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**BIRMINGHAM CITY
FOOTBALL CLUB
LIMITED**

*Report and Accounts
1981*



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Birmingham City Football Club Limited

Notice of Meeting

Notice is hereby given that the Ninety-fourth Ordinary General Meeting of Shareholders will be held at the St. Andrew's Club (Emmeline Street Entrance) on Thursday 3rd December, 1981, at 4 p.m.

Agenda

1. To receive and adopt the Directors' Report and the Accounts of the Company for the year ended 30th June, 1981.
2. To re-elect Vice-Presidents.
3. To re-elect Directors.
4. To re-appoint Pannell Kerr Forster as Auditors and to authorise the Directors to fix their remuneration.
5. To transact any other ordinary business.

By Order of the Board

A. G. Instone

Secretary

3rd November, 1981

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.

Shareholders are requested to produce this Report when entering the Meeting.

Directors and Officers

Vice-Presidents

W. H. Dare
Dr. E. Gregory, M.A., M.B., Ch.B.
L. J. Morris
S. F. L. Richards

Directors

C. K. Coombs (*Chairman*)
J. F. Wiseman (*Vice-Chairman*)
N. B. A. Bosworth, LI.B.
Richard Burman, F.C.A.
D. M. Coombs
R. N. Davis

Secretary

A. G. Instone

Manager

J. Smith

Registered Office

St. Andrew's Ground, Birmingham B9 4NH

Auditors

Pannell Kerr Forster
Chartered Accountants

Directors' Report

The directors submit their report and the audited financial statements for the year ended 30th June 1981.

Results

There was a net loss for the year of £401,425 after charging a deficit on transfer fees amounting to £141,000. The directors do not recommend the payment of a dividend.

Activities

The principal activity of the company continued to be that of a professional football club.

Directors

The directors at 30th June 1981 and their interests in the shares of the company were as follows:

	Number of shares held at:			
	30th June 1981		30th June 1980	
	Ordinary	Preference	Ordinary	Preference
C. K. Coombs	40,800	—	800	—
J. F. Wiseman	22,360	5,000	22,360	5,000
N. B. A. Bosworth	21,185	2,500	21,185	2,500
Richard Burman	10,200	—	10,200	—
D. M. Coombs	41,000	—	1,000	—
R. N. Davis	200	—	200	—

In addition the following directors held shares as trustees:

	Number of shares held at:			
	30th June 1981		30th June 1980	
	Ordinary	Preference	Ordinary	Preference
C. K. Coombs and D. M. Coombs	—	—	80,000	—
J. F. Wiseman	5,700	—	5,700	—

In accordance with the Articles of Association, Mr. N. B. A. Bosworth and Mr. Richard Burman retire by rotation and, being eligible, offer themselves for re-election.

Fixed Assets

Changes in fixed assets are set out in note 6 on page 11 of the accounts.

Auditors

A resolution to reappoint the auditors, Pannell Kerr Forster, will be proposed at the Annual General Meeting.

By Order of the Board

A. G. Instone

Secretary

15th October 1981

Auditors' Report to the members

We have audited the financial statements on pages 6 to 12 in accordance with approved Auditing Standards.

In our opinion the financial statements, which have been prepared under the historical cost convention as modified by the revaluation of the freehold properties, give a true and fair view of the state of the company's affairs at 30th June, 1981 and of its loss and source and application of funds for the year then ended and comply with the Companies Acts 1948 to 1980.

Pannell Kerr Forster

Chartered Accountants

Birmingham

15th October 1981

Birmingham City Football Club Limited

Profit and Loss Account

year ended 30th June 1981

	Notes	1981	1980
		£	£
Operating Loss before Interest (page 7)		(165,367)	(221,995)
Interest	2	<u>(95,058)</u>	<u>(38,831)</u>
Operating Loss		(260,425)	(260,826)
Transfer Fees	1(c) & 3	<u>(141,000)</u>	<u>(684,548)</u>
Loss for the Year		<u>(401,425)</u>	<u>(945,374)</u>

