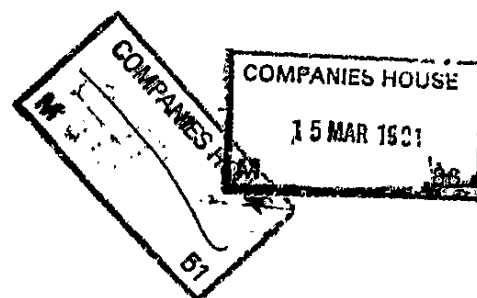


Company Ref: 27318

BIRMINGHAM CITY FOOTBALL CLUB P.L.C.

AUDITED FINANCIAL ACCOUNTS

YEAR ENDED 31ST JULY 1990



BIRMINGHAM CITY FOOTBALL CLUB P.L.C.

Notice of Meeting

Notice is hereby given that the one hundred and third Annual General Meeting of Shareholders will be held at the registered office of Birmingham City Football Club P.L.C. on 18th December 1990 at 4 O'Clock at St. Andrews Ground, Birmingham. B9 4NH.

AGENDA

1. To receive and adopt the Directors' Report and the Accounts of the Company for the year ended 31st July 1990.
2. To re-elect:

J.F. Wiseman
S. Kumar
3. To confirm the appointment of B. Kumar as a Director (Appointed 8th August 1990)
4. To appoint Messrs. Walter J. Edwards & Company as Auditors and to authorise the Directors to fix their remuneration.
5. To transact any other ordinary business.

By Order of the Board

H.J. WESTMANCOAT
Secretary

Date: 20th November 1990.

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 P.L.C.

Directors and Officers

Directors and Officers

S. Kumar (Chairman)
R. Kumar (Vice Chairman)
B.H. Slater
Jack F. Wiseman

Secretary

H. John Westmancost F.F.A. M.B.I.M.

Chief Executive

Annie Bassett

Manager

Dave Mackay

Registered Office

St. Andrew's Ground
Birmingham. B9 4NH.
Telephone No. 021 772 0101

Auditors

Walter J. Edwards & Company,
Chartered Accountants,
47, Anchor Road,
Altridge,
Walsall. WS9 8PT.

Bankers

Midland Bank Plc,
Bennetts Hill,
Birmingham. B2 5RJ.

Solicitors

Slater Links,
22, Blackburn Street,
Radcliffe,
Manchester. M26 9NQ.

BIRMINGHAM CITY FOOTBALL CLUB P.L.C.

Four Year Trading Record

	<u>1990</u>	<u>1989</u>	<u>1988</u>	<u>1987</u>
Match Receipts				
F.A. & Football League Distributions	728,090	612,683	635,262	526,081
Commercial Activities	347,883	228,094	195,485	187,835
<u>Income</u>	<u>1,075,973</u>	<u>840,777</u>	<u>830,747</u>	<u>713,916</u>
Wages	889,975	819,778	633,227	628,163
Other Expenses	409,971	331,061	265,961	276,865
<u>Expenditure</u>	<u>1,299,946</u>	<u>1,150,839</u>	<u>899,188</u>	<u>905,028</u>
<u>Operating Loss</u>	<u>223,973</u>	<u>310,062</u>	<u>68,441</u>	<u>191,112</u>
<u>Net Transfer Fees Received/(Paid)</u>	<u>(304,550)</u>	<u>349,910</u>	<u>198,875</u>	<u>531,750</u>
<u>Capital and Reserves</u>	<u>(253,174)</u>	<u>282,415</u>	<u>370,610</u>	<u>(172,809)</u>

BIRMINGHAM CITY FOOTBALL CLUB P.L.C.

Directors Report

The Directors present the financial statements for the year ended 31st July 1990.

RESULTS AND DIVIDENDS

The loss on ordinary activities amounted to £357,196 (1989 £406,795) and after transfer fees the loss before taxation was £661,746 as compared with a loss in 1989 of £56,885.

PRINCIPAL ACITIVITY

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.

DIRECTORS AND THEIR INTERESTS IN THE SHARE CAPITAL

The Directors who acted during the period and the interest in the share capital of those acting at 31st July 1990 was as follows:

	<u>31st July 1990</u>		<u>31st July 1989</u>	
	<u>PREFERENCE</u>	<u>ORDINARY</u>	<u>PREFERENCE</u>	<u>ORDINARY</u>
S. Kumar	-	-	-	-
J.F. Wiseman	5,000	99,210	5,000	99,210
R. Kumar	-	-	-	-
B.H. Slater	-	5,000	-	-

K.E. Wheldon resigned on 18th July 1990 and T.W.J. Edmonds resigned on 31st July 1990.

S. Kumar and R. Kumar are directors of BRS Kumar Brothers Limited who hold a majority of the issued ordinary shares.

In accordance with the Articles J.F. Wiseman and S. Kumar retire by rotation and being eligible offer themselves for re-election.

