASSETS</b>		<u>3,708,082</u>	<u>609,490</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>25,373,222</u>	<u>27,016,982</u>
<b>CREDITORS: amounts falling due after more than one year</b>	19	(208,450)	(316,185)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	22	<u>(5,886,849)</u>	<u>(7,435,050)</u>
<b>NET ASSETS</b>		<u><u>19,277,923</u></u>	<u><u>19,265,747</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	23	54,300	54,300
Share premium account	24	6,750	6,750
Revaluation reserve	25	13,102,980	16,548,976
Other reserves	26	4,900	4,900
Profit and loss account	28	6,108,993	2,650,821
<b>TOTAL SHAREHOLDERS' FUNDS</b>	29	<u><u>19,277,923</u></u>	<u><u>19,265,747</u></u>

The financial statements were approved by the board of directors on 21.12.98  
and signed on its behalf by:



R G Noades  
Director

The notes on pages 11 to 32 form part of these financial statements.

**ALTONWOOD LIMITED**  
**GROUP CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED 31 MAY 1998**

	Notes	1998 £	1997 £
CASH FLOW FROM OPERATING ACTIVITIES	5	2,267,800	2,499,304
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	31	(785,850)	(585,498)
TAXATION	31	-	(11,146)
CAPITAL EXPENDITURE	31	(3,263,774)	(4,472,314)
ACQUISITIONS AND DISPOSALS	31	3,500,000	240
EQUITY DIVIDENDS PAID		-	(28,040)
Cash inflow before use of liquid resources and financing		1,718,176	(2,597,454)
FINANCING	31	(210,689)	2,702,006
INCREASE IN CASH IN THE PERIOD		<u>1,507,487</u>	<u>104,552</u>

**RECONCILIATION OF NET CASH FLOW TO  
MOVEMENT IN NET DEBT**

32

INCREASE IN CASH IN THE PERIOD	1,507,487	104,552
Cash outflow from decrease in debt and lease financing	210,689	(2,702,006)
Change in net funds resulting from cash flows	1,718,176	(2,597,454)
New finance leases	(347,876)	(265,604)
Movement in net funds in the period	1,370,300	(2,863,058)
Net debt at 1 July 1997	(11,104,769)	(8,241,711)
Net debt at 31 May 1998	<u>(9,734,469)</u>	<u>(11,104,769)</u>

The notes on pages 11 to 33 form part of these financial statements.

# ALTONWOOD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MAY 1998

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### 1. STATEMENT OF ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention modified to include the revaluation of freehold land and buildings and include the results of the group's operations as indicated in the directors' report and are in accordance with applicable accounting standards.

#### **Turnover**

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the period.

#### **Depreciation of tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its useful life:

Freehold land and buildings	straight line over fifty or one hundred years
Plant and machinery	20% on cost
Motor vehicles	25% on cost
Equipment, fixtures and tools	20% on cost

Freehold buildings are depreciated to write down the cost less estimated residual value over their remaining useful life by equal annual instalments. Where buildings are maintained to such a standard that their residual value is not less than their cost or valuation, no depreciation is charged as it is not material.

#### **Stocks**

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

Net realisable value is based on estimated selling price less further costs to completion and disposal.

#### **Investments**

Investments held as fixed assets are stated at cost or revaluation less provision for permanent diminution in value. Those held as current assets are stated at the lower of cost and net realisable value.

Dividends are brought to account in the profit and loss account when received.

#### **Investment properties**

Investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve. Deficits that are expected to be permanent are written off to the profit and loss account. No amortisation or depreciation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to expiry. Leasehold investment properties with 20 years or less to expiry are amortised over the period of the lease.

#### **Deferred taxation**

Deferred taxation is provided using the liability method on all timing differences to the extent that they are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

ALTONWOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 1998

1. STATEMENT OF ACCOUNTING POLICIES - (continued)

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into the profit and loss account for the year.

