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Birmingham City Football Club PLC

Notice of Meeting

Notice is hereby given that the Ninety-fifth Ordinary General Meeting of Shareholders will be held at the St. Andrew's Club (Emmeline Street Entrance) on Tuesday 14 December, 1982 at 4 p.m.

Agenda

1. To receive and adopt the Directors' Report and the Accounts of the Company for the year ended 30 June, 1982.
2. To elect and 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

19 November 1982

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

L. J. Morris

Directors

C. K. Coombs (*Chairman*)

J. F. Wiseman (*Vice-Chairman*)

N. B. A. Bosworth, LI.B.

Richard Burman, F.C.A.

D. M. Coombs

Secretary

A. G. Instone

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 1982.

Result

There was a net loss for the year of £612,126 after charging a deficit on transfer fees amounting to £50,000. 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 30 June 1982 and their interests in the shares of the company were as follows:

	Number of shares held at:			
	30 June 1982		30 June 1981	
	Ordinary	Preference	Ordinary	Preference
C. K. Coombs	40,800	—	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
Richard Burman	10,200	—	10,200	—
D. M. Coombs	41,000	—	41,000	—

In addition the following director held shares as a trustee:

	Number of shares held at:			
	30 June 1982		30 June 1981	
	Ordinary	Preference	Ordinary	Preference
J. F. Wiseman	5,700	—	5,700	—

Mr. R. N. Davis resigned as a director on 19 February 1982.

In accordance with the articles of association Mr. C. K. Coombs and Mr. J. F. Wiseman retire by rotation and being eligible offer themselves for re-election.

Fixed Assets

Changes in 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. G. Instone

Secretary

28 October 1982

Auditors' Report to the Members

We have audited the financial statements on pages 5 to 12 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 £501,763. 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 1982 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

28 October 1982

Profit and Loss Account

year ended 30 June 1982

	Notes	1982 £	1981 £
Operating Loss before Interest		(459,072)	(165,367)
Interest	3	<u>(103,054)</u>	<u>(95,058)</u>
Operating Loss		(562,126)	(260,425)
Transfer Fees	2(c) & 4	<u>(50,000)</u>	<u>(141,000)</u>
Loss for the Year		(612,126)	(401,425)
Accumulated Loss brought forward		<u>(1,168,842)</u>	<u>(767,417)</u>
Accumulated Loss		<u><u>(1,780,968)</u></u>	<u><u>(1,168,842)</u></u>

Profit and Loss Account Details

year ended 30 June 1982

	1982		1981	
	£	£	£	£
Income				
Gate receipts:				
League matches:				
Home	655,838		576,920	
Away	136,216		135,715	
Cup and other matches	58,314		130,071	
	<u>850,368</u>		<u>842,706</u>	
Football League, F.A. and Football League Cup pools less levies	11,777		9,761	
		862,145		852,467
Commercial activities:				
Profit on programmes	29,193		10,242	
Lottery	(642)		6,836	
Advertising and sponsorship	114,047		99,422	
Broadcasting and television fees	29,336		28,060	
Catering	12,908		15,715	
Rents and car parking receipts	10,272		10,779	
Sundry income	10,290		20,950	
		205,404		192,004
		<u>1,067,549</u>		<u>1,044,471</u>
Expenditure				
Wages and salaries of players and staff, signing and leaving payments	1,183,754		831,962	
Players equipment, training and medical expenses	13,427		13,882	
Hotel and travelling expenses	65,800		72,330	
Gatemen, police, referees and linesmen	66,876		72,901	
Rents, rates, electricity and insurances	64,969		53,993	
Ground and property maintenance	26,958		49,334	
General office expenses	32,326		29,177	
Promotion expenses	11,180		25,985	
Donations, league fees and sundries	16,820		22,072	
Bank and professional charges	16,545		14,933	
Audit fee	2,500		2,500	
Depreciation (note 2(b))	22,309		18,224	
Balance of expenditure on leasehold land written off	—		1,967	
Loss on disposal of fixed assets	3,157		578	
		1,526,621		1,209,838
		<u>(459,072)</u>		<u>(165,367)</u>
Operating loss before interest				

Balance Sheet

30 June 1982

	Notes	1982		1981	
		£	£	£	£
Fixed Assets	7		1,343,763		1,273,969
Current Assets					
Stock	2(d)	7,882		16,767	
Debtors and prepayments		266,359		192,813	
Cash at bank and in hand		2,085		11,932	
		<u>276,326</u>		<u>221,512</u>	
Current Liabilities					
Bank overdraft (secured)		717,530		626,029	
Creditors and accrued liabilities		928,135		375,345	
Income received in advance		185,749		199,947	
Short term loan		—		870	
Unsecured loans		274,500		224,500	
Ansells Brewery Company Limited		7,969		8,281	
Bass, Mitchells & Butlers Limited		7,969		8,281	
		<u>2,121,852</u>		<u>1,443,253</u>	
Net Current Liabilities			<u>(1,845,526)</u>		<u>(1,221,741)</u>
			<u>(501,763)</u>		<u>52,228</u>
Share Capital	10		111,412		111,412
Capital Reserves	11		1,128,658		1,109,658
Profit and Loss Account					
Accumulated loss			<u>(1,780,968)</u>		<u>(1,168,842)</u>
			<u>(540,898)</u>		<u>52,228</u>
Mortgage Loan (secured)	12		39,135		—
			<u>(501,763)</u>		<u>52,228</u>

