

THE LIVERPOOL FOOTBALL CLUB  
AND ATHLETIC GROUNDS PLC

COMPANY NUMBER:

35668 //



ANNUAL REPORT  
1993

# **The Liverpool Football Club and Athletic Grounds plc**

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## **OFFICIALS AND ADVISERS**

### **DIRECTORS**

**D R Moores, Chairman** · **Sir John Smith CBE JP DL Hon LLD**  
**J T Cross** · **N White FSCA** · **T D Smith**  
**P B Robinson** · **T W Saunders**

### **VICE PRESIDENTS**

**C J Hill** · **H E Roberts** · **W D Corkish FCA** · **R Paisley OBE MSc (Hon)**

**SECRETARY and CHIEF EXECUTIVE** **P B Robinson**

**MANAGER** **G J Souness**

**REGISTERED OFFICE** **52 Mount Pleasant, Liverpool L3 5UN**

**AUDITORS and REGISTRARS** **Pannell Kerr Forster, Liverpool**

**SOLICITORS** **Weightman Rutherfords, Liverpool**

**BANKERS** **Barclays Bank plc, Liverpool**

# **The Liverpool Football Club and Athletic Grounds plc**

## **Directors' report**

The directors submit their report and the audited group accounts of The Liverpool Football Club and Athletic Grounds plc for the year ended 7 May 1993.

### **Results and Dividend**

The group profit and loss account on page six shows a profit after taxation of £319,000 for the year.

The directors do not recommend the payment of a dividend.

### **Review of the Business**

The principal activities of the group continued to be those of a professional football club and related activities.

Since the year end, we have completed the transfers of Nigel Clough and Neil Ruddock.

### **Developments**

The new Centenary Stand was opened for the start of the 1992-93 season as part of the continued development of the stadium.

Plans continue for the further improvement of amenities and safety within all areas of the ground. This includes the seating of the Kop in order to comply with the requirements of Lord Justice Taylor's recommendations for all seater stadia for the commencement of the 1994-95 season.

### **Fixed Assets**

Information relating to the changes in fixed assets is given in note 9 to the accounts, the significant addition being the completion of work on the new Centenary Stand. In the opinion of the directors a comparison between cost and market value of freehold and long leasehold land and buildings is of no real significance in the context of the group's operations.

In view of the specialised nature of the stands, fixtures and fittings, the directors are unable to say whether the market value of these fixed assets as a whole is materially different from the book value.

### **Donations**

Payments of a charitable nature made during the year amounted to £20,303.

# The Liverpool Football Club and Athletic Grounds plc

## Directors' report - continued

### Directors

The directors at 7 May 1993 and their interests in the share capital of the company were:

	Ordinary Shares (Number Held)	
	7 May 1993	2 May 1992
D R Moores	3056	3056
Sir John Smith CDE JP DL Hon LLD	246	298
J T Cross	121	121
N White FSCA	178	178
T D Smith	264	264
P B Robinson	120	120

N White and T D Smith retire by rotation at the annual general meeting and are eligible for re-election.

P B Robinson and T W Saunders were appointed directors on 6 April 1993 and 24 May 1993 respectively and in accordance with the articles of association these appointments are subject to confirmation.

Sadly, the board reports the death of S T Moss and S C Renkes during the year.

G A Ensor resigned as a director on 7 May 1993.

Since the year end, directors of the company have acquired shares as below:

D R Moores	55
N White	30
T D Smith	30
P B Robinson	25
T W Saunders	20

### Auditors

Pannell Kerr Forster have agreed to offer themselves for re-election as auditors of the company.

By order of the board  
P B ROBINSON  
Secretary

*P. B. Robinson*

27 July 1993

**The Liverpool Football Club and Athletic Grounds plc**  
**Group profit and loss account**  
for the year ended 7 May 1993

	Notes	1993 £'000	1992 £'000
<b>TURN OVER</b>	<b>2</b>	<b>17,496</b>	<b>14,844</b>
Direct operating costs		<u>(12,440)</u>	<u>(11,837)</u>
<b>GROSS PROFIT</b>		<b>5,056</b>	<b>3,007</b>
Other income	<b>3</b>	<u>163</u>	<u>178</u>
<b>OPERATING PROFIT</b>		<b>5,219</b>	<b>3,185</b>
Interest receivable	<b>4</b>	<u>270</u>	<u>292</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TRANSFER FEES</b>		<b>5,489</b>	<b>3,477</b>
Transfer fees	<b>5</b>	<u>(3,882)</u>	<u>(3,630)</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>6</b>	<b>1,607</b>	<b>(153)</b>
Taxation	<b>8</b>	<u>(1,288)</u>	<u>(205)</u>
<b>PROFIT/(LOSS) FOR YEAR</b>	<b>16</b>	<u><b>319</b></u>	<u><b>(358)</b></u>

