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BIRMINGHAM CITY FOOTBALL CLUB PLC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 1994

WALTER J EDWARDS & CO  
CHARTERED ACCOUNTANTS



**BIRMINGHAM CITY FOOTBALL CLUB PLC**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 1994**

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**BIRMINGHAM CITY FOOTBALL CLUB PLC**

**NOTICE OF MEETING**

Notice is hereby given that the one hundred and seventh Annual General Meeting of the Shareholders will be held at West Midlands Police Training Centre, Tally Ho!, Pershore Road, Birmingham on Wednesday, 5 April 1995 at 4 o'clock.

**AGENDA**

1. To receive and adopt the Directors' Report and the Accounts of the Company for the year ended 31st August 1994.
2. To re-elect K Brady and D Sullivan as directors.
3. To appoint Messrs. Walter J. Edwards & Co. as Auditors and to authorise the directors to fix their remuneration.
4. To transact any other business which may be transacted at an Annual General Meeting.

**BY ORDER OF THE BOARD**

  
**A G JONES**  
Secretary

Dated: 25th February 1995

**NOTE:** Any member entitled to attend and vote may appoint a proxy to attend and vote instead of him. A proxy need not also be a member. A form of proxy is enclosed with this report.

Shareholders are requested to produce this report when entering the meeting.

**BIRMINGHAM CITY FOOTBALL CLUB PLC**

**DIRECTORS AND OFFICERS**

**Directors and Officers:** J.F. Wiseman (Chairman)  
K. Brady (Managing Director)  
D.Sullivan  
B Gold (appointed 25.9.93)  
R. Gold (appointed 16.10.93)  
D.Gold (appointed 16.10.93)  
H. Brandman (appointed 12.1.94)  
A.G. Jones  
T.Cooper (resigned 29.11.93)

**Secretary:** Alan G. Jones B.A., M.B.A.

**General Manager:** Peter Day

**Manager:** Barry Fry

**Registered Office:** St Andrew's Ground  
BIRMINGHAM  
B9 4NH  
Tel. No. 021-772 0101

**Auditors:** Walter J. Edwards & Co.  
Chartered Accountants and  
Registered Auditors  
47 Anchor Road  
Aldridge  
WALSALL  
WS9 8PT

**Bankers:** Midland Bank plc  
Bennetts Hill  
BIRMINGHAM  
B2 5RJ

**Solicitors:** Henri Brandman & Co  
43 Queen Anne Street  
LONDON  
W1M 9FA

**Company Number:** 27318

**BIRMINGHAM CITY FOOTBALL CLUB PLC****FOUR YEAR TRADING RECORD**

	<u>1994</u>	1993 <u>13 Months</u>	<u>1992</u>	<u>1991</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Match Receipts F.A. and Football League Distributions	2,584,693	2,220,678	1,597,814	1,130,627
Commercial Activities including television and radio fees	1,178,439	899,966	505,616	436,408
<b>INCOME</b>	<u>3,763,132</u>	<u>3,120,644</u>	<u>2,102,430</u>	<u>1,567,035</u>
Wages	2,666,097	1,715,409	1,422,560	1,137,179
Other expenses	1,585,489	1,227,026	932,400	562,625
<b>EXPENDITURE</b>	<u>4,251,586</u>	<u>2,942,435</u>	<u>2,354,960</u>	<u>1,699,804</u>
<b>OPERATING PROFIT/(LOSS)</b>	<u>( 477,854 )</u>	<u>178,209</u>	<u>( 252,530 )</u>	<u>( 132,769 )</u>
<b>NET TRANSFER FEES RECEIVED/(PAID)</b>	<u>( 642,368 )</u>	<u>( 904,741 )</u>	<u>( 464,725 )</u>	<u>405,750</u>
<b>CAPITAL AND RESERVES</b>	<u>( 3,090,734 )</u>	<u>( 1,960,277 )</u>	<u>( 1,162,905 )</u>	<u>( 384,526 )</u>

## **BIRMINGHAM CITY FOOTBALL CLUB PLC**

### **REPORT OF THE DIRECTORS**

The directors present the financial statements for the year ended 31st August 1994.

### **DIRECTORS' RESPONSIBILITIES**

Company law requires us as directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements we are required to:-

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

We are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable us to ensure that the financial statements comply with the Companies Act 1985. We 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.

### **RESULTS AND DIVIDENDS**

The loss on ordinary activities amounted to £488,789 (1993 profit £106,269) and after transfer fees, the loss before taxation was £1,131,157 as compared with a loss in 1993 of £798,472.

