

RED FOOTBALL JOINT VENTURE LIMITED
REPORT & ACCOUNTS
FOURTEEN MONTH PERIOD ENDED 30 JUNE 2006



COMPANY NUMBER 5321166

Red Football Joint Venture Limited

Directors' report for the fourteen months ended 30 June 2006

The Company was incorporated on 18 February 2005 and filed dormant accounts for its first accounting period ended on 30 April 2005 as the Company did not trade during that period. The Company commenced to trade on 12 May 2005 upon acquiring a controlling interest in Manchester United Limited (formerly Manchester United PLC)

Principal activity and business review

The principal activity of the Group was the operation of a professional football club together with related and ancillary activities

Turnover for the period was £173.2 million (2005 £nil). Operating profit before depreciation and amortisation of intangible fixed assets and goodwill was £36.2 million (2005 £nil). Loss before tax for the period was £137.7 million (2005 £nil)

The Group had net debt at 30 June 2006 of £597.9 million (30 April 2005 £nil) and had a net cash inflow from operating activities in the period of £107.7 million (2005 £nil)

The Manchester United team maintained a high level of performance on the pitch, finishing 2nd in the Premiership and winning the Carling Cup for the 2nd time. However the team did not progress beyond the group stage of the UEFA Champions League for the first time in ten years

During the period, the Old Trafford stadium staged 27 Manchester United home games, an FA Cup semi-final, 4 England internationals, a Rugby Super League Grand final, a charity match for Soccer Aid and Roy Keane's testimonial match

Manchester United signed the largest shirt sponsorship deal in UK football with US insurance and financial services organisation AIG. The record breaking deal is for £56.5m over four years starting with the 2006/07 season

Strategy

The four key elements to the Group's strategy for growth are

- Maintaining playing success
- Treating fans as customers
- Leveraging the global brand
- Developing club media rights

The Key Performance Indicators of the Group relate to the above four key elements and our performance in relation to these are evident from the attached financial statements

Future developments and outlook for 2006/07

- In March 2006, the new quadrant seating at the Old Trafford stadium was opened for the first time and the new buildings were fully opened in August 2006 taking the licenced capacity to over 76,000
- A record 64,000 seasonal tickets were sold before the start of the 2006/07 season
- The team qualified for the UEFA Champions League for the 10th consecutive season by finishing 2nd in the FA Premier League in 2005/06 and will therefore benefit from an increased share of the UEFA English TV pool in 2006/07

Risks and uncertainties

Management has responsibility for the identification and evaluation of significant risks applicable to their area of business. The board continually assesses risks to the Group through regular management meetings and the monthly review of financial statements

Post balance sheet events

Details of post balance sheet events are disclosed in note 31 to the financial statements

Red Football Joint Venture Limited

Dividends

An interim dividend was not paid during the period. The directors do not recommend the payment of a final dividend.

The loss after taxation and dividends of £135.3 million has been transferred to reserves.

Directors

The directors who held office throughout the period (unless otherwise indicated) and at 30 June 2006 were as follows:

Avram Glazer

Bryan Glazer (appointed 17 May 2006)

Darcie Glazer (appointed 17 May 2006)

Edward Glazer (appointed 17 May 2006)

Joel Glazer

Kevin Glazer (appointed 17 May 2006)

Mitchell Nusbaum

William Sondericker

None of the directors who held office at 30 June 2006 had any beneficial interests in the ordinary shares of the Company.

Avram, Bryan, Darcie, Edward, Joel and Kevin Glazer have a financial interest in Red Football Limited Partnership, a limited liability partnership formed in the state of Nevada, United States of America. Red Football Limited Partnership indirectly, wholly owns Red Football Shareholder Limited which is the largest parent undertaking for which group accounts will be prepared.

Charitable and political donations

Charitable donations during the period amounted to £53,209 (2005 - £nil). In line with Group policy, no donations were made for political purposes (2005 - £nil).

Creditor payment policy

It is the Group's policy to

- agree the terms of payment in advance with the supplier, and
- pay in accordance with the agreed terms and other legal obligations.

The number of days' purchases outstanding as at 30 June 2006 was 61 (30 April 2005 - nil). This figure excludes creditors in respect of player acquisitions which are paid on the date payment is contractually due.

Employment policies

The Group is committed to its 'people philosophy' and, as a result, to promoting policies to ensure that employees and applicants for employment are treated fairly and consistently. The Group has an equal opportunities policy, the aim of which is not to discriminate against employees or applicants for employment on the grounds of age, disability, ethnic origin, nationality or national origin, religion, race, gender, sexual orientation, marital status or family circumstances. Entry into and progression within the Group is determined solely by the job criteria and personal ability/competence.

The Group also seeks to apply best practice in the employment, training, development and promotion of disabled persons. The Group takes seriously its statutory obligations relating to disabled persons and seeks not to discriminate against current or prospective employees because of a reason relating to their disability. If an existing employee becomes disabled, such steps that are practical and reasonable are taken, in respect of adjustments to premises or employment arrangements, to retain him/her in employment. Where appropriate, rehabilitation and suitable training are given.

Employees are regularly updated on the performance of the Group. This is achieved through a broad base of communications including staff briefings, announcements and the staff newsletter 'RedLines'. Employees' views are

Red Football Joint Venture Limited

sought through staff surveys and action plans are then developed to target priority for improvement areas. The Group highlighted reward and recognition of performance as one of these priorities for improvement and has developed a total reward strategy which has three principal components: compensation (pay package), benefits and the work experience. Various schemes have been introduced focusing on rewarding individual performance.

The Group has established its Vision and Values and these are communicated to all employees. Our Vision and Values are directly linked to performance and development review procedures, training and organisational change programmes and reward and recognition initiatives, which apply to all our employees.

