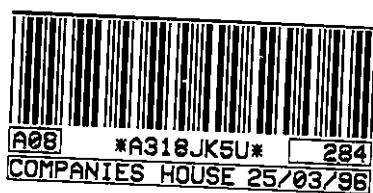


**BIRMINGHAM CITY FOOTBALL CLUB PLC**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST AUGUST 1995**

**WALTER J EDWARDS & CO**  
**CHARTERED ACCOUNTANTS**



**BIRMINGHAM CITY FOOTBALL CLUB PLC**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 1995**

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**BIRMINGHAM CITY FOOTBALL CLUB PLC**

**NOTICE OF MEETING**

Notice is hereby given that the one hundred and eighth Annual General Meeting of the Shareholders will be held at The Gold Suite, St Andrew's Stadium, Birmingham, B9 4NH on Tuesday, 23 April 1996 at 4 pm.

**AGENDA**

1. To receive and adopt the Directors' Report and the Accounts of the Company for the year ended 31st August 1995.
2. To re-elect R Gold and D Gold 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: 12th March 1996

**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  
R. Gold  
D. Gold  
H. Brandman  
A.G. Jones

**Secretary:**

Alan G. Jones B.A., M.B.A.

**Commercial Manager:**

Alan Robson

**Team Manager:**

Barry Fry

**Registered Office:**

St Andrew's Stadium  
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****FIVE YEAR TRADING RECORD**

	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>	<u>1991</u>
	<u>£</u>	<u>£</u>	<u>13 Months</u>	<u>£</u>	<u>£</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Match Receipts F.A. and Football League Distributions	4,616,208	2,584,693	2,220,678	1,597,814	1,130,627
Commercial Activities including television and radio fees	2,325,463	1,178,439	899,966	505,616	436,408
<b>INCOME</b>	<u>6,941,671</u>	<u>3,763,132</u>	<u>3,120,644</u>	<u>2,102,430</u>	<u>1,567,035</u>
Wages	3,626,190	2,666,097	1,715,409	1,422,560	1,137,179
Other expenses	1,791,293	1,585,489	1,227,026	932,400	562,625
<b>EXPENDITURE</b>	<u>5,417,483</u>	<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>1,524,188</u>	<u>( 488,454)</u>	<u>178,209</u>	<u>( 252,530)</u>	<u>( 132,769)</u>
<b>NET TRANSFER FEES RECEIVED/(PAID)</b>	<u>(1,279,327)</u>	<u>( 642,368)</u>	<u>( 904,741)</u>	<u>( 464,725)</u>	<u>405,750</u>
<b>CAPITAL AND RESERVES</b>	<u>(2,833,901)</u>	<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 FOR THE YEAR ENDED 31ST AUGUST 1995**

The directors present the financial statements for the year ended 31st August 1995.

#### **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 profit on ordinary activities amounted to £1,535,410 (1994 loss £488,789) and after transfer fees, the profit before taxation was £256,083 as compared with a loss in 1994 of £1,131,157.

#### **REVIEW OF BUSINESS**

The Board are pleased to report that this year has seen the highest turnover in the history of the Club resulting in the highest ever operating profit and the first overall profit for more than ten years. Sport Newspapers has continued to provide support and had invested nearly £6 million at 31 August 1995.

#### **FUTURE DEVELOPMENTS**

The Club will continue to invest in the facilities provided for supporters and to look forward to the continued success of the team.

#### **PRINCIPAL ACTIVITY**

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

**BIRMINGHAM CITY FOOTBALL CLUB PLC****REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST AUGUST 1995****FIXED ASSETS**

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

**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, taking into account deferred grant income shown within note 13 to the accounts.

