

EVERTON
FOOTBALL CLUB
COMPANY LIMITED
ANNUAL REPORT
AND ACCOUNTS
2007

Registered Number 36624, England

THURSDAY



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DIRECTORS AND ADVISORS

Directors

W Kenwright CBE (Chairman)
J V Woods (Deputy Chairman)
K Wyness
R I Earl

Chief Executive

K Wyness

Company Secretary

M J Evans

Registered Office

Goodison Park
Liverpool L4 4EL

Auditors

Deloitte & Touche LLP
Liverpool

Bankers

Barclays Bank plc
Liverpool

Registrars

Capita IRG
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

NOTICE OF THE AGM

Notice is hereby given that the one hundred and twenty eighth Annual General Meeting of The Everton Football Club Company Limited (The Company) will be held in the Alex Young Suite, Goodison Park, Liverpool, L4 4EL on the 4th December 2007 at 7pm for the purpose of considering the following ordinary business

- 1 To receive the Directors' Report and Financial Statements for the year ended 31st May 2007
- 2 To re-appoint Deloitte & Touche LLP as Auditors to the Company and to authorise the Directors to fix their remuneration
- 3 To re-elect a Director - in accordance with the provisions of Article 18 2, Mr J V Woods retires by rotation and being eligible offers himself for re-election
- 4 To elect a Director - R I Earl having been co-opted to the Board on the 18th June 2007, be re-appointed to the Board
- 5 To transact any other business which may be transacted at the Annual General Meeting of the Company

By order of the Board

M J EVANS
Company Secretary
Goodison Park
Liverpool L4 4EL
Date 1st November 2007

Notes

A member entitled to attend and vote at the above meeting may appoint one or more proxies to attend, and on a poll, to vote in his/her place. A proxy need not be a member of the Company.

To be valid, a duly executed instrument of proxy must be lodged at the Registered Office of the Company at least 48 hours before the time appointed for holding the meeting.

The stock transfer books of the Company will be closed until 5th December 2007.

Information to Shareholders

Shares in Everton Football Club Company Limited are "off-market". If you wish to buy or sell shares in the Club you should, in the first instance, contact your own stockbroker. If they decline to act "off-market" you can then deal in Everton Football Club Company Limited shares through Blankstone Sington Limited, 91 Duke Street, Liverpool L1 5AA. Telephone no 0151 707 1707, contact name Neil S Blankstone or Neil Turner, who have indicated they will be happy to deal with the transfer of Everton Football Club Company Limited shares "off-market".

If you require any information in connection with share matters then in the first instance please contact our Registrar, Capita IRG, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

Our Registrars or the stockbroker shown above will be able to advise any shareholder of the price at which Everton shares are being traded.

CHAIRMAN'S STATEMENT

Tumultuous years have been something of the norm during Everton's long and rich history. But there is little doubt that, even in the context of this great Club, the last 12 months have been incredibly eventful and emotive.

On the field, the emotions evoked have mainly been ones of exhilaration. It fills me with great pride that, after the bitter disappointment of our premature exit from Europe in 2005, the manager and players demonstrated great resolve and consistency to secure a sixth place finish in May, and of course, a return to the European stage.

David has, as always, been fully supported by myself and the Board of directors - something I have always stressed was essential in order to build on the impressive foundations that have been put in place during the last six years. In each of the last two seasons we have found the funds to exceed our previous transfer record, with the signing of Andrew Johnson for £8.6m in June 2006 followed in August this year by the £11.25m acquisition of Ayegebeni Yakubu.

That level of financial investment in the playing staff has affected the Club's profits. But the impact on the finances has been restricted to a minimum thanks to careful fiscal management at the Club.

A glance at our squad list and our list of senior internationals provides evidence of the clear progress being made. But it is not just in terms of playing staff that we have been able to make major advancements.

Everton can now boast one of the most technically advanced training grounds in football, with Finch Farm now open to both the senior squad and the Everton Academy. It is a facility of which we can all be proud and, just as Bellefield was ground-breaking when it was redeveloped in the glorious summer of 66, Finch Farm underlines the high standards expected of Everton.

At last year's AGM I made a pledge to my fellow shareholders that a formal ballot would take place concerning the possibility of a move to a new ground development in Kirkby. That ballot, organised and conducted by the Electoral Reform Society, took place in August. In excess of 36,000 supporters were eligible to take part in the vote. A majority of 59.27 per cent of those fans who submitted a ballot paper voted in favour of the move. The ballot obviously proved a hugely emotional and soul-searching time for Evertonians - just as I knew it would.

But a democratic process was the only way we wanted to proceed in what everyone at Everton felt was the most important decision we would have to take. Leaving the beautiful old lady that is Goodison will be akin to bidding farewell to a cherished family member, but our future progress will be best served at a new home.

But we will never forget our heritage and our history - a history that can now be preserved for posterity thanks to the successful work carried out by the Everton Collection Charitable Trust in securing the David France Collection. David's unparalleled collection will now be combined with Everton's own impressive array of historical memorabilia to be housed in the Liverpool Records Office from early 2008 so that future generations will have the opportunity to immerse themselves in the deep well of Everton history.

Alan Ball provided outstanding backing and support to the Everton Collection Charitable Trust's work to secure the funding required. It is heartbreaking that one of our closest friends and greatest servants will not have the opportunity to visit the Collection. Bally's untimely death in April at the age of just 61 was devastating. I feel privileged to have been able to call Alan a close friend. But such was his impact on this Club that he was, quite rightly, regarded by all Evertonians as their friend - his loss was felt throughout football but nowhere more so than at Goodison.

The image of the little, flame-haired, white booted firebrand gliding across the Goodison turf will be permanently etched on the memories of all who were fortunate enough to have witnessed him in his pomp - myself included.

In June 2007 the Club welcomed Robert Earl to the Board. I'm sure that Robert's extraordinary entrepreneurial abilities and business acumen will compliment the existing strength of the Board in running and shaping the future of the Club.

I am proud to be Chairman of what I believe to be the greatest club in football and, as ever, all I can promise is that I will continue to work tirelessly for that privilege.

Bill Kenwright

FINANCIAL REVIEW

The increased investment in the playing squad, non participation in European football in the 2006/07 season and the outsourcing of the merchandising and catering operations at the start of the financial year are all reflected in the results for the year

Turnover for the year of £51.4m (2006 £58.1m) reflects the outsourcing of the merchandising and catering operations where only the commissions received from the subcontractors are included in the turnover figure. If these activities were still operated by the Club, reported turnover would have been £58.1m, consistent with the prior year

Gate receipts at £17.1m and sponsorship and advertising at £4.6m showed a reduction of £1.0m and £0.6m respectively, both as a result of there being no European football in the 2006/07 season compared with the Champions League and UEFA Cup matches in 2005/06. Turnover from broadcasting increased £1.1m to £27.5m, reflecting the improved finishing position of sixth in the Premier League

The Club's annual wage bill as a proportion of turnover is 75%, however if the merchandising and catering operations had not been outsourced the wage bill as a proportion of turnover would have been 66% (2006 64%). This increase arises partly from the significant additional investment in the playing squad during the year. This investment was made to remain competitive in the Premier League and contributed to the successful sixth place finish in the league and the achievement of UEFA Cup football for the 2007/08 season. The total wage bill increased to £38.4m (2006 £37.0m) and we will continue to closely monitor this cost and take appropriate action as required

In addition to the increased wage costs, significant maintenance costs of over £1 million were incurred in relation to the Goodison Park stadium and the training ground. However, overall operating expenses (excluding amortisation of players' registrations) decreased to £51.9m (2006 £55.1m) due to the reduced costs from outsourcing the merchandising and catering operations