The Liverpool Football Club and Athletic Grounds plc

Group balance sheet

at 7 May 1993

	Notes	1993 £'000	1992 £'000
<b>FIXED ASSETS</b>			
Tangible assets	9	12,031	8,738
<b>CURRENT ASSETS</b>			
Stock		102	57
Debtors	11	2,041	1,549
Cash at bank and in hand		2,560	2,523
		<u>4,703</u>	<u>4,129</u>
<b>CREDITORS - amounts falling due within one year</b>	12	<u>8,161</u>	<u>5,623</u>
<b>NET CURRENT LIABILITIES</b>		<u>3,458</u>	<u>1,494</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>8,573</u>	<u>7,244</u>
<b>CREDITORS - amounts falling due after more than one year</b>	12	1,625	1,834
<b>DEFERRED CREDITS</b>	13	2,327	1,108
		<u>4,621</u>	<u>4,302</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	75	75
Share premium account	15	2,085	2,085
Profit and loss account	16	2,461	2,142
		<u>4,621</u>	<u>4,302</u>

Approved by the board on 27 July 1993

D R Moores Chairman  
Sir John Smith Director

The Liverpool Football Club and Athletic Grounds plc

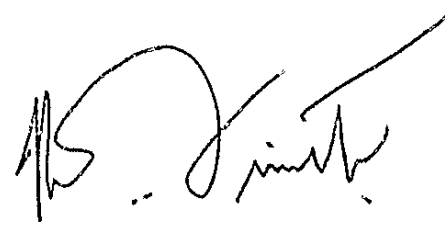
Company balance sheet

at 7 May 1993

	Notes	1993 £'000	1992 £'000
<b>FIXED ASSETS</b>			
Tangible assets	9	12,031	8,738
Investments in group undertakings	10	<u>1</u>	<u>1</u>
		12,032	8,739
<b>CURRENT ASSETS</b>			
Stock		102	57
Debtors	11	2,041	1,549
Cash at bank and in hand		<u>2,560</u>	<u>2,523</u>
		4,703	4,129
<b>CREDITORS - amounts falling due within one year</b>	12	<u>8,162</u>	<u>5,624</u>
<b>NET CURRENT LIABILITIES</b>		<u>3,459</u>	<u>1,495</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		8,573	7,244
<b>CREDITORS - amounts falling due after more than one year</b>	12	1,625	1,834
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		4,621	4,302

Approved by the board on 27 July 1993

  
D R Moores Chairman  
Sir John Smith Director



**The Liverpool Football Club and Athletic Grounds plc**  
**Group cash flow statement**  
for the year ended 7 May 1993

	1993 £'000	1992 £'000
Operating profit	5,219	3,185
Transfer of deferred credits to profit and loss account	(246)	(23)
Depreciation charges	782	157
Loss/(profit) on sale of tangible fixed assets	9	(3)
(Increase)/decrease in stock	(45)	24
Increase in debtors	(413)	(366)
Increase in creditors	<u>1,288</u>	<u>2,718</u>
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>6,584</b>	<b>5,692</b>
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Interest received	270	292
<b>TAXATION</b>		
Corporation tax paid	(326)	(164)
<b>INVESTING ACTIVITIES</b>		
Purchase of tangible fixed assets	(4,093)	(5,515)
Transfer fees payable (net)	(3,882)	(3,630)
Sale of motor vehicles	9	64
Football Trust grants received	<u>1,465</u>	<u>741</u>
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>	<b>(6,501)</b>	<b>(8,340)</b>
<b>NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING</b>	<b>37</b>	<b>(2,520)</b>
<b>FINANCING</b>		
Issue of ordinary share capital	-	2,100
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b><u>37</u></b>	<b><u>(420)</u></b>

**NOTE TO THE CASH FLOW STATEMENT**

Analysis of changes in cash and cash equivalents during the year as shown in the balance sheet

Cash at bank and in hand

Balance at 2 May 1992	2,523	2,943
Net cash inflow/outflow for year	<u>37</u>	<u>(420)</u>
<b>Balance at 7 May 1993</b>	<b><u>2,560</u></b>	<b><u>2,523</u></b>



# The Liverpool Football Club and Athletic Grounds plc

## Notes to the accounts

for the year ended 7 May 1993

### 1 ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and in accordance with the statements of standard accounting practice issued by UK accounting bodies. The principal accounting policies applied in the preparation of the financial statements are as follows:

**a Basis of consolidation**

The group accounts consolidate the accounts of The Liverpool Football Club and Athletic Grounds plc and its subsidiaries up to 7 May 1993. No profit and loss account is presented for the holding company as provided by Section 230 of the Companies Act 1985.