### **FUTURE DEVELOPMENTS**

The Board are pleased to report that the team are currently enjoying greater success on the field under the management of Barry Fry and also appreciate the continued financial support of Sport Newspapers Limited. the redevelopment of the Tilton Road and Spion Kop stands is now almost complete and a planning application is being put forward to rebuild the rest of the ground.

### **PRINCIPAL ACTIVITY**

The principal activity of the company continues to be that of a Professional Football League Club.

### **FIXED ASSETS**

The movement on fixed assets is shown at note 8 to the accounts.

**BIRMINGHAM CITY FOOTBALL CLUB PLC****REPORT OF THE DIRECTORS****FREEHOLD LAND AND BUILDINGS**

In the opinion of the directors, the market value of freehold land and buildings is not significantly greater than book value.

**INTANGIBLE ASSETS**

It is a policy of Birmingham City Football Club not to value playing staff as an asset to be included within the financial statements. It is the opinion of the directors that the valuation of players would eliminate the balance sheet deficit as shown on page 8.

**DIRECTORS AND THEIR INTEREST IN THE SHARE CAPITAL**

The directors who acted during the period are set out on page 2 and the interest in the share capital of those acting at 31st August 1994 was as follows:-

	<u>31st August 1994</u>		<u>31st August 1993</u>	
	<u>Preference</u>	<u>Ordinary</u>	<u>Preference</u>	<u>Ordinary</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
J F Wiseman	5,000	99,210	5,000	99,210
D Sullivan	-	-	-	-
K Brady	-	-	-	-
B Gold	-	-	-	-
R Gold	-	-	-	-
D Gold	-	-	-	-
H Brandman	-	-	-	-
A G Jones	-	4	-	4

In accordance with the Articles, D Sullivan and K Brady retire by rotation and being eligible, offers themselves for re-election.

**AUDITORS**

A resolution to re-appoint Messrs. Walter J. Edwards & Co. as auditors will be proposed at the Annual General Meeting.

**BY ORDER OF THE BOARD**

  
**ALAN G. JONES**  
Secretary

Dated: 25th February 1995.

**BIRMINGHAM CITY FOOTBALL CLUB**

**AUDITORS' REPORT TO THE MEMBERS**

We have audited the financial statements on pages 7 to 20 which have been prepared under the historical cost convention and the accounting policies set out on pages 10 and 11.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described on page 4, the company's directors are responsible for the preparation of financial statements. 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 Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

**OPINION**

In our opinion, the financial statements give a true and fair view of the state of the company's affairs at 31st August 1994 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Walter J. Edwards & Co.*

**Walter J. Edwards & Co.  
Registered Auditors  
Chartered Accountants**

**47 Anchor Road  
Aldridge  
WALSALL  
WS9 8PT**

**Date: 25th February 1995**



## BIRMINGHAM CITY FOOTBALL CLUB PLC

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST AUGUST 1994

	<u>Notes</u>	<u>1994</u> £	13 months <u>1993</u> £
<b>TURNOVER</b>	2	3,763,132	3,120,644
		-----	-----
Match and ground expenses		864,989	726,096
Administration expenses		636,092	404,125
Staff costs	5	2,666,097	1,715,409
Depreciation	1b	84,408	96,805
		-----	-----
Net operating expenses		4,251,586	2,942,435
		-----	-----
<b>OPERATING (LOSS)/PROFIT</b>	3	( 488,454 )	178,209
Interest receivable and similar charges	6a	10,602	-
Interest payable and similar charges	6b	( 10,937 )	( 71,940 )
		-----	-----
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		( 488,789 )	106,269
Net transfer fees (paid)	1c	( 642,368 )	( 904,741 )
		-----	-----
<b>(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(1,131,157 )	( 798,472 )
Taxation on loss on ordinary activities	7	-	-
		-----	-----
<b>(LOSS) FOR THE YEAR</b>	17 and 18	<u>(1,131,157 )</u>	<u>( 798,472 )</u>

The only recognised loss for the period is the loss for the year of £1,131,157.  
(1993 - £798,472).

