

**BIRMINGHAM CITY
FOOTBALL CLUB
PLC**

*Report and Accounts
1984*



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Notice of Meeting

Notice is hereby given that the Ninety-seventh Annual General Meeting of Shareholders will be held at the St. Andrew's Club (Emmeline Street Entrance) on Thursday 22 November, 1984 at 4.00 p.m.

Agenda

1. To receive and adopt the Directors' Report and the Accounts of the Company for the year ended 30 June, 1984
2. To re-elect Vice-President.
3. To re-elect a Director.
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. R. Waterhouse

Secretary

29 October 1984

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

Vice-President

Dr. D. Ellis

Directors

C. K. Coombs, B.Com. (*Chairman*)
J. F. Wiseman (*Vice-Chairman*)
N. B. A. Bosworth, C.B.E., L.B.
H. A. Parkes

Secretary

A. R. Waterhouse

Manager

R. Saunders

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 30 June 1984

Results and Review of the Business

The principal activity of the company continued to be that of a professional football club. Full details of income and expenditure are shown on pages 6 and 7 of the accounts. The directors do not recommend the payment of a dividend.

It will be seen there was a loss on ordinary activities for the year of £168,140 compared with a loss of £88,532 in the previous year. The company is able to report however, a substantial reduction in the amount of operating loss before interest and transfer fees. In this connection the club benefited from the run in the F.A. Cup when they reached the sixth round of the competition. The loss for the year does not include donations of £35,696 received from the Birmingham City Development Association which amount has been credited direct to reserves and is shown in note 15 on page 14 of the accounts.

Net transfer fees receivable during the year amounted to £39,000. The directors record their appreciation to the supporters who donated to the Buy a Player Fund. The total receipts into the fund amounted to £17,691 of which £10,000 was received by the club during the year and applied for the purchase of players. The club, of course, suffered the disappointment of relegation from the first division. Since 30 June 1984 further transfers have taken place and new players have joined the club to strengthen the team to maintain the challenge for promotion from the second division and an immediate return to first division football.

In December 1983 the company proposed to restructure its finances by way of an issue of new ordinary shares. 408,901 ordinary shares were issued and the details are disclosed in note 12 on the accounts. As a result of the issue 230 supporters became new shareholders in the company.

Directors

The directors at 30 June 1984 and their interests in the shares of the company were as follows:

	Number of shares held at:			
	30 June 1984		30 June 1983	
	Ordinary	Preference	Ordinary	Preference
C. K. Coombs	431,800	—	40,800	—
J. F. Wiseman	22,360	5,000	22,360	5,000
N. B. A. Bosworth	21,185	2,500	21,185	2,500
H. A. Parkes	10,000	—	—	—

D. M. Coombs resigned as a director on 6 October 1983, G. Greaves resigned on 18 November 1983 and Richard Burman resigned on 16 December 1983.

In addition the following director held shares as a trustee:

	Number of shares held at:			
	30 June 1984		30 June 1983	
	Ordinary	Preference	Ordinary	Preference
J. F. Wiseman	5,700	—	5,700	—

Birmingham City Football Club PLC

Directors' Report (continued)

In accordance with the Articles of Association Mr. C. K. Coombs retires by rotation and being eligible offers himself for re-election.

The directors record with sympathy the death of L. J. Morris who was a director of the company until his retirement in 1977. He was a vice-president of the club.

Fixed Assets

Changes in tangible fixed assets are set out in note 7 on page 11 of the accounts.

