

Middlesbrough Football & Athletic Company
(1986) Limited
Annual report
for the year ended 31 Ju' 2000

Registered Number 1947851



Middlesbrough Football & Athletic Company (1986) Limited

Annual report for the year ended 31 July 2000

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Middlesbrough Football & Athletic Company (1986) Limited

Directors and Advisors for the year ended 31 July 2000

Executive directors

S Gibson

G L Cooke

Secretary and registered office

A W Bage FCA

BT Cellnet Riverside Stadium

Middlesbrough

TS3 6RS

Solicitors

Eversheds

Sandersons

Bankers

Barclays Bank plc

Auditors

PricewaterhouseCoopers

Middlesbrough Football & Athletic Company (1986) Limited

Directors' report for the year ended 31 July 2000

The directors present their report and the audited financial statements of the company for the year ended 31 July 2000.

Principal activity

The principal activity of the company is the operation of a professional football club and related business operations. There have been no significant changes therein during the year.

Review of business

The directors consider the company's trading results for the year ended 31 July 2000 and the year end financial position to be satisfactory.

Dividends

The directors do not recommend the payment of a dividend (1999: £Nil).

Post balance sheet events

Subsequent to the year end the company has entered into agreements worth approximately £19 million for the acquisition of and £6 million for the disposal of players.

A property management company, Middlesbrough Football Club Property Company Limited, has been set up to hold the property interests of Middlesbrough Football & Athletic Company (1986) Limited.

Directors

The directors of the company at 31 July 2000, both of whom have been directors for the whole of the year ending on that date, are listed below:

S Gibson (Chairman)

G L Cooke (Resigned 12 December 2000)

Directors' interests in shares of the company and other group companies

None of the directors of the company have any interest in the shares of the company.

The interests of the directors in the shares of the ultimate parent company were:

1 August 1999
and 31 July 2000

The Gibson O'Neill Company Limited – ordinary shares £1

| | |
|----------|--------|
| S Gibson | 18,750 |
|----------|--------|

Other than as shown above no director had any interest in the shares of other group companies at any time during the year ended 31 July 2000.

Charitable donations

Donations made by the company during the year for charitable purposes amounted to £6,550 (1999: £67,000).

Middlesbrough Football & Athletic Company (1986) 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.

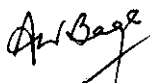
The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 July 2000. The directors also confirm that applicable accounting standards have been followed and 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office, and in the absence of a notice proposing that the appointment be terminated, will be deemed to be re-appointed for the next financial year.

By order of the Board



A W Bage FCA
Company secretary

2 February 2001

Middlesbrough Football & Athletic Company (1986) Limited

Auditors' report to the members of Middlesbrough Football & Athletic Company (1986) Limited

We have audited the financial statements on pages 5 to 19 which have been prepared under the historical cost convention and the accounting policies set out on pages 7 to 8.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 3, 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 Auditing 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 accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained 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 audit 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 at 31 July 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Middlesbrough
2 February 2001

Middlesbrough Football & Athletic Company (1986) Limited

Profit and loss account for the year ended 31 July 2000

| | Note | 2000 | 1999 |
|--|--------|-----------------|----------|
| Turnover | 1 | 27,687 | 28,003 |
| Cost of sales | | (22,629) | (20,345) |
| Gross profit | | 5,058 | 7,658 |
| Administrative expenses | | (3,683) | (3,589) |
| Player amortisation | 2 | (15,749) | (8,686) |
| Total administrative expenses | | (19,432) | (12,275) |
| Other operating income | 5 | 139 | 139 |
| Operating loss | | (14,235) | (4,478) |
| (Loss)/profit on sale of players' registrations | | (807) | 2,437 |
| Loss on ordinary activities before interest and tax | | (15,042) | (2,041) |
| Interest payable and similar charges | 6 | (2,346) | (1,868) |
| Loss on ordinary activities before taxation | 7 | (17,388) | (3,909) |
| Tax on loss on ordinary activities | 8 | 3,125 | (383) |
| Loss for the financial year | 19, 20 | (14,263) | (4,292) |

All of the company's operations are continuing.