C. K. Coombs }
 Richard Burman } *Directors*

Statement of Source and Application of Funds

year ended 30 June 1982

	1982		1981	
	£	£	£	£
Use of Funds				
Loss for the year		(612,126)		(401,425)
Adjustment for items not involving the movement of funds:				
Depreciation		22,309		18,224
Loss on sale of fixed assets		3,157		578
Expenditure on leasehold land written off		—		1,987
Total used in operations		(586,660)		(380,656)
Funds from other Sources				
Donations from Development Association		19,000		146,508
Grant from Football Grounds Improvement Trust		—		34,644
Proceeds from sale of fixed assets		8,976		7,700
Unsecured loans advanced		50,000		85,000
Mortgage loan advanced		39,200		—
		(469,484)		(106,804)
Application of Funds				
Purchase of fixed assets	(104,236)		(166,871)	
Loan repayments	(1,559)		(3,555)	
		(105,795)		(170,426)
		(575,279)		(277,230)
Working Capital				
Decrease/(increase) in stock	8,885		(4,084)	
(Increase) in debtors	(73,546)		(66,673)	
Increase in creditors	552,790		120,025	
(Decrease) in income received in advance	(14,198)		(67,902)	
		473,931		(18,634)
		(101,348)		(295,864)
Movement in Net Liquid Funds				
(Decrease)/increase in cash and bank balances		(9,847)		10,939
(Increase) in bank overdraft		(91,501)		(306,803)
		(101,348)		(295,864)

Notes and Accounting Policies

year ended 30 June 1982

1. Deficiency of Net Assets

The balance sheet shows that liabilities exceed assets by £501,763. The accounts do not take into account the valuation of players currently registered with the club. The directors have been advised that the valuation of these players is substantially in excess of 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) Depreciation

Fixed assets are being depreciated on the following bases:

Freehold properties:

St. Andrew's	— Nil
Training ground	— Nil
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 or net realisable value.

(e) Companies Act 1981

These accounts are prepared in the format used hitherto in compliance with Section 149A and Schedule 8A to the Companies Act 1948. There is a transitional period before the company is required to adopt one of the new formats set out in Schedule 1 to the Companies Act 1981.

3. Interest

	1982		1981	
	£	£	£	£
Receivable:				
Short term loans	2,733		626	
Bank interest	211		280	
		2,944		906
Payable:				
Bank overdraft and loans repayable within five years	97,657		95,222	
Other loans	8,341		742	
		105,998		95,964
		(103,054)		(95,058)

4. Transfer Fees

	1982	1981
	£	£
Receivable	833,000	209,000
Payable	883,000	350,000
	(50,000)	(141,000)

Notes and Accounting Policies (continued)

year ended 30 June 1982

5. Taxation

(a) Tax Losses

The company has unutilised tax losses of approximately £2,000,000 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.

6. 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	
	1982	1981
£20,000 — £25,000	3	8
£25,001 — £30,000	2	3
£30,001 — £35,000	4	4
£35,001 — £40,000	4	—
£40,001 — £45,000	1	—

7. Fixed Assets

	Freehold Land and Buildings			Furniture Equipment and Vehicles	Total £
	St. Andrew's £	Damson Lane £	Other £	£	
<i>Cost or Valuation</i>					
At 1 July 1981	1,100,000	90,000	26,500	116,917	1,333,417
Additions	—	—	51,082	53,154	104,236
Disposals	—	—	—	(25,691)	(25,691)
At 30 June 1982	<u>1,100,000</u>	<u>90,000</u>	<u>77,582</u>	<u>144,380</u>	<u>1,411,962</u>
Comprising:					
Valuation 1981	1,100,000	90,000	26,500	—	1,216,500
Cost	—	—	51,082	144,380	195,462
<i>Depreciation</i>					
At 1 July 1981	—	—	—	59,448	59,448
Charge for year	—	—	2,265	20,044	22,309
Disposals	—	—	—	(13,558)	(13,558)
	—	—	2,265	65,934	68,199
<i>Net Book Amounts</i>					
At 1 July 1981	<u>1,100,000</u>	<u>90,000</u>	<u>26,500</u>	<u>57,469</u>	<u>1,273,969</u>
At 30 June 1982	<u>1,100,000</u>	<u>90,000</u>	<u>75,317</u>	<u>78,446</u>	<u>1,343,763</u>

8. Unsecured Loans

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

9. Loans from Breweries

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

Notes and Accounting Policies (continued)

year ended 30 June 1982

10. Share Capital

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

	<i>Authorised</i> £	<i>Issued and fully paid</i> £
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 arrear amounts to £10,759.

11. Capital Reserves	1982		1981	
	£	£	£	£
(i) Revaluation Surplus:				
At 1 July 1981	393,936		146,267	
Revaluation in year	—		247,669	
	<u>393,936</u>		<u>393,936</u>	
(ii) Donations:				
At 1 July 1981	545,388		398,880	
Donations received:				
Birmingham City Development Association	19,000		146,608	
	<u>564,388</u>		<u>545,388</u>	
(iii) Safety of Grounds:				
At 1 July 1981	170,334		139,791	
Grant received	—		34,644	
	<u>170,334</u>		<u>174,435</u>	
Less: credited to profit and loss account	—		4,101	
	<u>170,334</u>		<u>170,334</u>	
	<u>1,128,658</u>		<u>1,109,658</u>	

12. Mortgage Loan

The loan is repayable by equal monthly instalments ending on 13 August 2006. Interest during the year was charged at the rate of 15½% per annum. The loan is secured on a residential property which is currently for sale.

13. Capital Commitments

	1982 £	1981 £
Contracts for capital expenditure not provided in the accounts	—	—
Expenditure authorised but not contracted for	—	49,500
	<u>—</u>	<u>49,500</u>

14. 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 £10,078.

15. Approval of Accounts

These accounts were approved by the Board of Directors on 26 October 1982.