**Leasing and hire purchase commitments**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their estimated useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

**Pension costs**

The company operates a defined contribution pension scheme. Contributions payable to this scheme are charged to the profit and loss account in the period to which they relate. These contributions are invested separately from the company's assets.

**Grants**

Grants received from the Football Trust in respect of operating costs of the company are dealt with in the profit and loss account in the period in which the related expenditure is incurred.

Grants received from the Football Trust for ground improvements are credited against the relevant capital expenditure.

**Transfer Fees**

Transfer fees are charged to the profit and loss account of the company as they are incurred and credited as they are receivable. The directors do not consider it appropriate to adopt any alternative accounting policy, which would capitalise transfer fees payable, as they do not believe it to be practicable to assess the period over which such capitalised costs should be amortised. As a result no value is attributed in the company's Balance Sheet to the squad of players.

2. TURNOVER

	1998 £	1997 £
<b>Analysis by class of business:</b>		
Footballing activities	13,487,823	7,839,589
Rental and similar income	689,101	698,722
Golf course	886,866	210,466
	<u>15,063,790</u>	<u>8,748,777</u>

The group's turnover arose wholly in the United Kingdom.

**ALTONWOOD LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 1998**

**3. ANALYSIS OF OPERATIONS**

	<b>1998</b>		
	<b>Continuing £</b>	<b>Discontinued £</b>	<b>Total £</b>
Cost of sales	<u>(735,695)</u>	<u>(7,959,610)</u>	<u>(8,695,305)</u>
Gross profit	<u>828,753</u>	<u>5,539,732</u>	<u>6,368,485</u>
Administration costs	(665,614)	(2,907,751)	(3,573,365)
Other operating income (note 4)	<u>3,494,197</u>	<u>(7,230,516)</u>	<u>(3,736,319)</u>
	<u>2,828,583</u>	<u>(10,138,267)</u>	<u>(7,309,684)</u>

	<b>1997</b>		
	<b>Continuing £</b>	<b>Discontinued £</b>	<b>Total £</b>
Cost of sales	<u>(297,974)</u>	<u>(7,041,766)</u>	<u>(7,339,740)</u>
Gross profit	<u>859,843</u>	<u>549,194</u>	<u>1,409,037</u>
Administration costs	(363,622)	(1,683,200)	(2,046,822)
Other operating income (note 4)	<u>-</u>	<u>1,028,332</u>	<u>1,028,332</u>
	<u>(363,622)</u>	<u>(654,868)</u>	<u>(1,018,490)</u>

**4. OTHER OPERATING INCOME**

	<b>1998 £</b>	<b>1997 £</b>
Transfer fees receivable	7,810,484	3,335,667
Transfer fees payable	<u>(15,041,000)</u>	<u>(2,307,335)</u>
	<u>(7,230,516)</u>	<u>1,028,332</u>
Profit on disposal of investment in shares of Crystal Palace F.C. (1986) Limited	<u>3,494,197</u>	<u>-</u>

**ALTONWOOD LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 1998**

**5. OPERATING LOSS**

<b>Operating loss is stated:</b>	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
<b>After charging:</b>		
Depreciation of fixed assets	277,024	284,738
Amortisation of intangible assets	171,381	182,936
Auditors' remuneration	12,050	26,950
Non-audit service remuneration paid to auditors	117,951	16,408
Hire of equipment	1,290	560
Loss on foreign currencies	127	612
Operating lease rentals		
Land and buildings	31,754	-
Plant and machinery	8,848	6,795

	<b>Continued</b>	<b>1998</b>	<b>Total</b>
	<b>£</b>	<b>Discontinued</b>	<b>£</b>
		<b>£</b>	
Operating profit/(loss)	3,687,461	(4,598,535)	(911,074)
Depreciation	91,889	185,135	277,024
Amortisation	16,382	154,999	171,381
Profit on disposal of fixed assets	19,601	(30,125)	(10,524)
Profit on disposal of investment in subsidiary	(3,494,197)	-	(3,494,197)
Increase in stocks	(5,291)	(48,401)	(53,692)
Decrease in debtors	(104,224)	(2,499,423)	(2,603,647)
Increase in creditors due within one year	530,876	8,361,653	8,892,529
Net cash flow from continuing operating activities	742,497		
Net cash flow in respect of discontinued activities		1,525,303	
<b>Cash inflow from operating activities</b>			<b>2,267,800</b>