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

The company has no recognised gains and losses other than the loss reported above and therefore no separate statement of total recognised gains and losses has been presented.

Middlesbrough Football & Athletic Company (1986) Limited

Balance sheet as at 31 July 2000

| | Note | 2000 £'000 | 2000 £'000 | 1999 £'000 | 1999 £'000 |
|---|------|---------------|---------------|---------------|---------------|
| Fixed assets | | | | | |
| Intangible assets | 9 | | 15,593 | | 16,005 |
| Tangible assets | 10 | | 26,525 | | 26,824 |
| | | | 42,118 | | 42,829 |
| Current assets | | | | | |
| Stock | 12 | 894 | | 576 | |
| Debtors | 13 | 7,823 | | 9,744 | |
| Cash at bank and in hand | | 2,184 | | 13 | |
| | | 10,901 | | 10,333 | |
| Creditors: amounts falling due within one year | 14 | (29,592) | | (37,706) | |
| Net current liabilities | | | (18,691) | | (27,373) |
| Total assets less current liabilities | | | 23,427 | | 15,456 |
| Creditors : amounts falling due after more than one year | | | | | |
| | 15 | | 43,324 | | 20,536 |
| Accruals and deferred income | 16 | | 2,437 | | 2,576 |
| Provisions for liabilities and charges | 17 | | - | | 415 |
| | | | 45,761 | | 23,527 |
| Capital and reserves | | | | | |
| Called up share capital | 18 | | 1,056 | | 1,056 |
| Profit and loss account | 19 | | (23,390) | | (9,127) |
| Equity shareholders' deficit | 20 | | (22,334) | | (8,071) |
| | | | 23,427 | | 15,456 |

The financial statements on pages 5 to 19 were approved by the board of directors on 2 February 2001 and were signed on its behalf by:

S Gibson
Director

S.G.
S.G.

Middlesbrough Football & Athletic Company (1986) Limited

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 accounting

The financial statements are prepared in accordance with the historical cost convention and on a going concern basis.

The company meets its day to day working capital requirements through a term loan and revolving overdraft facility. The validity of the going concern basis depends upon the company's ability to operate within agreed working capital facilities. The directors consider that current and future financing facilities, together with the company's ability to raise additional funds through its principal activity, will be sufficient to meet the company's requirements for the foreseeable future.

On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis.

Cash flow statement

Under Financial Reporting Standard 1 (revised 1996) the company is exempt from the requirements to prepare a cash flow statement on the grounds that the immediate parent undertaking includes the company in its own published consolidated financial statements.

Consolidated financial statements

The company has not prepared consolidated financial statements as it is a wholly owned subsidiary of Middlesbrough Football & Athletic Company Holdings Limited, a company registered in England and Wales. As the results of the company are consolidated into the results of Middlesbrough Football & Athletic Company Holdings Limited it is exempt under the terms of the Companies Act 1985 from the requirement to prepare consolidated financial statements. These financial statements therefore consist of the results of the company as an individual entity and not as a group.

Tangible fixed assets

The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition. The cost of leasehold property includes interest paid on funds specifically taken out to finance assets in the course of construction.

Depreciation is calculated so as to write off the cost of tangible fixed assets less their estimated residual values on a straight line basis, over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

| | % |
|---|----------|
| Freehold buildings | 2 |
| Leasehold land and buildings | 2 - 7.5 |
| Motor vehicles | 25 |
| Fixtures, fittings, plant and machinery | 7.5 - 20 |

Freehold land is not depreciated.

Middlesbrough Football & Athletic Company (1986) Limited

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 of the leasing commitment is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. 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. Assets held under finance leases are depreciated over the shorter of the lease terms and the useful lives of equivalent owned assets.