Auditors

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

By Order of the Board

A. R. Waterhouse



Secretary

5 October 1984

Birmingham City Football Club PLC

Profit and Loss Account

year ended 30 June 1984

	Note	1984 £	1983 £
Income (page 7)		1,159,026	1,018,561
Expenditure (page 7)		<u>(1,252,194)</u>	<u>(1,221,625)</u>
Operating Loss before Interest and Transfer Fees		(93,168)	(203,064)
Interest receivable	3	56	554
Transfer fees receivable		<u>49,000</u>	<u>356,250</u>
		<u>(44,112)</u>	<u>153,740</u>
Interest payable	4	(114,028)	(107,772)
Transfer fees payable	19	<u>(10,000)</u>	<u>(134,500)</u>
Loss on Ordinary Activities		<u>(168,140)</u>	<u>(88,532)</u>

Profit and Loss Account Details

year ended 30 June 1984

	1984		1983	
	£	£	£	£
Income				
Gate receipts:				
League matches:				
Home	713,221		587,960	
Away	—		123,594	
Cup and other matches	259,099		71,144	
	<u>972,320</u>		<u>782,698</u>	
Football League, F.A. and Football League Cup pools less levies	(36,452)	935,868	26,955	809,653
Commercial activities:				
Profit on programmes	12,420		25,682	
Lottery	12,153		1,441	
Advertising, sponsorship and promotions	128,685		117,610	
Broadcasting and television fees	35,535		27,100	
Catering	15,000		13,619	
Rents and car parking receipts	5,168		3,283	
Sundry income	14,197		20,173	
		<u>223,158</u>	<u>20,173</u>	208,208
		<u>1,159,026</u>		<u>1,018,561</u>
Expenditure				
Wages and salaries of players and staff, signing and leaving payments	932,842		915,266	
Players equipment, training and medical expenses	9,407		10,170	
Hotel and travelling expenses	51,548		54,405	
Gatemen, police, referees and linesmen	68,765		66,369	
Rents, rates, electricity and insurances	60,435		65,847	
Ground and property maintenance	25,582		17,469	
General office expenses	37,391		24,201	
Promotion expenses	4,494		2,909	
Sundries	19,963		29,907	
Bank and professional charges	24,834		16,869	
Audit fee	2,500		2,500	
Depreciation	17,693		13,977	
(Surplus)/loss on disposal of tangible fixed assets	(3,260)	1,252,194	1,736	1,221,625
Operating Loss before interest and transfer fees		<u>(93,168)</u>		<u>(203,064)</u>

Balance Sheet

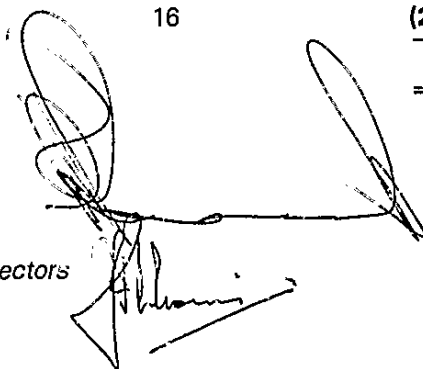
30 June 1984

	Note	1984		1983	
		£	£	£	£
Fixed Assets					
Tangible assets	7		1,366,148		1,316,252
Current Assets					
Stocks	8	10,828		10,020	
Debtors	9	101,394		103,684	
Cash at bank and in hand		1,466		10,228	
		<u>113,688</u>		<u>123,932</u>	
Creditors — Amounts falling due within one year	10	<u>(1,749,412)</u>		<u>(1,975,514)</u>	
Net Current Liabilities			<u>(1,635,724)</u>		<u>(1,851,582)</u>
Total Assets less Current Liabilities			<u>(269,576)</u>		<u>(535,330)</u>
Creditors — Amounts falling due after more than one year	11		<u>(61,203)</u>		<u>(71,359)</u>
			<u>(330,779)</u>		<u>(606,689)</u>
Capital and Reserves					
Called up share capital	12		315,863		111,412
Share premium account	13		191,103		—
Revaluation reserve	14		393,936		393,936
Other reserves	15		805,959		757,463
Profit and loss account	16		<u>(2,037,640)</u>		<u>(1,869,500)</u>
			<u>(330,779)</u>		<u>(606,689)</u>