	<b>Continued</b>	<b>1997</b>	<b>Total</b>
	<b>£</b>	<b>Discontinued</b>	<b>£</b>
		<b>£</b>	
Operating profit/(loss)	498,552	(105,677)	392,875
Depreciation	79,185	205,553	284,738
Amortisation	10,029	172,907	182,936
Profit on disposal of fixed assets	(163)	(2,328)	(2,491)
Increase in stocks	5,295	(62,396)	(57,101)
Increase in debtors	118,882	(38,575)	80,307
Increase in creditors due within one year	558,698	1,059,342	1,618,040
Net cash flow from continuing operating activities	1,270,478		
Net cash flow in respect of discontinued activities		1,228,826	
<b>Cash inflow from operating activities</b>			<b>2,499,304</b>



**ALTONWOOD LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 1998**

**5. OPERATING LOSS**

Reconciliation of operating loss to net  
cash inflow from operating activities

	1998	1997
	£	£
<b>Operating loss:</b>		
Operating loss	(911,074)	392,875
Depreciation	277,024	284,738
Amortisation	171,381	182,936
Profit on disposal of fixed assets	(10,524)	(2,491)
Profit on disposal of investment in subsidiary	(3,494,197)	-
Increase in stocks	(53,692)	(57,101)
Increase in debtors	(2,603,647)	80,307
Increase in creditors	8,892,529	1,618,040
<b>Net cash inflow from operating activities</b>	<u>2,267,800</u>	<u>2,499,304</u>

**6. INVESTMENT INCOME AND INTEREST RECEIVABLE**

	1998	1997
	£	£
<b>Interest received and receivable</b>		
Bank interest	49,537	3,293
Other interest	2,362	2,657
	<u>51,899</u>	<u>5,950</u>
<b>Investment income</b>		
Profit on disposal of unlisted investments	1,084	-
	<u>1,084</u>	<u>-</u>
<b>Total investment income</b>	<u>52,983</u>	<u>5,950</u>

**7. INTEREST PAYABLE AND SIMILAR CHARGES**

	1998	1997
	£	£
On bank loans and overdrafts	680,791	540,478
On other loans repayable in full within five years	90,203	19,301
On overdue tax	2,491	62
Lease finance charges and hire purchase interest	47,384	48,487
	<u>820,869</u>	<u>608,328</u>

**ALTONWOOD LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 1998**

**8. INFORMATION ON DIRECTORS AND EMPLOYEES**

	1998 £	1997 £
<b>Staff costs</b>		
Wages and salaries	6,584,686	4,995,123
Social security costs	621,977	428,019
Other pension costs	297,905	217,594
	<u>7,504,568</u>	<u>5,640,736</u>
	1998 No.	1997 No.
The average monthly number of employees during the year was made up as follows:		
Playing and management staff	3	63
Ground staff	18	19
Administration	9	12
Sales and marketing	10	35
Match day and other part time staff	-	406
	<u>40</u>	<u>535</u>

It has not been possible to obtain the information necessary to include the analysis in respect of Crystal Palace F.C. (1986) Limited for the period ended 31 May 1998.

	1998 £	1997 £
<b>Directors' emoluments</b>		
Remuneration for management services	314,636	330,592
Pension contributions	15,636	28,703
	<u>330,272</u>	<u>359,295</u>
 Remuneration of highest paid director		
Emoluments	257,999	236,040
Pension contributions	15,636	28,703
	<u>273,635</u>	<u>264,743</u>

**ALTONWOOD LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 1998**

**9. PENSION COSTS**

**Defined contribution scheme**

The company operates a defined contribution pension scheme. 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 £297,905 (1997 - £217,594).