**b Turnover**

Turnover is exclusive of value added tax and match receipts are stated after percentage payments to The Football Association, The Football League and UEFA.

**c Depreciation**

No depreciation is provided on freehold and long leasehold land and buildings as in the opinion of the directors this is not material. Depreciation is provided on the cost of other fixed assets at the following annual rates:

Stadium construction costs	2%/4%
Seating, fixtures, fittings and furnishings	10%
Motor vehicles	20%
Computers	25%

**d Transfer fees**

Fees payable and receivable on the transfer of players' registrations are dealt with through the profit and loss account in the year in which the transfer is authorised.

**e Stock**

Stock represents goods for resale and is valued at the lower of invoice cost and net realisable value.

**f Close season expenditure**

Provision is made in the accounts for work to be carried out in the close season after the end of the financial year, which, in the opinion of the directors, is attributable to wear and tear during the playing season.

**g Deferred taxation**

Provision is made for deferred taxation, using the liability method, to the extent that it is probable that a liability will crystallise in the foreseeable future.

**h Pension costs**

Certain employees are members of the respective Football League management defined benefit or players' defined contribution pension schemes, the assets of which are independently administered. Contributions are also paid to individuals' private pension schemes. Pension contributions are charged against the profit and loss account in the year in which they become payable.

**i Deferred credits**

Deferred credits relate to grants receivable from The Football Trust in relation to stadium improvements. These are transferred to the profit and loss account over the life of the assets to which the grants relate.

# The Liverpool Football Club and Athletic Grounds plc

## Notes to the accounts

for the year ended 7 May 1993

	1993 £'000	1992 £'000
<b>2 TURNOVER</b>		
Turnover comprises:		
Match receipts (including television fees)	11,930	9,715
Sponsorship, royalties and ground advertising	3,250	3,224
Catering	1,220	909
Souvenir shop	749	613
Programmes and sundry receipts	347	383
	<u>17,496</u>	<u>14,844</u>
<b>3 OTHER INCOME</b>		
Other income comprises:		
Donations from Development Associations	143	157
Rent receivable	20	21
	<u>163</u>	<u>178</u>
<b>4 INTEREST RECEIVABLE</b>		
Bank interest	<u>270</u>	<u>292</u>
<b>5 TRANSFER FEES</b>		
Transfer fees payable	(7,320)	(9,586)
Transfer fees receivable	3,438	5,956
Net payable	<u>(3,882)</u>	<u>(3,630)</u>
<b>6 PROFIT/(LOSS) BEFORE TAXATION</b>		
The profit/(loss) on ordinary activities before taxation is after charging:		
Depreciation	782	157
Auditors' remuneration - audit fee for year	9	9
- registration work	4	23
- other	29	36
	<u>824</u>	<u>225</u>

**The Liverpool Football Club and Athletic Grounds plc**

**Notes to the accounts**

for the year ended 7 May 1993

	1993 £'000	1992 £'000
<b>7 DIRECTORS AND EMPLOYEES</b>		
Directors' emoluments:		
As executives	4	-
Pension paid to one director	-	6
	<hr/>	<hr/>
Aggregate amounts for both staff and directors charged in respect of:		
Wages and salaries	6,509	7,139
Social security costs	654	660
Other pension costs	500	501
	<hr/>	<hr/>
	7,663	8,300
	<hr/>	<hr/>

Signing on fees for playing staff under contract with the company are charged to wages and salaries in the year in which the contract is signed, but are payable over the period of the contract

Average number of employees during year was 125 (1992 121)

**8 TAXATION**

The (charge)/credit for the year represented:

Corporation tax at 33% (1992 33%) on the result for year	(1,252)	(267)
Adjustment in respect of earlier years	(36)	62
	<hr/>	<hr/>
	(1,288)	(205)
	<hr/>	<hr/>

No provision for deferred tax is required due to tax relief being available on short term timing differences in excess of accelerated capital allowances