Given the increased investment in the playing squad and the non participation in European football in the 2006/07 season, we are pleased

to report that we have recorded only a small operating loss before player trading of £0.5m (2006 profit of £3.1m). The inclusion of the amortisation of players' registrations of £10.4m (2006 £11.4m) means that in the current year we are reporting an operating loss of £10.9m (2006 £8.4m)

In terms of player trading we recorded a profit of £4.0m (2006 loss of £0.4m) on disposal of players' registrations, principally arising from the sale of Kevin Kilbane to Wigan Athletic and additional profits of £2.0m from the sale of Wayne Rooney to Manchester United. We also registered a profit of £0.3m (2006 £0.2m) from the disposal of tangible fixed assets

When we incorporate the annual interest charge of £2.9m (2006 £2.5m), principally arising from the servicing of the securitised debt and the bank overdraft, as well as interest receivable, the accounts show a pre tax loss of £9.4m (2006 £10.8m)

Borrowings for the year have increased slightly to £29.2m (2006 £28.0m) reflecting the increased investment in the playing squad in terms of both transfer fees and player wage costs. However, £24.0m (2006 £24.8m) is not due for repayment for more than five years. The net debt position now stands at £26.4m (2006 £21.8m)

As a result of the above trading including transfer activity the balance sheet now shows a net liability position of £19.8m (2006 £10.4m). However, it should be noted that the balance sheet contains £9.4m of deferred income in relation to advance season ticket and lounge membership sales which will be released to the profit and loss as games are played during the season hence will not require repayment. In addition, £24.0m of borrowings are not repayable for more than five years and the balance sheet attributes no value in respect of home grown players such as Tony Hibbert, Leon Osman, James Vaughan and Victor Anichebe

In terms of cash flows, the cash inflow from operating activities was £2.7m (2006 £13.0m). After net payments for interest of £2.7m, net capital expenditure of £4.6m and net loan repayments of £0.2m, the decrease in cash for the year was £4.7m (2006 decrease of £5.3m)

The Board recognise there are risks which affect the Group and have sought to minimise those risks. Our cost base, in common with other football clubs, is relatively fixed in the short term, hence unfavourable movements in revenue, including those arising from below budget on pitch performance, can lead to significant variation in profits. It is the aim of the Board to maximise the flexibility of the cost base to deal with unexpected revenue reductions

The Group enters into a number of transactions, relating mainly to player transfers, which create exposure to movements in foreign exchange. The Group monitors this foreign exchange exposure on a continuous basis and will seek to hedge any significant exposure in its currency receivables and payables. The Group's policy is to reduce as far as possible the interest risk by entering into fixed interest rate borrowings when appropriate

The Group also addresses industry risks through the attendance and participation of Club management at Premier League meetings, where risks and issues affecting Premier League clubs are discussed with representatives of other Premier League clubs, with a view to mitigating any such identified risks

The last 12 months has been one of significant change for the Everton Academy. There is no doubt that the biggest single event has been the transition from the former base at Netherton to the new cutting edge facility at Finch Farm that is now home to the senior squad and the Academy.

Academy Manager Ray Hall and his team worked closely with the architects and builders throughout the year to ensure Finch Farm will offer unrivalled facilities for the youngsters eager to develop into the next generation of Everton stars. But whilst there has been a great deal of focus on technical advancements and ensuring an even brighter future for the Academy, that has not proved a distraction from the key aim - bringing through players capable of making the grade in the Everton first team.

At the start of the 2006/07 season Victor Anichebe and James Vaughan, for varying reasons, had much to prove. For James, after a succession of long-term injury problems, 2006/07 was a season in which he had to justify the faith shown in him by the management team and the Academy staff. He did that impressively, forcing his way into the first team plans, scoring four goals - including three from five outings at the end of the season to help secure UEFA Cup football. If the season ended well for James, it certainly got off to a flyer for Victor. He was

the top scorer in pre-season and continued to impress, netting four goals in the campaign and accumulating 23 appearances in total - albeit many as a substitute. The Academy takes pride in the fact that, in 2006/07, we extended our record to a sixth consecutive season of seeing at least one player make a senior first team debut.

In 2006/07 that honour fell to defender Mark Hughes, who earned his first senior start in the Carling Cup win at Peterborough and also made an appearance in the Premier League victory over West Ham United at Goodison in December. Mark ultimately moved on to a blossoming career at Northampton Town - and has become one of the multitude of players in the four divisions to have emerged as a product of the Everton Academy.

There are currently eight Everton-produced players involved in the Premier League, six in The Championship, ten in League One and eight in League Two. The Everton Academy, then, offers a clear route or pathway to the top - provided the players have the talent to succeed. The 2007/08 season has started superbly for the Academy's Under-18s, many of whom were part of the squad that endured a tough campaign last year. The lessons heeded from the early exit in the FA Youth Cup to Millwall and the lowly finish in the FA Premier Academy League are clearly benefiting the players this term.

At time of writing, our youngsters are second in the table with an impressive succession of victories under their belts. Many of those youngsters have earned international honours in the last year and they are listed below.

They are also enjoying their new training environment at Finch Farm - a development that Ray Hall believes provides a statement of intent concerning the Academy's goals and ambitions. He explains: "Although creating a positive environment at our Academy may have little to do with bricks and mortar, the move to Finch Farm means that the best players are now being developed by the best people in the best facilities available."

"In the past our competitors have used our lack of quality facilities as a stick to beat us with. We have now come through that period and I for one will not miss working out of temporary Portakabins. We are now faced with an exciting new era. The place, with its cutting edge design, now befits the people, the programme and the pathway and hopefully will assist in our Academy bringing through more home grown youngsters."

International Honours 2007/08

Full International

Victor Anichebe	Nigeria
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Under 21

Bjarni Vidarsson	Iceland
James Vaughan	England
Darren Dennehy	Rep. of Ireland
Aidan Downes	Rep. of Ireland
Ryan Harpur	Northern Ireland (Standby)

Under 20

Michael McEntegart	Australia
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Under 19

Lars Stubhaug	Norway
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Under 18

Eunan O'Kane	Northern Ireland
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Under 17

Jack Rodwell	England
George Krenn	Austria
Nathan Craig	Wales
Karl Sheppard	Rep. of Ireland

Under 16

James Wallace	Rep. of Ireland
Gerard Kinsella	Rep. of Ireland
Lee McArdle	Wales
Connor Roberts	Wales
Jose Baxter	England
Adam Davies	England

SALES AND MARKETING

Filling the Stadium

The Club continued to focus on filling the stadium on matchdays. In 2006/07, the average attendance for all fixtures was 35,476, which represents a 2.3% rise on 2005/06. Using over 39,500 as the benchmark, Goodison was effectively full on four occasions with total attendances supported by a successful early season ticket offer and regular offers via Everton In The Community into local schools.

The Club secured over 2,500 new season ticket holders (many of whom were younger than the average age) and, over the course of the season, over 10,000 school children visited Goodison via community and promotional activities - many as part of the Young Everton initiative which commenced in January 2007 with 'kids for free' at the Reading fixture.

The quality and accessibility of our database is the key to underpinning our marketing initiatives to fill Goodison. However, data management, analysis and use has proved to be challenging largely due to cumbersome systems. In order to improve this aspect of the business, the Club signed up to a major overhaul of its customer relationship management processes towards the end of the financial year. We are confident that fans will notice continued improvements in direct communication throughout 2007/08. The Club is also committed to improving ticket

buying for fans. Once again, new systems were introduced towards the end of the financial year with this target in mind. A significant investment was made in staff and communications equipment to ensure information is readily to hand and it's as easy as possible to buy tickets.

A new Fan Centre has been introduced that is expected to be fully operational by early 2008.