AUDITORS

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

By Order of the Board
H.J. WESTMANCOAT
Secretary

Date: 20th November 1990.

BIRMINGHAM CITY FOOTBALL CLUB P.L.C.

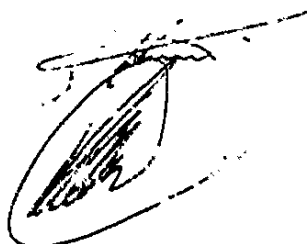
Profit and Loss Account for the Year Ended 31st July 1990

	<u>Notes</u>	<u>1990</u> £	<u>1989</u> £
Turnover	2	1,075,973	840,777
Match and ground expenses		312,813	252,899
Administration expenses		84,616	64,573
Staff Costs	3	889,975	819,778
Depreciation		12,542	13,589
		1,299,946	1,150,839
Operating Profit/(Loss)		(223,973)	(310,062)
Interest Payable and Similar Charges	4a	133,223	96,733
Profit/(Loss) on ordinary activities before transfer fees		(357,196)	(406,795)
Net transfer fees received/(paid)	1c	(304,550)	349,910
Profit/(Loss) on ordinary activities before taxation	4	(661,746)	(56,885)
Taxation	5	3,189	--
Profit/(Loss) after taxation		(664,935)	(56,885)
Extraordinary Item	6	119,713	(15,000)
Profit/(Loss) for the period	16	(545,222)	(71,885)

BIRMINGHAM CITY FOOTBALL CLUB P.L.C.

Balance Sheet as at 31st July 1990

	<u>Note</u>	<u>1990</u>	<u>1989</u>
<u>FIXED ASSETS:-</u>			
Tangible Assets	9	1,437,515	1,450,630
<u>CURRENT ASSETS:-</u>			
Stocks	7	20,252	4,816
Debtors	8	176,915	301,248
Cash at Bank and In Hand		1,215	13
		-----	-----
		198,382	306,077
<u>CREDITORS:-</u>			
Amounts falling due within one year	10	1,644,963	1,449,792
		-----	-----
<u>NET CURRENT LIABILITIES</u>		1,446,581	1,143,715
		-----	-----
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		(9,066)	306,915
<u>CREDITORS:-</u>			
Amounts falling due after more than one year	11	244,108	24,500
		-----	-----
		(253,174)	282,415
		-----	-----
<u>CAPITAL AND RESERVES:-</u>			
Issued Share Capital	12	769,438	697,906
Share Premium Account	13	207,096	207,096
Revaluation Reserve	14	312,726	312,726
Other Reserves	15	232,712	294,611
Profit and Loss Account	16	(1,775,146)	(1,229,924)
		-----	-----
		(253,174)	282,415
		-----	-----



S. KJMAR

)

R. KUMAR

)

) DIRECTORS

BIRMINGHAM CITY FOOTBALL CLUB P.L.C.

Statement of Source and Application of Funds for the Year Ended 31st July 1990

SOURCE OF FUNDS:-

	<u>1990</u> £	<u>1989</u> £
Profit/(Loss) for the year	(661,746)	(56,885)
Adjustment for items not involving movement of funds -		
Depreciation	12,542	13,589
Proceeds from shares issued during year	71,532	1,100
Proceeds from sale of fixed assets	1,640	11,770
	-----	-----
	(576,032)	(30,426)

FUNDS FROM OTHER SOURCES:-

Extraordinary Items (Net)	119,713	-
Loan from Parent Company	230,970	-
Grants Receivable	21,128	3,181
	-----	-----
	(204,221)	(27,245)
	-----	-----

APPLICATION OF FUNDS:-

Reduction in loans by Ex-directors	-	47,250
Reduction and Settlement of Other Loans	-	16,200
Additions to fixed assets	84,094	138,231
(Increase)Decrease in Creditors	34,516	(367,700)
Increase (Decrease) in Stock	15,436	4,716
Increase (Decrease) in Debtors	(124,333)	179,219
	-----	-----
	9,713	17,916
	-----	-----

<u>NET INFLOW/(OUTFLOW) OF FUNDS</u>	<u>(213,934)</u>	<u>(45,161)</u>
--------------------------------------	------------------	-----------------

MOVEMENT IN NET LIQUID FUNDS:-

Increase (Decrease) in Cash/Bank Balances	1,202	(512)
Decrease/(Increase) in Bank Overdraft	(215,136)	(44,649)
	-----	-----
	<u>(213,934)</u>	<u>(45,161)</u>
	-----	-----

BIRMINGHAM CITY FOOTBALL CLUB P.L.C.