Statement of directors' responsibilities

The directors are required by company law to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the Company and the Group and of the loss of the Group 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, and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors confirm that the above requirements have been complied with in the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time, the financial position of the Company and the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditors

For all persons who are directors at the time of the approval of the annual report

a) so far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware, and

b) each director has taken all the steps necessary as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

A resolution to re-appoint PricewaterhouseCoopers LLP as the Company's auditors and to authorise the directors to determine their remuneration will be proposed at the annual general meeting.

The directors' report has been approved by the Board and signed on its behalf by



Joel Glazer
Director

Registered office
Sir Matt Busby Way
Old Trafford
Manchester
M16 0RA

27 October 2006

Company registered in England and Wales No 5321166

RED FOOTBALL JOINT VENTURE LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT

	Note	14 months ended 30 June 2006 £'000	24 December 2004 to 30 April 2005 £'000
Turnover Group and share of joint venture		175,836	-
Less Share of joint venture		<u>(2,665)</u>	-
Group turnover	2	<u>173,171</u>	-
Operating expenses - other	3	<u>(206,907)</u>	-
Operating expenses - exceptional items	4	<u>(3,443)</u>	-
Total operating expenses		<u>(210,350)</u>	-
Group operating loss		<u>(37,179)</u>	-
Analysed as			
Group operating profit before depreciation and amortisation of intangible fixed assets and goodwill		36,233	-
Depreciation		(7,387)	-
Amortisation of intangible fixed assets		(28,847)	-
Amortisation of goodwill		<u>(39,178)</u>	-
		<u>(37,179)</u>	-
Share of operating (loss)/profit in			
- Joint venture		(82)	-
- Associate		<u>43</u>	-
Total operating loss Group and share of joint venture and associate		<u>(37,218)</u>	-
Profit on disposal of players		12,462	-
Loss before interest and taxation		<u>(24,756)</u>	-
Net interest payable	5	(112,987)	-
Loss on ordinary activities before taxation		<u>(137,743)</u>	-
Taxation	7	2,460	-
Loss for the period	23	<u>(135,283)</u>	-

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	14 months ended 30 June 2006 £'000	24 December 2004 to 30 April 2005 £'000
Loss for the financial period	(135,283)	-
Share of reserves invested by joint venture partners (note 19c)	<u>217</u>	-
Total recognised gains and losses in the period	<u>(135,066)</u>	-

The results for the current period derive from acquisitions in the period and represent continuing activities

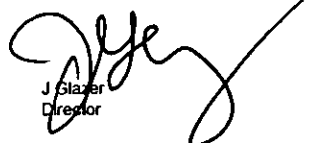
The accompanying notes on pages 8 to 18 are an integral part of these financial statements

RED FOOTBALL JOINT VENTURE LIMITED

CONSOLIDATED BALANCE SHEET

	Note	At 30 June 2006	At 30 April 2005
		£'000	£'000
Fixed assets			
Intangible assets - goodwill	9	483,205	-
Intangible assets - player registrations	10	73,865	-
Tangible assets	11	252,249	-
Investment in associate	12	262	-
		<u>809,581</u>	<u>-</u>
Current assets			
Stocks	14	174	-
Debtors - amounts falling due within one year	15	29,026	-
Debtors - amounts falling due after more than one year	15	1,135	-
Cash at bank and in hand		6,029	-
		<u>36,364</u>	<u>-</u>
Creditors - amounts falling due within one year	16	<u>(44,561)</u>	<u>-</u>
Net current assets		<u>(8,197)</u>	<u>-</u>
Total assets less current liabilities		801,384	-
Creditors - amounts falling due after one year	17	<u>(600,382)</u>	<u>-</u>
Provision for liabilities and charges			
Deferred taxation	19a	(6,073)	-
Other provisions	19b	(1,795)	-
Investment in joint venture	19c		
- Share of gross assets		486	-
- Share of gross liabilities		(4,897)	-
		<u>(4,411)</u>	<u>-</u>
Accruals and deferred income			
Deferred grant income	20	(623)	-
Other deferred income	21	(53,830)	-
		<u>(54,453)</u>	<u>-</u>
Net assets		<u>134,270</u>	<u>-</u>
Capital and reserves			
Share capital	22	-	-
Share premium account	23	269,336	-
Other reserves	23	217	-
Profit and loss account	23	(135,283)	-
		<u>134,270</u>	<u>-</u>
Equity Shareholders' funds	24	<u>134,270</u>	<u>-</u>

The financial statements on pages 4 to 18 were approved by the Board of directors on 27 October 2006 and signed on its behalf by


J. Glazer
Director

The accompanying notes on pages 8 to 18 are an integral part of these financial statements

RED FOOTBALL JOINT VENTURE LIMITED

COMPANY BALANCE SHEET

	Note	At 30 June 2006	At 30 April 2005
		£'000	£'000
Fixed assets			
Investments	12	547,139	-
		<u>547,139</u>	<u>-</u>
Current assets			
Debtors	15	-	-
		<u>-</u>	<u>-</u>
Creditors - amounts falling due within one year	16	(17,635)	-
Net current liabilities		<u>(17,635)</u>	<u>-</u>
Total assets less current liabilities		529,504	-
Creditors - amounts falling due after one year	17	(332,895)	-
Net assets		<u>196,609</u>	<u>-</u>
Capital and reserves			
Share capital	22	-	-
Share premium account	23	269,336	-
Profit and loss account	23	(72,727)	-
Equity Shareholders' funds	24	<u>196,609</u>	<u>-</u>

The financial statements on pages 4 to 18 were approved by the Board of directors on 27 October 2006 and signed on its behalf by



J. Glazer
Director

The accompanying notes on pages 8 to 18 are an integral part of these financial statements

