

REPORT OF THE AUDITORS TO THE MEMBERS OF THE EVERTON FOOTBALL CLUB COMPANY LIMITED

We have audited the financial statements on pages 12 to 26.

Respective Responsibilities of Directors and Auditors

As described on page 10 the company's directors are responsible for the preparation of the financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. 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 United Kingdom 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 misstatements, 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 31st May 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Martins Building
4 Water Street
Liverpool L1 4NW

25 October 2000



Deloitte & Touche
Chartered Accountants
Registered Auditors

PROFIT AND LOSS ACCOUNT
For the year ended 31st May 2000

	Notes	2000 £	1999 restated (note 2) £
Turnover	3	28,140,859	25,455,723
Cost of sales	4,2	<u>(22,312,719)</u>	<u>(21,353,899)</u>
Gross Profit		5,828,140	4,101,824
Operating income	5,6	255,973	186,948
Other operating costs (including £1,263,042 exceptional items)		<u>(6,595,217)</u>	<u>(5,427,550)</u>
Operating Loss before Amortisation of Players	7	(511,104)	(1,138,778)
Amortisation of Players		<u>(8,396,006)</u>	<u>(10,666,432)</u>
Operating Loss		(8,907,110)	(11,805,210)
(Loss)/Profit on disposal of players	2	<u>(991,428)</u>	<u>2,070,669</u>
Loss before interest and taxation		(9,898,538)	(9,734,541)
Interest receivable	8	6,481	1,492
Interest payable	9	<u>(1,277,042)</u>	<u>(1,035,892)</u>
Loss on ordinary activities before taxation		(11,169,099)	(10,768,941)
Taxation	11	-	-
Loss for the year after taxation transferred from reserves	21	<u>(11,169,099)</u>	<u>(10,768,941)</u>

All amounts relate to continuing operations.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2000 £	1999 £ restated
Loss for the Financial Year	(11,169,099)	(10,768,941)
Unrealised deficit on revaluation	-	(1,023,799)
Total recognised losses during the year	<u>(11,169,099)</u>	<u>(11,792,740)</u>
Prior year adjustment (note 2)	<u>(1,503,000)</u>	<u>20,714,315</u>
Total losses and gains recognised since last annual report	(12,672,099)	8,921,575

HISTORICAL COST PROFIT AND LOSSES

	2000 £	1999 £ restated
Loss on ordinary activities before taxation	(11,169,099)	(10,768,941)
Difference between the historical cost depreciation charge and actual depreciation charge for the year calculated on the revalued amount	364,000	-
Historical cost loss on ordinary activities before taxation	<u>(10,805,099)</u>	<u>(10,768,941)</u>

BALANCE SHEET

At 31st May 2000

	Notes	2000	1999 restated (note 2)
		£	£
Fixed Assets			
Intangible Assets	12	13,311,994	29,402,324
Tangible Assets	13	<u>14,979,583</u>	<u>15,827,119</u>
		28,291,577	45,229,443
Current Assets			
Stocks	15	355,815	410,545
Debtors	16	3,880,457	2,497,010
Cash at bank and in hand		<u>44,420</u>	<u>43,188</u>
		4,280,692	2,950,743
Creditors			
Amounts falling due within one year	17	<u>(20,438,052)</u>	<u>(26,032,418)</u>
Net Current Liabilities			
Total Assets Less Current Liabilities		<u>(16,157,360)</u>	<u>(23,081,675)</u>
		12,134,217	22,147,768
Creditors			
Amounts falling due after more than one year	18	(2,955,976)	(3,280,178)
Provision for liabilities and charges	19	(1,800,000)	(320,250)
Net Assets			
		<u>7,378,241</u>	<u>18,547,340</u>
Capital and Reserves			
Called up share capital	20	35,000	35,000
Share premium account	21	24,967,500	24,967,500
Revaluation reserve	21	3,136,818	3,136,818
Profit and loss account	21	(20,761,077)	(9,591,978)
Equity shareholders' funds	22	<u>7,378,241</u>	<u>18,547,340</u>

The financial statements were approved by the Board on 25 October 2000 and signed on its behalf by