Lounge occupancies were maintained in 2006/07. Long established and valuable executive client-bases mean that most lounges at Goodison Park sell quickly. Strong sales were also underpinned by the service provided by Sodexo-Prestige.

The Club believes food provision and service levels have improved noticeably in 2006/07. However, the popularity of the Marquee is variable. Filling the Marquee, game after game, has not been achieved and towards the end of 2006/07, the Club overhauled its corporate sales force.

Partnerships

Everton commenced its new exclusive, three year retail arrangement with JJB in 2006/07. The Club had worked hard to improve retail performance in 2005/06 but failed to generate satisfactory returns. JJB's expertise and scale offers an improved retail service and

product range to all our fans. Likewise, the deal significantly improves the commercial out-turn of our retail business.

Work commenced in 2006/07 on extending the Club's main sponsor deal with Chang. Both the Club and ThaiBev have been exploring terms to renew the partnership for a second time, testimony to the hard work on both sides devoted to making the deal a success. ThaiBev was particularly pleased that Chang was made available on draught throughout Goodison Park from the start of 2006/07.

The Club continues to improve the range and quality of partner products and services being offered to fans. Ensuring at all times that products are tried, tested and represent good value, the Club has added to the existing financial services products with loans and car finance provided by Choice Finance and has added further services via BT Broadband and Carphone Warehouse. All the above deals have generated new revenue for the Club.

Once again it has been a period of constant change and improvement within the Communications department

The team, headed by Mark Rowan, ensured that Everton were at the forefront of the latest developments in broadcasting and new media

We have always prided ourselves as being innovators in the online space and our efforts were justifiably rewarded when the Club's official website, evertonfc.com, was named the number one in the 2007 Premier League fans survey. To receive any award is pleasing but when your core audience votes for that award, then it is especially rewarding

The website is the most pivotal marketing and communications tool at our disposal and we are happy to report that we are seeing traffic consistently improve. Indeed, significant changes made in the first half of 2007 resulted in a 22% increase on our previous record of unique supporters visiting in a single calendar month (620,000 August 2007)

We are continuing to introduce new innovations all the time and in the coming months Everton will become one of the first clubs to launch its own social networking site along with one of the most comprehensive Everton statistics sites on the web

Our narrowband offering has been superbly complemented with the now successful evertonTV. This service has, in the past 12 months grown in stature, producing more content than ever before and streaming live the majority of our pre-season campaigns. As a direct result of this commitment to quality content we have witnessed the subscription numbers grow by over 320% since its June 2006 launch

Another area of our Communications business that has also seen growth in the previous 12-month period is the Everton Mobile brand. Now fully established, we are ready to exploit its potential as the technology improves and the demand from the consumer becomes greater

Most of the work we have referred to is very much focused here in the UK but we have also been extremely active in international markets

Our international TV programme is now firmly established in over 30 territories as a result of our much sought after distribution deal with Fox Sports International and work is continuing on breaking into new markets around the world. This has already happened in China where we

have launched the Official Everton Chinese website which will potentially bring coverage of Everton and its matches direct to the homes of millions of people

Supplementing our international progress was the launch of the evertonway.com. This product is a unique player and coaching development programme that we feel is the first of its kind in the international marketplace

Based on the methods and practices of our own Academy coaches, this new and exciting tool allows players and coaches to experience the expertise and prestige of Everton at the touch of a button and understand how Premier League players are prepared and moulded

Already we have enjoyed some early successes and through a number of key strategic partnerships in North America and the Far East we are expecting to grow the subscription base further in the coming months

Finally, the department has also been active in the past year working with the local, national and international media, enhancing the existing local broadcasting arrangements as we strive to continue to bolster the Club's image to the footballing and business public

EVERTON IN THE COMMUNITY

Everton In The Community (EITC) continues to grow and provide even more opportunities to both the immediate community and international communities. EITC continues to be recognised locally and internationally as an example of an innovative and forward thinking business and, despite significant growth, remains true to its core objectives - with football the most fundamental.

Connecting with Evertonians young and old is vital, as it's the fans that continue to drive many of our traditional core programmes and also acts as the driving force behind initiatives of specific importance that have been launched and developed in the last 12 months.

Healthy School Bus

Everton In The Community has teamed up with Liverpool Healthy Schools and Arriva to convert a bus into a mobile classroom. The bus has visited almost all primary schools during 2006/07 focusing on children aged seven to eight. Eight thousand children have already benefited from the experience of working with qualified staff to learn about key elements of health and nutrition and physical activity. From September 2007 the bus will be back re-visiting the same children to evaluate and reinforce the healthy message. So successful has the original bus become that a second bus is being built in order to provide more opportunities for a wider audience.

SHAPE

Everton In The Community is aiming to attract more and more young people under the umbrella of "Young Everton" to support the club and help build a long-term future for the Club.

The SHAPE programme has been designed to have a positive effect on the safety of all young people through the setting up of diverse activities both after school and at weekends. This programme also helps to promote the health of young people through high quality physical activity and education programmes delivered by the partners involved in the programme.

The SHAPE programme aims to provide employment opportunities for young people in sport, education and the leisure industry. The setting up of activities in non-curriculum time is also a main focus in extending the prospects for young people to gain extra training and employment whilst giving the participants the chance to experience a different environment and extended opportunities in other sporting activities. SHAPE has already engaged 8,000 key stage 1 pupils.

Social Inclusion

As society changes Everton In The Community has to be conscious of the changes within communities, both locally and regionally. EITC has teamed up with Liverpool Football Club to deliver a Premier League initiative known as "Kickz".

Kickz is a highly distinctive programme tackling anti-social behaviour in our city. It embraces the aspirations of the diverse partnership that lies behind it - a partnership that links broad government policy initiatives such as the "Every Child Matters" and "Respect" programmes with local policing strategies on the basis of football's intrinsic appeal to many young people.

Football connects young people and enables them to

- Work on their talents
- Look after themselves
- Help others and give something back

Everton In The Community/Kickz has engaged 7,500 participants over three evenings a week.

Disability

Everton In The Community continues to grow its disability programme and recognises the current change within the disability designation. The emergence and importance of recognising mental health and the associated barriers has been a major area of focus for the charity's disability team. Developing new partners and growing existing long-standing partnerships is fundamental to sustainable programming.

EITC is now working closely with officials from the city of Shanghai in order to support its quest to emulate the success of the charity's own disability programme. This partnership will help EITC dramatically increase the number of disabled groups it engages with. Currently, that figure stands at 2,500 groups across Merseyside, regionally and internationally. By the end of 2007 EITC will have engaged with more than 100,000 people worldwide.

All of Everton In The Community's growth and success is made possible by a dedicated staff that now numbers in excess of 40. Another vital component, however, is the charity's growing relationships with partners who, through various sources, give all those people that come into contact with EITC the opportunity to take advantage of new exciting and challenging opportunities.

DIRECTORS' REPORT

The Directors present their report and the audited financial statements of the Group and Company for the year ended 31st May 2007

Principal Activity

The principal activity of the Group continues to be that of a professional football club. The Group has continued to develop the Everton brand and associated media rights.

Review of Business

The results of the year's trading are shown on page 13 of the financial statements. A detailed review of the Group's business, an indication of the likely future developments of its business and a description of principal, key performance indicators including wages to turnover ratio and operating profit before player trading, risks and uncertainties facing the Group are contained in the Chairman's Statement and the functional reviews set out on pages 5 to 10.

Dividend and Transfers from Reserves

The loss for the year amounted to £9.4m (2006 - £10.8m), which has been transferred from reserves. The Directors do not recommend the payment of a dividend (2006 - £nil).

Post Balance Sheet Events

A description of the material aspects of these events can be found in note 25 to the accounts.