**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 1995 was as follows:-

	<u>31st August 1995</u>		<u>31st August 1994</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, R Gold and D Gold 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: 12th March 1996

**BIRMINGHAM CITY FOOTBALL CLUB**

**AUDITORS' REPORT TO THE MEMBERS OF BIRMINGHAM CITY FOOTBALL CLUB PLC FOR THE YEAR ENDED 31ST AUGUST 1995**

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 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



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

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

**Date:** 12th March 1996



**BIRMINGHAM CITY FOOTBALL CLUB PLC****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST AUGUST 1995**

	<u>Notes</u>	<u>1995</u> £	<u>1994</u> £
<b>TURNOVER</b>	2	6,941,671	3,763,132
		-----	-----
Match and ground expenses		1,049,695	864,989
Administration expenses		490,880	636,092
Staff costs	5	3,626,190	2,666,097
Depreciation	1b	250,718	84,408
		-----	-----
Net operating expenses		5,417,483	4,251,586
		-----	-----
<b>OPERATING PROFIT/(LOSS)</b>	3	1,524,188	( 488,454)
Interest receivable and similar charges	6a	15,920	10,602
Interest payable and similar charges	6b	( 4,698)	( 10,937)
		-----	-----
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION AND TRANSFER FEES</b>		1,535,410	( 488,789)
Net transfer fees (paid)	1c	(1,279,327)	( 642,368)
		-----	-----
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		256,083	(1,131,157)
Taxation on profit/(loss) on ordinary activities	7	-	-
		-----	-----
<b>PROFIT/(LOSS) FOR THE YEAR</b>	17 and 18	256,083	(1,131,157)
		=====	=====

The only recognised gain for the year is the profit for the year of £256,083 (1994 - loss £1,131,157).

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

**BIRMINGHAM CITY FOOTBALL CLUB PLC****BALANCE SHEET AS AT 31ST AUGUST 1995**

	Note	1995		1994	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	8		7,675,185		4,129,059
<b>CURRENT ASSETS</b>					
Stocks	9	92,433		54,286	
Debtors	10	1,320,399		1,869,068	
Cash at bank and in hand		894,263		14,597	
		-----		-----	
		2,370,095		1,937,951	
<b>CREDITORS: Amounts falling due within one year</b>	11	4,211,297		3,063,299	
		-----		-----	
<b>NET CURRENT LIABILITIES</b>			(1,904,202)		(1,125,348)
			-----		-----
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			5,770,983		3,003,711
<b>CREDITORS: Amounts falling due after more than one year</b>	12		(6,002,364)		(4,784,871)
			-----		-----
			( 231,381)		(1,781,160)
<b>DEFERRED GRANT INCOME</b>	13		(2,602,520)		(1,309,574)
			-----		-----
<b>NET ASSETS</b>			(2,833,901)		(3,090,734)
			=====		=====
<b>CAPITAL AND RESERVES</b>					
Issued share capital	14		772,088		771,338
Share premium account	15		207,096		207,096
Revaluation reserve	16		312,726		312,726
Profit and loss account	17		(4,125,811)		(4,381,894)
			-----		-----
<b>SHAREHOLDERS' FUNDS</b>	18		(2,833,901)		(3,090,734)
			=====		=====

The accounts were approved by the Board of Directors on 12th March 1996.

..... 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 1995**

	<u>Note</u>	<u>1995</u> £	<u>1994</u> £
<b>NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES</b>	22	3,092,226	(1,867,511)
<b>RETURNS ON INVESTMENT AND SERVICING OF FINANCE</b>			
Interest received		15,920	10,602
Interest element of hire purchase payments		-	( 1,551)
Bank interest paid		( 4,698)	( 9,386)
<b>NET CASH INFLOW/(OUTFLOW) FROM SERVICING OF FINANCE</b>		11,222	( 335)
<b>NET CASH INFLOW/(OUTFLOW) BEFORE TAXATION</b>		3,103,448	(1,867,846)
<b>TAXATION</b>			
Tax paid		-	-
<b>NET CASH INFLOW/(OUTFLOW) BEFORE INVESTING ACTIVITIES</b>		3,103,448	(1,867,846)
<b>INVESTING ACTIVITIES</b>			
Payments to acquire tangible fixed assets		(3,892,168)	(2,908,594)
Deferred grant income received		1,346,058	1,381,411
Proceeds of sale of tangible fixed assets		42,212	17,675
<b>NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES</b>		(2,503,898)	(1,509,508)
<b>NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING</b>		599,550	(3,377,354)
<b>FINANCING ACTIVITIES</b>			
Issue of ordinary shares		750	700
Capital element of hire purchase payments		( 22,494)	-
Loan from Sport Newspapers Ltd		1,110,000	2,740,000
Loan from Football Trust		200,000	-
Instalments repaid on Football Trust loan		( 30,017)	-
Repayment of Bass M&B loan		-	( 6,113)
Repayment of unsecured loan		( 39,500)	-
<b>NET CASH INFLOW FROM FINANCING</b>		1,218,739	2,734,587
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	23	1,818,289	( 642,767)