Sir Philip Carter CBE & W Kenwright

Directors



CASH FLOW STATEMENT

For the year ended 31st May 2000

	Notes	2000	1999 (restated)
		£	£
Cash Inflow/(Outflow) from Operating Activities	23a	478,812	(96,744)
Returns on investment and servicing of finance			
Interest received		6,481	1,492
Interest paid		(1,260,167)	(930,341)
Finance lease interest		<u>(4,553)</u>	<u>(4,553)</u>
Net cash outflow from returns on investments and servicing of finance		(1,258,239)	(933,402)
Taxation		-	-
Capital Expenditure and Financial Investment			
Purchase of intangible fixed assets		(10,739,156)	(18,014,725)
Purchase of tangible fixed assets		(437,056)	(1,950,251)
Grants from The Football Association		100,000	-
Proceeds from the disposal of tangible fixed assets		57,993	45,162
Proceeds from the disposal of in tangible fixed assets		<u>12,935,122</u>	<u>9,335,692</u>
Net cash outflow for capital expenditure and financial investment		<u>1,916,903</u>	<u>(10,584,122)</u>
Net cash Inflow/(Outflow) before financing		1,137,476	(11,614,268)
Financing			
Capital element of hire purchase payments		<u>(23,312)</u>	<u>(23,312)</u>
Net cash outflow from financing		(23,312)	(23,312)
Increase/(decrease) in cash	23b	<u>1,114,164</u>	<u>(11,637,580)</u>

The 1999 figures have been restated to reclassify the changes arising on discounting debt from financing to "interest paid".

NOTES TO THE ACCOUNTS

For year ended 31 May 2000

I. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted by the Directors are described below:

(i) Accounting Convention

The financial statements are prepared under the historical cost convention as modified by the revaluation of freehold properties and plant & equipment.

(ii) Turnover

Turnover is stated exclusive of value added tax, and match receipts are included net of percentage payments to visiting clubs, The F.A. Premier League, The Football Association and The Football League.

(iii) Tangible Fixed Assets and Depreciation

Depreciation is not provided on freehold land. On other assets it is provided to write off the costs or revalued amounts less estimated residual value (based on prices prevailing at the date of acquisition or revaluation) in either equal annual instalments over the estimated useful economic lives of the assets where appropriate, or by providing 25% depreciation on net book value on a reducing balance basis. The estimated useful economic lives are as follows:

Properties	Between 10 and 40 years
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Depreciation on other fixed assets has been calculated at 25% on net book value on a reducing balance basis.

(iv) Stocks

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

(v) Grants

Grants of a capital nature are credited to deferred income and released to the profit and loss account on a systematic basis over the useful economic life of the asset to which they relate.

This policy has been altered from that adopted for the preparation of prior year financial statements, see note (2) for further details.

(vi) Deferred Taxation

Deferred tax is provided at current rates in respect of the tax effect of all material timing differences, to the extent that it is probable that a liability or asset will crystallise in the foreseeable future.

(vii) Intangible Fixed Assets

The cost of players' registrations is capitalised and amortised over the period of the respective players' contracts in accordance with Financial Reporting Standard 10 (accounting for goodwill and intangible assets). The transfer fee levy refund received during the year is credited against additions to intangible assets.

(viii) Contingent Appearance Fees

Where the directors consider the likelihood of a player meeting future appearance criteria laid down in the transfer agreement of the player to be probable, provision for this cost is made (see note 19). If the likelihood of meeting these criteria is not probable, then no provision is made (see note 24).

(ix) Lease rentals

Where the company enters into a lease which entails substantially taking all the risks and rewards of ownership of an asset the lease is treated as a finance lease. Assets acquired under finance leases are capitalised and 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. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

(x) Signing-on Fees and Loyalty Bonuses

The Board believe that signing-on fees represent a normal part of the employment cost of the player and as such should be charged to the profit and loss account in the period in which the payment is made, except in the circumstances of a player disposal, in which case any remaining signing-on fees due are allocated in full against Profit on disposal of players in the year in which the player disposal is made. Those instalments due in the future on continued service are not provided for but are noted as contingent liabilities (see note 24).

(xi) Foreign Currency Transactions

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All exchange differences are dealt with through the profit and loss account.