Notes Forming Part of the Accounts

1. Accounting Policies:(a) Basis of Accounting:

The Company prepares its accounts under the historical cost convention, adjusted for the revaluation of certain freehold premises.

(b) Tangible Fixed Assets Depreciation:

Tangible Fixed Assets are being depreciated to write such assets off over their anticipated useful lives: Depreciation is not provided on Freehold Land and Buildings. Other assets are written off over periods ranging from 2 to 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.

Although the policy has altered from that adopted in previous years, the effect of the charge for depreciation in the year is not material.

(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.

2. Turnover

	<u>1990</u>	<u>1989</u>
	£	£
Turnover comprises:-		
Match receipts, F.A. and Football League Distributions	728,090	612,683
Commercial Activities	347,883	228,094
	-----	-----
	1,075,973	840,777
	-----	-----

3. Staff Costs

Staff costs during the year were made up as follows:-

Wages, salaries, and signing on fees etc.	797,656	733,398
Social Security Costs	83,355	73,557
Other Pension Costs	8,964	12,823
	-----	-----
	889,975	819,778
	-----	-----

BIRMINGHAM CITY FOOTBALL CLUB P.L.C.

Notes Forming Part of the Accounts (Continued)

3. <u>Staff Costs</u> (Continued)	<u>1990</u>	<u>1989</u>
The average number of employees during the period was	54	58
The number of employees whose remuneration, excluding pensions, exceeded £30,000 was:-		
£30,001 - £35,000	4	4
£35,001 - £40,000 (Player)	1	2
The directors did not receive any remuneration.		
4. <u>Profit/(Loss) on Ordinary Activities Before Taxation</u>	£	£
After charging:		
Directors Remuneration	-	-
Depreciation (including adjustments on disposals)	12,542	13,589
Auditors Remuneration	3,100	2,800
Interest Payable (See Note 4a)	133,223	96,733
	<u>133,223</u>	<u>96,733</u>
4a. <u>Interest Payable and Similar Charges</u>		
Bank Loans and Overdrafts	110,786	79,449
Birmingham City Council Loan	18,507	16,591
Hire Purchase Interest - Loans under 5 years	3,930	693
	<u>133,223</u>	<u>96,733</u>
5. <u>Taxation</u>		
Corporation Tax Underprovision from previous years	3,189	NIL
	<u>3,189</u>	<u>NIL</u>
6. <u>Extraordinary Item</u>	£	£
Additional proceeds from the sale of Elmdon Training Ground	106,213	-
Premium on granting of lease	28,500	-
Purchase of Know-How-Lottery	(15,000)	-
Repayment of unsecured loan previously written-off	-	(15,000)
	<u>119,713</u>	<u>(15,000)</u>
7. <u>Stock</u>	£	£
Goods held for resale at the souvenir shop	20,252	4,816
	<u>20,252</u>	<u>4,816</u>
8. <u>Debtors</u>		
Trade Debtors	99,333	225,246
Other Debtors	7,866	8,109
Prepayments	56,039	48,363
Taxation	13,677	19,530
	<u>176,915</u>	<u>301,248</u>

BIRMINGHAM CITY FOOTBALL CLUB P.L.C.

Notes Forming Part of the Accounts

9. Tangible Fixed Assets

	<u>Freehold Land and Buildings</u> £	<u>Furniture Equipment & Vehicles</u> £	<u>Total</u> £
Cost or valuation at 31st July 1989	1,100,000	553,527	1,653,527
Additions	-	84,094	84,094
Disposals	-	3,000	3,000
At 31st July 1990	1,100,000	634,621	1,734,621
Depreciation at 31st July 1989	-	202,897	202,897
Charge for year	-	95,569	95,569
Disposals	-	1,360	1,360
At 31st July 1990	-	297,106	297,106
Net Book Amounts At 31st July 1990	1,100,000	337,515	1,437,515
At 31st July 1989	1,100,000	350,630	1,450,630

If stated under historical cost principles the comparable total amounts for the Freehold Land and Buildings would be:-

	<u>1990</u> £	<u>1989</u> £
Cost	787,274	787,274
Accumulated Depreciation	-	-
Net Book Amounts	787,274	787,274

10. Creditors: (Amounts Falling Due Within One Year)

	<u>1990</u> £	<u>1989</u> £
Unsecured Loans	39,500	39,500
Bank Overdraft (Secured)	768,899	553,763
Trade Creditors	260,297	364,708
Amount due to BRS Kumar Brothers Limited	43,486	-
Taxation and Social Security Costs	40,603	48,941
Other Creditors	23,553	28,793
Accruals and Deferred Income	318,625	264,087
Loan (Birmingham City Council)	150,000	150,000
	1,644,963	1,449,792

(a) Unsecured Loans

The Loan is interest free and there is no specific date for repayment.

(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.

