Everton Football Club Company Limited

Annual Report and Accounts 2009

Company Registration Number: 36624

Contents

Directors and Advisors

Directors
W Kenwright CBE Chairman
J V Woods Deputy Chairman
R I Earl
Sir P D Carter CBE

Chief Executive
R Elstone

Company Secretary
M J Evans

Registered Office
Goodison Park
Liverpool
L4 4EL

Auditors
Deloitte LLP
Chartered Accountants & Registered Auditors
Horton House
Exchange Flags
Liverpool
L2 3PG

Bankers
Barclays Bank plc
Liverpool North Group
337/339 Stanley Road
Bootle
Liverpool
L20 3EB

Registrars
Capita IRG
The Registry
Northern House
Woodsome Park
Fenay Bridge
Huddersfield
West Yorkshire
HD8 0GA

Company Registration Number
36624

Chairman's Statement

As ever, the last 12 months has been the almost traditional mix of the good, the bad and the problematical - but it is inevitable that my abiding memory of another pulsating season was Wembley.

Two appearances at the acknowledged home of football, the fastest-ever goal in an FA Cup Final and the astonishing, glorious support of the world's best supporters - does it get any better?

Well, sadly, yes it does simply because modern sport is all about winning. If we had defeated Chelsea back in May - and after just 26 seconds I thought that was a distinct possibility - one of the biggest dreams I have harboured since I assumed control of our great Club would have been realised inside 90 minutes.

Ultimately, of course, it was not to be. They say that no-one remembers Cup Final losers but on this occasion I believe they will if only because the spirit and determination of those representing Everton Football Club on the pitch was more than matched by those supporting it away from the field of play.

My disappointment at missing out on a first trophy in 14 years was, to a degree, tempered by the comforting - and wholly accurate - words of so many neutral national newspaper correspondents who were, almost to a man, lavish in their praise of our supporters.

We lost but it was still OUR day, OUR Cup Final. Those who were there when Phil Jagielka slotted home that penalty against Manchester United in the semi-final or when Louis Saha arrowed his shot into the Chelsea net will, I am absolutely certain, never, ever forget what were very special moments.

Our wonderful FA Cup run - and, no, I haven't forgotten Dan Gosling's last-minute winner against Liverpool at Goodison - quite possibly deflected attention from what was another hugely-satisfying Premier League campaign.

To again finish in fifth place in what remains Europe's toughest and most unforgiving league was a magnificent achievement - one which guaranteed another European campaign and which continued the steady progress which has hall-marked David Moyes' tenure as manager.

Having already laid claim to a Champions' League berth once under David's assured and measured guidance, we are, understandably, desperate to do it again - but we acknowledge that the landscape, particularly in a fiscal sense, is ever-changing within the Premiership and that clubs like Manchester City, Tottenham Hotspur and Aston Villa share precisely the same objectives and goals as do we.

Maintaining our progress, continuing to punch above our weight if you like, will be very difficult but I stand by my assertion that we have a manager who will go down as one of our all time greats and a squad of players that is amongst our very best over the last two decades. As has always been the case, David was fully supported by myself and by my fellow Board members. He remains the single, most important figure at the Club and we all strive - on a daily basis - to provide him with the tools he believes are necessary if we are to continue to evolve and develop into a genuine, meaningful force within both English and European football.

Once again, every available penny was channelled towards the manager to facilitate the upgrading of the senior-squad.

David and I fought desperately hard to keep Joleon Lescott but, as ever, the bottom-line was reached on the day he announced he no longer wished to wear the famous Royal Blue shirt. It was disappointing, it was upsetting but football is a transient sport; he has gone, we ensured we received the very best possible fee for him and, yes, we wish him well for the remainder of his career.

I believe the money we collected for Joleon was particularly well invested in the shape of permanent deals for Sylvain Distin, Diniyar Bilyaletdinov, John Heitinga and a season-long loan arrangement for Jo. I welcome them all to this club with the simple promise that if they are seen to try their level best over the coming seasons they will be rewarded by the adulation and respect of an audience which has no peers in terms of footballing knowledge.

In talking about out two games at Wembley I have already touched upon the magnificent level of support we continue to enjoy. Even in the depths of a recession without equal in living memory they gathered in huge numbers on a fortnightly basis at Goodison. Whenever and wherever we played away from home, they turned up in their thousands. One of my greatest pleasures in life is to take my seat in an "away" stadium shortly before kick-off. I glance either to my left or to my right and invariably see the massed ranks of the travelling Evertonians. It is at that precise moment I realise just how great our Club is.

I suspect many supporters assume their loyalty and dedication is taken for granted by those of us who actually work at the Club - trust me, it isn't. All any supporter would have to do is spend a few minutes with the likes of Tim Cahill, Phil Neville or Tim Howard to truly understand the very special bond which exists between player and fan.

On behalf of you all may I express my sincere and heartfelt thanks to our always-helpful and always-efficient matchday staff and to those members of the emergency services who continue to ensure we can watch football at Goodison in a safe and comfortable environment.

My personal thanks go to each and every member of the Everton staff, be they full or part-time. The last 12 months have proved to be very demanding but they carried out their duties with enthusiasm, professionalism - and always with a smile.

My special thanks go to CEO Robert Elstone and his Executive team for their continuing, collective support. Robert continues to "grow" into his new role and I feel certain that I speak for every single one of us when I say we are grateful for his commitment and his dedication.

May I also place on record my thanks to the Club's bankers, Barclay's Bank plc and to the Club's various sponsors. Chang continue to be wonderful main sponsors and I must make special mention of our new retail partner, Kitbag.

The refurbishment of the megastore opposite Goodison and the splendid Everton Two store inside the Liverpool One complex bear testimony to the success of a partnership which is still very much in its infancy.

I remain so proud to be the Chairman of a very great football club. It is an honour I will never take for granted and a privilege I shall continue to work tirelessly for.

Bill Kenwright

Financial Review

Reaching the FA Cup Final, maintaining a fifth place finish in the Premier League, together with further investment in the playing squad are all reflected in the financial results for the year.

Turnover for the year of £79.7m represented an increase of £4.0m over the prior year (2008: £75.7m). Gate receipts increased by £1.4m to £21.9m primarily as a result of progressing to the final of the FA Cup. In the prior year, gate receipts reflected reaching the Round of 16 in the UEFA Cup and the semi final of the Carling Cup. In terms of Premier League matches, average attendances decreased to 35,667 (2008: 36,904).