C. K. Coombs

J. F. Wiseman

Directors



Statement of Source and Application of Funds

year ended 30 June 1984

	1984		1983	
	£	£	£	£
Use of Funds				
Loss for the year		(168,140)		(38,532)
Adjustment for items not involving the movement of funds:				
Depreciation		17,693		13,977
(Surplus)/loss on disposal of tangible fixed assets		(3,260)		1,736
		<u>(153,707)</u>		<u>(72,819)</u>
Funds from other Sources				
Proceeds of share issue		395,554		—
Donations from Development Association		35,696		22,741
Grants receivable		14,222		—
Proceeds from disposal of tangible fixed assets		18,800		19,954
Unsecured loans advanced		155,000		246,500
		<u>465,565</u>		<u>216,376</u>
Application of Funds				
Purchase of tangible fixed assets	(84,551)		(8,156)	
Loan repayments	(31,775)		(3,085)	
Unsecured loans repaid	(386,500)		(10,000)	
		<u>(502,826)</u>		<u>(21,241)</u>
		<u>(37,261)</u>		<u>195,135</u>
Working Capital				
(Increase) in stock	(808)		(2,138)	
Decrease in debtors	2,290		162,675	
(Decrease) in creditors	(104,595)		(426,068)	
		<u>(103,113)</u>		<u>(265,531)</u>
		<u>(140,374)</u>		<u>(70,396)</u>
Movement in Net Liquid Funds				
(Decrease)/increase in cash and bank balance		(8,762)		8,143
(Increase) in bank overdraft		(131,612)		(78,539)
		<u>(140,374)</u>		<u>(70,396)</u>

Notes and Accounting Policies

year ended 30 June 1984

1. Deficiency of Net Assets

The balance sheet shows that liabilities exceed assets by £330,779. The accounts do not take into account the valuation of players currently registered with the club. Since the 30 June 1984 proceeds from the sale of players have substantially exceeded the amount of the deficiency.

The accounts are therefore drawn up on a going concern basis.

2. Accounting Policies

(a) Basis of Accounting

The company prepares its accounts on the historical cost basis of accounting adjusted for the revaluation of certain freehold properties.

(b) Tangible Fixed Assets and Depreciation

Tangible fixed assets are being depreciated on the following bases:

Freehold properties

St Andrew's	N/A
Training ground	N/A
Other	1%

Furniture and equipment

10% reducing balance

Motor vehicles

25% reducing balance

The directors are advised by the valuers that the amounts included in the balance sheet in respect of the valuation of the freehold properties at St Andrew's and the training ground, on the basis of the value in the open market, comprise mainly land. Accordingly no depreciation is provided on these properties.

(c) Transfer Fees

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

(d) Stock

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

3. Interest Receivable

	1984	1983
	£	£
Short term loans		
Bank interest	56	38
	<u>56</u>	<u>38</u>
		554

4. Interest Payable

	1984	1983
	£	£
Bank overdraft and loans repayable within five years		
Other loans	104,493	101,566
Sundry interest	9,452	6,108
	83	
	<u>114,028</u>	<u>107,772</u>

Notes and Accounting Policies (CONTINUED)

Year ended 30 June 1984

5. Taxation on Ordinary Activities

No corporation tax is payable on the result for the year.

The company has unutilised tax losses of approximately £2,330,000 available for relief against future taxable profits.

No provision has been made for the potential capital gains tax liability on the revaluation of the 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.

6. Employees

The average number employed by the company within each category of persons was

	1984	1983
Administration	70	11
Ground staff	11	14
Playing staff	34	38
	<u>65</u>	<u>63</u>

The directors are not included in the above figures.

The costs incurred in respect of these employees were

	1984	1983
	£	£
Wages and salaries including signing and leaving payments	872,528	858,917
Social security costs	48,522	61,180
Other pension costs	10,782	7,169
	<u>932,842</u>	<u>927,266</u>

No remuneration was paid to the directors.