(c) Loan (Birmingham City Council)

The loan from Birmingham City Council was repayable in full in May 1989. Negotiations are currently taking place to extend the loan period. Interest accrued to 31st July 1990 has been included in these Accounts.

BIRMINGHAM CITY FOOTBALL CLUB P.L.C.

Notes Forming Part of the Accounts

11. Creditors (Amounts Falling Due After More Than One Year)

	<u>1990</u>	<u>1989</u>
	£	£
Loan from Holding Company	230,970	-
Hire Purchase Accounts	13,138	24,500
	-----	-----
	<u>244,108</u>	<u>24,500</u>

12. Share Capital(a) Authorised

40,000 4.2% Redeemable Cumulative preference shares of 50p each	20,000	20,000
1,500,000 Ordinary Shares of 50p each	750,000	750,000
	-----	-----
	<u>770,000</u>	<u>770,000</u>

(b) Allotted and Fully Paid:

4.2% Redeemable Cumulative Preference Shares of 50p each	19,500	19,500
Ordinary Shares of 50p each	749,938	678,406
	-----	-----
	<u>769,438</u>	<u>697,906</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.

(e) During the year 143,064 Ordinary Shares of £0.50 each were allotted at a price of £0.50 per share.

The consideration for the Shares allotted was as follows:

Cash	<u>£71,532</u>
------	----------------

BIRMINGHAM CITY FOOTBALL CLUB P L.C.

Notes Forming Part of the Accounts

13. Share Premium Account

	<u>1990</u>	<u>1989</u>
	£	£
Opening Balance	207,096	207,096

14. Revaluation Reserve

	<u>1990</u>	<u>1989</u>
	£	£
Balance as at 31st July 1989	312,726	312,726
Revaluation Surplus on assets sold in the year	--	--
	<u>312,726</u>	<u>312,726</u>

The revaluation reserve represents surpluses that have arisen on the revaluation of the Company's Freehold Land and Buildings.

15. Other Reserves

	<u>1990</u>		<u>1989</u>	
	£	£	£	£
(a) Donations:				
At 31st July 1989	-		622,825	
Transfer to Profit & Loss Account	-		622,825	
	-----		-----	-
(b) Safety of Grounds:				
At 31st July 1989	294,611		312,021	
Grants Receivable	21,128		3,181	
	-----		-----	
	315,739		315,202	
<u>Less: Credited to Profit and Loss Account</u>	83,027		20,591	
	-----	232,712	-----	294,611
		-----		-----
		<u>232,712</u>		<u>294,611</u>

16. Profit and Loss Account

Accumulated Losses Brought Forward	(1,229,924)	(1,780,864)
Transfer from donations reserve	-	622,825
Profit/(Loss) for the Period	(545,222)	(71,885)
	-----	-----
Accumulated Losses Carried Forward	<u>(1,775,146)</u>	<u>(1,229,924)</u>

17 Subsidiary Company

The Company is a subsidiary of BRS Kumar Brothers Limited, a company incorporated in England. The comparative figure for 1989 show the results for 13 months due to the change of year end in 1989 from 30th June to 31st July.

BIRMINGHAM CITY FOOTBALL CLUB P.L.C.

Notes Forming Part of the Accounts

18. Directors Interests

BRS Kumar Brothers Limited supply goods to the company which are sold through the souvenir shop.

B.H. Slater is a partner in the firm of Slater Links, solicitors to the company.

19. Contingent Liabilities

Claims have been made for compensation for injuries and damages following incidents arising in the game between the Club and Leeds United Association Football Club on 11th May 1985. These claims have been referred to the Football League and are being dealt with through the League's Insurers. The Directors are unable to comment upon the outcome of the claims.

The company has no other contingent liabilities which have not been provided in the Accounts.

20. Capital Commitments

	<u>1990</u>	<u>1989</u>
Contracted but not provided for	NIL ---	NIL ---
Authorised by the Directors but not yet contracted for	NIL ---	NIL ---

21. Post Balance Sheet Event

Shortly after the year end, Kevin Ashley was sold for a fee exceeding the deficit on the Balance Sheet. Had this transaction occurred during the financial year the shareholders funds would have been in credit.

22. Approval of Accounts

These Accounts were approved by the Board of Directors on 20th November 1990.

BIRMINGHAM CITY FOOTBALL CLUB P.L.C.

Auditors Report to the Members

We have audited the Financial Statements on pages 5 to 13 in accordance with Auditing Standards.

In our opinion, the Financial Statements give a true and fair view of the state of the company's affairs at 31st July 1990 and of its result and source and application of funds for the year ended on that date and have been properly prepared in accordance with the Companies Act 1985.

Walter J. Edwards & Co.,
Chartered Accountants,
47, Anchor Road,
Aldridge,
Walsall. WS9 8PT.

Date: 20th November 1990.