The notes on pages 10 to 20 form part of these financial statements

**BIRMINGHAM CITY FOOTBALL CLUB PLC****BALANCE SHEET AS AT 31ST AUGUST 1994**

	Note	1994		1993	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	8		4,129,059		1,394,384
<b>CURRENT ASSETS</b>					
Stocks	9	54,286		-	
Debtors	10	1,869,068		565,672	
Cash at bank and in hand		14,597		12,567	
		-----		-----	
		1,937,951		578,239	
<b>CREDITORS: Amounts falling due within one year</b>	11	3,063,299		1,888,029	
		-----		-----	
<b>NET CURRENT LIABILITIES</b>			( 1,125,348)		( 1,309,790)
			-----		-----
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			3,003,711		84,594
<b>CREDITORS: Amounts falling due after more than one year</b>	12		( 4,784,871)		( 2,044,871)
			-----		-----
			( 1,781,160)		( 1,960,277)
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	13		( 1,309,574)		-
			-----		-----
<b>NET ASSETS</b>			( 3,090,734)		( 1,960,277)
			=====		=====
<b>CAPITAL AND RESERVES</b>					
Issued share capital	14		771,338		770,638
Share premium account	15		207,096		207,096
Revaluation reserve	16		312,726		312,726
Profit and loss account	17		( 4,381,894)		( 3,250,737)
			-----		-----
<b>SHAREHOLDERS' FUNDS</b>	18		( 3,090,734)		( 1,960,277)
			=====		=====

The accounts were approved by the Board of Directors on 25th February 1995.

..... J. F. Wiseman )  
 ..... K. Brady ) **DIRECTORS**

The notes on page 10 to 20 form part of these accounts.

## BIRMINGHAM CITY FOOTBALL CLUB PLC

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST AUGUST 1994

	<u>Note</u>	<u>1994</u> <u>£</u>	<u>1993</u> <u>£</u>
<b>NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES</b>	22	( 1,795,674 )	( 960,842 )
<b>RETURNS ON INVESTMENT AND SERVICING OF FINANCE</b>			
Interest received		10,602	-
Interest element of hire purchase payments		( 1,551 )	( 10,089 )
Bank interest paid		( 9,386 )	( 56,407 )
Birmingham City Council loan interest paid		-	( 5,444 )
<b>NET CASH (OUTFLOW) FROM SERVICING OF FINANCE</b>		( 335 )	( 71,940 )
<b>NET CASH (OUTFLOW) BEFORE TAXATION</b>		( 1,796,009 )	( 1,032,782 )
<b>TAXATION</b>			
Tax paid		-	-
<b>NET CASH (OUTFLOW) BEFORE INVESTING ACTIVITIES</b>		( 1,796,009 )	( 1,032,782 )
<b>INVESTING ACTIVITIES</b>			
Payments to acquire tangible fixed assets (net of grants)		( 1,599,020 )	( 121,710 )
Proceeds of sale of tangible fixed assets		17,675	5,525
<b>NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES</b>		( 1,581,345 )	( 116,185 )
<b>NET CASH (OUTFLOW) BEFORE FINANCING</b>		( 3,377,354 )	( 1,148,967 )
<b>FINANCING ACTIVITIES</b>			
Issue of ordinary shares		700	1,100
Capital element of hire purchase payments		-	( 5,192 )
Loan from Sport Newspapers Ltd		2,740,000	1,504,149
Repayment of loan from Birmingham City Council		-	( 100,000 )
Repayment of Bass M&B loan		( 6,113 )	-
<b>NET CASH INFLOW FROM FINANCING</b>		2,734,587	1,400,057
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	23	( 642,767 )	251,090

The notes on pages 10 to 20 form part of these accounts.

**BIRMINGHAM CITY FOOTBALL CLUB PLC****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 1994**

The accounts have been prepared in accordance with applicable accounting standards. There were no material departures from those standards.

**1. ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

**(a) Basis of Preparation of Financial Statements**

The financial statements have been prepared under the historical cost convention, adjusted for the revaluation of certain freehold premises.

The effect of events relating to the year ended 31st August 1994, which occurred before the date of approval of the financial statements by the Board of Directors, have been included in the statements to the extent required to show a true and fair view of the state of affairs at 31st August 1994 and of the results for the year ended on that date.

**(b) Tangible Fixed Assets Depreciation**

Depreciation has been computed to write off the cost of tangible fixed assets over their expected useful lives. No depreciation is charged on freehold land or freehold buildings as it is the company's policy to maintain its properties in good condition to prolong their useful lives. Maintenance is regularly undertaken and systematically charged to profit and loss account. Any depreciation would not be material. For other assets the following rates have been used:

Computer equipment	-	over 3 years
Fixtures and equipment	-	between 2 to 5 years
Motor vehicles	-	over 5 years

Grants received from the Football Trust in respect of additions on ground safety and crowd control are credited to profit and loss account on the same basis.