Turnover from broadcasting increased to £48.6m (2008: £46.6m), reflecting a consecutive fifth place finish in the Premier League and a record number of 17 live televised Premier League matches involving Everton. Further broadcasting revenue was generated from live television appearances in the FA Cup. An increase in sponsorship revenue to £6.1m (2008: £5.5m) also contributed to the overall increase in turnover.

The Club's annual wage bill as a proportion of turnover was 62% representing an increase from 59% in the prior year but still considered an appropriate level of investment in staff costs. This increase primarily arises from a further significant investment in the playing squad in the year, giving rise to an increase in the wage bill to £49.1m (2008: £44.5m). This investment was made to remain competitive in the Premier League and contributed to the successful fifth place finish in the Premier League and reaching the FA Cup Final. As ever we will continue to closely monitor this cost and take appropriate action as required.

In addition to the increased wage costs, once again significant maintenance costs of approximately £1 million were incurred in maintaining the Goodison Park stadium to a standard acceptable for Premier League and European matches. Other operating costs of £21.2m (2008: £21.1m) were consistent with the prior year and included a second full year at the new Finch Farm training facility.

As a result of the increased turnover, and despite the further investment in the playing squad, we are pleased to report that we have recorded an operating profit before player trading of £6.3m (2008: £6.8m). The inclusion of the amortisation of players' registrations of £13.0m (2008: £12.3m) means that in the current year we are reporting an operating loss of £6.7m (2008: £5.5m). In terms of player trading we recorded a profit of £3.8m (2008: £9.2m) on disposal of players' registrations, principally arising from the sale of Andrew Johnson to Fulham and additional profits of £1.5m from the sale of Wayne Rooney to Manchester United.

When we incorporate the net annual interest charge of £4.0m (2008: £3.7m), 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 £6.9m (2008: profit of £0.03m).

Borrowings for the year increased marginally to £40.7m (2008: £39.5m) reflecting the increased investment in the playing squad, however, £22.1m (2008: £23.1m) is not due for repayment for more than five years. The net debt position now stands at £37.9m (2008: £36.8m).

As a result of the above trading including transfer activity, the balance sheet shows a net liability position of £26.7m (2008: £19.8m). However, it should be noted that the balance sheet contains £9.8m 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 2009/10 season hence will not require repayment. In addition, £22.1m 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 Jack Rodwell, James Vaughan, Victor Anichebe, Leon Osman and Tony Hibbert.

In terms of cash flows, the cash inflow from operating activities was £9.7m (2008: £10.6m). After net payments for interest of £3.9m, net capital expenditure (including expenditure on player transfers) of £6.8m and net loan repayments of £0.8m, the decrease in cash for the year was £1.8m (2008: decrease of £10.9m).

The Board recognises there are risks which affect the Group and has 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.

Nil Satis Nisi Optimum

The last year has seen a tactical repositioning of the Club. As ever, it is a transition that has taken place as a result of consultations with our fans.

As part of our ongoing commitment to further understand the needs and wants of our supporters we conducted our first annual Fan Survey in December 2008.

This took place online, with 4,600 supporters completing surveys and was followed by a series of focus groups. The results revealed a strong preference from fans for a move to a focus on the Club motto 'Nil Satis Nisi Optimum' - Nothing but the best is good enough. The findings revealed fans believe the Club motto best reflects the traditions, football standards and integrity of the Club.

A new brand identity has been produced to express 'Nil Satis Nisi Optimum' and is now visible across the Club in regards to advertising, stadium signage, communications and retail operations.

The new branding has led to a change of emphasis in terms of the phrase 'The People's Club'. Its relevance to the Club's family values means it still has importance in terms of the Club's overall positioning and continues to be used prominently through the Everton Foundation.

The 'Nil Satis Nisi Optimum' philosophy that prevails throughout the Club was reflected in the innovative and very successful 2009/10 Season Ticket campaign. The strategy for the campaign focussed on segmenting potential buyers into specific groups and then tailoring communication to these groups based upon relevant information identified in the Fan Survey.

Our marketing and sales teams were also able to build upon the momentum of the strong end to the 2008/09 season, leading to an 8% increase in season ticket holders for 2009/10.

As a result of the success of the Season Ticket campaign, match-by-match ticketing for the 2009/10 season is being driven by the same principles - targeting segmented groups with specific communication.

Hospitality sales proved to be a challenge across the season as clients reviewed their discretionary spend against the background of the economic downturn. The Marquee has been comprehensively re-positioned and re-launched as Club Everton for the 2009/10 season.

As part of the Club's ongoing efforts to enhance and develop our already strong relationships with supporters' groups we have introduced, over the last 12 months, a series of 'roadshow' visits to these supporters. Senior players, our Chief Executive and members of the Executive Management Team have visited a number of supporters' groups from as close to home as Rice Lane and as far afield as Sweden. The 'roadshows' began in January and have proved invaluable in order to interact, engage and understand the issues facing fans.

The Club made good progress during the year in its strategy of investing in CRM (Customer Relationship Management) technologies and techniques. Several key elements of software and business process were deployed to gather data from a variety of sources for centralisation on the CRM system. This enabled us to understand and communicate with our customers to greater effect, cultivating a more informed business.

Everton's long tradition of innovation has continued apace in the last 12 months. Throughout the 2008/09 campaign Goodison Park was home to the world's largest bluetooth installation in one location - enabling the Club to build upon the 'Nil Satis Nisi Optimum' philosophy by communicating directly with fans through their handheld devices, delivering free content and commercial messages.

This unique system was nominated for a number of prestigious awards including the much coveted Sports Industry Group Awards in spring 2009.

The start of the 2008/09 season also saw the re-launch of the Club website, evertonfc.com. The new look, feel and functionality further embraces interactivity with users and offers greater access to video content to supplement the existing subscription video service. The site has also recorded significant growth in visitor numbers (9.5% growth in the year 1st June 2008 to 31st May 2009) as we continue to enhance the alignment with the Club's offline commercial activity.

Whilst the traditional web offering continues to grow in stature, the Club is also acutely aware of the marked growth of social media platforms. As a result, Everton has established official groups on platforms such as facebook, twitter and flickr in the last year, with these groups collectively now boasting communities in the tens of thousands.

This work has added to the avenues in which the Club can communicate with fans online.

There has also been major investment in the existing online revenue generating platforms. In July 2008, for the first time in the history of the Club, Everton ran an outside broadcast from overseas in order to provide evertonTV viewers with live footage of a pre-season fixture against FC Sion in Switzerland.