RED FOOTBALL JOINT VENTURE LIMITED

CONSOLIDATED CASH FLOW STATEMENT

	Note	14 months ended 30 June 2006		24 December 2004 to 30 April 2005	
		£'000	£'000	£'000	£'000
Net cash inflow from operating activities			107,687		-
Returns on investments and servicing of finance					
Interest received		1,917		-	
Interest paid		(52,556)		-	
Net cash outflow from returns on investments and servicing of finance			(50,639)		-
Taxation paid			(3,180)		-
Capital expenditure and financial investment					
Proceeds from sale of players' registrations		5,172		-	
Purchase of players' registrations		(37,554)		-	
Proceeds from sale of tangible fixed assets		1,436		-	
Purchase of tangible fixed assets		(37,395)		-	
Net cash outflow from capital expenditure and financial investment			(68,341)		-
Acquisitions and disposals					
Investment in subsidiary undertaking		(586,695)		-	
Net cash outflow from acquisitions and disposals			(586,695)		-
Equity dividends paid			(3,475)		-
Cash outflow before management of liquid resources and financing			(604,643)		-
Financing					
New borrowings		550,067		-	
Repayment of borrowings		(18,900)		-	
Issue of ordinary share capital		46,889		-	
Net cash inflow from financing			578,056		-
Decrease in cash in the period	25		(26,587)		-

NOTE TO CONSOLIDATED CASH FLOW STATEMENT

Reconciliation of operating loss to net cash inflow from operating activities

	14 months ended 30 June 2006 £'000	24 December 2004 to 30 April 2005 £'000
Net cash generated from operating activities		
Group operating loss	(37,179)	-
Depreciation charges	7,387	-
Amortisation of players' registrations	26,847	-
Amortisation of goodwill	39,178	-
Profit on disposal of tangible fixed assets	(560)	-
Grants released	(129)	-
Increase in loan from parent company	3,239	-
Increase in stocks	(52)	-
Decrease in debtors	14,892	-
Increase in creditors and deferred income	54,064	-
Net cash inflow from operating activities	107,687	-

The accompanying notes on pages 8 to 18 are an integral part of these financial statements

RED FOOTBALL JOINT VENTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

The financial statements have been prepared using the accounting policies described below which have been applied consistently throughout the period

Basis of accounting

The financial statements have been prepared on a going concern basis under the historical cost convention and have been drawn up to comply with applicable accounting standards in the United Kingdom and the Companies Act 1985

Basis of consolidation

The accounts combine the results of Red Football Joint Venture Limited and its subsidiary undertakings using acquisition accounting. Undertakings other than subsidiary undertakings in which the Group has an investment of at least 20% of the shares and over which it exerts significant influence, are treated as associates. Entities in which the Group holds an interest on a long-term basis and which are jointly controlled by the Group and other parties, are treated as joint ventures. The results for the joint venture and associate are based upon management accounts for the period ended 30 June 2006

Joint Venture

The Group profit and loss account includes the Group's share of turnover, operating loss and interest of the joint venture. The investment in the joint venture is shown in the Group balance sheet using the gross equity method. The gross equity method records the Group's share of the gross assets and gross liabilities in its joint venture.

Associates

The Group profit and loss account includes the Group's share of the operating result and interest of the associate. The investments in the associate are shown in the Group balance sheet using the equity method. The equity method records the Group's share of the underlying net assets of the associate.

Goodwill

On the acquisition of a subsidiary undertaking, fair values are attributed to the net assets acquired. Goodwill, which represents the difference between the purchase consideration and the fair value of net assets acquired, is capitalised and amortised through the profit and loss account on a straight-line basis over its estimated useful economic life of 15 years. Estimated useful economic life is determined after taking into account such factors as the nature and age of the business, the strength of the underlying brands and the stability of the industry in which the acquired business operates, as well as the typical life span of the acquired products to which the goodwill attaches. Goodwill acquired is subject to an impairment review at the end of the first year following an acquisition, and at any other time if events or changes of circumstances indicate that the carrying value may not be recoverable.

Turnover

Turnover represents income receivable from the Group's principal activities excluding transfer fees and value added tax. Turnover is analysed between Match Day, Media and Commercial revenue streams.

Match Day

Match Day turnover comprises income receivable from all match day activities from Manchester United games at Old Trafford together with our share of gate receipts from cup matches not played at Old Trafford and fees receivable for the team undertaking pre-season tours and for arranging other events at the Old Trafford stadium. The share of gate receipts payable to the other participating club and competition organiser for domestic cup matches played at Old Trafford is treated as an operating expense.

Media

Media turnover represents income receivable from all UK and overseas media contracts, including contracts negotiated centrally by the FA Premier League and UEFA. In addition, media turnover includes income received by the exploitation of Manchester United media rights through the internet or wireless applications.

Commercial

Commercial turnover comprises income receivable from the exploitation of the Manchester United brand through sponsorship and other commercial agreements, including minimum guarantees from Nike, together with amounts receivable for the use of the conference and catering facilities at the Old Trafford stadium on non-match days. Any additional income receivable from Nike in accordance with the profit sharing arrangements contained in the sponsorship and licensing contract which commenced on 1 August 2002, in excess of cumulative minimum guaranteed amounts, is taken to profit when it is probable that it will not be recouped in the future.

Deferred income

Income from match day activities, media and commercial contracts which has been received prior to the period end in respect of future football seasons is treated as deferred income.

Tangible Fixed Assets

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided on tangible fixed assets at annual rates appropriate to the estimated useful lives of the assets, as follows:

	Reducing Balance	Straight Line
Freehold land	Nil	Nil
Freehold buildings	1-33%	75 years
Assets in the course of construction	Nil	Nil
Computer equipment and software	33%	3 years
Plant and machinery	20% - 25%	4 - 5 years
General fixtures and fittings	15%	7 years

Tangible fixed assets acquired prior to 31 July 1999 are depreciated on a reducing balance basis at the rates stated above.