2. PRIOR PERIOD ADJUSTMENT AND RESTATEMENT

(i) Prior Period Adjustment of Grants Received

The company has changed its accounting policy in this financial year in respect of the treatment of grants towards freehold properties.

Under the new policy these grants are held as deferred income on the balance sheet and released to the profit and loss account on a systematic basis over the life of the asset.

Previously such grants were deducted from the cost of the freehold properties. This policy was in principle permissible under SSAP4 but was not in accordance with Schedule 4 of the Companies Act 1985. However, as the properties were not depreciated, the grants would have been held on the balance sheet in perpetuity, therefore in the directors' view the treatment required by the Companies Act 1985 would not have given a true and fair view of the balance sheet. The true and fair override was therefore invoked.

Freehold properties are now being depreciated over their remaining useful economic lives, hence the new policy described above has been adopted.

The effect of this change in accounting policy is given below:

	1999 £	1999 £	1999 £
	Accruals and deferred income due within one year	Deferred income due in more than one year	Revaluation reserve
As previously reported	2,868,570	278,600	4,639,818
Prior period adjustments - grants	38,000	1,465,000	(1,503,000)
As restated	<u>2,906,570</u>	<u>1,743,600</u>	<u>3,136,818</u>

The effect of adopting the policy this financial year is to decrease the loss by £38,000, being the release of the grant in line with the depreciation of the asset to which it relates.

There is no effect on the prior year taxation.

(ii) Prior Period Treatment of Termination Settlements

The company has changed its accounting policy in this financial year in respect of the treatment of signing-on fees and termination payments due to players on transfer or cessation of their registration at the Club.

Under the new policy these payments are allocated against the profit or loss on the disposal of players. The previous policy was to treat these amounts as professional salaries disclosed within Cost of Sales.

The Board feel that this change in accounting policy is appropriate since these payments are directly attributable to, and arise on, the disposal of players.

The effect of this change in accounting policy is given below:

	Cost of Sales	Profit on disposal of players
	1999 £	1999 £
As previously reported	23,259,055	3,975,825
Prior period adjustment	(1,905,156)	(1,905,156)
As restated	<u>21,353,899</u>	<u>2,070,669</u>

There is no effect on profit and loss reserves of the company or on profit before and after tax in either the year 31 May 1999 or the year to 31 May 2000 as a result of this change in accounting policy.

(iii) Prior Period Adjustment made in the year ended 31 May 1999

A prior period adjustment was made in the year ended 31 May 1999 in respect of the changes of accounting policy for the cost of players' registrations and related taxation effect. This adjustment is still reflected in the companies figures in a number of notes. Details of these were included in the 1999 financial statement.

3. TURNOVER

	2000 £	1999 £
Match receipts and income from related footballing activities	24,070,692	21,826,575
Commercial and other income	4,070,167	3,629,148
	<u>28,140,859</u>	<u>25,455,723</u>

4. COST OF SALES

	2000 £	1999 £ restated (note 2)
Match Related		
Professional costs	17,273,692	16,435,777
Catering expenses	1,381,518	1,605,525
Other costs	1,650,186	1,704,769
Merchandising	2,007,323	1,607,828
	<u>22,312,719</u>	<u>21,353,899</u>

5. OTHER OPERATING INCOME

	2000 £	1999 £
Donations from development associations	251,404	182,478
Rents receivable	4,569	4,470
	<u>255,973</u>	<u>186,948</u>

6. EXCEPTIONAL OTHER OPERATING COSTS

	2000 £	1999 £
Other operating costs included the following exceptional costs borne by the company:		
Legal and Professional Costs in relation to the purchase of the majority shareholding by True Blue Holdings Ltd	513,042	-
Pension obligations arising from the deficit in the Football League Limited Pension and Life Assurance Scheme (see note 10)	750,000	-
	<u>1,263,042</u>	<u>-</u>

7. OPERATING LOSS

	2000 £	1999 £
The operating loss is stated after charging:		
Depreciation - Property	633,804	-
Depreciation - Other	534,271	673,822
Loss on disposal of fixed assets	58,523	7,723
Operating lease rentals		
Motor vehicles	29,373	16,522
Office Equipment	12,368	10,484
Auditors' remuneration		
For audit	16,500	15,913
For other services	5,000	30,869
	<u></u>	<u></u>