Details of employees whose total emoluments, excluding pension contributions, exceeded £30,000 are as follows:

	Number of employees	
	1984	1983
£30,001 — £35,000	4	4
£35,001 — £40,000	2	2
£40,001 — £45,000	—	1
£45,001 — £50,000	2	1

7. Tangible Fixed Assets

	Freehold Land and Buildings			Furniture Equipment and Vehicles	Total
	St. Andrew's £	Damson Lane £	Other £		
(a) Movements in year:					
Cost or Valuation					
At 1 July 1983	1,100,000	90,000	77,582	118,899	1,386,481
Additions	—	—	—	84,551	84,551
Disposals	—	—	—	(25,450)	(25,450)
At 30 June 1984	<u>1,100,000</u>	<u>90,000</u>	<u>77,582</u>	<u>178,000</u>	<u>1,445,582</u>
Comprising:					
Valuation 1981	1,100,000	90,000	26,500	—	1,216,500
Cost	—	—	51,082	178,000	229,082
Depreciation					
At 1 July 1983	—	—	4,112	66,117	70,229
Charge for year	—	—	265	18,850	19,115
Disposals	—	—	—	(9,910)	(9,910)
At 30th June 1984	—	—	4,377	75,057	79,434
Net Book Amounts					
At 1 July 1983	<u>1,100,000</u>	<u>90,000</u>	<u>73,470</u>	<u>52,782</u>	<u>1,316,252</u>
At 30 June 1984	<u>1,100,000</u>	<u>90,000</u>	<u>73,205</u>	<u>102,943</u>	<u>1,366,148</u>

Notes and Accounting Policies (continued)

year ended 30 June 1984

7. Tangible Fixed Assets—continued

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

	1984	1983
	£	£
Cost		
Accumulated depreciation	873,646	873,646
Net book amounts	<u>3,840</u>	<u>3,797</u>
	<u>869,806</u>	<u>867,443</u>
(b) Future capital commitments		
	1984	1983
	£	£
Contracted for but not provided for		
Authorised by the directors but not contracted for	50,000	5,000
	<u>50,000</u>	<u>5,000</u>

8. Stock

Goods held for resale at the souvenir shop

1984	1983
£	£
<u>10,828</u>	<u>10,020</u>

9. Debtors

Trade debtors
Other debtors
Prepayments and accrued income

1984	1983
£	£
34,424	75,906
<u>15,656</u>	<u>2,266</u>
<u>51,314</u>	<u>28,624</u>
<u>101,394</u>	<u>103,684</u>

10. Creditors—Amounts falling due within one year:

Mortgage loan
Unsecured loans
Bank overdraft (secured)
Trade creditors
Taxation and social security
Other creditors
Accruals and deferred income

1984	1983
£	£
1,568	1,568
279,500	511,000
927,681	798,089
263,330	243,999
63,551	108,041
31,888	76,899
<u>181,894</u>	<u>180,147</u>
<u>1,749,412</u>	<u>1,976,514</u>

(a) Unsecured loans
The loans are interest free and there is no specified date for repayment.

(b) Bank overdraft
The bank overdraft is secured by a fixed charge on assets of the company.

11. Creditors—Amounts falling due after more than one year:

Loans from breweries
Mortgage loan
Other creditors
Deferred income

1984	1983
£	£
12,657	13,282
35,732	35,687
12,814	10,205
—	11,985
<u>61,203</u>	<u>71,359</u>

Notes and Accounting Policies (continued)

year ended 30 June 1984

11. Creditors—Amounts falling due after more than one year —continued

(a) Loans from breweries

The loans from Ansell's Limited and Pass Meehells and Butlers Limited carry interest at 5% per annum and are repayable in equal quarterly instalments ending on 25 December 1984

Instalments falling due after more than five years amount to £7,031 (1983 — £8,283)

(b) Mortgage loan

The loan is repayable by equal monthly instalments ending on 13 August 2006. Interest during the year was charged at the average rate of 12.35% per annum. The loan is secured on a residential property which is currently for sale

Instalments falling due after more than five years amount to £29,400 (1983 — £31,615)