Stocks

Stocks are stated at the lower of cost and net realisable value. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks.

Grants

Grants that relate to specific projects are treated as deferred income which is then credited to the profit and loss account over the related project's useful life. Other grants are credited to the profit and loss account when received.

Foreign currencies

Transactions in foreign currencies are translated at the rate ruling at the date of the transaction except where the rate of exchange is fixed by a relevant matching forward exchange contract. Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All exchange differences are taken to the profit and loss account in the year in which they arise.

Turnover

Turnover represents all income arising from the ordinary activities of the company excluding value added tax.

Deferred 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 in the foreseeable future.

Transfer fees and signing on fees

Costs of acquiring players' registrations are capitalised as intangible fixed assets and are charged over the period of the players' contracts including any subsequent agreed extensions.

Signing on fees payable to players are recognised in the balance sheet as prepayments and amortised over the period of the players' contracts. The net balance of signing on fees relating to players sold during the year is included within cost of players registrations in administration expenses.

Sponsorship income

Sponsorship income is recognised in the profit and loss account of the period in respect of which it is received. If it does not relate to a specific period it is recognised in the profit and loss account of the period in which it is receivable.

Pension costs

The pension costs charged in the year represent contributions payable to The Football League Limited Pension and Life Assurance Scheme. Further details are set out in note 22.

Middlesbrough Football & Athletic Company (1986) Limited

Notes to the financial statements for the year ended 31 July 2000

1 Turnover

Turnover consists entirely of sales made in the United Kingdom.

2 Player amortisation

Included within administrative expenses are the following amounts:

| | 2000 | 1999 |
|-------------------------------|--------|-------|
| | £'000 | £'000 |
| Amortisation of transfer fees | 10,948 | 6,281 |
| Cost of signing on fees | 4,801 | 2,405 |
| | 15,749 | 8,686 |

3 Directors' emoluments

| | 2000 | 1999 |
|----------------------|-------|-------|
| | £'000 | £'000 |
| Aggregate emoluments | - | - |

4 Employee information

The average monthly number of persons (including executive directors) employed by the company during the year was:

| | 2000 | 1999 |
|---------------|--------|--------|
| | Number | Number |
| Playing staff | 61 | 54 |
| Other staff | 129 | 135 |
| | 190 | 189 |

Middlesbrough Football & Athletic Company (1986) Limited

| | 2000 | 1999 |
|--------------------------------------|--------|--------|
| | £'000 | £'000 |
| Staff costs (for the above persons): | | |
| Wages and salaries | 17,988 | 15,470 |
| Social security costs | 2,068 | 1,578 |
| Other pension costs | 39 | 31 |
| | 20,056 | 17,048 |

5 Other operating income

| | 2000 | 1999 |
|----------------------------------|-------|-------|
| | £'000 | £'000 |
| Release of deferred grant income | 139 | 139 |

6 Interest payable and similar charges

| | 2000 | 1999 |
|------------------------------|-------|-------|
| | £'000 | £'000 |
| On bank loans and overdrafts | 1,947 | 1,355 |
| On other loans | 45 | 36 |
| On finance leases | 214 | 362 |
| Other interest | 140 | 115 |
| | 2,346 | 1,868 |

Middlesbrough Football & Athletic Company (1986) Limited

7 Loss on ordinary activities before taxation

| | 2000 | 1999 |
|---|--------|-------|
| | £'000 | £'000 |
| Loss on ordinary activities before taxation is stated after charging: | | |
| Depreciation charge for the year: | | |
| - tangible owned fixed assets | 931 | 735 |
| - tangible fixed assets held under finance leases | 194 | 392 |
| Amortisation of intangible assets | 10,948 | 6,281 |
| Auditors' remuneration for: | | |
| - audit services | 18 | 18 |
| - other services to the company | 73 | 70 |
| and after crediting: | | |
| - exchange gains | - | 2 |
| - amortisation of deferred grant | 139 | 139 |