8. INTEREST RECEIVABLE

	2000 £	1999 £
Interest on rate rebates	6,481	1,492

9. INTEREST PAYABLE

	2000 £	1999 £
On bank overdrafts	1,062,149	864,740
On finance leases	4,553	4,553
On other liabilities	210,340	166,599
	<u>1,277,042</u>	<u>1,035,892</u>

10. PARTICULARS OF EMPLOYEES

	2000 Number	1999 Number
The average weekly number of employees during the year was as follows:		
Playing, training and management	66	72
Youth Academy	15	11
Football in the Community	7	10
Management and administration	56	57
Catering and Sales	53	49
Full-Time employees	<u>197</u>	<u>199</u>
Part-Time employees on matchdays	<u>792</u>	<u>803</u>
	<u>989</u>	<u>1,002</u>

Aggregate payroll costs were as follows:

	2000 £	1999 £
Wages and salaries	19,780,208	18,019,049
Social security costs	2,042,026	1,722,678
Other pension costs	514,712	500,164
	<u>22,336,946</u>	<u>20,241,891</u>

Other pension costs comprise contributions made by the Company in respect of the majority of its permanent employees to pension schemes which are independently administered by the Football League Limited, together with contributions made to individual pension contracts with insurance companies under agreements with certain employees. With the exception of the Football League Pension Scheme (see below), all pension arrangements are defined contribution schemes. Contributions are charged to the profit and loss account in the year to which they relate.

The Football League Pension and Life Assurance Scheme has developed a significant deficit. Under the terms of the Pensions Act 1995 where a final salary pension scheme winds up with a deficit, the deficit becomes a statutory unsecured debt payable to the scheme by participating employers. Briefly, this means that every Club that has paid contributions to the scheme will have to make a contribution towards the statutory debt arising.

An estimate of Everton Football Club Company Limited's respective contribution to make good the deficit has been provided and charged to the profit and loss account (see note 19).

The directors received no emoluments from the company during the year.

11. TAXATION

Any taxation arising during the current year will be offset against tax losses brought forward from earlier years. Details of these losses and deferred taxation can be found in note 19.

I 2 . INTANGIBLE FIXED ASSETS

Year ended 31st May 2000

	Total £
Cost at 1st June 1999	46,919,267
Additions in year	7,493,158
Disposals in year	(27,817,135)
At 31st May 2000	<u>26,595,290</u>
Amortisation	
At 1st June 1999	(17,516,943)
Provided during year	(8,396,006)
Eliminated on disposals	12,629,653
At 31st May 2000	<u>(13,283,296)</u>
Net Book Value	
At 31st May 2000	<u>13,311,994</u>
At 31st May 1999	<u>29,402,324</u>

The European Commission is currently reviewing the transfer system for European nationals in Europe. At present the outcome of the review is unknown. The Directors have therefore decided that any adjustment to player carrying values would be speculative and have prepared the accounts on a basis consistent with prior years.

I 3 . TANGIBLE FIXED ASSETS

	Properties £	Plant and equipment £	Vehicles £	Total £
Cost or valuation at 1st June 1999	14,135,000	2,118,461	309,908	16,563,369
Additions	58,993	369,763	8,300	437,056
Disposals	(20,000)	(174,469)	(211,110)	(405,579)
At 31st May 2000	<u>14,173,993</u>	<u>2,313,755</u>	<u>107,098</u>	<u>16,594,846</u>
Depreciation				
At 1st June 1999	-	556,434	179,816	736,250
Provided during the year	633,804	517,846	16,426	1,168,076
On disposals	-	(150,643)	(138,420)	(289,063)
At 31st May 2000	<u>633,804</u>	<u>923,637</u>	<u>57,822</u>	<u>1,615,263</u>
Net book value				
At 31st May 2000	<u>13,540,189</u>	<u>1,390,118</u>	<u>49,276</u>	<u>14,979,583</u>
At 31st May 1999	<u>14,135,000</u>	<u>1,562,027</u>	<u>130,092</u>	<u>15,827,119</u>

The Club's properties are freehold, with the exception of minor residential properties which are long leasehold.