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 1995**

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 1995, 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 1995 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. Following the completion of the major ground development, the Club has changed its policy of freehold property depreciation from Nil to 2%. The Board consider the new policy to be a fairer representation of the current position. The depreciation charge would have been £147,441 lower using the old policy. The following rates have been used:-

Freehold land	-	Nil
Freehold property	-	over 50 years
Computer equipment	-	over 3 years
Fixtures and equipment	-	between 2 to 5 years
Motor vehicles	-	over 5 years

**(c) Transfer Fees**

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

**(d) Stock**

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

**BIRMINGHAM CITY FOOTBALL CLUB PLC****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 1995****(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.

**(g) Deferred Grant Income**

Grants and donations received in respect of safety work and ground developments are credited to deferred grant income and are released to the profit and loss account over the anticipated useful life of the assets to which they relate. Football Trust grants received towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

<b>2. TURNOVER</b>	<u>1995</u>	<u>1994</u>
	£	£
Turnover comprises:-		
Match receipts, F.A. and League distributions	4,616,208	2,584,693
Television and radio coverage	196,381	121,651
Commercial activities	2,129,082	1,056,788
	-----	-----
	6,941,671	3,763,132
	=====	=====
<b>3. OPERATING PROFIT/(LOSS)</b>	<u>1995</u>	<u>1994</u>
Operating profit/(loss) is stated after charging:-	£	£
Directors' fees	-	-
Directors' emoluments	73,192	118,080
Pension of directors	-	2,296
	-----	-----
Total directors' emoluments	73,192	120,376
	=====	=====

**BIRMINGHAM CITY FOOTBALL CLUB PLC****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 1995****3. OPERATING PROFIT/(LOSS) (continued)**

	<u>1995</u>	<u>1994</u>
	£	£
Auditors' remuneration:		
Audit services	7,000	6,500
Non-audit work	4,000	4,500
Depreciation of owned assets	316,306	153,524
Depreciation of assets held under finance leases and hire purchase contracts	-	2,720
Release of deferred income from Football Trust Grants	( 53,112)	( 71,837)
Profit on sale of tangible assets	( 12,476)	-
Equipment leased under operating leases	3,068	3,068
Exceptional items:-		
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>1995</u>	<u>1994</u>
	£	£
The remuneration of the chairman was	NIL	NIL
The remuneration of the highest paid director was	48,538	86,080
	<u>                    </u>	<u>                    </u>

	<u>1995</u>	<u>1994</u>
	No.	No.
The remuneration of the directors, including the above, was within the following ranges:-		
£Nil - £ 5,000	6	6
£ 5,001 - £10,000	-	1
£20,001 - £25,000	1	-
£45,001 - £50,000	1	-
£85,001 - £90,000	-	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 1995****5. STAFF COSTS**

	<u>1995</u>	<u>1994</u>
	£	£
Staff costs during the year were made up as follows:-		
Wages, salaries, signing on fees, etc	3,323,335	2,430,360
Social Security costs	300,255	231,040
Other pension costs	2,600	4,697
	-----	-----
	<u>3,626,190</u>	<u>2,666,097</u>

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

	<u>1995</u>	<u>1994</u>
	No.	No.
Playing staff	53	59
Training staff	9	9
Commercial and fund raising	6	8
Shop	7	5
Administration and other	19	16
	=====	=====

**6a. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<u>1995</u>	<u>1994</u>
	£	£
Bank interest	12,265	5,560
Other interest	3,655	5,042
	-----	-----
	<u>15,920</u>	<u>10,602</u>