Directors

The Directors in office during the year and their beneficial interests in the share capital of the Company at the end of the financial year, and of the previous financial year, (or date of appointment where later) were as follows:

	Number of Shares	
	31st May 2007	31st May 2006
W Kenwright CBE	8,754	8,754
J V Woods	6,622	6,622
K Wyness	2	-
R I Earl (Appointed 18/06/07)	8,146	-
P R Gregg (Resigned 20/10/06)	-	3,779
A Gregg (Resigned 20/10/06)	-	4,075

In accordance with the Articles of Association, Mr J V Woods retires by rotation and being eligible offers himself for re-election.

Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. They 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.

Employment Policies

The Group's employment policies are designed to retain and motivate staff at all levels. Staff are, within the bounds of commercial confidentiality, kept informed of matters that affect the current performance and future prospects of the Group and are of interest to them as employees.

The Group operates an equal opportunities policy to ensure that no member of staff or job applicant receives less favourable treatment on the grounds of gender, race, ethnic origin, age or disability.

Every possible step will be taken to ensure that individuals are treated equally and fairly and that decisions on recruitment, selection, training, promotion and career management are based solely on objective and job-related criteria.

When recruiting and retaining disabled employees, the Group will be guided by the principles and duties set out in the Disability Discrimination Act and its associated Codes of Practice.

Auditors

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 1st November 2007 and signed on its behalf by

M J Evans, Company Secretary



**Independent Auditors' Report
to the Members of Everton Football Club Company Limited**

We have audited the financial statements of Everton Football Club Company Limited for the year ended 31 May 2007 which comprise the consolidated profit and loss account, the Group and Company balance sheet, the consolidated cash flow statement, the statement of total recognised gains and losses, the consolidated note of historic profits and losses and the related notes 1 to 27. These Group financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities the Company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with the relevant financial reporting framework, and are properly prepared in accordance with the Companies Act 1985. We report to you whether in our opinion the information given in the directors' report is consistent with the financial statements. We also report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and the other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

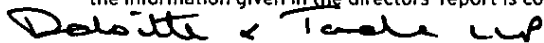
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the individual Company's affairs as at 31 May 2007 and of the group's loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.



Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

Liverpool

Date: 1st November 2007

**Consolidated Profit and Loss Account
for the year ended 31st May 2007**

		2007			2006
	Notes	Operations excluding player trading £'000	Player trading £'000	Total £'000	Total £'000
Turnover	1,2	51,412	-	51,412	58,123
Operating expenses	3	(51,917)	(10,438)	(62,355)	(66,493)
Operating loss	4	(505)	(10,438)	(10,943)	(8,370)
Profit / (loss) on disposal of players' registrations		-	4,048	4,048	(402)
Profit on disposal of tangible fixed assets		263	-	263	164
Loss before interest and taxation		(242)	(6,390)	(6,632)	(8,608)
Interest receivable and similar income	5			145	271
Interest payable and similar charges	6			(2,939)	(2,457)
Loss on ordinary activities before taxation				(9,426)	(10,794)
Tax on loss on ordinary activities	8			(1)	-
Loss after taxation for the year deducted from reserves	20			(9,427)	(10,794)

All the above amounts derive from continuing operations

There are no recognised gains and losses for the year ended 31 May 2007 and the prior year other than as stated in the profit and loss account, accordingly no statement of total recognised gains and losses is given

**Consolidated Note of Historical Cost Profits and Losses
for the year ended 31st May 2007**

	2007	2006
	£'000	£'000
Loss on ordinary activities before taxation	(9,426)	(10,794)
Difference between the historical cost depreciation charge and actual depreciation charge for the year calculated on the revalued amount	152	189
Historical cost loss on ordinary activities before taxation	(9,274)	(10,605)
Historical cost loss for the year retained after taxation	(9,275)	(10,605)

**Group Balance Sheet
at 31st May 2007**

	Notes	2007		2006	
		£'000	£'000	£'000	£'000
Fixed Assets					
Intangible Assets	10		26,486		20,646
Tangible Assets	11		10,267		11,303
Investments	12		-		-
			36,753		31,949
Current Assets					
Stocks	14	-		521	
Debtors	15	6,958		6,577	
Investments	12	2,767		2,767	
Cash at bank and in hand		-		3,413	
		9,725		13,278	
Creditors - Amounts falling due within one year	16	(37,662)		(26,314)	
Net Current Liabilities			(27,937)		(13,036)
Total Assets Less Current Liabilities			8,816		18,913
Creditors - Amounts falling due after more than one year	17		(28,119)		(28,524)
Provision for liabilities and charges	18		(484)		(749)
Net Liabilities			(19,787)		(10,360)
Capital and Reserves					
Called up share capital	19		35		35
Share premium account	20		24,968		24,968
Revaluation reserve	20		3,183		3,183
Profit and loss account - deficit	20		(47,973)		(38,546)
Equity shareholders' deficit	21		(19,787)		(10,360)

The financial statements were approved by the Board on the 1st November 2007 and signed on its behalf by

W Kenwright CBE & K Wyness

Directors



**Company Balance Sheet
at 31st May 2007**

	Notes	2007		2006	
		£'000	£'000	£'000	£'000
Fixed Assets					
Intangible Assets	10		26,486		20,646
Tangible Assets	11		3,209		3,731
Investments	12		-		-
			29,695		24,377
Current Assets					
Stocks	14	-		521	
Debtors	15	6,699		6,540	
Cash at bank and in hand		-		571	
		6,699		7,632	
Creditors - Amounts falling due within one year	16	(53,676)		(39,789)	
Net Current Liabilities			(46,977)		(32,157)
Total Assets Less Current Liabilities			(17,282)		(7,780)
Creditors - Amounts falling due after more than one year	17		(467)		(285)
Provision for liabilities and charges	18		(484)		(749)
Net Liabilities			(18,233)		(8,814)
Capital and Reserves					
Called up share capital	19		35		35
Share premium account	20		24,968		24,968
Revaluation reserve	20		1,299		1,299
Profit and loss account - deficit	20		(44,535)		(35,116)
Equity shareholders' deficit			(18,233)		(8,814)

The financial statements were approved by the Board on the 1st November 2007 and signed on its behalf by

W Kenwright CBE & K Wyness
Directors



**Consolidated Cash Flow Statement
for the year ended 31st May 2007**

		2007		2006	
	Notes	£'000	£'000	£'000	£'000
Cash inflow from operating activities	22a		2,731		12,991
Returns on investments and servicing of finance					
Interest received		126		271	
Interest paid		(2,800)		(2,519)	
Finance lease and hire purchase interest		(57)		(4)	
Net cash outflow from returns on investments and servicing of finance			(2,731)		(2,252)
Taxation			(1)		-
Capital expenditure and financial investment					
Purchase of intangible fixed assets		(12,432)		(15,931)	
Purchase of tangible fixed assets		(787)		(3,881)	
Proceeds from the disposal of tangible fixed assets		330		4,149	
Proceeds from the disposal of intangible fixed assets		8,339		2,708	
Net cash outflow from capital expenditure and financial investment			(4,550)		(12,955)
Net cash outflow before financing			(4,551)		(2,216)
Management of Liquid Resources					
Purchase of current asset investment					(2,767)
Financing					
New loans		500		-	
Repayment of loans		(640)		(531)	
Capital element of finance lease and hire purchase payments		(32)		195	
Net cash outflow from financing	22c		(172)		(336)
Decrease in cash	22b		(4,723)		(5,319)

**Notes to the Accounts
for the year ended 31st May 2007**

1 ACCOUNTING POLICIES

The principle accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

(i) Accounting Convention

The financial statements are prepared under the historical cost convention as modified by the revaluation of freehold properties, plant & equipment and in accordance with applicable United Kingdom law and accounting standards.