**10. TAX ON LOSS ON ORDINARY ACTIVITIES**

	1998 £	1997 £
The taxation charge comprises:		
UK Corporation tax at 31% (1997 - 31%)	1,033,615	-
Adjustment in respect of prior years	(3,551)	-
	<u>1,030,064</u>	<u>-</u>

**11. DIVIDENDS PAID OR PROPOSED**

	1998 £	1997 £
On ordinary shares:		
Interim dividend paid to minority shareholders of subsidiary company	<u>-</u>	<u>28,040</u>

**ALTONWOOD LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 1998**

**12. TANGIBLE FIXED ASSETS**

	Freehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost or valuation:</b>					
At 1 July 1997	33,699,731	870,990	689,154	507,067	35,766,942
Additions	3,203,216	233,061	30,007	612,246	4,078,530
Disposals	-	-	(36,999)	(374,399)	(411,398)
At 31 May 1998	36,902,947	1,104,051	682,162	744,914	39,434,074
<b>Depreciation:</b>					
At 1 July 1997	807,647	315,433	362,946	159,924	1,645,950
Charge for period	173,061	89,684	58,069	119,176	439,990
On disposals	-	-	(18,877)	(130,819)	(149,696)
At 31 May 1998	980,708	405,117	402,138	148,281	1,936,244
<b>Net book value:</b>					
At 31 May 1998	35,922,239	698,934	280,024	596,633	37,497,830
At 30 June 1997	32,892,084	555,557	326,208	347,143	34,120,992

	1998 £	1997 £
<b>Analysis of net book value of land and buildings:</b>		
Freehold	35,652,449	32,647,294
Long leasehold	269,790	244,790
	<u>35,922,239</u>	<u>32,892,084</u>

**ALTONWOOD LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MAY 1998**

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**12. TANGIBLE FIXED ASSETS - (continued)**

Included above are assets held under finance leases or hire purchase contracts as follows:-

	1998 £	1997 £
Net book values:		
Plant and machinery	198,709	161,851
Motor vehicles	51,083	297,424
	<u>249,792</u>	<u>459,275</u>
Depreciation charge for the period:		
Plant and machinery	22,038	28,560
Motor vehicles	2,928	82,370
	<u>24,966</u>	<u>110,930</u>

Net obligations under finance leases and hire purchase contracts are secured on the assets acquired.

It has not been possible to obtain the information necessary to include the analysis in respect of Crystal Palace F.C. (1986) Limited for the period ended 31 May 1998.

The directors have valued certain of the freehold properties including the freehold of Selhurst Park Stadium at not less than £25,000,000. This has resulted in a valuation surplus of £16,531,811. The balance of the freehold and long leasehold properties are shown at cost.

**ALTONWOOD LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MAY 1998**

The Company	Freehold land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost or valuation:</b>				
At 1 July 1997	6,310,240	10,000	-	6,320,240
Revaluations	-	-	282,589	282,589
Disposals	-	(10,000)	-	(10,000)
At 31 May 1998	6,310,240	-	282,589	6,592,829
<b>Depreciation:</b>				
At 1 July 1997	21,860	3,859	-	25,719
Charge for period	-	-	18,803	18,803
On disposals	-	(3,859)	-	(3,859)
At 31 May 1998	21,860	-	18,803	40,663
<b>Net book value:</b>				
At 31 May 1998	6,288,380	-	263,786	6,552,166
At 30 June 1997	6,288,380	6,141	-	6,294,521

The directors have valued the company's interest in the freehold of Selhurst Park Stadium at not less than £6,000,000. The balance of the freehold property is shown at cost.