Tangible fixed assets acquired after 1 August 1999 are depreciated on a straight line basis at the rates stated above.

Stocks

Stocks comprising raw materials, consumables and goods held for resale are valued at the lower of cost and net realisable value.

RED FOOTBALL JOINT VENTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Intangible fixed assets

The costs associated with the acquisition of players' registrations are capitalised as intangible fixed assets. These costs are fully amortised over the period covered by the player's initial contract.

Where a playing contract is extended, any costs associated with securing the extension are added to the unamortised balance date of the amendment and that book value is amortised over the remaining revised contract life.

Where a part of the consideration payable on acquiring a player's registration is contingent on a future event, this amount is recognised once it is probable, rather than possible, that the event will occur and is amortised commencing from the start of the year in which the contingent payment becomes probable. The total amount which is currently considered possible but not probable is disclosed in note 28b.

Signing-on fees

Staff costs include signing-on fees payable to players representing part of their remuneration which are charged to the profit and loss account evenly over the period covered by the player's contract.

Grants

Grants receivable from the Football Trust and the former Football Grounds Improvement Trust in respect of capital expenditure are treated as deferred income and released to the profit and loss account so as to match the depreciation charged on the fixed assets purchased with the grant. Deferred grant income in the balance sheet represents total grants received less amounts credited to the profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Foreign currencies

Transactions denominated in foreign currencies are translated at the exchange rate at the date of the transaction. Foreign currency assets and liabilities held at the year end are translated at year-end exchange rates, or the exchange rate of a related forward exchange contract where appropriate. The resulting exchange gain or loss is dealt with through the profit and loss account.

Provisions

Provision is made for the anticipated net costs of onerous leases on non-trading properties. The provision will be represented by the payment of costs, shortfalls on sub-tenanted property and expenses of early termination.

Investments

Investments in subsidiary undertakings in the company balance sheet are included at cost less any provision for impairment in value.

Financial instruments

The Group uses derivative financial instruments to manage its exposure to fluctuations in foreign currency exchange rates and interest rates. Derivative instruments utilised by the Group include forward currency contracts and interest rate swaps. Such contracts are accounted for as hedges with the instrument's impact on profit deferred until the underlying transaction is recognised in the profit and loss account.

Leases

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Pension costs

Contributions to money purchase pension schemes are charged to the profit and loss account as they fall due.

Bank loans and Redeemable discount preferred securities

Bank loans and the redeemable preferred securities are stated at the amount repayable at the balance sheet date net of directly attributable issue costs which are amortised over the estimated useful life of the relevant loans. The amount repayable on the redeemable discount preferred securities represents the accreted amount at the balance sheet date, being the initial issue proceeds plus accrued discount.

RED FOOTBALL JOINT VENTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 Turnover

Turnover all of which arises from the Group's principal activity, can be analysed into its main components as follows

	14 months ended 30 June 2006 £'000	24 December 2004 to 30 April 2005 £'000
Match day	72,098	-
Media	46,112	-
Commercial	54,961	-
	<u>173,171</u>	<u>-</u>

Turnover all of which originates in the United Kingdom, can be analysed by destination as follows

	14 months ended 30 June 2006 £'000	24 December 2004 to 30 April 2005 £'000
United Kingdom	170,580	-
Rest of World	2,591	-
	<u>173,171</u>	<u>-</u>

Media income from European cup competitions is distributed by the Football Association and is therefore classified as being of United Kingdom origin and destination

3 Operating expenses - other

	14 months ended 30 June 2006 £'000	24 December 2004 to 30 April 2005 £'000
Operations excluding player amortisation and trading		
Staff costs (note 6)	96,096	-
Depreciation	7,387	-
Amortisation of goodwill	39,178	-
Operating lease costs - land and buildings	-	-
Other operating charges	37,230	-
Auditors remuneration audit services	116	-
Auditors remuneration non-audit services	742	-
Grants released (note 20)	(129)	-
Profit on disposal of tangible fixed assets	(580)	-
	<u>180,060</u>	<u>-</u>
Player amortisation		
Amortisation of players' registrations	26,847	-
	<u>206,907</u>	<u>-</u>
Auditors' remuneration for non-audit services comprised -		
Taxation advice	742	-
Professional fees in relation to the issue Redeemable discount preferred securities	197	-
	<u>939</u>	<u>-</u>

	Company	
	14 months ended 30 June 2006 £'000	24 December 2004 to 30 April 2005 £'000
Auditors' remuneration audit services	5	-
Auditors' remuneration non-audit services	197	-
	<u>202</u>	<u>-</u>

4 Operating expenses - exceptional items

	14 months ended 30 June 2006 £'000	24 December 2004 to 30 April 2005 £'000
Player and other employee terminations and redundancies	3,043	-
Football League pension scheme deficit	400	-
	<u>3,443</u>	<u>-</u>

5 Net interest payable

	14 months ended 30 June 2006 £'000	24 December 2004 to 30 April 2005 £'000
Interest receivable	1,838	-
Interest payable on bank loans and overdrafts	(28,878)	-
Interest payable on redeemable discount preferred securities	(57,907)	-
Debt issue costs written off	(27,831)	-
Share of joint venture interest payable	(209)	-
	<u>(112,987)</u>	<u>-</u>

RED FOOTBALL JOINT VENTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Staff costs

The average number of employees during the period including directors was as follows

	Group		Company	
	14 months ended 30 June 2006 Number	24 December 2004 to 30 April 2005 Number	14 months ended 30 June 2006 Number	24 December 2004 to 30 April 2005 Number
Players	68	-	-	-
Ground staff	86	-	-	-
Ticket office and membership	40	-	-	-
Catering	82	-	-	-
Administration and other	195	-	4	-
Average number of employees	471	-	4	-