New improved radio broadcast deals were introduced in August 2008, whilst a new international TV programme was launched broadcasting to territories including Europe, the United States, the Middle East and the Far East.

Elsewhere internationally The Everton Way, the online player coaching and development tool, increased its portfolio of clients during the last 12 months and now boasts deals in New Zealand, India, United States and Europe.

Commercial Review

It is not just on the playing field where a team effort can provide welcome dividends. As a business we work tirelessly to ensure our partnerships deliver the optimum return for both the Club and the partners themselves. This desire to develop an effective synergy has worked extremely well with Chang, our main sponsor and in the last year we have seen the rewards of those efforts.

2008/09 saw the first year of a new three year relationship with Chang - now the third longest running shirt sponsorship agreement in the Premier League. It is an association that received recognition at the 2008 North West Sports Awards, with the Club's marketing team winning the award in the Best Sponsorship category.

The award was in recognition of the effectiveness of the partnership. Not only does the business continue to demonstrate an understanding of Chang's local and global marketing objectives, the Club's Academy coaches also continue to provide on the ground coaching support in Thailand.

Closer to home the last year has seen the installation of fast flow beer dispensing equipment on the concourses at Goodison, designed to provide colder, fresher beer more quickly to improve customer service.

The last year has also seen the introduction of a new retail partner and a new publications deal.

The outsourced retail operation is now in the hands of Kitbag. The four week re-fitting of the megastore during the close season and the re-branding of Everton's retail offer comprising Everton One (Goodison), Everton Two (Liverpool One), and Everton Direct (online) was equally successful and the feedback from fans has been extremely positive. This has resulted in a significant increase in traffic through the Club's stores. Indeed, Everton's retail sales records have been smashed during the summer of 2009 and we look forward to a long and succesful partnership with Kitbag.

As part of the new retail deal, we were also pleased to appoint Le Coq Sportif as the official kit supplier - although it meant the conclusion of a long and successful agreement with Umbro.

The Club's new publications partner for the 2009/10 season is Cre8. The company won the contract following an extensive tendering process during the first half of 2009. It signalled the end of a long standing relationship with Sport Media, and we are grateful for the support that they have given us in the past. However, we now have a new fresh range of publications and are confident about sales going forwards.

Elsewhere, 2008/09 marked the first year in a new three year agreement with Sportech plc, operators of the New Football Pools. Whilst the New Football Pools entered into agreements with the Coca Cola Football League and Barclays Premier League, we were very pleased to retain Sportech, a national company based locally, as a key Club partner.

We also extend our warm appreciation to our other commercial partners which include Sodexo, Yes Money!, Laser, Britannia, Thomas Cook, Paddy Power, Ladbrokes, Mercedes, Gieves & Hawkes, Delta Taxis, David Lloyd, BT, and Marstons.

The Everton Foundation

2009 saw Everton In The Community change its name to The Everton Foundation. The change of name has been a focal point for a re-emphasis of the charity's goals and targets. The clear aim of the Foundation is to become the best sporting charity in the UK, reflecting the Club's motto of 'Nil Satis Nisi Optimum'.

We are proud of the fact it is regarded as one of the most innovative and forward thinking community programmes in the country.

The charity's focus is on health, education, social inclusion, equality and sport development - although the ultimate aim remains the same throughout; to make a significant difference in each community touched by the work of the Foundation.

The strength of the Foundation is based on the quality of the partners that help provide and realise the wide range of schemes and initiatives.

The Foundation has also developed fantastic links with Alder Hey Hospital and worked hard elsewhere to implement the new Premier League 4 Sport initiative in conjunction with the Government. Both Everton and Liverpool Football Clubs have joined forces to develop 8 hub clubs and 32 satellite clubs for badminton, judo, table tennis and volleyball. The target is to engage with 1,000 young people across these sports over the next two years.

The Extra Time study centre continues to provide afterschool study support to raise young people's attainment in literacy, numeracy and information and communication technology. 680 young people have attended Playing for Success sessions and have been engaged by a range of multi media projects. A further 2,000 young people have also been involved in additional activities such as the National Year of Reading, Access for All and Enterprising Kids, Let's Do Business.

The Foundation continues to make progress towards the Club's Advanced Equality Standard. The support of national campaigns such as: Kick It Out and Show Racism the Red Card are key messages endorsed by the Foundation. The Foundation is also very proud to be associated with the Anthony Walker Foundation, Kensington United football group and The Matrix Cup.

A strong relationship with the Liverpool Schools Sport Partnerships has enabled the Foundation to provide multi sport/ skill coaches in every school in Liverpool and ultimately address the Government's 'five-hour offer' in the delivery of high quality physical education lessons in schools.

In the last year Duncan McKenzie officially opened the Everton Active Family Centre, which is part of an exciting collaboration between the Foundation and Liverpool John Moores University's School of Sport and Exercise Sciences. The amalgamation of a range of services under one roof that focuses on health and fitness behavioural changes for families is highly significant for those involved.

Local, regional and international Soccer Schools have also taken place during the holiday periods over the last year, engaging 2,500 young people in fun, but structured sessions.

The Foundation aims to continue to have a positive impact on the groups and communities with which it engages, whilst continuing to maintain its strong relationship with the Club.

Directors' Report

The Directors present their report and the audited financial statements of the Group and Company for the year ended 31st May 2009.

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 12 of the financial statements. A detailed review of the Group's business, key performance indicators including wages to turnover ratio and operating profit before player trading, an indication of the likely future developments, and the risks and uncertainties facing the Group are contained in the Chairman's Statement and the reviews set out on pages 4 to 8.

Dividend and Transfers from Reserves
The loss for the year amounted to £6.9m (2008: profit of £0.03m), which has been transferred from reserves. The Directors do not recommend the payment of a dividend (2008: £nil).

Post Balance Sheet Events
A description of the material aspects of these events can be found in note 24 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 2009	31st May 2008
W Kenwright CBE	8,754	8,754
J V Woods	6,622	6,622
R I Earl	8,146	8,146
Sir P D Carter CBE (appointed 9th August 2008)	714	714

In addition to the above, K Wyness resigned as a Director on 29th July 2008. At 31st May 2008 he held 2 shares.

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.

Directors' Report

Directors' Responsibilities continued
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 adequate accounting records that are suffient to show and explain the company's transactions and 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 2006. 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.