**ALTONWOOD LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MAY 1998**

**13. INVESTMENT PROPERTIES**

	Freehold and long leasehold property £	Short leasehold property £	Total £
<b>Cost or valuation:</b>			
At 1 July 1997	801,614	114,919	916,533
Additions	4,916	-	4,916
Revaluations	(60,814)	(1,585)	(62,399)
Disposals	(204,103)	-	(204,103)
At 31 May 1998	541,613	113,334	654,947
<b>Depreciation:</b>			
At 1 July 1997	-	4,919	4,919
Charge for period	-	8,415	8,415
At 31 May 1998	-	13,334	13,334
<b>Net book value:</b>			
At 31 May 1998	541,613	100,000	641,613
At 30 June 1997	801,614	110,000	911,614
		<b>1998</b>	<b>1997</b>
		<b>£</b>	<b>£</b>
<b>Analysis of net book value of land and buildings:</b>			
Freehold		541,613	598,467
Long leasehold		-	203,147
		541,613	801,614

The properties were revalued at 31 May 1998 by the directors on the basis of an open market valuation for existing use.

**ALTONWOOD LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 1998**

**14. INVESTMENTS**

	Beginning of year	Additions	Revaluation	Disposals	End of year
	£	£	£	£	£
<b>Cost or valuation:</b>					
Group					
undertakings	20,112,971	3	(2,658,629)	(2,341,371)	15,112,974

The directors consider that the value of the company's investment in its subsidiary undertakings is not less than the amount stated in the company's balance sheet.

The aggregate amount of capital and reserves and the results of these undertakings for the last financial year were as follows:-

	%age held	Cost or directors valuation*	Capital and reserves	Results
		£	£	£
Crystal Palace F.C. (1986) Limited*	85.42	15,000,000	5,553,582	(5,168,283)
Mardonmain Holdings Limited*	91.58	1	23,427	(1,253)
Country & Metropolitan Investments Limited	100.00	110,110	104,810	36,483
Zinckirk Properties Limited	100.00	100	64,367	12,347
Westerham Golf Club Limited	100.00	1,000	(549,142)	47,991
Mitcham Leisure Limited	100.00	1,000	7,330	7,275
Happy Valley Golf Club Limited	76.00	760	(269,008)	(221,528)
Altonwood Services Limited	100.00	2	20,969	20,967
Streete Court Leisure Limited	100.00	1	(44,311)	(44,312)
		15,112,974	4,912,024	(5,310,313)

**15. STOCKS**

	1998	1997
	£	£
Vouchers	43,660	23,666
Goods for resale	225,770	192,072
	269,430	215,738



**ALTONWOOD LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 1998**

**15. STOCKS - (continued)**

There is no material difference between the replacement cost of stocks and their balance sheet amounts.

**16. DEBTORS**  
**The Group**

	1998	1997
	£	£
Trade debtors	3,167,151	1,464,639
Other debtors	1,651,972	725,163
Prepayments and accrued income	200,550	235,654
	<u>5,019,673</u>	<u>2,425,456</u>

**The Company**

	1998	1997
	£	£
Trade debtors	6,429	-
Amounts owed by other group undertakings	5,252,215	2,407,238
Other debtors	92,500	55,410
	<u>5,351,144</u>	<u>2,462,648</u>

The company has made a provision of £1,108,000 against amounts due from Crystal Palace F.C. (1986) Limited

**17. CURRENT ASSETS INVESTMENTS**

	1998	1997
	£	£
UK listed investments	2,616	3,339
	<u>2,616</u>	<u>3,339</u>

The current market value of the listed investments are £3,484.

# ALTONWOOD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MAY 1998

### 18. CREDITORS: amounts falling due within one year

The Group	1998 £	1997 £
Debenture loans	636,611	636,611
Bank loans and overdrafts	4,470,081	5,219,252
Net obligations under finance leases and hire purchase contracts	86,849	185,599
Payments received on account	6,027	6,227
Trade creditors	6,031,303	1,353,682
Corporation tax	1,036,952	17,038
Other taxes and social security costs	645,787	521,364
Directors' current accounts	156,411	224,459
Other creditors	1,377,447	914,757
Accruals and deferred income	7,719,170	3,674,221
	<u>22,166,638</u>	<u>12,753,210</u>
Secured creditors	<u>1,289,127</u>	<u>5,054,272</u>

Bank loans and overdrafts are secured by:-

- a fixed charge over book debts and a floating charge on all other the assets of the company dated 10 March 1994;
- an unlimited multilateral guarantee dated 24 February 1998 given by the company, Mitcham Leisure Limited and Streete Court Leisure Limited;
- a first mortgage dated 5 January 1993 over the freehold property known as 122 Whitehorse Lane, London and
- a first mortgage dated 31 March 1987 over the freehold property known as Selhurst Park, Whitehorse Lane, London.