The Club's premises at Goodison Park (including the Megastore), the training grounds at Bellefield and Netherton, the equipment and contents (but not including computer equipment or motor vehicles), together with minor residential properties were revalued at £15,207,550 by John Foord & Company as at 31st May 1999.

The freehold buildings at Goodison Park (including the Megastore), together with the training grounds, were valued at depreciated replacement cost, and the land at open market value for its existing use.

The residential properties have been revalued at open market value basis with the benefit of full vacant possession or subject to and with the benefit of the various leases/agreements as appropriate.

The Directors feel that the value of properties as at 31 May 2000 is not materially different to the valuation carried out as at 31 May 1999.

The transitional arrangements of FRS15 are being adopted for all properties. The company is not continuing the revaluation policy relating to these assets.

The Directors also feel it is appropriate in the light of FRS15 to depreciate the properties over their useful economic lives as detailed in note 1 (iii).

The net book value of vehicles of £49,276 includes an amount of £17,861 of assets held under hire purchase agreements.

If the freehold properties had not been revalued regularly since 1983 they would have been included at the following amounts on the basis previously appertaining:

	2000 £	1999 £
Cost	10,192,584	10,133,591
Aggregate depreciation	(631,097)	(177,293)
Net book value	<u>9,561,487</u>	<u>9,956,298</u>

The Club's equipment and contents (but not including computer equipment or motor vehicles) were valued on the basis of Value of Plant and Machinery to the Business.

If the plant and equipment (excluding computer equipment) had not been revalued at 31 May 1999 they would have been included at the following amounts on the basis previously appertaining.

	2000 £	1999 £
Cost	2,298,145	2,001,318
Aggregate depreciation	(1,824,013)	(1,665,609)
Net book value	<u>474,132</u>	<u>335,709</u>

I 4. LEASE COMMITMENTS

The company has operating lease commitments to pay during the next year in respect of motor vehicle and office equipment leases, as follows:

	2000 £	1999 £
Expiring within one year	1,602	-
Expiring between two and five years	68,317	22,615
	<u>69,919</u>	<u>22,615</u>

I 5. STOCKS

	2000 £	1999 £
Refreshments, souvenirs and goods for resale	345,449	400,179
Maintenance stocks	10,366	10,366
	<u>355,815</u>	<u>410,545</u>

I 6 . DEBTORS

	2000 £	1999 £
Trade debtors - within one year	3,365,805	2,178,269
Other debtors	78,572	2,783
Prepayments and accrued income	436,080	315,958
	<u>3,880,457</u>	<u>2,497,010</u>

I 7 . CREDITORS**Amounts falling due within one year**

	2000 £	1999 £ restated (note 2)
Trade creditors	2,223,972	5,136,319
Social security and other taxes	1,141,741	1,608,000
Hire purchase	16,316	23,312
Other creditors	165,455	62,180
Accruals and deferred income	1,707,465	2,906,570
	<u>5,254,949</u>	<u>9,736,381</u>
Bank overdraft	15,183,103	16,296,037
	<u>20,438,052</u>	<u>26,032,418</u>

The bank overdraft is secured by fixed and floating charges over all the company's assets and undertakings.

I 8 . CREDITORS**Amounts falling due after more than one year**

	2000 £	1999 £ restated (note 2)
Trade creditors	264,668	1,520,262
Hire purchase creditors due within five years	-	16,316
Deferred Income (note 2)	2,691,308	1,743,600
	<u>2,955,976</u>	<u>3,280,178</u>

**I 9 . PROVISION FOR LIABILITIES
AND CHARGES**

	Pensions	Contingent appearance fees (note 1)	2000 Total
	£	£	£
At 1st June 1999	-	320,250	320,250
Additions	750,000	1,050,000	1,800,000
Disposals	-	(320,250)	(320,250)
At 31st May 2000	<u>750,000</u>	<u>1,050,000</u>	<u>1,800,000</u>

There are no amounts for deferred tax provided at 31 May 2000 or 31 May 1999. The potential liability to deferred taxation not provided in the accounts calculated at a tax rate of 30% (1999-30%), is set out below:

	Not Provided 2000 £	Not Provided 1999 £
Capital allowances in advance of depreciation	(135,661)	(160,043)
Intangible fixed assets	884,768	3,367,775
Other short term timing differences	(8,638,882)	(8,207,509)
	<u>(7,889,775)</u>	<u>(4,999,777)</u>

Included within short term timing differences is a deferred tax asset relating to cumulative trading losses of approximately £28m (1999 - £27.4m) which are available to carry forward against future trading income.