Risk and uncertainties
In addition to the risks addressed within the Financial Review, in ensuring that the Group has sufficient liquid resources to meet its liabilities as they fall due the Directors have reviewed in detail the business' cash flow projections. As disclosed in note 1, the Group meets its day to day working capital requirements through an overdraft facility that is due for renewal on 30th June 2010 and a four year working capital loan facility which commenced on 1st July 2009. Additionally, because of the predictable nature of football club revenue streams, the Group has further funding through the securitisation of future guaranteed revenues, as is common industry practice, and as it has done in the past.

The Groups' current overdraft facilities, as disclosed in note 16, are renewed annually at the end of the Premier League season, as is common practice for many Premier League football clubs. Before the existing facilities expire in June 2010 the Directors will commence discussions with the Group's bankers about renewal of the existing facilities. However, based on their ongoing dialogue with the bank, the Directors are confident that the overdraft facility will be renewed at its current level, or replaced by an equivalent facility.

On this basis the Directors have a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future. Accordingly they adopt the going concern basis in preparing the Annual Report and Accounts.

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 s418 of the Companies Act 2006.

Approved by the Board on 20th November 2009 and signed on its behalf by

M J Evans, Company Secretary

MJEvans

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 31st May 2009 which comprise the consolidated profit and loss account, the Group and Company balance sheets, the consolidated cash flow statement, the statement of total recognised gains and losses, the consolidated note of historical profits and losses and the related notes 1 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006. 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 explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the Company's affairs as at 31st May 2009 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Damian Sanders

Damian Sanders (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Liverpool, United Kingdom
20th November 2009

Company Registration Number - 36624
Consolidated Profit and Loss Account
for the year ended 31st May 2009

		2009			2008
	Notes	Operations excluding player trading	Player trading	Total	Total
		£'000	£'000	£'000	£'000
Turnover	1,2	**79,669**	-	**79,669**	**75,650**
Operating expenses	3	(73,403)	(13,023)	(86,426)	(81,190)
Operating profit / (loss)	4	**6,266**	**(13,023)**	**(6,757)**	**(5,540)**
Profit on disposal of players' registrations		-	3,797	3,797	9,249
Profit on disposal of tangible fixed assets		2	-	2	11
Profit / (loss) before interest and taxation		**6,268**	**(9,226)**	**(2,958)**	**3,720**
Interest receivable and similar income	5			123	183
Interest payable and similar charges	6			(4,085)	(3,877)
(Loss) / profit on ordinary activities before taxation				**(6,920)**	**26**
Tax on (loss) / profit on ordinary activities	8			-	-
(Loss) / profit after taxation for the year transferred (from) / to reserves	19,20			**(6,920)**	**26**

All the above amounts derive from continuing operations.

There are no recognised gains and losses for the year ended 31st May 2009 and the prior year other than as stated in the profit and loss account, accordingly no separate statement of total recognised gains and losses is given.

Consolidated Note of Historical Cost Profits and Losses
for the year ended 31st May 2009

	2009	2008
	£'000	£'000
(Loss) / profit on ordinary activities before taxation	(6,920)	26
Difference between the historical cost depreciation charge and actual depreciation charge for the year calculated on the revalued amount	152	152
Historical cost (loss) / profit on ordinary activities before taxation	(6,768)	178
Historical cost (loss) / profit for the year retained after taxation	(6,768)	178

Group Balance Sheet
at 31st May 2009

		2009		2008	
	Notes	£'000	£'000	£'000	£'000
Fixed Assets					
Intangible Assets	10		39,378		39,435
Tangible Assets	11		9,183		9,886
			48,561		**49,321**
Current Assets					
Debtors	14	11,779		12,327	
Investments	12	2,767		2,767	
		14,546		**15,094**	
Creditors - Amounts falling due within one year	15	(51,979)		(50,931)	
Net Current Liabilities			**(37,433)**		**(35,837)**
Total Assets Less Current Liabilities			**11,128**		**13,484**
Creditors - Amounts falling due after more than one year	16		(37,335)		(32,849)
Provision for liabilities	17		(474)		(396)
Net Liabilities			**(26,681)**		**(19,761)**
Capital and Reserves					
Called up share capital	18		35		35
Share premium account	19		24,968		24,968
Revaluation reserve	19		3,183		3,183
Profit and loss account - deficit	19		(54,867)		(47,947)
Shareholders' deficit	20		**(26,681)**		**(19,761)**

The financial statements were approved by the Board on the 20th November 2009 and signed on its behalf by

W Kenwright CBE
Director

Company Balance Sheet
at 31st May 2009

		2009		2008	
	Notes	£'000	£'000	£'000	£'000
Fixed Assets					
Intangible Assets	10		39,378		39,435
Tangible Assets	11		3,154		3,344
Investments	12		-		-
			42,532		**42,779**
Current Assets					
Debtors	14	11,279		12,189	
		11,279		**12,189**	
Creditors - Amounts falling due within one year	15	(67,400)		(66,918)	
Net Current Liabilities			**(56,121)**		**(54,729)**
Total Assets Less Current Liabilities			**(13,589)**		**(11,950)**
Creditors - Amounts falling due after more than one year	16		(11,063)		(5,861)
Provision for liabilities	17		(474)		(396)
Net Liabilities			**(25,126)**		**(18,207)**
Capital and Reserves					
Called up share capital	18		35		35
Share premium account	19		24,968		24,968
Revaluation reserve	19		1,299		1,299
Profit and loss account - deficit	19		(51,428)		(44,509)
Shareholders' deficit			**(25,126)**		**(18,207)**

The financial statements were approved by the Board on the 20th November 2009 and signed on its behalf by

W Kenwright CBE
Director

Consolidated Cash Flow Statement
for the year ended 31st May 2009

		2009		2008	
	Notes	£'000	£'000	£'000	£'000
Cash inflow from operating activities	21a		9,651		10,613
Returns on investments and servicing of finance					
Interest received		151		173	
Interest paid		(4,008)		(3,959)	
Finance lease and hire purchase interest		(32)		(51)	
Net cash outflow from returns on investments and servicing of finance			(3,889)		(3,837)
Taxation			-		-
Capital expenditure and financial investment					
Purchase of intangible fixed assets		(17,839)		(24,257)	
Purchase of tangible fixed assets		(1,020)		(1,223)	
Proceeds from the disposal of tangible fixed assets		10		11	
Proceeds from the disposal of intangible fixed assets		12,071		8,582	
Net cash outflow from capital expenditure and financial investment			(6,778)		(16,887)
Net cash outflow before financing			(1,016)		(10,111)
Financing					
New loans		207		198	
Repayment of loans		(765)		(717)	
Capital element of finance lease and hire purchase payments		(196)		(274)	
Net cash outflow from financing	21c		(754)		(793)
Decrease in cash	21b		(1,770)		(10,904)

Notes to the Accounts
for the year ended 31st May 2009

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 Preparation

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.