The Company	1998 £	1997 £
Debenture loans	636,611	636,611
Bank loans and overdrafts	141,504	340,680
Trade creditors	200,389	499
Amounts owed to other group undertakings	27,082	649,691
Corporation tax	913,337	3,337
Other taxes and social security costs	61,953	39,128
Directors' current accounts	4,958	28,133
Other creditors	277,028	268,754
Accruals and deferred income	240,952	90,138
	<u>2,503,814</u>	<u>2,056,971</u>
Secured creditors	<u>176,115</u>	<u>359,434</u>

**ALTONWOOD LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MAY 1998**

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**19. CREDITORS: amounts falling due after more than one year**

<b>The Group</b>	<b>1998</b> <b>£</b>	<b>1997</b> <b>£</b>
Loans	4,847,716	4,653,473
Net obligations under finance leases and hire purchase contracts	250,464	216,953
	<u>5,098,180</u>	<u>4,870,426</u>
Amounts due within five years		
Repayable by instalments	<u>161,586</u>	<u>2,968,631</u>
Instalments not due within five years	<u>462,568</u>	<u>1,901,795</u>
Secured creditors	<u>3,084,549</u>	<u>3,563,928</u>

It has not been possible to obtain the information necessary to include the analysis in respect of Crystal Palace F.C. (1986) Limited for the period ended 31 May 1998.

<b>The Company</b>	<b>1998</b> <b>£</b>	<b>1997</b> <b>£</b>
Loans	<u>208,450</u>	<u>316,185</u>
Amounts due within five years		
Repayable by instalments	<u>161,586</u>	<u>249,509</u>
Instalments not due within five years	<u>-</u>	<u>66,676</u>
Secured creditors	<u>208,450</u>	<u>316,185</u>

ALTONWOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 1998

20. BORROWINGS

The Group

	1998 £	1997 £
<b>The group's borrowings are repayable as follows</b>		
Up to one year and on demand	6,165,546	6,544,034
Between one and two years	225,410	481,235
Between two and five years	1,610,459	1,828,894
After five years	2,224,344	1,901,795
	<u>10,225,759</u>	<u>10,755,958</u>
<b>Borrowings: amounts due after 5 years</b>		
Repayable by instalments		
Bank Loan wholly repayable by instalments	1,328,559	1,843,469
Building society mortgage wholly repayable by instalments	46,865	58,326
	<u>1,375,424</u>	<u>1,901,795</u>
Wholly repayable within five years	<u>8,001,415</u>	<u>8,854,163</u>
Included in current liabilities	<u>6,165,546</u>	<u>6,544,034</u>
Instalments not due within five years	<u>462,568</u>	<u>1,901,795</u>

**ALTONWOOD LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 1998**

**20. BORROWINGS - (continued)**

**The Company**

	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
<b>The company's borrowings are repayable as follows</b>		
Up to one year and on demand	1,046,726	1,246,045
Between one and two years	49,944	161,219
Between two and five years	111,642	128,238
After five years	46,865	66,676
	<u>1,255,177</u>	<u>1,602,178</u>

**Borrowings: amounts due after 5 years**

**Repayable by instalments**

Loan instalments payable after 5 years	-	8,350
Building society mortgage wholly repayable by instalments	46,865	58,326
	<u>46,865</u>	<u>66,676</u>

Wholly repayable within five years	1,208,312	1,535,502
Included in current liabilities	1,046,726	1,246,045
Instalments not due within five years	46,865	66,676

