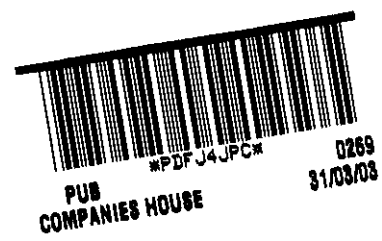


SWANSEA CITY FOOTBALL CLUB LIMITED
COMPANY NUMBER: 4056708

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2002



SWANSEA CITY FOOTBALL CLUB LIMITED**COMPANY INFORMATION**

Directors: D.R. Morgan
H.M. Jenkins

Secretary: Mrs J.E. Rockey

Registered Office: The Vetch Field
Glamorgan Street
Swansea
SA1 3SU

Auditors: H.R. Harris & Partners
Chartered Accountants and Registered Auditors
145/146 St Helens Road
Swansea
SA1 4DE

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

Solicitors: John Collins & Partners
Venture Court
Waterside Business Park
Valley Way
Enterprise Park
Swansea
SA6 8QP

Company Number: 4056708

Date of Incorporation: 21 August 2000

SWANSEA CITY FOOTBALL CLUB LIMITED
(Formerly known as Swansea City Football Club Plc)

DIRECTORS REPORT

The Directors present their Report and the Audited Financial Statements of the Company for the year ended 31 May 2002.

On 3rd August 2001, the Company was re-registered as a private company.

ACTIVITIES

The sole activity of the Company is as a Holding Company for Swansea City Association Football Club Limited, a company registered in England and Wales.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

On 11th July 2001, The Ninth Floor Plc sold its entire holding in Swansea City Football Club Limited to Mr M.J. Lewis, a Director of Swansea City Football Club Limited. Mr Lewis then sold his entire shareholding to Mr A.C. Petty on 1 November 2001, who subsequently sold his entire shareholding to Swansea City Football 2002 Limited on 24 January 2002.

The company did not trade during the year.

DIRECTORS AND THEIR INTERESTS

The Directors who served during the year were as follows:

M.F. Burgess	(resigned 23 October 2001)
D.H. Farmer	(resigned 3 October 2001)
M.J. Lewis	(resigned 5 October 2001)
M.J. Creedon	(resigned 11 July 2001)
N.J. McClure	(resigned 11 July 2001)
A.C. Petty	(appointed 27 September 2001, resigned 24 January 2002)
J.C. Shuttleworth	(appointed 5 October 2001, resigned 24 January 2002)
D.R. Morgan	(appointed 24 January 2002)
H.M. Jenkins	(appointed 29 March 2002)

At the Balance Sheet date, no Director held any interest in the shares of Swansea City Football Club Limited.

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

Mr D.R. Morgan is a Director of the Company's ultimate holding company, Swansea City Football 2002 Limited and his interest in the shares of that company will be disclosed in the financial statements of that company.

In addition to the above, H.M. Jenkins has a beneficial interest in the shares of the Company's ultimate holding company, Swansea City Football 2002 Limited.

AUDITORS

H.R. Harris and Partners offer themselves for re-appointment in accordance with Section 385 Companies Act 1985.

BY ORDER OF THE BOARD: 28 MARCH 2003



D.R. Morgan - Director

SWANSEA CITY FOOTBALL CLUB LIMITED

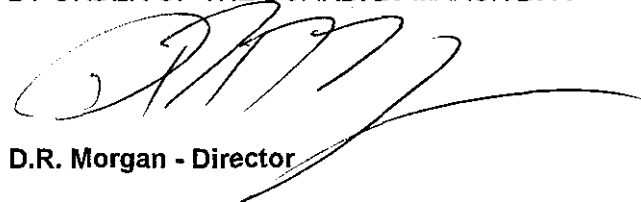
STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company Law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of the 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:-

- (i) select suitable accounting policies and apply them consistently;
- (ii) make judgements and estimates that are reasonable and prudent;
- (iii) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue to operate.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure 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.

BY ORDER OF THE BOARD: 28 MARCH 2003

A handwritten signature in black ink, appearing to be 'D.R. Morgan', with a long horizontal flourish extending to the right.

D.R. Morgan - Director

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS
OF
SWANSEA CITY FOOTBALL CLUB LIMITED**

We have audited the Financial Statements for the year ended 31 May 2002 on pages 5 to 8. These Financial Statements have been prepared under the historical cost convention and 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 Financial Statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the Financial Statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors 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 with the Company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF OPINION

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An Audit includes an 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 mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the Financial Statements.