Profit and Loss Account Details

year ended 30th June 1981

	1981		1980	
	£	£	£	£
Income				
Gate receipts :				
League matches				
Home	576,920		527,806	
Away	135,715		57,474	
Cup and other matches	130,071		113,138	
	<u>842,706</u>		<u>698,418</u>	
Football League, F.A. and Football League Cup pools less levies	9,761		3,895	
		852,467		702,313
Commercial activities :				
Profit on programmes	10,242		17,864	
Profit on lottery	6,836		35,457	
Advertising and sponsorship	99,422		71,845	
Broadcasting and television fees	28,060		28,170	
Catering	15,715		15,933	
Rents and car parking receipts	10,779		7,440	
Sundry income	20,950		13,758	
		192,004		190,467
		<u>1,044,471</u>		<u>892,780</u>
Expenditure				
Wages of players and staff including signing levies	831,962		716,667	
Players equipment, training and medical expenses	13,882		12,591	
Hotel and travelling expenses	72,330		103,132	
Gatemen, police, referees and linesmen	72,901		62,142	
Rents, rates, electricity and insurances	53,993		66,568	
Ground and property maintenance	49,334		57,373	
General office expenses	29,177		24,055	
Promotion expenses	25,985		7,721	
Donations, league fees and sundries	22,072		27,151	
Bank and professional charges	14,933		12,943	
Audit fee	2,500		2,000	
Depreciation (note 1(b))	18,224		22,031	
Balance of expenditure on leasehold land written off	1,967		—	
Loss on disposal of fixed assets	578		401	
		1,209,838		1,114,775
Operating loss before interest		<u>(165,367)</u>		<u>(221,995)</u>

Balance Sheet

30th June 1981

	Notes	1981		1980	
		£	£	£	£
Fixed Assets	6		1,273,969		891,999
Current Assets					
Stock at cost		16,767		12,683	
Debtors and prepayments		192,813		126,140	
Cash at bank and in hand		11,932		993	
		<u>221,512</u>		<u>139,816</u>	
Current Liabilities					
Bank overdraft (secured)		626,029		319,225	
Creditors and accrued liabilities		375,345		255,320	
Income received in advance		199,947		267,849	
Short term loan		870		2,862	
Unsecured loans	7	224,500		139,500	
Ansell's Breweries Limited	8	8,281		9,063	
Bass, Mitchells & Butlers Limited	8	8,281		9,063	
		<u>1,443,253</u>		<u>1,002,882</u>	
Net Current Liabilities			(1,221,741)		(863,066)
			<u>52,228</u>		<u>933</u>
Share Capital	9		111,412		111,412
Reserves	10		(59,184)		(82,479)
			<u>52,228</u>		<u>28,933</u>

C. K. Coombs
Richard Burman

} Directors

Statement of Source and Application of Funds

Year ended 30th June 1981

	1981		1980	
	£	£	£	£
Use of Funds				
Loss for the year		(401,425)		(945,374)
Adjustments for items not involving the movement of funds:				
Depreciation		18,224		22,031
Loss on sale of fixed assets		578		401
Expenditure on leasehold land written off		1,967		—
Total used in operations		(380,656)		(922,942)
Funds from other Sources				
Issue of shares		—		100
Donations from Development Association		146,508		65,824
Grant from Football Grounds Improvement Trust		34,644		43,897
Proceeds from sale of fixed assets		7,700		500
Unsecured loans advanced		85,000		—
		(106,804)		(812,621)
Application of Funds				
Purchase of fixed assets	(166,871)		(105,240)	
Loan repayments	(3,555)		(3,240)	
		(170,426)		(108,480)
		(277,230)		(921,101)
Working Capital				
(Increase) in stock	(4,084)		(7,565)	
(Increase)/decrease in debtors	(66,673)		326,214	
Increase in creditors	120,025		109,661	
(Decrease)/increase in income received in advance	(67,902)		55,761	
		(18,634)		484,071
		(295,864)		(437,030)
Movement in Net Liquid Funds				
Increase/(decrease) in cash and bank balances		10,939		(117,805)
(Increase) in bank overdraft		(306,803)		(319,225)
		(295,864)		(437,030)

Notes and Accounting Policies

year ended 30th June 1981

1. Accounting Policies

(a) Basis of Accounting

The company prepares its accounts on the historical cost basis of accounting.

(b) Depreciation

Fixed assets are being depreciated on the following bases:

Freehold properties	— 1% straight line
Furniture and equipment	— 10% reducing balance
Motor vehicles	— 25% reducing balance

Capital grants are credited to profit and loss account in equal instalments over the expected useful lives of the related capital expenditure.

(c) Transfer Fees

Transfer fees payable or receivable are charged or credited to revenue in the year in which they are made.

2. Interest

	1981		1980	
	£	£	£	£
Receivable:				
Short term loans		906		2,327
Payable:				
Bank overdraft and loans repayable within five years	95,222		40,020	
Other loans	742		1,138	
		<u>95,964</u>	<u>41,158</u>	
		<u>(95,058)</u>	<u>(38,831)</u>	

3. Transfer Fees

	1981	1980
	£	£
Receivable	209,000	314,000
Payable	350,000	998,548
	<u>(141,000)</u>	<u>(684,548)</u>

4. Taxation

(a) Tax Losses

The company has unutilised tax losses of approximately £1,490,000 available for relief against future taxable profits.