(ii) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the company and all its subsidiary undertakings. The results of subsidiary undertakings acquired or disposed of during the year are included in the consolidated profit and loss account from the date of their acquisition or up until the date of their disposal. Intra-group trading is eliminated on consolidation.

(iii) Turnover

Turnover is stated exclusive of value added tax, and match receipts are included net of percentage payments to visiting clubs, the Premier League, the Football Association and the Football League.

(iv) Tangible Fixed Assets and Depreciation

Depreciation is not provided on freehold land. On properties it is provided to write off the costs or revalued amounts less estimated residual value (based on prices prevailing at the date of acquisition or revaluation) in equal annual instalments over the estimated useful economic lives of the assets which are considered to be between 10 and 40 years. No depreciation is provided on assets in the course of construction.

Depreciation is charged on a straight line basis of three years for Vehicles and five years for Plant and Equipment.

The group has taken advantage of the transitional provisions of Financial Reporting Standard 15 'Tangible fixed assets' and retained the book amounts of certain freehold properties which were revalued prior to implementation of that standard. The properties were last revalued at 31 May 1999 and the valuations have not subsequently been updated.

(v) Stocks

Stocks are valued at the lower of cost and net realisable value. From the 1st June 2006 the retail operation was outsourced.

(vi) Grants

Grants of a capital nature are credited to deferred income and amortised to the profit and loss account on a systematic basis over the useful economic life of the asset to which they relate.

(vii) a) Current Taxation

Current taxation, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

(vii) b) Deferred Taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

(viii) Intangible Fixed Assets - Players' Registrations

The cost of players' registrations is capitalised and amortised over the period of the respective players' contracts in accordance with Financial Reporting Standard 10 'Accounting for goodwill and intangible assets'. The transfer fee levy refund received during the year is credited against additions to intangible assets.

(ix) Contingent Appearance Fees

Where the directors consider the likelihood of a player meeting future appearance criteria laid down in the transfer agreement of the player to be probable, provision for this cost is made (see note 18). If the likelihood of meeting these criteria is merely possible not probable, then no provision is made but the potential obligations are disclosed as contingent liabilities (see note 23).

(x) Signing-on Fees and Loyalty Bonuses

Signing-on fees represent a normal part of the employment cost of the player and as such are charged to the profit and loss account in the period in which the payment is made, except in the circumstances of a player disposal. In that case any remaining signing-on fees due are allocated in full against profit or loss on disposal of players' registrations in the year in which the player disposal is made. Those installments due in the future on continued service are not provided for but are noted as contingent liabilities (see note 23).

(xi) Investments

Investments held as fixed assets are stated at cost less any provision for impairment.

(xii) Lease Rentals

Where the company enters into a lease which entails substantially taking all the risks and rewards of ownership of an asset the lease is treated as a finance lease. Assets acquired under finance leases are capitalised and depreciated over the shorter of their lease term or their estimated useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

(xiii) Foreign Currency Transactions

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All exchange differences are dealt with through the profit and loss account.

**Notes to the Accounts
for the year ended 31st May 2007**

	2007	2006
2 TURNOVER	£'000	£'000
Gate receipts and programme sales	17,090	18,128
Broadcasting	27,462	26,349
Sponsorship and advertising	4,600	5,240
Merchandising and catering	1,082	7,623
Other commercial activities	1,178	783
	51,412	58,123

The merchandising and catering operations were outsourced on 1st June 2006 and 10th July 2006 respectively. Consequently this significantly impacts the reported turnover figures for the year ended 31st May 2007 and future years, since under the new arrangements reported turnover is based on net amounts received from the sub-contractors.

Had the merchandising and catering operations not been outsourced, the reported turnover for merchandising and catering would have been £7,726,000 and total reported turnover would have been £58,056,000.

	2007	2006
3 OPERATING EXPENSES	£'000	£'000
Amortisation of players' registrations (note 10)	10,438	11,421
Staff costs (note 7)	38,427	36,966
Depreciation (note 11)	1,796	1,690
Other operating costs	11,694	16,416
	62,355	66,493

	2007	2006
4 OPERATING LOSS	£'000	£'000
The Operating Loss is stated after charging / (crediting)		
Depreciation - Property	751	691
Depreciation - Other	1,045	999
Grants released	(98)	(98)
Operating lease rentals		
Motor vehicles	189	184
Office equipment	43	60
Land and properties	706	225
Auditors' remuneration		
For audit (including Company of £30,000, 2006, £28,000)	35	39
For other services	169	201

**Notes to the Accounts
for the year ended 31st May 2007**

5 INTEREST RECEIVABLE AND SIMILAR INCOME

Bank Interest Receivable

2007	2006
£'000	£'000
145	271

6 INTEREST PAYABLE & SIMILAR CHARGES

On bank overdrafts

On finance leases and hire purchase agreements

On other loans

2007	2006
£'000	£'000
606	97
57	49
2,276	2,311
2,939	2,457

Included in interest on other loans is interest of £2,165,000 (2006 £2,208,000) on loans not wholly repayable in full within five years

7 PARTICULARS OF EMPLOYEES

The average weekly number of employees during the year was as follows

Playing, training and management

Youth Academy

Football in the Community

Marketing and Media

Management and Administration

Maintenance, Security, Pitch and Ground Safety

Catering and Retail

2007	2006
Number	Number
73	72
25	23
1	1
28	29
43	49
30	30
2	55
202	259

In addition, the Group employed an average of 425 temporary staff on matchdays (2006 597)

Aggregate payroll costs for the above employees were as follows

Wages and salaries

Social security costs

Other pension costs

2007	2006
£'000	£'000
34,195	32,778
3,902	3,683
330	505
38,427	36,966

Directors' Remuneration

The Directors of the Company received the following remunerations

Emoluments (excluding pension contributions)

Aggregate payments to pension schemes

Highest paid Director's remuneration

Emoluments

2007	2006
£'000	£'000
395	440
31	26
426	466

**Notes to the Accounts
for the year ended 31st May 2007**

8 TAXATION ON LOSS ON ORDINARY ACTIVITIES

a) Factors affecting tax charge for the current year

The tax assessed for the period is disproportionate to that resulting from applying the standard rate of corporation tax in the UK 30% (2006 30%)

	2007	2006
	£'000	£'000
Loss on ordinary activities before taxation	(9,426)	(10,794)
Tax on loss on ordinary activities at the standard rate	2,828	3,238
Expenses not deductible for tax purposes	(699)	(804)
Capital allowances in excess of depreciation	(460)	(413)
Other short term timing differences	23	-
Carry forward of tax losses	(1,691)	(2,021)
Current tax charge for period	1	-

b) Factors that may affect the future tax charge

A deferred tax asset of £17.6m (2006 £16.0m) has not been recognised. The asset will be recovered when relevant profits are available against which the timing differences concerned will be offset.

9 COMPANY PROFIT AND LOSS ACCOUNT

The Company has taken advantage of Section 230 of the Companies Act 1985 and has not presented its own profit and loss account. The Company's loss for the year was £9,419,000 (2006 £10,784,000).

	Total
	£'000
10 INTANGIBLE FIXED ASSETS - GROUP AND COMPANY	
Cost	
At 1st June 2006	53,543
Additions in year	19,549
Disposals in year	(12,181)
At 31st May 2007	60,911
Amortisation	
At 1st June 2006	32,897
Provided during the year	10,438
Eliminated on disposals	(8,910)
At 31st May 2007	34,425
Net Book Value	
At 31st May 2007	26,486
At 31st May 2006	20,646

The above amounts include no values in respect of 'home grown' players.