As set out in the Directors' Responsibilities on pages 9 and 10, in preparing these financial statements the Directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business. In satisfaction of this responsibility the Directors have reviewed in detail the business' cash flow projections, and considered the Group's ability to meet its liabilities as they fall due.

As disclosed in note 16, the Group meets its day to day working capital requirements through an overdraft facility that is due for renewal on 30th June 2010 and a four year working capital loan facility which commenced on 1st July 2009. Additionally, because of the predictable nature of football club revenue streams, the Group has further funding through the securitisation of future guaranteed revenues, as is common industry practice, and as it has done in the past.

The Groups' current overdraft facilities, as disclosed in note 16, are renewed annually in line with the end of the Premier League season, as is common practice for many Premier League football clubs. Before the existing facilities expire in June 2010 the Directors will commence discussions with the Group's bankers about renewal of the existing facilities. However, based on their ongoing dialogue with the bank, the Directors are confident that the overdraft facility will be renewed at its current level, or replaced by an equivalent facility.

On this basis the Directors have a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future. Accordingly they adopt the going concern basis in preparing the Annual Report and Accounts.

(iii) Turnover

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

Gate and other match day revenue is recognised over the period of the football season as games are played. Sponsorship and similar commercial income is recognised over the duration of the respective contracts. The fixed element of broadcasting revenues is recognised over the duration of the football season whilst facility fees for live coverage or highlights are taken when earned. Merit awards are accounted for only when known at the end of the football season.

(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 31st May 1999 and the valuations have not subsequently been updated.

(v) New Stadium Project

Costs incurred in relation to the planning application, design and associated elements of the Group's new stadium proposals have been charged to the profit and loss account. This policy will continue until the Group has obtained the necessary consents and has concluded its arrangements for financing the new stadium development. Once this is in place costs directly attributable to the new stadium, including finance costs, will be capitalised.

(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.

Notes to the Accounts
for the year ended 31st May 2009

1 ACCOUNTING POLICIES (continued)

(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 specified in the transfer agreement of the player to be probable, provision for this cost is made (see note 17). 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 22).

(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 becomes due, 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 instalments due in the future on continued service are not provided for but are noted as contingent liabilities (see note 22).

(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 recognised in the profit and loss account.

Notes to the Accounts
for the year ended 31st May 2009

2 TURNOVER	2009	2008
Turnover, all of which originates in the United Kingdom, can be analysed as follows:	£'000	£'000
Gate receipts and programme sales	21,899	20,460
Broadcasting	48,634	46,637
Sponsorship, advertising and merchandising	6,117	5,465
Catering	876	880
Other commercial activities	2,143	2,208
	79,669	**75,650**

	2009	2008
3 OPERATING EXPENSES	£'000	£'000
Amortisation of players' registrations (note 10)	13,023	12,349
Staff costs (note 7)	49,069	44,480
Depreciation (note 11)	1,808	1,792
Other operating costs	21,213	21,078
Total operating expenses before exceptional items	**85,113**	**79,699**
Exceptional item - new stadium project	1,313	1,491
Total operating expenses	**86,426**	**81,190**

As described in note 1(v) costs relating to the planning application, design and associated elements of the new stadium project are being expensed until such time as the Group has in place all the appropriate consents and finance facilities to allow the project to proceed to completion.

	2009	2008
4 OPERATING PROFIT / (LOSS)	£'000	£'000
The operating profit / (loss) is stated after charging / (crediting):		
Depreciation - property	741	753
Depreciation - other	1,067	1,039
Amortisation of grants	(48)	(98)
Operating lease rentals		
Motor vehicles	177	210
Office equipment	36	119
Land and properties	1,482	1,388
The analysis of auditors' remuneration is as follows:		
Fees payable to the company's auditors for the audit of the company's annual accounts	30	30
Fees payable to the company's auditors for the audit of the company's subsidiaries	5	5
Total audit fees	**35**	**35**
Other non-audit services		
Tax services	102	214
Corporate financial services	16	89
Other services	114	143
Total non-audit fees	**232**	**446**

Notes to the Accounts
for the year ended 31st May 2009

5 INTEREST RECEIVABLE AND SIMILAR INCOME	2009 £'000	2008 £'000
Bank interest receivable	123	183

6 INTEREST PAYABLE AND SIMILAR CHARGES	2009 £'000	2008 £'000
Bank overdrafts	1,496	1,626
Finance leases and hire purchase agreements	32	51
Other loans	2,557	2,200
	4,085	3,877

Included in interest on other loans is interest of £2,067,000 (2008: £2,118,000) on loans not wholly repayable in full within five years.

7 PARTICULARS OF EMPLOYEES	2009 Number	2008 Number
The average weekly number of employees during the year was as follows:		
Playing, training and management	86	80
Youth Academy	27	25
Everton Foundation	-	1
Marketing and Media	27	27
Management and Administration	51	46
Maintenance, Security, Pitch and Ground Safety	35	31
	226	210

In addition, the Group employed an average of 459 temporary staff on matchdays (2008: 444).

Aggregate payroll costs for the above employees were as follows:	2009 £'000	2008 £'000
Wages and salaries	43,448	39,275
Social security costs	5,164	4,798
Other pension costs	457	407
	49,069	44,480

Directors' Remuneration	2009	2008
The Directors of the Company received the following remuneration:	£'000	£'000
Emoluments (excluding pension contributions)	238	438
Aggregate payments to pension schemes	6	32
Highest paid Director's remuneration:		
Emoluments	244	470

Notes to the Accounts
for the year ended 31st May 2009

8 TAXATION ON (LOSS) / PROFIT ON ORDINARY ACTIVITIES

There was no tax charge in the year (2008: £nil).

a) Factors affecting the 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: 28% (2008: 28%).

	2009	2008
	£'000	£'000
(Loss) / profit on ordinary activities before taxation	(6,920)	26
Tax on (loss) / profit on ordinary activities at the standard rate	1,938	(7)
Expenses not deductible for tax purposes	(834)	(717)
Capital allowances in excess of depreciation	(135)	(498)
Other short term timing differences	8	1,356
Carry forward of tax losses	(977)	(134)
Current tax charge for period	-	-

b) Factors that may affect the future tax charge
A deferred tax asset of £13.2m (2008: £12.7m) 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 408 of the Companies Act 2006 and has not presented its own profit and loss account. The Company's loss for the year was £6,919,000 (2008: profit of £26,000).

