

**Newcastle United Ventures Limited**

**Directors' and Auditors' reports and financial  
statements**

**31 July 2000**

**Registered number 3305231**



## **DIRECTORS' AND AUDITORS' REPORTS AND FINANCIAL STATEMENTS**

---

<i>Contents</i>	<i>Page</i>
Directors' report	2
Auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes	7

## DIRECTORS' REPORT

---

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

### Principal activity

The principal activity of the company is that of information technology development and sales.

### Business review

The profit for the year after taxation amounted to £28,356 (1999: £nil) and has been transferred to reserves.

### Directors and directors' interests

The directors who held office during the year were as follows:

R Jones	(appointed 25 April 2000)
DC Stonehouse	(appointed 25 April 2000)
A O Fletcher	(resigned 25 April 2000)
LA Wheatley	(resigned 25 April 2000)

None of the directors who held office at the end of the financial year had any interests in the ordinary share capital of the company.

The interests of the directors in the shares of the parent undertaking are disclosed in the respective financial statements of those companies.

According to the register of directors' interests, no rights to subscribe for shares in or debentures of the company or any other group company were granted to any of the directors or their immediate families, or exercised by them, during the financial year.

### Auditors

The company passed an elective resolution on 31 July 1997, in accordance with S379A of the Companies Act 1985, to dispense with the obligation to appoint auditors annually.

# DIRECTORS' REPORT

---

## Statement of 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 and of the profit or loss of the company for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for 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.

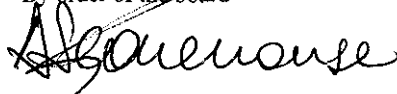
## Statement of auditors' responsibilities

Company law requires auditors to form an independent opinion on the financial statements presented by the directors based on their audit and to report their opinion to the shareholders. The Companies Act 1985 also requires auditors to report to the shareholders if the following requirements are not met:

- that the company has maintained proper accounting records;
- that the financial statements are in agreement with the accounting records;
- that directors' emoluments and other transactions with directors are properly disclosed in the financial statements; and
- that the auditors have obtained all the information and explanations which, to the best of their knowledge and belief, are necessary for the purpose of their audit.

The auditors' opinion does not encompass the directors' report. However, the Companies Act 1985 requires auditors to report to the shareholders if the matters contained in the directors' report are inconsistent with the financial statements.

By order of the board



DC Stonehouse  
Director

St James' Park  
Newcastle upon Tyne  
NE1 4ST  
12 January 2001

# AUDITORS' REPORT

---

## Auditors' report to the members of Newcastle United Ventures Limited

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

## RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 3, the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

## BASIS OF OPINION

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

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

## OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 July 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen,  
Chartered Accountants and Registered Auditors,  
Pearl Assurance House,  
7 New Bridge Street,  
Newcastle upon Tyne,  
NE1 8BQ  
12 January 2001

## PROFIT AND LOSS ACCOUNT

for the year ended 31 July 2000

	Note	2000 £	1999 £
Turnover - continuing operations	3	28,356	-
Operating expenses		-	-
Operating profit		28,356	-
Profit on ordinary activities before tax		28,356	-
Profit for the financial year	10	28,356	-

The company has no recognised gains or losses other than those included in the profit and loss account.

The accompanying notes form an integral part of this profit and loss account.

# BALANCE SHEET

at 31 July 2000

	Note	2000 £	1999 £
<b>Current assets</b>			
Debtors	7	15,768	2
		15,768	2
<b>Creditors: amounts falling due within one year</b>	8	(4,962)	(17,552)
<b>Net current assets/(liabilities)</b>		10,806	(17,550)
<b>Net assets/(liabilities)</b>		10,806	(17,550)
<b>Capital and reserves</b>			
Called up share capital	9	2	2
Profit and loss account	10	10,804	(17,552)
<b>Equity shareholders' funds</b>	11	10,806	(17,550)

These financial statements were approved by the board of directors on 12 January 2001 and were signed on its behalf by:

  
 DC Stonehouse  
 Director

The accompanying notes form an integral part of this balance sheet.

## NOTES TO THE FINANCIAL STATEMENTS

**1. Basis of preparation**

The financial statements have been prepared using the historical cost convention and in accordance with applicable accounting standards.

**2. Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

The company is exempt from the requirement of Financial Reporting Standard No 1 (revised 1996) to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of Newcastle United PLC and its accounts are publicly available.

**Turnover**

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

**Taxation**

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax except to the extent that it is probable that such taxation will not become payable.

**3. Turnover**

All turnover is derived from the company's principal activity. The origin and destination of all turnover is the United Kingdom.

**4. Directors' remuneration**

None of the directors received any remuneration during the year (1999-£nil).

**5. Auditors' remuneration**

The company's audit fee was borne by the immediate parent company, Newcastle United PLC.

**6. Taxation**

No tax charge arises on the result for the year, as the company has utilised group losses to relieve corporation tax payable for which no payment is made.

**7. Debtors**

	2000 £	1999 £
Amounts owed by immediate parent undertaking	-	2
Amounts owed by fellow subsidiary undertakings	15,768	-
	15,768	2

**8. Creditors: amounts falling due within one year**

	2000 £	1999 £
Amounts owed to ultimate parent undertaking	4,962	-
Amounts owed to fellow subsidiary undertakings	-	17,552
	4,962	17,552



## NOTES TO THE FINANCIAL STATEMENTS

9. **Called up share capital**

	2000 £	1999 £
<b>Authorised</b>		
1,000 Ordinary shares of £1 each	1,000	1,000
<hr/>		
<b>Allotted, called-up and fully paid</b>		
2 Ordinary shares of £1 each	2	2

10. **Reserves**

	<b>Profit and loss account £</b>
At 1 August 1999	(17,552)
Profit for the year	28,356
<hr/>	
At 31 July 2000	10,804

11. **Reconciliation of movements in equity shareholders' funds**

	2000 £	1999 £
Profit for the year	28,356	-
Opening equity shareholders' funds	(17,550)	(17,550)
<hr/>		
Closing equity shareholders' funds	10,806	(17,550)

12. **Ultimate parent company**

The directors consider Newcastle United Plc to be the company's ultimate parent undertaking. The only group in which the results of the company are consolidated is that headed by Newcastle United Plc. The accounts of Newcastle United Plc are available from St James' Park, Newcastle upon Tyne, NE1 4ST.

13. **Related party transactions**

As a wholly owned subsidiary of Newcastle United PLC, the company has taken advantage of the exemption in FRS 8 "Related Party Disclosures" not to disclose transactions with other members of the group headed by Newcastle United PLC.