Notes to the Accounts
for the year ended 31st May 2007

11 TANGIBLE FIXED ASSETS

Group	Properties	Plant and equipment	Vehicles	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1st June 2006	13,073	5,846	100	19,019
Additions in the year	65	757	5	827
Disposals in the year	(332)	-	-	(332)
At 31st May 2007	12,806	6,603	105	19,514
Depreciation				
At 1st June 2006	4,348	3,274	94	7,716
Provided during the year	751	1,040	5	1,796
On disposals	(265)	-	-	(265)
At 31st May 2007	4,834	4,314	99	9,247
Net book value				
At 31st May 2007	7,972	2,289	6	10,267
At 31st May 2006	8,725	2,572	6	11,303

Company	Properties	Plant and equipment	Vehicles	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1st June 2006	1,973	5,846	100	7,919
Additions in the year	65	757	5	827
Disposals in the year	(332)	-	-	(332)
At 31st May 2007	1,706	6,603	105	8,414
Depreciation				
At 1st June 2006	820	3,274	94	4,188
Provided during the year	237	1,040	5	1,282
On disposals	(265)	-	-	(265)
At 31st May 2007	792	4,314	99	5,205
Net book value				
At 31st May 2007	914	2,289	6	3,209
At 31st May 2006	1,153	2,572	6	3,731

**Notes to the Accounts
for the year ended 31st May 2007**

11 TANGIBLE FIXED ASSETS (CONTINUED)

The Club's premises at Goodison Park, the equipment and contents (but not including computer equipment or motor vehicles), together with an immaterial amount of residential properties were revalued at £13,097,550 by John Foord & Company as at 31st May 1999

The freehold buildings at Goodison Park were valued at depreciated replacement cost, and the land at open market value for its existing use. The residential properties have been revalued at open market value basis with the benefit of full vacant possession or subject to and with the benefit of the various leases/agreements as appropriate.

The Directors consider that the value of the remaining properties as at 31st May 2007, not sold since the year end, is not materially different to the valuation carried out as at 31st May 1999, based on existing use.

If the freehold properties had not been revalued regularly since 1983 they would have been included at the following amounts on the basis previously ascertained:

	2007	2006
	£'000	£'000
Cost	9,662	9,662
Aggregate depreciation	(3,434)	(2,835)
Net book value	6,228	6,827

12 INVESTMENTS

FIXED ASSET INVESTMENTS

Group

The Group has no fixed asset investments (2006 - none)

Company

	Subsidiary undertakings	Total
Cost	£	£
As at 1st June 2006 and 31st May 2007	4	4
Net book value		
As at 1st June 2006 and 31st May 2007	4	4

Details of the principal operating subsidiaries as at 31st May 2007, all registered in England and Wales, were as follows -

Name of Company	% owned	Nature of business
Goodison Park Stadium Limited	100	Provision of football entertainment facilities
Everton Investments Limited	100	Issuer of loan notes

CURRENT ASSET INVESTMENTS

Group

Current asset investments consist of three month treasury deposits of £2,767,000 (2006: £2,767,000)

**Notes to the Accounts
for the year ended 31st May 2007**

13 LEASE COMMITMENTS

The Group and Company has operating lease commitments to meet during the next year in respect of motor vehicles, office equipment and land and property leases, as follows

Expiring within one year

Expiring between two and five years

Expiring in more than five years

2007	2006
£'000	£'000
61	149
373	296
1,250	678
1,684	1,123

14 STOCKS

Goods for resale

Maintenance stocks

Group		Company	
2007	2006	2007	2006
£'000	£'000	£'000	£'000
-	511	-	511
-	10	-	10
-	521	-	521

On the 1st June 2006 the retail operation was outsourced, with the goods for resale at 31 May 2006 being sold to the subcontractors

15 DEBTORS

Trade debtors

Other debtors

Prepayments and accrued income

Group		Company	
2007	2006	2007	2006
£'000	£'000	£'000	£'000
5,891	5,704	5,703	5,705
19	105	-	67
1,048	768	996	768
6,958	6,577	6,699	6,540

16 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

Bank overdraft (secured)

Other loans (see note 17)

Obligations under finance lease and hire purchase agreements

Trade creditors

Amounts due to subsidiaries

Social security and other taxes

Other creditors

Accruals and deferred income

Group		Company	
2007	2006	2007	2006
£'000	£'000	£'000	£'000
1,310	-	3,406	-
717	573	100	-
208	149	208	149
16,142	9,914	16,142	9,914
-	-	22,619	21,597
4,280	3,426	5,274	4,639
-	391	-	369
15,005	11,861	5,927	3,121
37,662	26,314	53,676	39,789

**Notes to the Accounts
for the year ended 31st May 2007**

**17 CREDITORS - AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

Other loans (see borrowings below)

Obligations under finance lease and hire purchase agreements

Accruals and deferred income

Group		Company	
2007	2006	2007	2006
£'000	£'000	£'000	£'000
26,824	27,041	333	-
113	204	113	204
1,182	1,279	21	81
28,119	28,524	467	285

BORROWINGS

Group	Bank Overdraft		Other loans		Finance leases and hire purchase		Total	
	2007	2006	2007	2006	2007	2006	2007	2006
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Analysis of borrowings								
Payable by instalments								
Within one year	1,310	-	717	573	208	149	2,235	722
Between one and two years	-	-	765	617	113	141	878	758
Between two and five years	-	-	2,556	2,156	-	63	2,556	2,219
After more than five years	-	-	23,995	24,827	-	-	23,995	24,827
Prepaid finance costs	-	-	(492)	(559)	-	-	(492)	(559)
	1,310	-	27,541	27,614	321	353	29,172	27,967

Company	Bank Overdraft		Other loans		Finance leases and hire purchase		Total	
	2007	2006	2007	2006	2007	2006	2007	2006
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Analysis of borrowings								
Payable by instalments								
Within one year	3,406	-	100	-	208	149	3,714	149
Between one and two years	-	-	100	-	113	141	213	141
Between two and five years	-	-	233	-	-	63	233	63
	3,406	-	433	-	321	353	4,160	353

**Notes to the Accounts
for the year ended 31st May 2007**

17 BORROWINGS (CONTINUED)

The bank overdraft is principally secured via legal charges over a number of the Company's properties and a lightweight floating charge over all the assets and undertakings (excluding Goodison Park Stadium) of the Company

Other loans include £27,600,000 of loan notes (2006 £28,173,000) which are repayable in annual installments over a 25 year period at a fixed interest rate of 7.79%. The first payment under the agreement was made on 30th September 2002 amounting to £1,588,000 with subsequent annual payments of £2,767,000 (including interest) starting on 30th September 2003

The notes will be repaid in a securitisation agreement serviced by future season ticket sales and matchday ticket sales. The costs incurred in raising the finance, amounting to £710,000, have been offset against the original £30,000,000 loan, and are contained within prepaid finance costs and charged to the profit and loss in line with the interest charge over a period of 25 years

18 PROVISION FOR LIABILITIES AND CHARGES

	Group and Company		
	Pensions (note 24)	Contingent appearance fees (note 1)	Total
	£'000	£'000	£'000
At 1st June 2006	100	649	749
Utilised in the year	(36)	(439)	(475)
Provided in the year	-	210	210
At 31st May 2007	64	420	484

There are no amounts provided for deferred tax at 31st May 2007 or 31st May 2006

19 EQUITY SHARE CAPITAL

	2007	2006
	£'000	£'000
Authorised, allotted, issued and fully paid		
35,000 ordinary shares of £1 each	35	35

Notes to the Accounts
for the year ended 31st May 2007

20 RESERVES

	Share premium account	Revaluation reserve	Profit and loss account
Group	£'000	£'000	£'000
Balance at 1st June 2006	24,968	3,183	(38,546)
Loss for the year	-	-	(9,427)
Balance at 31st May 2007	24,968	3,183	(47,973)