**(c) Transfer Fees**

Transfer fees payable and receivable are charged or credited to revenue in the year in which the transfer occurs.

**BIRMINGHAM CITY FOOTBALL CLUB PLC****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 1994****(d) Stock**

Stock is stated at the lower of cost or net realisable value.

**(e) Deferred Taxation**

Deferred taxation is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may crystallise.

**(f) Leasing**

Tangible fixed assets acquired under finance leases or hire purchase contracts are capitalised and depreciated in the same manner as other tangible fixed assets. The present value of future rentals is shown as a liability.

The interest elements of rental obligations are charged to the profit and loss account over the period of the lease in proportion to the balance of capital repayments outstanding.

Rentals payable under operating leases are charged to the profit and loss account as incurred.

<b>2. <u>TURNOVER</u></b>	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
Turnover comprises:-		
Match receipts, F.A. and League distributions	2,584,693	2,220,678
Television and radio coverage	121,651	268,083
Commercial activities	1,056,788	631,883
	-----	-----
	<u>3,763,132</u>	<u>3,120,644</u>
	=====	=====
<b>3. <u>OPERATING (LOSS)/PROFIT</u></b>		
	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
Operating (loss)/profit is stated after charging:-		
Directors' fees	-	-
Directors' emoluments	118,080	101,677
Pension of directors	2,296	9,557
	-----	-----
Total directors' emoluments	<u>120,376</u>	<u>111,234</u>
	=====	=====

## BIRMINGHAM CITY FOOTBALL CLUB PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 19943. OPERATING (LOSS)/PROFIT (continued)

	<u>1994</u>	<u>1993</u>
	£	£
Auditors' remuneration and expenses	6,500	6,000
Depreciation of owned assets	153,524	152,261
Depreciation of assets held under finance leases and hire purchase contracts	2,720	11,045
Release of deferred income from Football Trust Grants ( 71,837 )	( 71,837 )	( 83,315 )
Loss on sale of tangible assets	-	16,814
Exceptional items:-		
Charge re BRS Kumar Ltd inter-company balance purchased by Sport Newspapers Ltd	-	125,565
Compensation payments and fines incurred through transactions with Southend United F.C.	165,500	-
	<u>          </u>	<u>          </u>

4. DIRECTORS' REMUNERATION (Excluding Pension Contributions)

	<u>1994</u>	<u>1993</u>
	£	£
The remuneration of the chairman was	-	-
The remuneration of the highest paid director was	86,080	85,167
	<u>          </u>	<u>          </u>

The remuneration of the directors, including the above, was within the following ranges:-	<u>1994</u>	<u>1993</u>
	<u>No.</u>	<u>No.</u>
£ Nil - £ 5,000	6	4
£ 5,001 - £10,000	1	-
£10,001 - £15,000	-	1
£20,001 - £25,000	1	-
£85,001 - £90,000	1	1

Remuneration of the directors relate only to full-time working directors. Other directors do not receive remuneration.

## BIRMINGHAM CITY FOOTBALL CLUB PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 19945. STAFF COSTS

	<u>1994</u>	<u>1993</u>
	£	£
Staff costs during the year were made up as follows:-		
Wages, salaries, signing on fees, etc	2,430,360	1,555,874
Social Security costs	231,040	146,958
Other pension costs	4,697	12,577
	-----	-----
	<u>2,666,097</u>	<u>1,715,409</u>

The average number of persons employed by the company during the year was as follows:-

	<u>No.</u>	<u>No.</u>
Playing staff	60	50
Training staff	5	5
Commercial and fund raising	8	8
Shop	5	3
Administration and other	16	15
	=====	=====

6a. INTEREST RECEIVABLE AND SIMILAR INCOME

	<u>1994</u>	<u>1993</u>
	£	£
Bank interest	5,560	-
Other interest	5,042	-
	-----	-----
	<u>10,602</u>	<u>-</u>

6b. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>1994</u>	<u>1993</u>
	£	£
Bank loans and overdrafts and other loans repayable within 5 years	9,386	61,851
Finance charges payable - finance lease and hire purchase contracts	1,551	10,089
	-----	-----
	<u>10,937</u>	<u>71,940</u>

## BIRMINGHAM CITY FOOTBALL CLUB PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 19947. TAXATION

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
Corporation Tax for the year	-	-
	=====	=====

