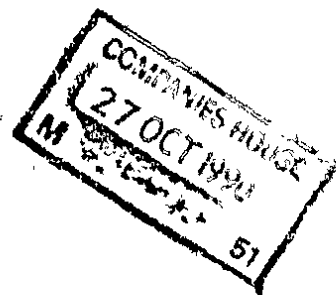


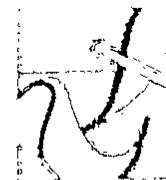
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A. I. CHERRY  
C H A R T E R E D  
A C C O U N T A N T



THE BLACKPOOL FOOTBALL CLUB LIMITED  
DIRECTORS' REPORT AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MAY 1989

A.I. Cherry  
Chartered Accountants  
Moor Park House  
71 Garstang Road  
Preston  
PR1 1LB



A.I. CHERRY

CHARTERED  
ACCOUNTANTS

THE BLACKPOOL FOOTBALL CLUB LIMITED  
REPORT OF THE AUDITORS TO THE MEMBERS OF  
THE BLACKPOOL FOOTBALL CLUB LIMITED

Dear Sirs,

We have audited the financial statements on pages 3 to 16 in accordance with Auditing Standards.

The financial statements have been drawn up on a going concern basis which assumes that adequate banking and loan facilities will continue to be available to the Company and that the directors will continue to give financial support to the Company.

Subject to the above, in our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st May 1989 and of its loss and source of application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Yours faithfully

A.I. Cherry

Dated: 1st February 1990

IAN CHERRY B.A. A.C.A.  
Fellow of the Institute of Chartered Accountants in England and Wales  
Fellow of the Association of Accountants and Auditors  
Fellow of the Institute of Management Accountants  
Fellow of the Institute of Cost Accountants

# THE BLACKPOOL FOOTBALL CLUB LIMITED

## DIRECTORS REPORT

### Review of Business

The Company's principal activity is that of a professional football club which has continued throughout the year.

### Results and Dividends

The trading loss for the year after taxation amounted to £454413 (1988 profit £150723).

### Fixed Assets

Changes in the fixed assets of the Company are detailed in note 10 to the accounts.

### Directors and Their Interests

The director retiring by rotation is M.H. Melling who being eligible offers himself for re-election.

Certain directors of the company are also directors of the holding company. The Blackpool Football Club (Properties) Limited, a company registered in England and Wales, and who had an interest in the shares of that company as follows :-

	<u>1989</u>	<u>1988</u>
O.J. Oyston	13764	13764
G. Bloor	933	933
J. Allitt	25	25
J.H. Crowther	25	25
M.H. Melling	60	60
T. White	232	232
J. Wilde	25	25
	-----	-----

There were no changes in the directors interests between 31st May 1989 and 1st February 1990.

None of the directors had a material interest in any contract, other than service contracts, with the Company at any time during the year.

Continued .....

THE BLACKPOOL FOOTBALL CLUB LIMITED

DIRECTORS REPORT

Holding Company

The Company is a subsidiary of Blackpool Football Club (Properties) Limited, a company incorporated in England and Wales, which held 93.4% of the share capital of the Company at 31st May 1989.

Future Developments

The directors are continuing to process plans to redevelop the football ground. Several schemes are currently under consideration but await the necessary planning consent.

Auditors

Messrs. Wallwork Nelson and Johnson resigned as auditors on 17th January 1990. Messrs. A.I. Cherry were appointed as auditors by the Board of Directors on 17th January 1990 to fill the vacancy formed.

Messrs. A.I. Cherry, Chartered Accountants have expressed their willingness to continue in office as auditors and in accordance with Section 384 of the Companies Act 1985 a resolution proposing their reappointment will be put to the members at the Annual General Meeting.

By Order of the Board

.....  
O.J. Oyston

.....  
Director

.....  
G. Bloor

.....  
Director

Dated: 1st February 1990

THE BLACKPOOL FOOTBALL CLUB LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MAY 1989

	Notes	1989 £	1988 £
Turnover	2	687509	650054
Cost of sales		-	-
		-----	-----
		687509	650054
Administration expenses		(1036331)	( 680673)
Other operating income	3	( 100250)	184800
		-----	-----
OPERATING (LOSS)/PROFIT		( 449072)	154181
Income from investments	6	11	23
Interest receivable	7	-	447
Interest payable	8	( 5352)	( 3928)
		-----	-----
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	( 454413)	150723
Taxation on profit on ordinary activities	9	-	-
		-----	-----
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		( 454413)	150723
Dividends		-	-
		-----	-----
		( 454413)	150723
Balance brought forward (adverse)		24111	( 126612)
		-----	-----
BALANCE (ADVERSE) CARRIED FORWARD		( 430302)	24111
		=====	=====

The notes on pages 8 to 16 form part of these accounts.