OPINION

In our opinion, the Financial Statements give a true and fair view of the state of the Company's affairs as at 31 May 2002 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

H R Harris & Partners

**H.R. HARRIS & PARTNERS
CHARTERED ACCOUNTANTS
REGISTERED AUDITORS
145/146 ST. HELENS ROAD
SWANSEA SA1 4DE**

28 March 2003

SWANSEA CITY FOOTBALL CLUB LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MAY 2002

	NOTE	2002 £	2001 £
<i>Provision for diminution in value of investment</i>	5	-	(470000)
Loss on ordinary activities before taxation	2	-	(470000)
Taxation		-	-
RETAINED LOSS FOR YEAR / PERIOD		-	(470000)
RETAINED LOSS BROUGHT FORWARD		(470000)	-
RETAINED LOSS CARRIED FORWARD		<u>(470000)</u>	<u>(470000)</u>

CONTINUING OPERATIONS

None of the Company's activities were acquired or discontinued during the above two financial periods.

TOTAL RECOGNISED GAINS AND LOSSES

The Company has no recognised gains or losses other than the profit and loss for the above two financial periods.

SWANSEA CITY FOOTBALL CLUB LIMITED


BALANCE SHEET

AS AT 31 MAY 2002

	NOTE	2002 £	2001 £
FIXED ASSETS			
Investments			
Cost of investment in Swansea City AFC Ltd	5	470000	470000
Less: provision for diminution in value		(470000)	(470000)
		<u>-</u>	<u>-</u>
Net Assets		<u>-</u>	<u>-</u>
CAPITAL AND RESERVES			
Called Up Share Capital	6	470000	470000
Profit and Loss Account		(470000)	(470000)
Shareholders Funds	7	<u>-</u>	<u>-</u>

All items under capital and reserves are equity.

The financial statements were approved by the Board of Directors on 28 March 2003 and were signed on its behalf by


D.R. Morgan - Director


H.M. Jenkins - Director

SWANSEA CITY FOOTBALL CLUB LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MAY 2002

1. ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements have been prepared in accordance with the historical cost convention and in accordance with the Companies Act 1985.

The principal accounting policies which the Directors have adopted are set out below.

(b) Investments

Investments are stated at cost less provision for permanent diminution in value.

(c) Taxation

The charge for taxation is based on the results for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for accounting and taxation purposes. Provision for deferred taxation is made under the liability method only to the extent that it is probable that the liability will become payable in the foreseeable future.

2. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2002 £	2001 £
Loss on ordinary activities before taxation is stated after charging:-		
Auditors remuneration	-	-

The audit fee was borne by the parent company.

All losses were incurred in the United Kingdom.

3. DIRECTORS EMOLUMENTS

No Director received any remuneration in respect of their services to the company during the year.

4. EMPLOYEE INFORMATION

The company did not have any employees during the year.

5. INVESTMENTS

The investment of £470,000 represents the cost of 100% shareholding in Swansea City Association Football Club Limited, a company registered in England and Wales, whose principal activity is professional association football. Full provision has been made against the cost of this investment.

	2002 £	2001 £
6. CALLED UP SHARE CAPITAL		
Authorised		
1,000,000,000 Ordinary shares of 1p each	<u>10,000,000</u>	<u>10,000,000</u>
Allotted, Called Up and Fully Paid		
46,999,860 Ordinary shares of 1p each	<u>470,000</u>	<u>470,000</u>

7. RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS FUNDS

Opening Shareholders Funds	-	-
Loss for the financial year / period	-	(470,000)
Issue of share capital	-	470,000
Closing Shareholders Funds	<u>-</u>	<u>-</u>

SWANSEA CITY FOOTBALL CLUB LIMITED**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 MAY 2002****8. POST BALANCE SHEET EVENTS**

In the opinion of the Directors, there have been no material events up to the date these Accounts were formally approved by the Directors which will affect the clear understanding of the results shown.

9. ULTIMATE HOLDING COMPANY

At 31 May 2002 the Directors regarded Swansea City Football 2002 Limited as the ultimate holding company and the ultimate controlling party.

10. COMPARATIVE FIGURES

The comparative figures relate to the period 21 August 2000 to 31 May 2001.