8 Tax on loss on ordinary activities

| | 2000 | 1999 |
|--|---------|-------|
| | £'000 | £'000 |
| United Kingdom corporation tax at 30% (1999: 30%): | | |
| Current | (1,661) | - |
| Over provision in respect of prior years | (1,049) | (32) |
| Deferred taxation (see note 17) | (415) | 415 |
| | (3,125) | 383 |

Middlesbrough Football & Athletic Company (1986) Limited

9 Intangible assets

| | Transfer fees paid for players' contracts £'000 |
|------------------------|--|
| Cost | |
| At 1 August 1999 | 26,237 |
| Additions | 11,643 |
| Disposals | (8,360) |
| At 31 July 2000 | 29,520 |
| Amortisation | |
| At 1 August 1999 | 10,232 |
| Charge for the year | 10,948 |
| Disposals | (7,253) |
| At 31 July 2000 | 13,927 |
| Net book amount | |
| At 31 July 2000 | 15,593 |
| At 31 July 1999 | 16,005 |

The transfer system relating to players' registrations in Europe for European nationals is currently the subject of a review by the European Commission. There is uncertainty about the resolution of the review, one possibility being the abolition of the present system whereby the transferee club pays compensation to the transferor club. The costs of acquiring player's registrations are capitalised as intangible fixed assets and are amortised over the period of the players' contracts including any subsequent agreed extensions. At the balance sheet date, £15.6 million is carried in intangible fixed assets, representing the unamortised cost of acquiring players' registrations.

The directors consider that until the outcome of the review is known, any adjustment to the carrying value would be speculative and the accounts have therefore been prepared on a basis consistent with prior years, whilst recognising that an amendment, if any, to the existing system could result in the requirement to provide for a reduction in the carrying value of intangible fixed assets in future periods.

Middlesbrough Football & Athletic Company (1986) Limited

10 Tangible fixed assets

| | Freehold land and buildings £'000 | Long leasehold land and buildings £'000 | Motor vehicles £'000 | Fixtures, fittings, plant and machinery £'000 | Total £'000 |
|------------------------|--|---|----------------------------|---|----------------|
| Cost | | | | | |
| At 1 August 1999 | 8,257 | 19,906 | 151 | 1,687 | 30,001 |
| Additions | 303 | 69 | 8 | 446 | 826 |
| At 31 July 2000 | 8,560 | 19,975 | 159 | 2,133 | 30,827 |
| Amortisation | | | | | |
| At 1 August 1999 | 153 | 2,305 | 48 | 671 | 3,177 |
| Charge for the year | 131 | 694 | 37 | 263 | 1,125 |
| At 31 July 2000 | 284 | 2,999 | 85 | 934 | 4,302 |
| Net book amount | | | | | |
| At 31 July 2000 | 8,276 | 16,976 | 74 | 1,199 | 26,525 |
| At 31 July 1999 | 8,104 | 17,601 | 103 | 1,016 | 26,824 |

Cumulative finance costs capitalised included in the total cost above amounts to £483,000 (1999: £483,000).

The net book value of tangible fixed assets includes an amount of £1,851,002 (1999: £4,878,625) in respect of assets held under finance leases.

11 Investments

Interests in subsidiary undertakings

| Name | Country of incorporation | Description of shares held | Proportion of nominal value of shares held |
|------------------------|-----------------------------|-------------------------------|---|
| MFC Promotions Limited | Isle of Man | Ordinary £1 shares | 100% |

The company is dormant.