The Group also employs approximately 1,299 temporary staff on match days (2005 nil)

Particulars of employee costs including directors are as shown below

	Group		Company	
	14 months ended 30 June 2006 £'000	24 December 2004 to 30 April 2005 £'000	14 months ended 30 June 2006 £'000	24 December 2004 to 30 April 2005 £'000
Wages and salaries	79,609	-	-	-
Bonuses	4,885	-	-	-
Social security costs	9,399	-	-	-
Other pension costs	2,203	-	-	-
Total	96,096	-	-	-

No directors received any emoluments from the Company during the period

7 Taxation

	14 months ended 30 June 2006 £'000	24 December 2004 to 30 April 2005 £'000
Corporation tax at 30% on the loss for the period	(2,482)	-
Adjustment in respect of previous years	(576)	-
Total current tax	(3,058)	-
Deferred taxation origination and reversal of timing differences (note 18a)	598	-
Adjustment in respect of previous years	-	-
Total deferred tax	598	-
Tax on loss on ordinary activities	(2,460)	-

The tax rate for the period is higher than that resulting from applying the standard rate of corporation tax in the UK of 30%. A reconciliation of current tax is shown below

	14 months ended 30 June 2006 £'000	24 December 2004 to 30 April 2005 £'000
Loss on ordinary activities before tax	(137,743)	-
Loss on ordinary activities multiplied by the standard rate of 30%	(41,323)	-
Effects of		
Adjustment to tax in respect of previous years	(576)	-
Expenses not deductible for tax purposes	1,210	-
Goodwill amortisation	11,754	-
Capital allowances and other timing differences	(541)	-
Deferred tax asset not recognised	26,418	-
Total	(3,058)	-

8 Profit for the period

The Company has taken advantage of Section 230 of the Companies Act 1985 and has not presented its own profit and loss account. The Company's loss for the period was £72,727,000 (2005 - £nil)

9 Intangible fixed assets - goodwill

Group	Total £'000
Cost	
Additions	522,383
At 30 June 2006	522,383
Amortisation	
Charge for the period	39,178
At 30 June 2006	39,178
Net book value	
At 30 June 2006	483,205
At 30 April 2005	-

RED FOOTBALL JOINT VENTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10 Intangible fixed assets - player registrations

Group	Total £'000
Cost of players' registrations	
On acquisition of subsidiary undertaking	135,867
Additions	24,398
Disposals	(8,697)
At 30 June 2006	151,568
Amortisation of players' registrations	
On acquisition of subsidiary undertaking	58,710
Charge for the period	26,847
Disposals	(7,856)
At 30 June 2006	77,701
Net book value of players registrations	
At 30 June 2006	73,865
At 30 April 2005	-

The Company had no intangible fixed assets relating to player registrations

11 Tangible fixed assets

Group	Freehold Property £'000	Assets under construction £'000	Plant and Machinery £'000	Fixtures and Fittings £'000	Total £'000
Cost					
On acquisition of subsidiary undertaking	214,726	4,678	32,198	12,810	264,412
Additions	191	36,198	1,480	103	37,972
Disposals	(805)	-	(13,983)	(1,740)	(16,528)
At 30 June 2006	214,112	40,876	19,695	11,173	285,856
Depreciation					
On acquisition of subsidiary undertaking	8,339	-	24,216	9,317	41,872
Charge for the period	3,037	-	3,348	1,002	7,387
Disposals	(65)	-	(13,847)	(1,740)	(15,652)
At 30 June 2006	11,311	-	13,717	8,579	33,607
Net book value					
At 30 June 2006	202,801	40,876	5,978	2,594	252,249
At 30 April 2005	-	-	-	-	-

The Company had no tangible fixed assets

RED FOOTBALL JOINT VENTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 Fixed asset investments

Group	Associated Undertakings £'000	Joint Venture £'000	Total £'000	
Cost				
On acquisition of subsidiary undertaking	219	-	219	
Share of profit / (loss)	43	(291) ⁽¹⁾	(248)	
Transfer to provision for liabilities and charges (note 19c)	-	291	291	
At 30 June 2006	<u>262</u>	<u>-</u>	<u>262</u>	
Net book value				
At 30 June 2006	<u>262</u>	<u>-</u>	<u>262</u>	
At 30 April 2005	-	-	-	
Company	Subsidiary Undertakings £'000	Associated Undertakings £'000	Joint Venture £'000	Total £'000
Cost				
Additions	547,139	-	-	547,139
At 30 June 2006	<u>547,139</u>	<u>-</u>	<u>-</u>	<u>547,139</u>
Net book value				
At 30 June 2006	<u>547,139</u>	<u>-</u>	<u>-</u>	<u>547,139</u>
At 30 April 2005	-	-	-	-

(1) In accordance with FRS 9, 'Joint Ventures and Associates', the Group's share of losses from its investment in the joint venture of £291,000 has been calculated by reference to the proportion of ordinary shares it owns. The Group's cash investment is limited to £1 million and is provided by way of a loan to the joint venture company, made by 31 July 2000, which has now been fully provided for.