8. TANGIBLE FIXED ASSETS

	<u>Freehold land and Buildings</u>	<u>Fixtures and Equipment</u>	<u>Motor Vehicles</u>	<u>Computer Equipment</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<b>Cost or Valuation:</b>					
At 1st September 1993	1,153,807	856,308	68,098	-	2,078,213
Additions	2,781,073	36,889	20,395	70,237	2,908,594
Disposals	-	-	( 20,395 )	-	( 20,395 )
Eliminated due to replacement through ground redevelopment	-	( 131,459 )	-	-	( 131,459 )
At 31st August 1994	3,934,880	761,738	68,098	70,237	4,834,953
	=====	=====	=====	=====	=====
<b>Depreciation:</b>					
At 1st September 1993	-	652,576	31,253	-	683,829
Charge for the year	-	126,852	5,980	23,412	156,244
Eliminated on disposals	-	-	( 2,720 )	-	( 2,720 )
Eliminated due to replacement through ground redevelopment	-	( 131,459 )	-	-	( 131,459 )
At 31st August 1994	-	647,969	34,513	23,412	705,894
	=====	=====	=====	=====	=====
<b>Net Book Value:</b>					
At 31st August 1994	3,934,880	113,769	33,585	46,825	4,129,059
	=====	=====	=====	=====	=====
At 31st August 1993	1,153,807	203,732	36,845	-	1,394,384
	=====	=====	=====	=====	=====



## BIRMINGHAM CITY FOOTBALL CLUB PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 19948. TANGIBLE FIXED ASSETS (continued)

If stated under historical cost principles, the comparable total amounts for the freehold land and buildings would be:-

	<u>1994</u>	<u>1993</u>
	£	£
Cost	3,622,154	841,081
Accumulated depreciation	-	-
	-----	-----
	<u>3,622,154</u>	<u>841,081</u>

Included in the total net book value of tangible fixed assets at 31st August 1994 was £29,736 in respect of assets held under finance leases and hire purchase contracts.

Valuation

Following the end of this financial year, the ground development has been completed. A valuation is not currently available but the directors are of the opinion that the market value of freehold land and buildings is not significantly different from book value.

9. STOCK

	<u>1994</u>	<u>1993</u>
	£	£
Club Shop stock	54,286	NIL
	=====	=====

10. DEBTORS

	<u>1994</u>	<u>1993</u>
	£	£
Trade debtors	1,551,685	488,548
Other debtors	245,738	8,365
Prepayments	71,645	37,029
Taxation	-	31,730
	-----	-----
	<u>1,869,068</u>	<u>565,672</u>

## BIRMINGHAM CITY FOOTBALL CLUB PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 199411. CREDITORS: Amounts falling due within one year

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
Unsecured loans	68,387	74,500
Bank overdraft (secured)	984,602	339,805
Trade creditors	772,371	307,381
Other creditors	3,943	3,943
Taxation and social security costs	133,012	57,253
Amount due on hire purchase	15,774	15,774
Accruals and deferred income	1,085,210	1,089,373
	-----	-----
	<u>3,063,299</u>	<u>1,888,029</u>

(a) Unsecured Loans

£39,500 of the loans stated is interest free and there is no specific date for repayment. £28,887 relates to a loan from Bass M & B.

(b) Bank Overdraft

The bank overdraft is secured by a fixed charge on the St. Andrew's Ground and a floating charge over assets of the company.

12. CREDITORS: Amounts falling due after more than one year

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
Amount due to holding company	4,762,377	2,022,377
Amount due on hire purchase	22,494	22,494
	-----	-----
	<u>4,784,871</u>	<u>2,044,871</u>

The amount due to holding company relates to Sport Newspapers Limited. The loan is currently interest free with no specific date for repayment. Sport have confirmed no funds will be repaid unless they are available and do not affect other creditors.

## BIRMINGHAM CITY FOOTBALL CLUB PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 199413. PROVISIONS FOR LIABILITIES AND CHARGES

	<u>1994</u>	<u>1993</u>
	£	£
Grant received from Football Trust in respect of major ground redevelopment	1,306,449	-
Grant received from Jewson in respect of major ground redevelopment	3,125	-
	-----	-----
	<u>1,309,574</u>	<u>-</u>

The grants received will be increased during the year to 31 August 1995 to coincide with the completion of the ground redevelopment. From 1995, the total figure will be credited to the profit and loss account on the same basis as the depreciation charged against land and buildings.