**6b. INTEREST PAYABLE AND SIMILAR CHARGES**

	<u>1995</u>	<u>1994</u>
	£	£
Bank loans and overdrafts and other loans repayable within five years	4,698	9,386
Finance charges payable - finance lease and hire purchase contracts	-	1,551
	-----	-----
	<u>4,698</u>	<u>10,937</u>

**BIRMINGHAM CITY FOOTBALL CLUB PLC****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 1995****7. TAXATION**

	<u>1995</u> £	<u>1994</u> £
Corporation Tax for the year	NIL	NIL

**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> £
<b>Cost or Valuation:</b>					
At 1st September 1994	3,934,880	761,738	68,098	70,237	4,834,953
Additions	3,437,172	390,566	35,000	29,430	3,892,168
Disposals	-	-	(50,976)	-	( 50,976)
At 31st August 1995	<u>7,372,052</u>	<u>1,152,304</u>	<u>52,122</u>	<u>99,667</u>	<u>8,676,145</u>
<b>Depreciation:</b>					
At 1st September 1994	-	647,969	34,513	23,412	705,894
Charge for the year	147,441	125,584	10,060	33,221	316,306
Disposals	-	-	(21,240)	-	( 21,240)
At 31st August 1995	<u>147,441</u>	<u>773,553</u>	<u>23,333</u>	<u>56,633</u>	<u>1,000,960</u>
<b>Net Book Value:</b>					
At 31st August 1995	<u>7,224,611</u>	<u>378,751</u>	<u>28,789</u>	<u>43,034</u>	<u>7,675,185</u>
At 31st August 1994	<u>3,934,880</u>	<u>113,769</u>	<u>33,585</u>	<u>46,825</u>	<u>4,129,059</u>



**BIRMINGHAM CITY FOOTBALL CLUB PLC****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 1995****8. TANGIBLE FIXED ASSETS (continued)**

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

	<u>1995</u> £	<u>1994</u> £
Cost	7,059,326	3,622,154
Accumulated depreciation	( 141,186)	-
	<u>6,918,140</u>	<u>3,622,154</u>

There were no assets held under finance leases and hire purchase contracts at 31 August 1995.

**Valuation**

The major ground development is now 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, after taking into account deferred grant income attributable to freehold land and buildings.

**9. STOCK**

	<u>1995</u> £	<u>1994</u> £
Club Shop stock	<u>92,433</u>	<u>54,286</u>

**10. DEBTORS**

	<u>1995</u> £	<u>1994</u> £
Trade debtors	1,206,427	1,551,685
Other debtors	16,837	245,738
Prepayments	97,135	71,645
	<u>1,320,399</u>	<u>1,869,068</u>

**BIRMINGHAM CITY FOOTBALL CLUB PLC****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 1995****11. CREDITORS: Amounts falling due within one year**

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Unsecured loans	68,883	68,387
Bank overdraft (secured)	45,979	984,602
Trade creditors	1,385,025	772,371
Other creditors	736	3,943
Taxation and social security costs	227,812	133,012
Amount due on hire purchase	-	15,774
Accruals and deferred income	2,482,862	1,085,210
	<u>4,211,297</u>	<u>3,063,299</u>

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

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Unsecured loans	129,987	-
Amount due to holding company	5,872,377	4,762,377
Amount due on hire purchase	-	22,494
	<u>6,002,364</u>	<u>4,784,871</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.

**(a) Unsecured Loans**

£169,983 of the loans stated relates to a Football Trust loan and is interest free and repayable over 5 years. £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 Stadium and a floating charge over assets of the company.

## BIRMINGHAM CITY FOOTBALL CLUB PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 1995

## 13. DEFERRED GRANT INCOME

	<u>1995</u>	<u>1994</u>
	£	£
At 1st September 1994	1,309,574	-
Grants received in respect of major ground redevelopment:		
Football Trust	1,086,683	1,378,286
Jewson	9,375	3,125
Heartlands Development Corporation	250,000	-
	-----	-----
	2,655,632	1,381,411
Transfer for profit and loss account	( 53,112)	( 71,837)
	-----	-----
Balance at 31st August 1995	<u>2,602,520</u>	<u>1,309,574</u>

As a result of the substantial redevelopment of the stadium, the directors have reviewed the allocation of grants received. The amount of £2,602,520 relates to those assets remaining at the balance sheet date.