	Total
10 INTANGIBLE FIXED ASSETS - GROUP AND COMPANY	£'000
Cost	
At 1st June 2008	69,703
Additions in the year	18,823
Disposals in the year	(12,513)
At 31st May 2009	76,013
Amortisation	
At 1st June 2008	30,268
Provided during the year	13,023
Eliminated on disposals	(6,656)
At 31st May 2009	**36,635**
Net book value	
At 31st May 2009	**39,378**
At 31st May 2008	39,435

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

11 TANGIBLE FIXED ASSETS

Group	Properties	Plant and equipment	Vehicles	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1st June 2008	13,339	7,457	105	20,901
Additions in the year	249	761	103	1,113
Disposals in the year	-	(15)	(29)	(44)
At 31st May 2009	**13,588**	**8,203**	**179**	**21,970**
Depreciation				
At 1st June 2008	5,587	5,324	104	11,015
Provided during the year	741	1,040	27	1,808
On disposals	-	(8)	(28)	(36)
At 31st May 2009	**6,328**	**6,356**	**103**	**12,787**
Net book value				
At 31st May 2009	**7,260**	**1,847**	**76**	**9,183**
At 31st May 2008	7,752	2,133	1	9,886

Company	Properties	Plant and equipment	Vehicles	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1st June 2008	2,239	7,457	105	9,801
Additions in the year	249	761	103	1,113
Disposals in the year	-	(15)	(29)	(44)
At 31st May 2009	**2,488**	**8,203**	**179**	**10,870**
Depreciation				
At 1st June 2008	1,029	5,324	104	6,457
Provided during the year	228	1,040	27	1,295
On disposals	-	(8)	(28)	(36)
At 31st May 2009	**1,257**	**6,356**	**103**	**7,716**
Net book value				
At 31st May 2009	**1,231**	**1,847**	**76**	**3,154**
At 31st May 2008	1,210	2,133	1	3,344

Notes to the Accounts
for the year ended 31st May 2009

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 2009, 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 appertaining:

	2009	2008
	£'000	£'000
Cost	9,662	9,662
Aggregate depreciation	(4,624)	(4,035)
Net book value	**5,038**	**5,627**

12 INVESTMENTS

FIXED ASSET INVESTMENTS

Company	Subsidiary undertakings
Cost	**£**
As at 1st June 2008 and 31st May 2009	4
Net book value	
As at 1st June 2008 and 31st May 2009	4

Details of the principal operating subsidiaries as at 31st May 2009, 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 four month treasury deposits of £2,767,000 (2008: £2,767,000).

Notes to the Accounts
for the year ended 31st May 2009

13 LEASE COMMITMENTS

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

	Land and Properties		Other		Total	
	2009	2008	2009	2008	2009	2008
	£'000	£'000	£'000	£'000	£'000	£'000
Expiring within one year	-	-	124	24	124	24
Expiring between two and five years	-	-	89	211	89	211
Expiring in more than five years	1,500	1,590	-	-	1,500	1,590
	1,500	1,590	213	235	1,713	1,825

14 DEBTORS

	Group		Company	
	2009	2008	2009	2008
	£'000	£'000	£'000	£'000
Trade debtors	10,229	10,755	9,800	10,703
Other debtors	1	26	-	-
Prepayments and accrued income	1,549	1,546	1,479	1,486
	11,779	12,327	11,279	12,189

15 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2009	2008	2009	2008
	£'000	£'000	£'000	£'000
Bank overdraft (secured)	3,984	12,214	5,878	13,699
Other loans (see note 16)	11,222	963	10,505	298
Obligations under finance lease and hire purchase agreements	79	181	79	181
Trade creditors	10,204	14,454	10,204	14,454
Amounts due to subsidiaries	-	-	24,962	23,292
Social security and other taxes	6,018	6,150	6,808	7,298
Accruals and deferred income	20,472	16,969	8,964	7,696
	51,979	50,931	67,400	66,918

Notes to the Accounts
for the year ended 31st May 2009

16 CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2009	2008	2009	2008
	£'000	£'000	£'000	£'000
Other loans (see borrowings below)	25,320	26,099	133	233
Obligations under finance lease and hire purchase agreements	71	62	71	62
Trade creditors	9,287	4,478	9,287	4,478
Accruals and deferred income	2,657	2,210	1,572	1,088
	37,335	32,849	11,063	5,861

BORROWINGS

Group	Bank overdraft		Other loans		Finance leases and hire purchase		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Analysis of borrowings Payable by instalments:								
Within one year	3,984	12,214	11,222	963	79	181	15,285	13,358
Between one and two years	-	-	873	817	71	62	944	879
Between two and five years	-	-	2,733	2,638	-	-	2,733	2,638
After more than five years	-	-	22,127	23,096	-	-	22,127	23,096
Prepaid finance costs	-	-	(413)	(452)	-	-	(413)	(452)
	3,984	12,214	36,542	27,062	150	243	40,676	39,519

Company	Bank overdraft		Other loans		Finance leases and hire purchase		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Analysis of borrowings Payable by instalments:								
Within one year	5,878	13,699	10,505	298	79	181	16,462	14,178
Between one and two years	-	-	100	100	71	62	171	162
Between two and five years	-	-	33	133	-	-	33	133
	5,878	13,699	10,638	531	150	243	16,666	14,473

16 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 £26,317,000 of loan notes (2008: £26,983,000) 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.

17 PROVISION FOR LIABILITIES

	Group and Company		
	Pensions (note 23)	Contingent appearance fees (note 1)	Total
	£'000	£'000	£'000
At 1st June 2008	28	368	396
Utilised in the year	(28)	(368)	(396)
Provided in the year	-	474	474
At 31st May 2009	**-**	**474**	**474**

There are no amounts provided for deferred tax at 31st May 2009 or 31st May 2008.