14. SHARE CAPITAL

	<u>1994</u>	<u>1993</u>
	£	£
(a) <u>Authorised</u>		
4.2% redeemable cumulative preference shares of 50p each	20,000	20,000
Ordinary sharers of 50p each	2,500,000	2,500,000
	-----	-----
	<u>2,520,000</u>	<u>2,520,000</u>
(b) <u>Allotted and Fully Paid</u>		
4.2% redeemable cumulative preference shares of 50p each	19,500	19,500
Ordinary shares of 50p each	751,838	751,138
	-----	-----
	<u>771,338</u>	<u>770,638</u>

(c) The preference shares are redeemable at par at any time at the option of the company.

(d) No dividend has been paid on the cumulative preference shares since February 1969.

15. SHARE PREMIUM ACCOUNT

	<u>1994</u>	<u>1993</u>
	£	£
No movement in year	207,096	207,096
	-----	-----

## BIRMINGHAM CITY FOOTBALL CLUB PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 199416. REVALUATION RESERVE

	<u>1994</u> £	<u>1993</u> £
No movement in year	312,726	312,726

The revaluation reserve represents surpluses that have arisen on the revaluation of the company's freehold land and buildings.

17. PROFIT AND LOSS ACCOUNT

	<u>1994</u> £	<u>1993</u> £
Accumulated losses brought forward (Loss) for the year	( 3,250,737 ) ( 1,131,157 )	( 2,452,265 ) ( 798,472 )
Accumulated losses carried forward	( 4,381,894 )	( 3,250,737 )

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1994</u> £	<u>1993</u> £
Loss for the period	( 1,131,157 )	( 798,472 )
New share capital subscribed	700	1,100
Net addition to shareholders' funds	( 1,130,457 )	( 797,372 )
Opening shareholders' funds	( 1,960,277 )	( 1,162,905 )
Closing shareholders' funds	( 3,090,734 )	( 1,960,277 )

19. RELATED PARTY TRANSACTIONS

Gold Star Publications Limited, owned by D Gold and R Gold (directors), supplied goods to the Club during the year to the value of £18,840 which were sold through the club shop. Also Henri Brandman & Co (Henri Brandman director) acted as Solicitors on behalf of the Club during the year with fees amounting to £24,700. All transactions were of a commercial nature. There were no substantial balances owing at 31 August 1994.

## BIRMINGHAM CITY FOOTBALL CLUB PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 199420. CONTINGENT LIABILITIES AND POST BALANCE SHEET EVENTS

Following signing several new players during the season, the Club could become liable to £287,500 additional transfer fee payments dependent upon such players completing a specified number of first team games and therefore no provision is included within these accounts.

The company has no other contingent liabilities which require provision or disclosure within the accounts.

21. CAPITAL COMMITMENTS

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
Contracted but not provided for:-		
Other capital	1,600	29,460
Outstanding against Ground Redevelopment Contract of £4,650,000	1,951,547	-
Recoverable against Approved Grant from Football Trust of £2,000,000	( 693,551 )	-
	-----	-----
	<u>1,259,596</u>	<u>29,460</u>
Authorised by the directors but not yet contracted for	NIL	4,485,000
Approved grant from Football Trust	NIL	(2,000,000)
	-----	-----
	<u>NIL</u>	<u>2,485,000</u>

At 31st August 1994 the Club had minimum annual commitments under non-cancellable operating leases as follows:

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
Amounts due:		
Within one year	3,068	-
Between one and five years	9,204	-
	-----	-----
	<u>12,272</u>	<u>-</u>

The lease is for computer equipment and was entered into during this year.

## BIRMINGHAM CITY FOOTBALL CLUB PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 199422. RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	<u>1994</u>	<u>1993</u>
	£	£
Operating profit/(loss)	( 488,454 )	178,209
Depreciation	156,244	163,306
Loss on sale of fixed assets	-	16,814
Net transfer fees (paid)/received	( 642,368 )	( 904,741 )
Decrease/(Increase) in stocks	( 54,286 )	18,824
Decrease (Increase) in debtors	(1,303,396 )	( 365,391 )
Increase/(Decrease) in creditors	536,586	( 67,863 )
	-----	-----
<b>NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>(1,795,674 )</b>	<b>( 960,842 )</b>
	=====	=====

23. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

	<u>Movement</u>	<u>1994</u>	<u>1993</u>
	£	£	£
Cash	2,030	14,597	12,567
Bank overdraft	( 644,797 )	( 984,602 )	( 339,805 )
	-----	-----	-----
<b>(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>( 642,767 )</b>	<b>( 970,005 )</b>	<b>( 327,238 )</b>
	=====	=====	=====