## 14. SHARE CAPITAL

	<u>1995</u>	<u>1994</u>
	£	£
(a) <u>Authorised</u>		
4.2% redeemable cumulative preference shares of 50p each	20,000	20,000
Ordinary shares 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	752,588	751,838
	-----	-----
	<u>772,088</u>	<u>771,338</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.

**BIRMINGHAM CITY FOOTBALL CLUB PLC****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 1995****15. SHARE PREMIUM ACCOUNT**

	<u>1995</u>	<u>1994</u>
	£	£
No movement in year	207,096	207,096
	<u>          </u>	<u>          </u>

**16. REVALUATION RESERVE**

	<u>1995</u>	<u>1994</u>
	£	£
No movement in year	312,726	312,726
	<u>          </u>	<u>          </u>

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>1995</u>	<u>1994</u>
	£	£
Accumulated losses brought forward	(4,381,894)	(3,250,737)
Profit/(loss) for the year	256,083	(1,131,157)
	-----	-----
Accumulated losses carried forward	(4,125,811)	(4,381,894)
	<u>          </u>	<u>          </u>

**18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<u>1995</u>	<u>1994</u>
	£	£
Profit/(loss) for the period	256,083	(1,131,157)
New share capital subscribed	750	700
	-----	-----
Net addition to shareholders' funds	256,833	(1,130,457)
Opening shareholders' funds	(3,090,734)	(1,960,277)
	-----	-----
Closing shareholders' funds	(2,833,901)	(3,090,734)
	<u>          </u>	<u>          </u>

**BIRMINGHAM CITY FOOTBALL CLUB PLC****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 1995****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 £16,652 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 £1,250. All transactions were of a commercial nature. There were no substantial balances owing at 31 August 1995.

**20. CONTINGENT LIABILITIES AND POST BALANCE SHEET EVENTS**

Following signing several new players during the season, the Club could become liable to £445,000 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. (1994 - £287,500).

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

<b>21. CAPITAL COMMITMENTS</b>	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Contracted but not provided for:-		
Other capital	157,000	1,600
Outstanding against Ground Redevelopment Contract of £4,650,000	33,151	1,951,547
Recoverable against Approved Grant from Football Trust of £2,000,000	-	( 693,551)
	-----	-----
	190,151	1,259,596
	=====	=====
Authorised by the directors but not yet contracted for	NIL	NIL
Approved grant from Football Trust	NIL	NIL
	-----	-----
	NIL	NIL
	=====	=====

At 31st August 1995 the Club had minimum annual commitments under non-cancellable operating leases as follows:

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Amounts due:		
Within one year	3,068	3,068
Between one and five years	6,136	9,204
	-----	-----
	9,204	12,272
	=====	=====

**BIRMINGHAM CITY FOOTBALL CLUB PLC****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 1995****22. RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Operating profit/(loss)	1,524,188	( 488,454)
Depreciation	316,306	156,244
Amortisation of deferred income	( 53,112)	( 71,837)
Profit on sale of fixed assets	( 12,476)	-
Net transfer fees (paid)/received	(1,279,327)	( 642,368)
Decrease/(Increase) in stocks	( 38,147)	( 54,286)
Decrease (Increase) in debtors	548,669	(1,303,396)
Increase/(Decrease) in creditors	2,086,125	536,586
	-----	-----
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<u><u>3,092,226</u></u>	<u><u>(1,867,511)</u></u>

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

	<u>Movement</u>	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>	<u>£</u>
Cash at bank and in hand	879,666	894,263	14,597
Bank overdraft	938,623	( 45,979)	( 984,602)
	-----	-----	-----
<b>Increase/(Decrease) In Cash and Cash Equivalents</b>	<u><u>1,818,289</u></u>	<u><u>848,284</u></u>	<u><u>( 970,005)</u></u>