Company

	£'000	£'000	£'000
Balance at 1st June 2006	24,968	1,299	(35,116)
Loss for the year	-	-	(9,419)
Balance at 31st May 2007	24,968	1,299	(44,535)

21 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	2007	2006
Group	£'000	£'000
Loss for the year and net reduction in shareholders' funds	(9,427)	(10,794)
Opening shareholders' (deficit) / funds	(10,360)	434
Closing shareholders' deficit	(19,787)	(10,360)

Notes to the Accounts
for the year ended 31st May 2007

	2007	2006
	£'000	£'000
22 CASH FLOW STATEMENT		
(a) Reconciliation of operating loss to net cash inflow from operating activities		
Loss before interest and tax	(6,632)	(8,608)
(Profit) / Loss on disposal of players' registrations	(4,048)	402
Profit on disposal of tangible fixed assets	(263)	(164)
Operating Loss	(10,943)	(8,370)
Depreciation charge	1,796	1,690
Release of grants	(98)	(98)
Amortisation of players' registrations	10,438	11,421
Decrease in stocks	521	274
(Increase) / Decrease in debtors	(1,494)	1,385
Decrease in provisions	(37)	(86)
Increase in creditors	2,548	6,775
Net cash inflow from operating activities	2,731	12,991

	At 1st June 2006	Cash flows	Non cash movements	At 31st May 2007
	£'000	£'000	£'000	£'000
(b) Analysis of changes in net debt				
Cash at bank and in hand	3,413	(3,413)	-	-
Bank overdraft	-	(1,310)	-	(1,310)
	3,413	(4,723)	-	(1,310)
Debt due within one year	(573)	(144)	-	(717)
Debt due after one year	(27,041)	284	(67)	(26,824)
Finance lease and hire purchase agreements	(353)	32	-	(321)
Current asset investments	2,767	-	-	2,767
	(21,787)	(4,551)	(67)	(26,405)

**Notes to the Accounts
for the year ended 31st May 2007**

	2007	2006
	£'000	£'000
22 CASH FLOW STATEMENT (CONTINUED)		
(c) Reconciliation of movements in Net Debt		
Decrease in cash in the period	(4,723)	(5,319)
Purchase of current asset investment	-	2,767
Cash outflow from decrease in net debt	140	531
Cash outflow / (inflow) from decrease / increase in finance lease and hire purchase financing	32	(195)
Change in net debt resulting from cash flows in the year	(4,551)	(2,216)
Non cash movements	(67)	(42)
Net Debt as at 1st June 2006	(21,787)	(19,529)
Net Debt as at 31st May 2007	(26,405)	(21,787)

23 CONTINGENT LIABILITIES

No provision is included in the accounts for transfer fees of £3,045,000 (2006 £1,502,000) which are, as at 31st May 2007, contingent upon future appearances of certain players, or signing-on fees and loyalty bonuses, as at 31st May 2007, of £749,000 (2006 £1,019,000) which would become due to certain players if they are still in the service of the Club on specific future dates

24 PENSIONS

Certain staff of the Group are members of either the Football League Limited Players Retirement Income Scheme, a defined contribution scheme, or the Football League Limited Pension and Life Assurance Scheme ("FLLPLAS"), a defined benefit scheme. As the Group is one of a number of participating employers in the FLLPLAS, it is not possible to allocate any actuarial surplus or deficit on a meaningful basis and consequently contributions are expensed in the profit and loss account as they become payable. The assets of the scheme are held separately from those of the Group, being invested with insurance companies. At 1st April 2003 a further MFR deficit was identified in the scheme, which increased the outstanding deficit allocated to the Group by £189,000 resulting in an increase in contributions advised by the Actuary. The additional deficit was provided in the year ended 31st May 2003.

Contributions are also paid into individuals private pension schemes. Total contributions across all schemes during the year amounted to £330,000 (2006 £505,000).

25 POST BALANCE SHEET EVENTS

Since 31st May 2007, the Club has entered into transfer agreements for confirmed contracted net transfer fees payable of £18,308,000.

26 FRS 8-RELATED PARTY TRANSACTIONS

Related parties - Houston Securities is a company controlled by the Gregg family and Mrs A Gregg is a Director of that company. Mrs Gregg was a Director of Everton Football Club Company Limited during the year until her resignation on 20th October 2006. During the year £53,000 (2006 £60,000) was paid to Houston Securities by Everton Football Club Company Limited in relation to property transactions.

Everton In The Community Limited is a registered Charity (Number 1099366) incorporated on 31st July 2003 and began trading on 1st June 2004. The Charity operates separately from the Group hence has not been consolidated in the Group results, but as at 31st May 2007 Everton Football Club Company Limited employees held three of the five Trustee positions at the Charity. During the year Everton Football Club Company Limited incurred net operating costs of £100,000 (2006 £83,000) on behalf of the Charity.

27 CAPITAL COMMITMENTS

There were no capital commitments at 31st May 2007 or 31st May 2006.

First Team Results - Season 2006 - 2007

DATE	OPPONENT	V	RES	ATTENDANCE	PTS	POS
19 08 06	WATFORD	HOME	2 - 1	39,691	3	7
23 08 06	BLACKBURN ROVERS	AWAY	1 - 1	22,015	4	6
26 08 06	TOTTENHAM HOTSPUR	AWAY	2 - 0	35,540	7	4
09 09 06	LIVERPOOL	HOME	3 - 0	40,004	10	3
16 09 06	WIGAN	HOME	2 - 2	37,117	11	4
19 09 06	PETERBOROUGH UNITED (CC2)	AWAY	2 - 1	10,756	-	-
24 09 06	NEWCASTLE UNITED	AWAY	1 - 1	50,107	12	4
30 09 06	MANCHESTER CITY	HOME	1 - 1	38,250	13	5
14 10 06	MIDDLESBROUGH	AWAY	1 - 2	27,156	13	7
21 10 06	SHEFFIELD UNITED	HOME	2 - 0	37,900	16	6
24 10 06	LUTON TOWN (CC3)	HOME	4 - 0	27,149	-	-
28 10 06	ARSENAL	AWAY	1 - 1	60,047	17	6
04 11 06	FULHAM	AWAY	0 - 1	23,327	17	7
08 11 06	ARSENAL (CC4)	HOME	0 - 1	31,045	-	-
11 11 06	ASTON VILLA	HOME	0 - 1	36,376	17	7
18 11 06	BOLTON WANDERERS	HOME	1 - 0	34,417	20	7
25 11 06	CHARLTON	AWAY	1 - 1	26,435	21	8
29 11 06	MANCHESTER UNITED	AWAY	0 - 3	75,723	21	9
03 12 06	WEST HAM UNITED	HOME	2 - 0	32,968	24	7
09 12 06	PORTSMOUTH	AWAY	0 - 2	19,528	24	10
17 12 06	CHELSEA	HOME	2 - 3	33,970	24	10
23 12 06	READING	AWAY	2 - 0	24,053	27	10
26 12 06	MIDDLESBROUGH	HOME	0 - 0	38,126	28	8
30 12 06	NEWCASTLE UNITED	HOME	3 - 0	38,682	31	7
01 01 07	MANCHESTER CITY	AWAY	1 - 2	39,836	31	8
07 01 07	BLACKBURN ROVERS (FAC3)	HOME	1 - 4	24,426	-	-
14 01 07	READING	HOME	1 - 1	34,722	32	7
21 01 07	WIGAN	AWAY	2 - 0	18,149	35	7
03 02 07	LIVERPOOL	AWAY	0 - 0	44,234	36	8
10 02 07	BLACKBURN ROVERS	HOME	1 - 0	35,593	39	8
21 02 07	TOTTENHAM HOTSPUR	HOME	1 - 2	34,121	39	8
24 02 07	WATFORD	AWAY	3 - 0	18,761	42	7
03 03 07	SHEFFIELD UNITED	AWAY	1 - 1	32,019	43	6
18 03 07	ARSENAL	HOME	1 - 0	37,162	46	6
02 04 07	ASTON VILLA	AWAY	1 - 1	36,407	47	7
06 04 07	FULHAM	HOME	4 - 1	35,612	50	5
09 04 07	BOLTON WANDERERS	AWAY	1 - 1	25,179	51	6
15 04 07	CHARLTON	HOME	2 - 1	34,028	54	5
21 04 07	WEST HAM UNITED	AWAY	0 - 1	34,945	54	5
28 04 07	MANCHESTER UNITED	HOME	2 - 4	39,682	54	6
05 05 07	PORTSMOUTH	HOME	3 - 0	39,619	57	5
13 05 07	CHELSEA	AWAY	1 - 1	41,746	58	6