20. EQUITY SHARE CAPITAL

	2000 £	1999 £
Authorised, allotted, issued and fully paid 35,000 stock units of £1 each	35,000	35,000

21. RESERVES

	Share Premium Account £	Revaluation Reserve (restated) £	Profit and Loss Account £
Balance at 1st June 1999	24,967,500	4,639,818	(9,591,978)
Prior year adjustment	-	(1,503,000)	-
As restated	24,967,500	3,136,818	(9,591,978)
Loss for the year		-	(11,169,099)
Balance at 31st May 2000	<u>24,967,500</u>	<u>3,136,818</u>	<u>(20,761,077)</u>

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Loss for the year	(11,169,099)	(10,768,941)
Revaluation Reserve Adjustment	-	(2,526,799)
Net (reduction in) Shareholders' funds	<u>(11,169,099)</u>	<u>(13,295,740)</u>
Opening Shareholders' funds (originally £20,050,340 before deducting prior year adjustment of £1,503,000)	18,547,340	31,843,080
Shareholders' funds at 31st May 2000	<u>7,378,241</u>	<u>18,547,340</u>

23. CASHFLOW STATEMENT

(a) Reconciliation of operating loss to operating cash flows

	2000	1999 restated (note 2)
	£	£
Loss before interest and tax	(9,898,538)	(9,734,541)
Profit/(Loss) on disposal of players	991,428	(2,070,669)
Operating Loss	(8,907,110)	(11,805,210)
Depreciation charge	1,168,076	673,822
Release of grants	(63,000)	-
Loss on sale of tangible fixed assets	58,523	7,723
Amortisation of players	8,396,006	10,666,432
(Increase)/Decrease in stocks	54,730	(157,670)
Decrease/(Increase) in debtors	(442,766)	786,841
Increase/(Decrease) in creditors	214,353	(268,682)
Cashflow from operating activities	<u>478,812</u>	<u>(96,744)</u>

Due to the change in accounting policy for termination settlements the operating loss for the period ending 31 May 1999 has been restated.

Similarly the change in policy has meant the movement in creditors in 1999 has been restated from an increase of £1,636,474 as the creditors relating to termination payments no longer have an impact on cashflows affecting operating profit and have therefore been excluded.

(b) Analysis of changes in net debt

	At 1st June 1999	Cash flows	At 31st May 2000
	£	£	£
Cash at bank and in hand	43,188	1,232	44,420
Overdraft	(16,296,037)	1,112,934	(15,183,103)
	(16,252,849)	1,114,164	(15,138,685)
Hire Purchase agreements	(39,628)	23,312	(16,316)
	(16,292,477)	1,137,476	(15,155,001)

(c) Reconciliation of movements in Net Debt

	2000	1999
	£	£
Increase/(decrease) of cash in period	1,114,164	(11,637,580)
Cash outflow from decrease in hire purchasing finance	23,312	23,312
New hire purchase agreements	-	-
Movement in Net Debt in the year	<u>1,137,476</u>	<u>(11,614,268)</u>
Net Debt as at 1st June 1999	(16,292,477)	(4,678,209)
Net Debt as at 31st May 2000	<u>(15,155,001)</u>	<u>(16,292,477)</u>

24. CONTINGENT LIABILITIES

No provision is included in the accounts for transfer fees of £4,175,000 (1999: £3,610,000) which are, as at 31 May 2000, contingent upon future appearances of certain players, and signing-on fees and loyalty bonuses, as at 31 May 2000, of £3,747,293 (1999: £7,772,467) which will become due to certain players if they are still in the service of the Club on specific future dates.

25. POST BALANCE SHEET EVENTS

Since 31 May 2000, the Club has incurred net transfer expenditure payable of £6,304,360.