12. Share Capital

	1984	1983
	£	£
(a) <i>Authorised</i>		
40,000 4.2% Redeemable cumulative preference shares of 50p each	20,000	20,000
960,000 Ordinary shares of 50p each	<u>480,000</u>	<u>480,000</u>
	<u>500,000</u>	<u>500,000</u>
(b) <i>Issued and fully paid</i>		
4.2% Redeemable cumulative preference shares of 50p each	19,500	19,500
Ordinary shares of 50p each	<u>298,263</u>	<u>91,912</u>
	<u>315,863</u>	<u>111,412</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 1980. The dividend in arrear amounts to £12,397 (1983 — £11,578).		
(e) During the year 408,901 ordinary shares of 50p each were issued at a price of £1 per share. The consideration for the shares allotted was as follows:		
	£	
Cash	53,901	
Conversion of directors' loans	<u>355,000</u>	
	<u>408,901</u>	

The purpose of the issue was to restructure the finances of the club and to give an opportunity to supporters to take an interest in the club.

13. Share Premium Account

In respect of 408,901 ordinary shares of 50p each issued during the year at a price of £1 per share
Less: costs of share issue

£
204,450
<u>13,347</u>
<u>191,103</u>

14. Revaluation Reserve

	1984	1983
	£	£
Balance as at 1 July 1983 and 30 June 1984	<u>393,936</u>	<u>393,936</u>

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

Notes and Accounting Policies (continued)

year ended 30 June 1984

15. Other Reserves	1984		1983	
	£	£	£	£
(a) Donations				
At 1 July 1983	587,129		584,388	
Donations received from Birmingham City Development Association	<u>35,696</u>	622,825	<u>22,741</u>	507,129
(b) Safety of grounds:				
At 1 July 1983	170,334		170,334	
Grant receivable	<u>14,222</u>		<u>4,300</u>	
	184,556		174,634	
Less: credited to profit and loss account	<u>1,422</u>	183,134	<u>4,300</u>	170,334
		<u>805,999</u>		<u>767,463</u>
(c) Buy a Player Fund				
Donations received		10,000		
Less: credited to profit and loss account (note 19)		<u>10,000</u>		

16. Profit and Loss Account

	£
Accumulated losses:	
Brought forward	1,889,504
Loss for financial year	<u>168,140</u>
Carried forward	<u>2,057,644</u>

17. Directors' Interests in Contracts

- (a) 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 £52,500.
- (b) The following directors have made loans to the company which were outstanding at 30 June 1984.

	Amount of loan	
	1984	1983
	£	£
C. K. Coombs	50,000	285,000
N. B. A. Bosworth	35,000	35,000
J. F. Wiseman	69,000	59,000
H. A. Parkes	30,000	30,000

The loans are included in creditors as disclosed in note 10 to the accounts and upon the terms as set out in note 10 (a)

18. Contingent Liabilities

The company has contingent liabilities up to a maximum of £36,000 (1993 — £46,000) in respect of the transfer of a player and other potential claims.

Birmingham City Football Club PLC

Notes and Accounting Policies (continued)

year ended 30 June 1984

	1984	1983
19. Transfer Fees Payable	£	£
Fees payable	20,000	134,500
Less: donation from Buy a Player Fund	<u>10,000</u>	<u>10,000</u>
	<u>10,000</u>	<u>134,500</u>

20. Approval of Accounts

These accounts were approved by the Board of Directors on 5 October 1984

Birmingham City Football Club PLC

Auditors' Report to the Members

We have audited the financial statements on pages 6 to 15 in accordance with approved Auditing Standards.

We draw your attention to note 1 on page 10 which states that the company has a deficiency of net assets amounting to £330,779. The financial statements have been prepared on a going concern basis which assumes that adequate financing facilities will be available to enable the company to continue normal trading operations.

Subject to the foregoing, 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 30 June 1984 and of its loss and source and application of funds for the year then ended and comply with the Companies Acts 1948 to 1981.

Pannell Kerr Forster

Chartered Accountants

Birmingham

5 October 1984