Middlesbrough Football & Athletic Company (1986) Limited

12 Stocks

| | 2000 | 1999 |
|-------------------------------------|-------|-------|
| | £'000 | £'000 |
| Finished goods and goods for resale | 894 | 576 |

13 Debtors

| | 2000 | 1999 |
|--------------------------------|-------|-------|
| | £'000 | £'000 |
| Trade debtors | 1,431 | 1,241 |
| Other debtors (see note 26) | 1,591 | 1,136 |
| Prepayments and accrued income | 4,801 | 7,367 |
| | 7,823 | 9,744 |

14 Creditors – Amounts falling due within one year

| | 2000 | 1999 |
|--|--------|--------|
| | £'000 | £'000 |
| Bank loans and overdrafts (see note 15) | 221 | 10,493 |
| Other loans (see note 15) | 48 | 48 |
| Amounts due to parent undertaking | 7,000 | - |
| Obligations under finance leases (see note 15) | 361 | 814 |
| Trade creditors | 2,120 | 2,231 |
| Transfer fees payable | 3,399 | 3,575 |
| Other taxation and social security payable | 4,231 | 6,494 |
| Other creditors | 1,743 | 2,978 |
| Deferred income | 9,080 | 10,684 |
| Accruals | 1,389 | 389 |
| | 29,592 | 37,706 |

Middlesbrough Football & Athletic Company (1986) Limited

15 Creditors – Amounts falling due after more than one year

| | 2000 | 1999 |
|-----------------------------------|--------|--------|
| | £'000 | £'000 |
| Bank loans and overdrafts | 24,699 | 6,956 |
| Other loans | 1,251 | 1,298 |
| Amounts due to parent undertaking | 12,500 | 6,000 |
| Obligations under finance leases | 1,266 | 3,465 |
| Transfer fees payable | 2,000 | - |
| Other creditors | 1,608 | 2,817 |
| | 43,324 | 20,536 |

- (a) Included in bank loans and overdrafts are amounts of £24,116,000 which are secured by fixed and floating charges over the assets of the company.
- (b) Included in other loans are amounts of £744,000 which are secured by fixed charges over the assets of the company.
- (c) The amounts due to the parent undertaking that fall due after more than one year have no fixed repayment date and are held as a long term investment in the parent company.

Bank loans and overdrafts and other loans

| | 2000 | 1999 |
|----------------------------|--------|--------|
| | £'000 | £'000 |
| Repayable as follows: | | |
| In one year or less | 269 | 10,541 |
| Between one and two years | 2,643 | 1,558 |
| Between two and five years | 15,128 | 3,623 |
| In more than five years | 8,179 | 3,073 |
| | 26,219 | 18,795 |

Middlesbrough Football & Athletic Company (1986) Limited

Creditors repayable in five years or more

Analysis of bank loans, overdrafts and other loans:

| | 2000 | 1999 |
|--|--------|-------|
| | £'000 | £'000 |
| Secured loan repayable by half yearly instalments of £212,000 | - | 3,816 |
| Secured loan repayable from 15 August 2001 by yearly instalments of £2,373,000 plus one final instalment of £4,747,455 | 16,616 | - |
| Secured building society loans repayable by monthly instalments | 734 | 750 |
| Unsecured brewery loan repayable by barrelage discount | 566 | 596 |
| Secured loan repayable by quarterly instalments | - | 1,776 |
| | 17,916 | 6,938 |

The interest rates applicable to the above loans are between 1% – 2.5% above LIBOR.

Finance leases

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

| | 2000 | 1999 |
|----------------------------|-------|-------|
| | £'000 | £'000 |
| In one year or less | 361 | 814 |
| Between one and two years | 318 | 809 |
| Between two and five years | 510 | 1,665 |
| In more than five years | 438 | 991 |
| | 1,627 | 4,279 |

16 Accruals and deferred income

| | £'000 |
|-------------------|-------|
| Grants | |
| At 1 August 1999 | 2,576 |
| Amortised in year | (139) |
| At 31 July 2000 | 2,437 |

Middlesbrough Football & Athletic Company (1986) Limited

17 Provisions for liabilities and charges

The actual liability for deferred taxation is:

| | 2000 | 1999 |
|--------------------------------|-------|-------|
| | £'000 | £'000 |
| Accelerated capital allowances | - | 800 |
| Short term timing differences | - | (385) |
| Losses | - | - |
| | - | 415 |