The following companies are the principal subsidiary undertakings, joint venture and associated undertaking of the Group at 30 June 2006 -

	Country of incorporation and operation	Principal activity	Description of share classes owned
Subsidiaries			
Red Football Limited	England and Wales	Holding company	100% Ordinary
Red Football Junior Limited	England and Wales	Holding company	100% Ordinary
Manchester United Limited	England and Wales	Holding company	100% Ordinary
Manchester United Football Club Limited	England and Wales	Professional football club	100% Ordinary
Manchester United Interactive Limited	England and Wales	Media company	95% Ordinary
Manchester United Commercial Enterprises (Ireland) Ltd	Ireland	Property investment	100% Ordinary
Alderley Urban Investments Limited	England and Wales	Property investment	100% Ordinary
Joint venture			
MUTV Limited	England and Wales	Subscription TV channel	33.3% Ordinary
Associate			
Timecreate Limited	England and Wales	Hotel	31.4% Ordinary

* Direct investment of Red Football Joint Venture Limited, others are held by subsidiary undertakings

13 Acquisition of subsidiary undertaking

Control of Manchester United Limited (formerly Manchester United PLC) was gained on 12 May 2005, and had been accounted for under the acquisition method. Details of the acquisition balance sheet are as follows:

	Book value £'000	Fair value adjustment £'000	Fair value at acquisition £'000
Fixed assets			
Intangible assets	77,157	-	77,157
Tangible assets	123,515	99,025	222,540
Investments	219	-	219
Current assets			
Stocks	122	-	122
Debtors - amounts falling due within one year	33,484	-	33,484
Debtors - amounts falling due after more than one year	300	-	300
Intangible asset held for resale	1,583	-	1,583
Cash at bank and in hand	32,616	-	32,616
Creditors - amounts falling due within one year	(52,962)	-	(52,962)
Creditors - amounts falling due after more than one year	(6,900)	-	(6,900)
Provision for liabilities and charges			
Deferred taxation	(5,475)	-	(5,475)
Other provisions	(2,094)	-	(2,094)
Investment in joint venture	(4,337)	-	(4,337)
Accruals and deferred income			
Deferred grant income	(752)	-	(752)
Other deferred income	(8,741)	-	(8,741)
Net assets acquired at fair value	<u>187,735</u>	<u>99,025</u>	<u>286,760</u>
Fair value of consideration			
Cash paid during the period including directly attributable professional fees	-	-	586,695
Fair value of share issued in exchange for shares in Manchester United Limited	-	-	222,448
Total consideration	<u>-</u>	<u>-</u>	<u>809,143</u>
Goodwill arising			<u>522,383</u>

The fair value adjustment relates to the revaluation of certain freehold properties to fair value at the date of acquisition. The fair value has been determined by Dunlop Haywards Limited, Consultant Surveyors, on a depreciated replacement cost basis.

RED FOOTBALL JOINT VENTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14 Stocks

	Group		Company	
	30 June 2006 £'000	30 April 2005 £'000	30 June 2006 £'000	30 April 2005 £'000
Raw materials and consumables	32	-	-	-
Goods held for resale	142	-	-	-
	<u>174</u>	<u>-</u>	<u>-</u>	<u>-</u>

15 Debtors

	Group		Company	
	30 June 2006 £'000	30 April 2005 £'000	30 June 2006 £'000	30 April 2005 £'000
Amounts falling due within one year				
Trade debtors	19,902	-	-	-
Other debtors	643	-	-	-
Prepayments and accrued income	8,481	-	-	-
	<u>29,026</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amounts falling due after more than one year				
Trade debtors	835	-	-	-
Other debtors	300	-	-	-
	<u>1,135</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>30,161</u>	<u>-</u>	<u>-</u>	<u>-</u>

Group trade debtors include transfer fees receivable from other football clubs of £15,281,000 (2005 - £nil) excluding VAT, of which £835,000 (2005 - £nil) is receivable after more than one year

16 Creditors - amounts falling due within one year

	Group		Company	
	30 June 2006 £'000	30 April 2005 £'000	30 June 2006 £'000	30 April 2005 £'000
Bank loans	9,190	-	-	-
Trade creditors	9,435	-	-	-
Corporation tax	136	-	-	-
Amounts due to subsidiary undertakings	-	-	10,246	-
Amounts due to parent undertaking	3,239	-	3,239	-
Social security and other taxes	5,558	-	-	-
Other creditors - pensions	310	-	-	-
Accruals	16,693	-	4,150	-
	<u>44,561</u>	<u>-</u>	<u>17,635</u>	<u>-</u>

Group trade creditors include transfer fees and other associated costs in relation to the acquisition of players registrations of £2,473 000 (2005 - £nil)

17 Creditors - amounts falling due after one year

	Group		Company	
	30 June 2006 £'000	30 April 2005 £'000	30 June 2006 £'000	30 April 2005 £'000
Bank loans	261,810	-	-	-
Redeemable discount preferred securities	332,895	-	332,895	-
Trade creditors	4,946	-	-	-
Other creditors - pensions	731	-	-	-
	<u>600,382</u>	<u>-</u>	<u>332,895</u>	<u>-</u>
Group trade creditors include transfer fees and other associated costs in relation to the acquisition of players registrations of £4 946 000 (2005 - £nil)				
Corporation tax	0	-	0	-
Bank loan (Note 19)	<u>261,810</u>	<u>-</u>	<u>-</u>	<u>-</u>

RED FOOTBALL JOINT VENTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18 Borrowings

	Group		Company	
	30 June 2006 £'000	30 April 2005 £'000	30 June 2006 £'000	30 April 2005 £'000
Bank loans	271,000	-	-	-
Redeemable discount preferred securities	332,895	-	332,895	-
	<u>603,895</u>		<u>332,895</u>	
Maturity of financial liabilities				
Within one year	9,190	-	-	-
Between one and two years	5,775	-	5,775	-
Between two and five years	31,295	-	31,295	-
In more than five years	557,635	-	295,825	-
	<u>603,895</u>		<u>332,895</u>	
Analysis of changes in borrowings				
At 1 May 2005	-	-	-	-
New borrowings	622,795	-	332,895	-
Repayment of borrowings	(18,900)	-	-	-
	<u>603,895</u>		<u>332,895</u>	
At 30 June 2006	603,895	-	332,895	-

Bank loans of £271 000 000 represent senior facilities available to Red Football Limited a subsidiary undertaking by way of four term loans plus a revolving credit facility that attract interest based on LIBOR plus a margin which ranges between 2.75% and 6.50%. Two subsidiary undertakings of Red Football Limited Manchester United Limited and Manchester United Football Club Limited have guaranteed the obligations of the Red Football Limited with respect to the total senior facilities available of £373 900 000 and provided security for the facilities by way of first fixed and floating charges over their assets and undertakings.