# The Liverpool Football Club and Athletic Grounds plc

## Notes to the accounts

for the year ended 7 May 1993

### 9 TANGIBLE FIXED ASSETS

#### GROUP & COMPANY

#### Cost

	Land and buildings	Long leasehold	Stands, fixtures and fittings	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
At 2 May 1992	648	3	8,629	190	9,470
Additions	-	-	4,022	71	4,093
Disposals	-	-	-	(38)	(38)
At 7 May 1993	648	3	12,651	223	13,525
Depreciation					
At 2 May 1992	-	-	684	48	732
Charge for year	-	-	743	39	782
Eliminated on disposals	-	-	-	(20)	(20)
At 7 May 1993	-	-	1,427	67	1,494
Net book amounts					
At 7 May 1993	648	3	11,224	156	12,031
At 2 May 1992	648	3	7,945	142	8,738

### 10 INVESTMENTS

Investments in wholly owned group undertakings comprise:

LFC Properties Limited  
LFC Leisure Limited

Both subsidiaries which did not trade in the year are registered in England with issued share capital of 100 ordinary £1 shares

**The Liverpool Football Club and Athletic Grounds plc**  
**Notes to the accounts**  
for the year ended 7 May 1993

**11 DEBTORS**

Trade debtors  
Other debtors  
Prepayments and accrued income

GROUP		COMPANY	
1993	1992	1993	1992
£'000	£'000	£'000	£'000
863	402	863	402
1,035	1,044	1,035	1,044
143	103	143	103
<u>2,041</u>	<u>1,549</u>	<u>2,041</u>	<u>1,549</u>

**12 CREDITORS**

Amounts falling due within one year

Trade creditors  
Amounts owed to group undertakings  
Corporation tax  
Other taxation and social security  
Unclaimed dividends  
Other creditors  
Accruals  
Deferred revenue income

3,050	1,640	3,050	1,640
.	.	1	1
1,252	211	1,252	211
145	6	145	6
.	1	.	1
1,247	1,464	1,247	1,464
1,117	1,119	1,117	1,119
1,350	1,182	1,350	1,182
<u>8,161</u>	<u>5,623</u>	<u>8,162</u>	<u>5,624</u>

Amounts falling due after more than one year

Other creditors  
Deferred revenue income

1,252	1,483	1,252	1,483
373	351	373	351
<u>1,625</u>	<u>1,834</u>	<u>1,625</u>	<u>1,834</u>

Deferred revenue income consists of executive box receipts, sponsorship and other elements of income which have been received prior to the year end in respect of future years

**13 DEFERRED CREDITS**

**GROUP & COMPANY**

The Football Trust - grants receivable

At 2 May 1992  
Receivable for year  
Credited to profit and loss account

1,108	390
1,465	741
(246)	(23)
<u>2,327</u>	<u>1,108</u>

At 7 May 1993

The Liverpool Football Club and Athletic Grounds plc

Notes to the accounts

for the year ended 7 May 1993

14	<b>CALLLED UP SHARE CAPITAL</b>	<b>Authorised, allotted and fully paid</b>	
		<b>Number</b>	
	Ordinary shares of £5 each	<u>15,000</u>	<u>£75,000</u>
	There was no change in the issued share capital during the year		
15	<b>SHARE PREMIUM ACCOUNT</b>		
	<b>GROUP &amp; COMPANY</b>	<b>£'000</b>	
	At 7 May 1993 and 2 May 1992	<u>2,085</u>	
16	<b>PROFIT AND LOSS ACCOUNT</b>		
	<b>GROUP &amp; COMPANY</b>	<b>£'000</b>	
	At 2 May 1992	2,142	
	Result for year	<u>319</u>	
	At 7 May 1993	<u>2,461</u>	
17	<b>CAPITAL COMMITMENTS</b>		
	<b>GROUP &amp; COMPANY</b>	<b>1993 £'000</b>	<b>1992 £'000</b>
	Capital expenditure:		
	- contracted not provided for	-	2,970
	- authorised not yet contracted for	<u>6,000</u>	<u>-</u>
18	<b>CONTINGENT LIABILITIES</b>		

Additional transfer fees of £647,500 will arise if certain conditions in transfer contracts at 7 May 1993 are fulfilled

**The Liverpool Football Club and Athletic Grounds plc**

**Report of the auditors to the members of  
The Liverpool Football Club and Athletic Grounds plc**

We have audited the financial statements on pages six to fifteen in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group at 7 May 1993 and of the profit and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Pannell Kerr Forster**  
Chartered Accountants  
Registered Auditor

Liverpool

27 July 1993