The full potential (asset)/liability for deferred taxation is:

| | 2000 | 1999 |
|--------------------------------|---------|-------|
| | £'000 | £'000 |
| Accelerated capital allowances | 1,207 | 800 |
| Short term timing differences | 3,184 | (385) |
| Losses | (6,837) | - |
| | (2,446) | 415 |

18 Called-up share capital

| | 2000 | 1999 |
|--|-------|-------|
| | £'000 | £'000 |
| Authorised | | |
| 2,000,000 (1999: 2,000,000) ordinary shares of £1 each | 2,000 | 2,000 |
| Allotted, called-up and fully paid | | |
| 1,056,000 (1999: 1,056,000) ordinary shares of £1 each | 1,056 | 1,056 |

Middlesbrough Football & Athletic Company (1986) Limited

19 Profit and loss account

| | £'000 |
|-----------------------------|----------|
| At 1 August 1999 | (9,127) |
| Loss for the financial year | (14,263) |
| At 31 July 2000 | (23,390) |

20 Reconciliation of movement in equity shareholders' deficit

| | 2000 £'000 | 1999 £'000 |
|--------------------------------------|---------------|---------------|
| Opening equity shareholders' deficit | (8,071) | (3,779) |
| Loss for the financial year | (14,263) | (4,292) |
| Closing equity shareholders' deficit | (22,334) | (8,071) |

21 Post balance sheet events

Details of post balance sheet events are given in the directors' report.

22 Contingent liabilities

In the course of normal business the company enters into contracts that include clauses contingent upon future events. The directors have assessed such contracts and consider that all liabilities in relation to those contracts have been specifically provided for in these financial statements.

Certain employees of the company are members of The Football League Limited Pension and Life Assurance Scheme. An actuarial review carried out in 1999 identified a substantial deficit and accrual of benefits under a final salary basis was suspended with effect from 31 August 1999. Under the Pensions Act 1995, participating employers will be required to contribute towards the deficiency in accordance with their agreed share of the deficit. As it has not been possible to determine the amount of the company's liability in respect of this deficit, no provision has been made in the financial statements.

Middlesbrough Football & Athletic Company (1986) Limited

23 Capital commitments

| | 2000 | 1999 |
|--|-------|-------|
| | £'000 | £'000 |
| Capital expenditure that has been contracted for but that has not been provided for in the financial statements. | 270 | 361 |

24 Immediate and ultimate parent company

The immediate parent undertaking is Middlesbrough Football and Athletic Company Holdings Limited. This company is the parent undertaking of the smallest and largest group to consolidate these financial statements.

Copies of the Middlesbrough Football and Athletic Company Holdings Limited consolidated financial statements may be obtained from the company secretary, BT Cellnet Riverside Stadium, Middlesbrough, TS3 6RS.

The directors regard The Gibson O'Neill Company Limited, a company registered in England and Wales, as the ultimate parent company due to its 94.415% holding of the equity share capital of the parent company. Copies of The Gibson O'Neill Company Limited's consolidated financial statements may be obtained from the Company Secretary, Brignell Road, Riverside Park Industrial Estate, Middlesbrough, Cleveland, TS2 1PS.

25 Ultimate controlling party

The directors regard Mr S Gibson, Chairman of the company as the ultimate controlling party by virtue of his 75% holding in the shares of The Gibson O'Neill Company Limited, the ultimate parent company.

26 Related party transactions

Included within "Other debtors" disclosed in note 13 is an amount due from other group companies of £1,211,000 (1999: £482,000) in respect of group relief.

The company's profit and loss account includes net expenditure of £nil (1999: £211,800) in respect of transactions with MFC Promotions Limited.

The company has taken advantage of the exemption permitted under FRS 8, Related Party Transactions, not to disclose transactions with Middlesbrough Football Company Holdings Limited as it is a 100% subsidiary of that company.