The Redeemable discount preferred securities ("the securities") were issued at an aggregate subscription amount of £275 million, in two tranches of £210 million and £65 million and accrued interest at rates of 20% per annum and 14.7% per annum respectively. The standard maturity date was 30 April 2020 although they could be redeemed by the Company at any time (subject to an early redemption premium if redeemed within two years of issue). In addition the securities had to be repaid on a change of control of the Company and at any time after the 63rd month from the date of issue if they had not been redeemed in full the holders of the securities could enforce their security interest in respect of 30% of the ordinary share capital in the Company. The securities were guaranteed by the immediate parent undertaking Red Football Shareholder Limited and secured against the share capital of the Company.

Subsequent to the balance sheet date the borrowings have been refinanced further details are contained in note 31.

19 Provision for liabilities and charges

a Deferred taxation

The provision for deferred taxation comprises

	Group		Company	
	30 June 2006 £'000	30 April 2005 £'000	30 June 2006 £'000	30 April 2005 £'000
Accelerated capital allowances	6,772	-	-	-
Short term timing differences	(699)	-	-	-
	<u>6,073</u>			

The movements in deferred tax balances during the period were as follows

	Group £'000	Company £'000
On acquisition of subsidiary undertaking	5,475	-
Amount charged to profit and loss account (note 7)	598	-
At 30 June 2006	<u>6,073</u>	

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws substantially enacted at the balance sheet date.

The Group has an unrecognised deferred tax asset of £26.4 million (2005 - £nil) arising from trading losses which has not been recognised as it is not considered likely that the asset could be realised in the foreseeable future.

b Other provisions

The movements in other provisions for the onerous lease were as follows

	Group £'000
On acquisition of subsidiary undertaking	2,094
Utilised in the period	(299)
At 30 June 2006	<u>1,795</u>

The provision relates to a lease that may be terminated in 2015.

c Investment in joint venture

The movements in the share of gross assets less the share of gross liabilities in the joint venture were as follows

	Group £'000
On acquisition of subsidiary undertaking	4,337
Share of reserves invested by joint venture partners	(217)
Loss for the period transferred from fixed asset investments (note 12)	291
At 30 June 2006	<u>4,411</u>

RED FOOTBALL JOINT VENTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20 Deferred grant income

The movement in deferred grant income during the period was as follows

	Group £'000
On acquisition of subsidiary undertaking	752
Grants released in the period	(129)
At 30 June 2006	623

21 Other deferred income

Other deferred income comprises the following amounts received in respect of future football seasons

	Group		Company	
	30 June 2006 £'000	30 April 2005 £'000	30 June 2006 £'000	30 April 2005 £'000
Match day activities	46,057	-	-	-
Commercial contracts	7,773	-	-	-
At 30 June 2006	53,830	-	-	-

22 Share capital

Group and Company

	Group and Company	
	30 June 2006 £	30 April 2005 £
Authorised		
1 000 000 ordinary shares of £0.0001 each	100	100
Allotted, called up and fully paid		
	Number	£
At 1 May 2005	10,000	1
Ordinary shares of £0.0001 each issued during the period	978 183	98
At 30 June 2006	988,183	99

Of the 978 183 shares issued during the period, 178,183 were issued for a cash consideration of £46,888,856 and 800 000 were issued in exchange for 74,149,233 shares in Manchester United Limited representing a consideration of £222 447 699

23 Reserves

Group

	Share Premium account £'000	Other reserve £'000	Profit and loss account £'000
Loss for the period	-	-	(135 283)
Share of reserves invested by joint venture partners	-	217	-
Shares issued during the period	269 336	-	-
At 30 June 2006	269,336	217	(135,283)

Company

	Share Premium account £'000	Profit and loss account £'000
Loss for the period	-	(72,727)
Shares issued during the period	269 336	-
At 30 June 2006	269,336	(72,727)

Under the terms of certain lotteries past donations of £762,295 (2005 £nil) received by one of the Company's subsidiaries, and included within the profit and loss account balance, are not available for distribution (and bank balances are restricted accordingly) until such monies have been expended within the terms of those lotteries on capital programmes relating to the provision of facilities for youth development or spectators at the Old Trafford football stadium. All past donations having been so applied are distributable. It is intended that the balance will be applied to such programmes and will thereby become distributable.

RED FOOTBALL JOINT VENTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

24 Reconciliation of movements in equity shareholders' funds

	Group		Company	
	30 June 2006 £'000	30 April 2005 £'000	30 June 2006 £'000	30 April 2005 £'000
Loss for the period	(135,283)	-	(72,727)	-
Issue of ordinary shares	269,336	-	269,336	-
Share of reserves invested by joint venture partners	217	-	-	-
Net addition to equity shareholders' funds	134,270	-	196,609	-
Opening equity shareholders' funds	-	-	-	-
Closing equity shareholders' funds	134,270	-	196,609	-

25 Reconciliation of net cash outflow to movement in net debt

	Group	
	30 June 2006 £'000	30 April 2005 £'000
Decrease in cash in the period	(26,587)	-
On acquisition of subsidiary undertaking	32,616	-
Cash inflow from increase in borrowings	(803,895)	-
Movement in net debt	(597,866)	-
Opening net funds	-	-
Closing net debt	(597,866)	-

26 Analysis of changes in net debt

Group	At 30 April 2005 £'000	Cash flows £'000	At 30 June 2006 £'000
Cash at bank and in hand	-	6,029	6,029
Debt due within one year	-	(9,190)	(9,190)
Debt due after more than one year	-	(594,705)	(594,705)
Total	-	(597,866)	(597,866)