On 25 October 2000 the Company announced that an agreement had been signed with Premium TV Limited to form a strategic media alliance. A General Meeting is to be held on 23 November 2000 at which an ordinary resolution is to be tabled whereby the authorised share capital of the Company is to be increased from £35,000 to £38,888 by the creation of an additional 3,888 ordinary shares of £1.00 each. These are to be allocated to Premium TV Limited, giving them 9.99% of the new issued ordinary share capital.

26. FRS 8 - RELATED PARTY TRANSACTIONS

There were no related party transactions in the year.

27. ULTIMATE PARENT UNDERTAKING

From the 3 March 2000 the UK parent undertaking of the company was True Blue Holdings Limited, a company incorporated in England.

True Blue Holdings Limited was incorporated on 21 January 2000 and has yet to file its financial statements.

**FA CARLING PREMIERSHIP
FIRST TEAM RESULTS SEASON 1999-2000**

Date		Opponents	Venue	Result	Attendance	Points	Position
August	8	Manchester United	H	1-1	39,141	1	9
August	11	Aston Villa	A	0-3	30,337	1	16
August	14	Tottenham Hotspur	A	2-3	34,539	1	18
August	21	Southampton	H	4-1	31,755	4	14
August	25	Wimbledon	H	4-0	32,818	7	7
August	28	Derby County	A	0-1	26,550	7	11
Septemeber	11	Sheffield Wednesday	A	2-0	23,539	10	9
Septemeber	14	Oxford United (WC2/1)	A	1-1	7,345	-	-
Septemeber	19	West Ham United	H	1-0	35,154	13	7
Septemeber	22	Oxford United (WC2/2)	H	0-1	10,006	-	-
Septemeber	27	Liverpool	A	1-0	44,802	16	6
October	2	Coventry City	H	1-1	34,839	17	5
October	16	Arsenal	A	1-4	38,042	17	7
October	23	Leeds United	H	4-4	37,355	18	8
October	30	Middlesbrough	A	1-2	33,916	18	9
November	8	Newcastle United	A	1-1	36,164	19	10
November	20	Chelsea	H	1-1	38,225	20	10
November	27	Aston Villa	H	0-0	34,750	21	11
December	4	Manchester United	A	1-5	55,193	21	12
December	11	Exeter City (FAC3)	A	0-0	6,045	-	-
December	18	Watford	A	3-1	17,346	24	11
December	21	Exeter City (FAC3 R)	H	1-0	16,869	-	-
December	26	Sunderland	H	5-0	40,017	27	8
December	28	Bradford City	A	0-0	18,276	28	8
January	3	Leicester City	H	2-2	30,490	29	9
January	8	Birmingham C (FAC4)	H	2-0	25,405	-	-
January	15	Tottenham Hotspur	H	2-2	36,144	30	9
January	22	Southampton	A	0-2	15,232	30	11
January	29	Preston North End (FAC5)	H	2-0	37,486	-	-
February	6	Wimbledon	A	3-0	13,172	33	10
February	12	Derby County	H	2-1	33,268	36	7
February	20	Aston Villa (FAC6)	H	1-2	35,331	-	-
February	26	West Ham United	A	4-0	26,025	39	7
March	4	Sheffield Wednesday	H	1-1	32,020	40	6
March	11	Chelsea	A	1-1	35,113	41	8
March	15	Coventry City	A	0-1	18,518	41	8
March	19	Newcastle United	H	0-2	32,512	41	10
March	25	Sunderland	A	1-2	41,934	41	10
April	1	Watford	H	4-2	31,690	44	9
April	8	Leicester City	A	1-1	18,705	45	8
April	15	Bradford City	H	4-0	31,646	48	9
April	21	Liverpool	H	0-0	40,052	49	9
April	29	Arsenal	H	0-1	35,919	49	10
May	8	Leeds United	A	1-1	37,713	50	10
May	14	Middlesbrough	H	0-2	34,663	50	13