**21. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS**

**The Group**

	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
<b>The group's net obligations under finance leases and hire purchase contracts are repayable as follows:</b>		
Within one year or on demand	101,487	187,121
Between one and two years	46,285	277,067
Between two and five years	56,824	-
	<u>204,596</u>	<u>464,188</u>
Finance charges and interest allocated to future accounting periods	(23,278)	(61,636)
	<u>181,318</u>	<u>402,552</u>
Included in current liabilities	(86,849)	(185,599)
	<u>94,469</u>	<u>216,953</u>

**ALTONWOOD LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 1998**

**22. PROVISIONS FOR LIABILITIES AND CHARGES**

	<b>Fully provided</b>	
<b>The Group</b>	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
Deferred tax is calculated at 31% (1997 - 31%) analysed over the following timing differences:		
On other timing differences	5,128,615	5,128,615
		<b>1998</b>
		<b>£</b>
The provision for deferred taxation is as follows:		
At 1 July 1997 and at 31 May 1998		5,128,615
<b>The Company</b>	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
Deferred tax is calculated at 31% (1997 - 31%) analysed over the following timing differences:		
On other timing differences	5,886,849	7,435,050
		<b>1998</b>
		<b>£</b>
Movements on the provision for deferred taxation are:		
At 1 July 97		7,435,050
Transferred to revaluation reserve		(1,548,201)
At 31 May 1998		5,886,849

**23. SHARE CAPITAL**

	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
<b>Authorised:</b>		
<b>Equity interests:</b>		
80,000 Ordinary shares of £1 each	80,000	80,000
<b>Allotted, called up and fully paid:</b>		
<b>Equity interests:</b>		
54,300 Ordinary shares of £1 each	54,300	54,300

**ALTONWOOD LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 1998**

**24. SHARE PREMIUM ACCOUNT**

	1998 £	1997 £
<b>Equity interests:</b>		
Balance at beginning of year	6,750	6,750
Movements during the year	-	-
Balance at year end	<u>6,750</u>	<u>6,750</u>

**25. REVALUATION RESERVE**

<b>The Group</b>	1998 £	1997 £
Balance at beginning of period	11,508,345	11,250
Revaluation during the period	-	11,497,095
Released during the period	(62,399)	-
Balance at period end	<u>11,445,946</u>	<u>11,508,345</u>

<b>The Company</b>	1998 £	1997 £
Balance at beginning of period	16,548,976	1,089,387
Revaluation during the period	(3,445,996)	15,459,589
Balance at period end	<u>13,102,980</u>	<u>16,548,976</u>

**26. CAPITAL REDEMPTION RESERVE**

	1998 £	1997 £
Balance at beginning and end of period	<u>4,900</u>	<u>4,900</u>

**27. CONSOLIDATION RESERVE**

	1998 £	1997 £
Balance at beginning of period	368,162	371,493
Movements during the period	(353,934)	(3,331)
Balance at year end	<u>14,228</u>	<u>368,162</u>

# ALTONWOOD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MAY 1998

### 28. PROFIT AND LOSS ACCOUNT

The Group	1998 £	1997 £
Retained profit at 1 July 1997	3,104,194	3,242,754
Loss for the period	(1,983,428)	(138,560)
Retained profit at 31 May 1998	<u>1,120,766</u>	<u>3,104,194</u>
 The Company	 1998 £	 1997 £
Retained profit at 1 July 1997	2,650,821	1,976,381
Profit for the period	3,458,172	674,440
Retained profit at 31 May 1998	<u>6,108,993</u>	<u>2,650,821</u>

### 29. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

The Group	1998 £	1997 £
Loss for the financial period	(1,983,428)	(110,520)
Dividends	-	(28,040)
Other recognised gains and losses relating to the period	(416,333)	11,493,764
Net reduction to shareholders' funds	(2,399,761)	11,355,204
Opening shareholders' funds	<u>15,041,751</u>	<u>3,686,547</u>
Closing shareholders' funds	<u>12,641,990</u>	<u>15,041,751</u>
 Represented by:-		
Equity interests	<u>12,641,990</u>	<u>15,041,751</u>
 The Company	 1998 £	 1997 £
Profit for the financial period	3,458,172	674,440
Other recognised gains and losses relating to the period	(3,445,996)	15,459,589
Net addition to shareholders' funds	12,176	16,134,029
Opening shareholders' funds	<u>19,265,747</u>	<u>3,131,718</u>
Closing shareholders' funds	<u>19,277,923</u>	<u>19,265,747</u>
 Represented by:-		
Equity interests	<u>19,277,923</u>	<u>19,265,747</u>