27 Lease commitments

At 30 June 2006 the Group's operating lease commitments for the financial year to 30 June 2007 were as follows

	30 June 2006 Land and buildings £'000	30 April 2005 Land and buildings £'000
Leases expiring after five years	340	-

28 Commitments and contingent liabilities

a Capital commitments

At 30 June 2006, capital commitments were

	Group		Company	
	30 June 2006 £'000	30 April 2005 £'000	30 June 2006 £'000	30 April 2005 £'000
Contracted but not provided for	4,486	-	-	-

b Transfer fees payable

Under the terms of certain contracts with other football clubs in respect of player transfers additional amounts would be payable by the Group if certain conditions are met. The maximum that could be payable is £11,104,000 (2005 - £nil)

At 30 June 2006 the potential amount payable by type of condition and category of player was

Type of condition	First team squad £'000	Other £'000	Total £'000
MUFC appearances / new contract	3,250	5,854	8,904
International appearances	1,000	1,200	2,200
	4,250	6,854	11,104

RED FOOTBALL JOINT VENTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

29 Pensions

a Defined benefit scheme

Certain employees of the Group are members of The Football League Limited Pension and Life Assurance Scheme ("the Scheme"). Accrual of benefits under a final salary basis was suspended with effect from 31 August 1999 following an actuarial review which revealed a substantial deficit.

As one of a number of participating employers the Group has been advised only of its share of the deficit in the Scheme and of the contributions required to make good the deficit and £2,024,000 has been charged to the profit and loss account in previous years in this respect. The latest actuarial valuation was at 31 August 2005 and the Group has been advised that the deficit has increased and further contributions amounting to £400,000 are required. This amount has been charged to the profit and loss account in full in the current period (see note 4) as it is principally attributable to employees who have left the Group or retired.

The revised deficit is being paid off over a period of ten years commencing from April 2006. The next actuarial valuation is due to be carried out as at 31 August 2008.

b Defined contribution schemes

Contributions made to defined contribution pension arrangements are charged to the profit and loss account in the period in which they become payable and amounted to £2,203,000 (2005 - £nil).

The assets of all pension schemes to which the Group contributes are held separately from the Group in independently administered funds.

30 Related party transactions

E M Watkins was a director of a subsidiary undertaking, Manchester United Football Club Limited throughout the period. Legal fees of £592,793 were paid in the period (2005 - £nil) in the ordinary course of business to Brabners Chaffe Street (James Chapman & Co. prior to its merger with Brabners Chaffe Street on 1 May 2006) a firm in which E M Watkins is the senior partner.

There were no other material transactions or balances with related parties as defined by FRS8 'Related party transactions'.

31 Post balance sheet events

The playing registrations of certain footballers have been disposed of subsequent to the balance sheet date for a total consideration net of associated costs of £10,840,000. The associated net book value was £4,785,000.

Subsequent to the balance sheet date, the playing registration of certain footballers have been acquired for a total consideration including associated costs of £15,700,000.

Subsequent to the balance sheet date, on 16 August 2006 Red Football Limited, a subsidiary undertaking, entered into a new Senior Facilities Agreement arranged by J.P. Morgan PLC which amounted to £575 million in aggregate. The new Senior Facilities Agreement provided four term loans and a revolving credit and bank guarantee facility of £50 million. Two subsidiary undertakings of Red Football Limited, Manchester United Limited and Manchester United Football Club Limited, were also parties to the new Senior Facilities Agreement as borrowers under the Revolving Credit Facility and guarantors for the facilities borrowed by Red Football Limited. The new facilities were utilised by Red Football Limited to repay its existing term loan and revolving credit facilities (which included early redemption fees of £1,700,000) and also to make a loan to the Company to facilitate the redemption of its redeemable discount preferred securities.

Manchester United Limited and Manchester United Football Club Limited have provided security for £425 million of the new senior facilities by way of first fixed and floating charges over their assets and undertakings.

The new facilities have terms between 7 and 10 years from the date of the agreement and the term loans have an average life of 8.1 years.

On 11 August 2006 the Company entered into a PIK Loan Agreement in the amount of £138 million and used the proceeds together with a loan from its subsidiary undertaking Red Football Limited to redeem its discount preferred securities at an aggregate amount of £354.1 million which included an early redemption premium of £13.2 million. The PIK Loan has a term of 11 years and accrues interest (which is added to the loan amount) at a fixed rate of 14.25% per annum. The PIK Loan is secured against the shares of Red Football Limited.

32 Ultimate parent undertaking

The immediate parent undertaking is Red Football Shareholder Limited.

The largest parent undertaking for which group accounts will be drawn up is Red Football Shareholder Limited. Red Football Shareholder Limited will be required to prepare group accounts for its accounting period ending on 30 June 2006. Red Football Shareholder Limited is, indirectly, wholly-owned by Red Football Limited Partnership, a limited partnership formed in the State of Nevada, United States of America. The ultimate controlling party is the Malcolm Glazer Revocable Trust, a trust established under the laws of the State of Florida, United States of America.

RED FOOTBALL JOINT VENTURE LIMITED

AUDITORS' REPORT

Independent auditors' report to the members of Red Football Joint Venture Limited

We have audited the group and parent financial statements (the "financial statements") of Red Football Joint Venture Limited for the 14 months ended 30 June 2006 which comprise the Group Profit and Loss Account, the Group Statement of Total Recognised Gains and Losses, the Group and Company Balance Sheets, the Group Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 report to you whether, in our opinion, the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, 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 other transactions is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 30 June 2006 and of the group's loss and cash flows for the period then ended
- the financial statements have been properly prepared in accordance with the Companies Act 1985 and
- the information given in the Directors' Report is consistent with the financial statements



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Manchester
27 October 2006