FAC = FA Cup WC = Worthington Cup

**FA CARLING PREMIERSHIP
FINAL LEAGUE PLACINGS 1999-2000**

	P	HOME						AWAY				Pts
		W	D	L	F	A	W	D	L	F	A	
Manchester United	38	15	4	0	59	16	13	3	3	38	29	91
Arsenal	38	14	3	2	42	17	8	4	7	31	26	73
Leeds United	38	12	2	5	29	18	9	4	6	29	25	69
Liverpool	38	11	4	4	28	13	8	6	5	23	17	67
Chelsea	38	12	5	2	35	12	6	6	7	18	22	65
Aston Villa	38	8	8	3	23	12	7	5	7	23	23	58
Sunderland	38	10	6	3	28	17	6	4	9	29	39	58
Leicester City	38	10	3	6	31	24	6	4	9	24	31	55
West Ham United	38	11	5	3	32	23	4	5	10	20	30	55
Tottenham Hotspur	38	10	3	6	40	26	5	5	9	17	23	53
Newcastle United	38	10	5	4	42	20	4	5	10	21	34	52
Middlesbrough	38	8	5	6	23	26	6	5	8	23	26	52
Everton	38	7	9	3	36	21	5	5	9	23	28	50
Coventry City	38	12	1	6	38	22	0	7	12	9	32	44
Southampton	38	8	4	7	26	22	4	4	11	19	40	44
Derby County	38	6	3	10	22	25	3	8	8	22	32	38
Bradford City	38	6	8	5	26	29	3	1	15	12	39	36
Wimbledon	38	6	7	6	30	28	1	5	13	16	46	33
Sheffield Wednesday	38	6	3	10	21	23	2	4	13	17	47	31
Watford	38	5	4	10	24	31	1	2	16	11	46	24

FA CARLING PREMIERSHIP FIXTURES 2000-2001

Date	Opponent	Venue	Date	Opponent	Venue
August 19	Leeds United	A	March 3	Newcastle United	H
August 23	Charlton Athletic	H	March 17	Southampton	A
August 26	Derby County	H	March 31	West Ham United	A
September 5	Tottenham Hotspur	A	April 8	Manchester City	H
September 9	Middlesbrough	A	April 14	Aston Villa	A
September 16	Manchester United	H	April 16	Liverpool	H
September 24	Leicester City	A	April 21	Arsenal	A
September 30	Ipswich Town	H	April 28	Bradford City	H
October 14	Southampton	H	May 5	Chelsea	A
October 21	Newcastle United	A	May 19	Sunderland	H
October 29	Liverpool	A			
November 5	Aston Villa	H			
November 11	Bradford City	A			
November 18	Arsenal	H			
November 25	Chelsea	H			
December 4	Sunderland	A			
December 9	Manchester City	A			
December 16	West Ham United	H			
December 23	Charlton Athletic	A			
December 26	Coventry City	H			
December 30	Leeds United	H			
January 1	Derby County	A			
January 13	Tottenham Hotspur	H			
January 20	Coventry City	A			
January 31	Middlesbrough	H			
February 3	Manchester United	A			
February 10	Leicester City	H			
February 24	Ipswich Town	A			

WORTHINGTON CUP		
September 20	Round 2 (1)	
September 27	Round 2 (2)	
November 1	Round 3	
November 29	Round 4	
December 13	Round 5	
January 10	Semi-final (1)	
January 24	Semi-final (2)	
February 25	Final	

FA CUP		
January 6	Round 3	
January 27	Round 4	
February 17	Round 5	
March 10	Round 6	
April 7	Semi-final	
May 12	Final	

H o n o u r s

First Division Champions

1890/91, 1914/15, 1927/28, 1931/32,
1938/39, 1962/63, 1969/70, 1984/85, 1986/87

Runners-up

1889/90, 1894/95, 1901/02, 1904/05, 1908/09, 1911/12, 1985/86

Second Division Champions

1930/31

Runners-up

1953/54

FA Cup Winners

1906, 1933, 1966, 1984, 1995

Runners-up

1893, 1897, 1907, 1968, 1985, 1986, 1989

Football League Cup Runners-up

1976/77, 1983/84

FA Charity Shield Winners

1928, 1932, 1963, 1970, 1984, 1985, 1987, 1995, Shared: 1986

European Cup-Winners' Cup Holders

1984/85

FA Youth Cup Winners

1964/65, 1983/84, 1997/98

Runners-up

1960/61, 1976/77, 1982/83