FAC = FA CUP CC = CARLING CUP

Barclays Premiership - Final League Placings 2006 - 2007

	HOME					AWAY					GL DIFF	PTS
	P	W	D	L	F	A	W	D	L	F		
MANCHESTER UNITED	38	15	2	2	46	12	13	3	3	37	15	89
CHELSEA	38	12	7	0	37	11	12	4	3	27	13	83
LIVERPOOL	38	14	4	1	39	7	6	4	9	18	20	68
ARSENAL	38	12	6	1	43	16	7	5	7	20	19	68
TOTTENHAM HOTSPUR	38	12	3	4	34	22	5	6	8	23	32	60
EVERTON	38	11	4	4	33	17	4	9	6	19	19	58
BOLTON WANDERERS	38	9	5	5	26	20	7	3	9	21	32	56
READING	38	11	2	6	29	20	5	5	9	23	27	55
PORTSMOUTH	38	11	5	3	28	15	3	7	9	17	27	54
BLACKBURN	38	9	3	7	31	25	6	4	9	21	29	52
ASTON VILLA	38	7	8	4	20	14	4	9	6	23	27	50
MIDDLESBROUGH	38	10	3	6	31	24	2	7	10	13	25	46
NEWCASTLE UNITED	38	7	7	5	23	20	4	3	12	15	27	43
MANCHESTER CITY	38	5	6	8	10	16	6	3	10	19	28	42
WEST HAM UNITED	38	8	2	9	24	26	4	3	12	11	33	41
FULHAM	38	7	7	5	18	18	1	8	10	20	42	39
WIGAN	38	5	4	10	18	30	5	4	10	19	29	38
SHEFFIELD UNITED	38	7	6	6	24	21	3	2	14	8	34	38
CHARLTON ATHLETIC	38	7	5	7	19	20	1	5	13	15	40	34
WATFORD	38	3	9	7	19	25	2	4	13	10	34	28

FIXTURES 2007 - 2008

AUG	SAT	11	WIGAN ATHLETIC	H		WED	9	CARLING CUP SEMI FINAL 1	
	TUES	14	TOTTENHAM HOTSPUR	A		SAT	12	MANCHESTER CITY	H
	SAT	18	READING	A		WED	16	FA CUP 3 REPLAY	
	SAT	25	BLACKBURN ROVERS	H		SUN	20	WIGAN ATHLETIC	A
SEPT	WED	29	CARLING CUP 2			WED	23	CARLING CUP SEMI FINAL 2	
	SAT	1	BOLTON WANDERERS	A		SAT	26	FA CUP 4	
	SAT	15	MANCHESTER UNITED	H		WED	30	TOTTENHAM HOTSPUR	H
	THURS	20	METALIST KHARKIV (UEFA R1L1)	H	FEB	SAT	2	BLACKBURN ROVERS	A
OCT	SUN	23	ASTON VILLA	A		SAT	9	READING	H
	WED	26	SHEFFIELD WEDNESDAY (CC 3)	A		THURS	14	UEFA CUP R3 L1 (ROUND OF 32)	
	SUN	30	MIDDLESBROUGH	H		SAT	16	FA CUP 5	
	THURS	4	METALIST KHARKIV (UEFA R1L2)	A		THURS	21	UEFA CUP R3 L2 (ROUND OF 32)	
NOV	SUN	7	NEWCASTLE UNITED	A		SAT	23	MANCHESTER CITY	A
	SAT	20	LIVERPOOL	H		SUN	24	CARLING CUP FINAL	
	THURS	25	AE LARISSA (UEFA GRP 1)	H	MAR	SAT	1	PORTSMOUTH	H
	SUN	28	DERBY COUNTY	A		THURS	6	UEFA CUP R4 L1 (ROUND OF 16)	
DEC	WED	31	LUTON TOWN (CC 4)	A		SAT	8	SUNDERLAND (FAC 6)	A
	SAT	3	BIRMINGHAM CITY	H		THURS	13	UEFA CUP R4 L2 (ROUND OF 16)	
	THURS	8	FC NURNBERG (UEFA GRP 2)	A		SAT	15	FULHAM	A
	SUN	11	CHELSEA	A		SAT	22	WEST HAM UNITED	H
JAN	SAT	24	SUNDERLAND	H		SAT	29	LIVERPOOL	A
	THURS	29	UEFA GROUP MATCH 3		APR	THURS	3	UEFA CUP QF L1	
	SAT	1	PORTSMOUTH	A		SUN	6	DERBY COUNTY	H
	WED	5	ZENIT ST PETERSBURG (UEFA GRP 4)	H		SUN	6	FA CUP SEMI FINAL	
FEB	SAT	8	FULHAM	H		THURS	10	UEFA CUP QF L2	
	WED	12	CARLING CUP 5			SAT	12	BIRMINGHAM CITY	A
	SAT	15	WEST HAM UNITED	A		SAT	19	CHELSEA	H
	THURS	20	AZ ALKMAAR (UEFA GRP 5)	A		THURS	24	UEFA CUP SF L1	
MAY	SUN	23	MANCHESTER UNITED	A		SAT	26	ASTON VILLA	H
	WED	26	BOLTON WANDERERS	H		THURS	1	UEFA CUP SF L2	
	SAT	29	ARSENAL	H		SAT	3	ARSENAL	A
	SAT	29	ARSENAL	H		SUN	11	NEWCASTLE UNITED	H
JAN	TUES	1	MIDDLESBROUGH	A		WED	14	UEFA CUP FINAL	
	SAT	5	FA CUP 3			SAT	17	FA CUP FINAL	



Everton

HONOURS LIST

FIRST DIVISION CHAMPIONS

1890/91, 1914/15, 1927/28, 1931/32, 1938/39,
1962/63, 1969/70, 1984/85, 1986/87

RUNNERS-UP

1889/90, 1894/95, 1901/02, 1904/05,
1908/09, 1911/12, 1985/86

SECOND DIVISION CHAMPIONS

1930/31

RUNNERS-UP

1953/54

FA CUP WINNERS

1906, 1933, 1966, 1984, 1995

RUNNERS-UP

1893, 1897, 1907, 1968, 1985, 1986, 1989

FOOTBALL LEAGUE CUP RUNNERS UP

1976/77, 1983/84

FA CHARITY SHIELD WINNERS

1928, 1932, 1963, 1970, 1984, 1985,
1987, 1995, shared 1986

EUROPEAN CUP-WINNERS' CUP WINNERS

1984/85

FA YOUTH CUP WINNERS

1964/65, 1983/84, 1997/98

RUNNERS-UP

1960/61, 1976/77, 1982/83, 2001/02

The Everton Football Club Company Limited
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