18 EQUITY SHARE CAPITAL

	2009	2008
	£'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 2009

19 RESERVES	Share premium account	Revaluation reserve	Profit and loss account
Group	**£'000**	**£'000**	**£'000**
Balance at 1st June 2008	24,968	3,183	(47,947)
Loss for the year	-	-	(6,920)
Balance at 31st May 2009	**24,968**	**3,183**	**(54,867)**

Company	**£'000**	**£'000**	**£'000**
Balance at 1st June 2008	24,968	1,299	(44,509)
Loss for the year	-	-	(6,919)
Balance at 31st May 2009	**24,968**	**1,299**	**(51,428)**

20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT	2009	2008
Group	**£'000**	**£'000**
(Loss) / profit for the year and net movement in shareholders' deficit	(6,920)	26
Opening shareholders' deficit	(19,761)	(19,787)
Closing shareholders' deficit	**(26,681)**	**(19,761)**

21 CASH FLOW STATEMENT

	2009	2008
	£'000	£'000
(a) Reconciliation of operating loss to net cash inflow from operating activities		
(Loss) / profit before interest and tax	(2,958)	3,720
Profit on disposal of players' registrations	(3,797)	(9,249)
Profit on disposal of tangible fixed assets	(2)	(11)
Operating loss	**(6,757)**	**(5,540)**
Depreciation charge	1,808	1,792
Amortisation of grants	(48)	(98)
Amortisation of players' registrations	13,023	12,349
Increase in debtors	(1,896)	(2,192)
Decrease in provisions	(28)	(36)
Increase in creditors	3,549	4,338
Net cash inflow from operating activities	**9,651**	**10,613**

	At 1st June 2008	Cash flows	Non cash movements	At 31st May 2009
(b) Analysis of changes in net debt	£'000	£'000	£'000	£'000
Bank overdraft	(12,214)	(1,770)	10,000	(3,984)
	(12,214)	**(1,770)**	**10,000**	**(3,984)**
Debt due within one year	(963)	(207)	(10,052)	(11,222)
Debt due after one year	(26,099)	765	14	(25,320)
Finance lease and hire purchase agreements	(243)	196	(103)	(150)
Current asset investments	2,767	-	-	2,767
	(36,752)	**(1,016)**	**(141)**	**(37,909)**

	2009	2008
	£'000	£'000
(c) Reconciliation of movements in net debt		
Decrease in cash in the period	(1,770)	(10,904)
Cash outflow from decrease in net debt	558	519
Cash outflow from decrease in finance lease and hire purchase financing	196	274
Change in net debt resulting from cash flows in the year	(1,016)	(10,111)
Non cash movements	(141)	(236)
Net debt as at 1st June 2008	(36,752)	(26,405)
Net debt as at 31st May 2009	**(37,909)**	**(36,752)**

Notes to the Accounts
for the year ended 31st May 2009

22 CONTINGENT LIABILITIES

No provision is included in the accounts for transfer fees of £5,936,000 (2008: £3,465,000) which are, as at 31st May 2009, contingent upon future appearances of certain players; or signing-on fees and loyalty bonuses, as at 31st May 2009, of £5,886,000 (2008: £4,926,000) which would become due to certain players if they are still in the service of the Club on specific future dates.

23 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 £457,000 (2008: £407,000).

24 POST BALANCE SHEET EVENTS

Since 31st May 2009, the Club has entered into transfer agreements for confirmed contracted net transfer fees payable of £3,708,000.

25 FRS 8 - RELATED PARTY TRANSACTIONS

The Everton Foundation (formerly Everton In The Community) 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 2009 Everton Football Club Company Limited employees held two of the six Trustee positions at the Charity. During the year Everton Football Club Company Limited incurred net operating costs of £485,000 (2008: £186,000) on behalf of the Charity.

26 CAPITAL COMMITMENTS

There were no capital commitments at 31st May 2009 or 31st May 2008.

First Team Results 2008/09

DATE	OPPONENT		RES	ATTENDANCE	PTS	POS
16.08.08	BLACKBURN ROVERS	H	2:3	38,675	0	12
23.08.08	WEST BROMWICH ALBION	A	2:1	26,190	3	10
30.08.08	PORTSMOUTH	H	0:3	34,418	3	17
14.09.08	STOKE CITY	A	3:2	27,415	6	10
18.09.08	STANDARD LIEGE (UEFA CUP)	H	2:2	28,310	-	-
21.09.08	HULL CITY	A	2:2	24,845	7	9
24.09.08	BLACKBURN ROVERS (CARLING CUP)	A	0:1	14,366	-	-
27.09.08	LIVERPOOL	H	0:2	39,574	7	14
02.10.08	STANDARD LIEGE (UEFA CUP)	A	1:2	27,406	-	-
05.10.08	NEWCASTLE UNITED	H	2:2	33,805	8	15
18.10.08	ARSENAL	A	1:3	60,064	8	16
25.10.08	MANCHESTER UNITED	H	1:1	36,069	9	14
29.10.08	BOLTON WANDERERS	A	1:0	21,692	12	12
01.11.08	FULHAM	H	1:0	31,278	15	7
08.11.08	WEST HAM UNITED	A	3:1	33,961	18	7
16.11.08	MIDDLESBROUGH	H	1:1	31,063	19	7
24.11.08	WIGAN ATHLETIC	A	0:1	18,344	19	7
30.11.08	TOTTENHAM HOTSPUR	A	1:0	35,742	22	7
07.12.08	ASTON VILLA	H	2:3	31,922	22	8
13.12.08	MANCHESTER CITY	A	1:0	41,344	25	7
22.12.08	CHELSEA	H	0:0	35,655	26	7
26.12.08	MIDDLESBROUGH	A	1:0	30,253	29	6
28.12.08	SUNDERLAND	H	3:0	39,146	32	6
03.01.09	MACCLESFIELD (FA CUP)	A	1:0	6,008	-	-
10.01.09	HULL CITY	H	2:0	37,527	35	6
19.01.09	LIVERPOOL	A	1:1	44,382	36	6
25.01.09	LIVERPOOL (FA CUP)	A	1:1	43,524	-	-
28.01.09	ARSENAL	H	1:1	37,097	37	6
31.01.09	MANCHESTER UNITED	A	0:1	75,399	37	6
04.02.09	LIVERPOOL (FA CUP)	H	1:0	37,918	-	-
07.02.09	BOLTON WANDERERS	H	3:0	33,791	40	6
15.02.09	ASTON VILLA (FA CUP)	H	3:1	32,979	-	-
22.02.09	NEWCASTLE UNITED	A	0:0	47,683	41	6
28.02.09	WEST BROMWICH ALBION	H	2:0	33,898	44	6
04.03.09	BLACKBURN ROVERS	A	0:0	21,445	45	6
08.03.09	MIDDLESBROUGH (FA CUP)	H	2:1	37,856	-	-
14.03.09	STOKE CITY	H	3:1	36,396	48	6
21.03.09	PORTSMOUTH	A	1:2	20,388	48	6
05.04.09	WIGAN ATHLETIC	H	4:0	34,427	51	6
12.04.09	ASTON VILLA	A	3:3	40,188	52	6
19.04.09	MANCHESTER UNITED (FA CUP)	N	0:0	88,141	-	-
22.04.09	CHELSEA	A	0:0	41,556	53	6
25.04.09	MANCHESTER CITY	H	1:2	37,791	53	6
03.05.09	SUNDERLAND	A	2:0	41,313	56	6
09.05.09	TOTTENHAM HOTSPUR	H	0:0	36,646	57	6
16.05.09	WEST HAM UNITED	H	3:1	38,501	60	5
24.05.09	FULHAM	A	2:0	25,497	63	5
30.05.09	CHELSEA (FA CUP)	N	1:2	89,391	-	-