(b) Deferred Taxation

No provision has been made for the potential capital gains tax liability on the revaluation of freehold land and buildings because there is no intention to sell any of the revalued properties. The potential liability at the balance sheet date is £75,000.

5. Directors' and Employees' Remuneration

In accordance with Section 80 of the Articles of Association no remuneration is payable to the directors.

Details of employees whose total emoluments, excluding pension contributions, exceeded £20,000 are as follows:

	Number of Employees	
	1981	1980
£20,000 — £25,000	8	5
£25,001 — £30,000	3	2
£30,001 — £35,000	4	—

Notes and Accounting Policies *continued*

year ended 30th June 1981

8. Fixed Assets	Land and Buildings			Furniture Equipment and Vehicles £	Total £
	Freehold St. Andrew's £	Other £	Long Leasehold £		
<i>Cost and Valuation</i>					
At 1st July 1980	740,709	102,343	1,999	112,751	957,802
Additions	155,023	—	—	11,848	166,871
Disposals	—	(3,200)	(1,999)	(7,682)	(12,881)
Revaluation adjustment	204,268	17,357	—	—	221,625
At 30th June 1981	<u>1,100,000</u>	<u>116,500</u>	<u>—</u>	<u>116,917</u>	<u>1,333,417</u>
Comprising:					
Valuation in 1981	1,100,000	116,500	—	—	1,216,500
Cost	—	—	—	116,917	116,917
<i>Depreciation</i>					
At 1st July 1980	14,097	1,996	32	49,678	65,803
Charge for year	8,958	993	—	12,374	22,325
Disposals	—	—	(32)	(2,604)	(2,636)
Revaluation adjustment	(23,055)	(2,989)	—	—	(26,044)
At 30th June 1981	<u>—</u>	<u>—</u>	<u>—</u>	<u>59,448</u>	<u>59,448</u>
<i>Net Book Amounts</i>					
At 1st July 1980	726,612	100,347	1,967	63,073	891,999
At 30th June 1981	<u>1,100,000</u>	<u>116,500</u>	<u>—</u>	<u>57,469</u>	<u>1,273,969</u>

The freehold interest in the leasehold land was purchased during the year and all expenditure incurred on the lease has been written off.

The freehold land and buildings were revalued on 19th May 1981 by Bright Willis, Chartered Surveyors, on the basis of the value in the open market.

7. Unsecured Loans

The loans are interest free and there is no specified date for repayment.

8. Loans from Breweries

The loans from Ansells Breweries Limited and Bass, Mitchells and Butlers Limited carry interest at 5% per annum and are repayable in equal quarterly instalments ending on 25th December 1994.

9. Share Capital

(a) There was no change in share capital during the year.

	Authorised £	Issued and Fully Paid £
4.2% Redeemable cumulative preference shares of 50p each	20,000	19,500
Ordinary shares of 50p each	100,000	91,912
	<u>120,000</u>	<u>111,412</u>

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

(c) No dividend has been paid on the cumulative preference shares since February 1969. The dividend in arrears amounts to £9,343.

Notes and Accounting Policies *continued*

year ended 30th June 1981

10. Reserves		1981		1980	
		£	£	£	£
(a)	<i>Capital:</i>				
	(i) Revaluation Surplus:				
	At 1st July 1980	146,267		146,267	
	Revaluation in year	247,669		—	
			393,936		146,267
	(ii) <i>Donations:</i>				
	At 1st July 1980	398,880		333,056	
	Donations received— Birmingham City Development Association	146,508		65,824	
			545,388		398,880
	(iii) <i>Safety of Grounds:</i>				
	At 1st July 1980	139,791		95,894	
	Grant received	34,644		43,897	
		174,435		139,791	
	Less: credited to profit and loss account	4,101		—	
			170,334		139,791
(b)	<i>Profit and Loss Account:</i>				
	At 1st July 1980	(767,417)		177,957	
	Loss for year	(401,425)		(945,374)	
			(1,168,842)		(767,417)
			(59,184)		(82,479)

11. Capital Commitments

	1981	1980
	£	£
Contracts for capital expenditure not provided in the accounts	—	90,750
Expenditure authorised but not contracted for	49,500	22,000
	<u>49,500</u>	<u>112,750</u>

12. Directors' Interests in Contracts

Mr. J. F. Wiseman is a director of Stowbourne Construction Limited and the board discloses contracts with Stowbourne Construction Limited in respect of repairs and improvements at St. Andrew's Ground and other properties amounting to £100,005.