**ALTONWOOD LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MAY 1998**

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**30. MINORITY INTEREST**

	1998 £	1997 £
Balance at beginning of period	374,848	470,500
Transfer to profit and loss account	(725,596)	(98,983)
Transfer from consolidation reserve	359,977	3,331
Balance at year end	<u>9,229</u>	<u>374,848</u>

ALTONWOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 1998

31. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	1998 £	1997 £
<b>Returns on investments and servicing of finance</b>		
Interest received	51,899	5,950
Interest paid	(790,365)	(542,961)
Interest element of hire purchase contracts	(47,384)	(48,487)
<b>Net cash outflow from returns on investments and servicing of finance</b>	<u>(785,850)</u>	<u>(585,498)</u>
<b>Taxation</b>		
Corporation tax paid	-	(11,146)
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(3,735,553)	(4,342,439)
Purchase of other investments	(4,916)	(468,562)
Receipts from sale of tangible fixed assets	476,328	338,687
Receipts from sale of other investments	367	-
<b>Net cash outflow from capital expenditure</b>	<u>(3,263,774)</u>	<u>(4,472,314)</u>
<b>Acquisitions and disposals</b>		
Receipts from sale of subsidiary undertakings	3,500,000	240
<b>Net cash outflow from acquisitions and disposals</b>	<u>3,500,000</u>	<u>240</u>
<b>Financing</b>		
New long-term loans	2,486,392	2,845,760
New short-term loans	2,496,750	660,000
Repayments of long-term loans	(2,524,665)	(811,061)
Repayments of capital element of hire purchase contracts	(413,115)	(202,964)
Repayment of short-term loans	(2,711,877)	(49,146)
Movement in other short-term loans	455,826	259,417
<b>Net cash outflow from financing</b>	<u>(210,689)</u>	<u>2,702,006</u>

# ALTONWOOD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MAY 1998

### 32. ANALYSIS OF NET DEBT

	1997 £	Cash flow £	Other movements £	1998 £
Cash at bank and in hand	491,951	1,121,563	-	1,613,514
Bank overdraft	(768,938)	386,646	-	(382,292)
Debt due within one year	(5,775,096)	(8,182)	-	(5,783,278)
Debt due after one year	(4,653,473)	(194,243)	-	(4,847,716)
Finance leases	(402,552)	413,115	(347,876)	(337,313)
Current asset investments	3,339	(723)	-	2,616
	<u>(11,104,769)</u>	<u>1,718,176</u>	<u>(347,876)</u>	<u>(9,734,469)</u>

### 33. CAPITAL COMMITMENTS

	1998 £	1997 £
Details of capital commitments at the accounting date are as follows:		
Contracted but not provided for in the financial statements	172,000	50,000
	<u>172,000</u>	<u>50,000</u>

### 34. RELATED PARTY DISCLOSURES

During the year Crystal Palace F.C. (1986) Limited received £663,779 (1997 - £464,973 from ground sharing arrangements, including rent and service charges. Of this amount the company received £302,726 (1997 - £233,890) which together with its the rent due from Crystal Palace F.C. (1986) Limited amounted to £578,818 (1996 - £499,002).

The group have paid £134,500 (1996 - £35,275) for financial and consultancy services to the chartered accountancy practice of Mr D W Waddington, a director of the company.

Certain group companies have agreements with Mr & Mrs Davison (trading as Davison Builders) for building work on a commercial basis at those company's freehold properties. Mrs Davison is Mr R G Noades' sister. The building work totalled £ 571,206 (1997 - £321,080).

All of the above transactions were carried out on an arm's length basis.