Barclays Premier League - Final League Placings 2008/09

		HOME					AWAY						
	P	W	D	L	F	A	W	D	L	F	A	GL DIFF	PTS
MANCHESTER UNITED	38	16	2	1	43	13	12	4	3	25	11	44	90
LIVERPOOL	38	12	7	0	41	13	13	4	2	36	14	50	86
CHELSEA	38	11	6	2	33	12	14	2	3	35	12	44	83
ARSENAL	38	11	5	3	31	16	9	7	3	37	21	31	72
EVERTON	**38**	**8**	**6**	**5**	**31**	**20**	**9**	**6**	**4**	**24**	**17**	**18**	**63**
ASTON VILLA	38	7	9	3	27	21	10	2	7	27	27	6	62
FULHAM	38	11	3	5	28	16	3	8	8	11	18	5	53
TOTTENHAM HOTSPUR	38	10	5	4	21	10	4	4	11	24	35	0	51
WEST HAM UNITED	38	9	2	8	23	22	5	7	7	19	23	-3	51
MANCHESTER CITY	38	13	0	6	40	18	2	5	12	18	32	8	50
WIGAN ATHLETIC	38	8	5	6	17	18	4	4	11	17	27	-11	45
STOKE CITY	38	10	5	4	22	15	2	4	13	16	40	-17	45
BOLTON WANDERERS	38	7	5	7	21	21	4	3	12	20	32	-12	41
PORTSMOUTH	38	8	3	8	26	29	2	8	9	12	28	-19	41
BLACKBURN ROVERS	38	6	7	6	22	23	4	4	11	18	37	-20	41
SUNDERLAND	38	6	3	10	21	25	3	6	10	13	29	-20	36
HULL CITY	38	3	5	11	18	36	5	6	8	21	28	-25	35
NEWCASTLE UNITED	38	5	7	7	24	29	2	6	11	16	30	-19	34
MIDDLESBROUGH	38	5	9	5	17	20	2	2	15	11	37	-29	32
WEST BROMWICH ALBION	38	7	3	9	26	33	1	5	13	10	34	-31	32

Fixtures 2009/10

DATE	OPPONENT	
15.08.09	ARSENAL	H
20.08.09	SIGMA OLOMOUC (UEFA EUROPA LEAGUE R1 L1)	H
23.08.09	BURNLEY	A
27.08.09	SIGMA OLOMOUC (UEFA EUROPA LEAGUE R1 L2)	A
30.08.09	**WIGAN ATHLETIC**	H
13.09.09	FULHAM	A
17.09.09	AEK ATHENS (UEFA EUROPA LEAGUE GROUP)	H
20.09.09	**BLACKBURN ROVERS**	H
23.09.09	HULL CITY (CARLING CUP R3)	A
26.09.09	PORTSMOUTH	A
01.10.09	BATE BORISOV (UEFA EUROPA LEAGUE GROUP)	A
04.10.09	**STOKE CITY**	H
17.10.09	**WOLVERHAMPTON WANDERERS**	H
22.10.09	BENFICA (UEFA EUROPA LEAGUE GROUP)	A
25.10.09	BOLTON WANDERERS	A
27.10.09	TOTTENHAM HOTSPUR (CARLING CUP R4)	A
31.10.09	**ASTON VILLA**	H
05.11.09	BENFICA (UEFA EUROPA LEAGUE GROUP)	H
08.11.09	WEST HAM UNITED	A
21.11.09	MANCHESTER UNITED	A
25.11.09	HULL CITY	A
29.11.09	**LIVERPOOL**	H
02.12.09	AEK ATHENS (UEFA EUROPA LEAGUE GROUP)	A
06.12.09	**TOTTENHAM HOTSPUR**	H
12.12.09	CHELSEA	A
17.12.09	BATE BORISOV (UEFA EUROPA LEAGUE GROUP)	H
20.12.09	**BIRMINGHAM CITY**	H
26.12.09	SUNDERLAND	A
28.12.09	**BURNLEY**	H
02.01.10	FA CUP R3	
09.01.10	ARSENAL	A
16.01.10	**MANCHESTER CITY**	H
23.01.10	FA CUP R4	
27.01.10	**SUNDERLAND**	H
30.01.10	WIGAN ATHLETIC	A
06.02.10	LIVERPOOL	A
10.02.10	**CHELSEA**	H
13.02.10	FA CUP R5	
18.02.10	UEFA EUROPA LEAGUE R32 (1)	
20.02.10	**MANCHESTER UNITED**	H
25.02.10	UEFA EUROPA LEAGUE R32 (2)	
27.02.10	TOTTENHAM HOTSPUR	A
06.03.10	**HULL CITY**	H
06.03.10	FA CUP 6	
11.03.10	UEFA EUROPA LEAGUE R16 (1)	
13.03.10	BIRMINGHAM CITY	A
18.03.10	UEFA EUROPA LEAGUE R16 (2)	
20.03.10	**BOLTON WANDERERS**	H
27.03.10	WOLVERHAMPTON WANDERERS	A
01.04.10	UEFA EUROPA LEAGUE QF (1)	
03.04.10	**WEST HAM UNITED**	H
08.04.10	UEFA EUROPA LEAGUE QF (2)	
10.04.10	ASTON VILLA	A
10.04.10	FA CUP SF	
17.04.10	BLACKBURN ROVERS	A
22.04.10	UEFA EUROPA LEAGUE SF (1)	
24.04.10	**FULHAM**	H
29.04.10	UEFA EUROPA LEAGUE SF (2)	
01.05.10	STOKE CITY	A
09.05.10	**PORTSMOUTH**	H
12.05.10	UEFA EUROPA LEAGUE FINAL	
15.05.10	FA CUP FINAL	
TBC	MANCHESTER CITY	A

Everton Football Club Company Limited
Goodison Park, Liverpool L4 4EL

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, 2009

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