**THE BLACKPOOL FOOTBALL CLUB LIMITED**

**BALANCE SHEET AS AT 31ST MAY 1989**

	Notes	1989		1988	
		£	£	£	£
<b>FIXED ASSETS:</b>					
Tangible assets	10		37645		44057
Investments	11		160		160
			-----		-----
			37805		44217
<b>CURRENT ASSETS</b>					
Stocks	12	10910		4413	
Inter company account		496002		342731	
Debtors	13	164527		349051	
Cash at bank and in hand		6125		-	
		-----		-----	
		677564		696195	
<b>CREDITORS: Amounts falling due within one year</b>	14	(884843)		(450534)	
		-----		-----	
<b>NET CURRENT ASSETS</b>			(207279)		245661
			-----		-----
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			(169474)		289878
<b>CREDITORS: Amounts falling due after more than one year</b>	15		(160819)		(165758)
			-----		-----
			(330293)		124120
			=====		=====
<b>CAPITAL AND RESERVES:</b>					
Share capital	16		30000		30000
Share premium			67674		67674
Capital reserve			2335		2335
Profit and loss account (adverse balance)			(430302)		24111
			-----		-----
			(330293)		124120
			=====		=====

Approved by the board on 1st February 1990 and signed on their behalf.

.....  
O.J. Oyston

.....  
Director

.....  
G. Bloor

.....  
Director

The notes on pages 8 to 16 form part of these accounts.

THE BLACKPOOL FOOTBALL CLUB LIMITED  
STATEMENT OF SOURCE AND APPLICATION OF FUNDS  
FOR THE YEAR ENDED 31ST MAY 1989

	1989	1988
	£	£
<u>SOURCE OF FUNDS</u>		
(Loss)/profit for the year		
Before tax	(454413)	150723
Adjustments for items not involving the movement of funds:		
Depreciation	10865	16119
(Profit)/loss on disposal of fixed assets	( 1100)	( 836)
Motor vehicles included in compensation payments	8152	-
	-----	-----
Total generated from operations	(436496)	166666
<u>OTHER SOURCES</u>		
Loan from director	433489	-
Proceeds from disposal of investments	-	80
Hire purchase liability	-	4303
Proceeds from sale of fixed assets	2100	7000
	-----	-----
	( 907)	177389
<u>APPLICATION OF FUNDS</u>		
Purchase of fixed assets	( 13605)	( 40728)
	-----	-----
	( 14512)	136661
	=====	=====
<u>INCREASE/(DECREASE) IN WORKING CAPITAL</u>		
Stocks	6497	( 113)
Inter company account	153271	144097
Debtors	(184524)	184398
Creditors	( 9945)	(164723)
	-----	-----
	( 34701)	163659
<u>INCREASE/(DECREASE) IN NET LIQUID FUNDS</u>		
Bank overdraft	14064	( 14064)
Cash at bank and in hand	6125	( 12934)
	-----	-----
	20189	( 26998)
	-----	-----
	( 14512)	136661
	=====	=====

The notes on pages 8 to 16 form part of these accounts.



## THE BLACKPOOL FOOTBALL CLUB LIMITED

### NOTES TO THE ACCOUNTS

#### 1. ACCOUNTING POLICIES

##### Accounting Convention

The accounts have been prepared under the historical cost convention.

##### Depreciation

Depreciation is provided on cost in equal annual instalments over the estimated lives of the assets.

- a) Equipment has been depreciated at 10% on cost
- b) Motor vehicles have been depreciated at 25% on cost.

##### Stocks

Stocks are valued at the lower cost or net realisable value.

##### Transfer Fees

Transfer fees are included at the full amount receivable or payable.

##### Repairs and Renewals

Repairs and renewals are written off in the year in which the expenditure was incurred.

##### Deferred Taxation

Deferred taxation is provided using the liability method in respect of the taxation effect of all timing differences to the extent that it is possible that liabilities will crystallise in the foreseeable future.

##### Hire Purchase Commitments

Assets obtained under hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the hire purchase obligation is charged to the profit and loss account over the period of the agreement and represents a constant proportion of the balance of capital repayment outstanding.

Continued .....

THE BLACKPOOL FOOTBALL CLUB LIMITED

NOTES TO THE ACCOUNTS

5. EMPLOYEES

The average weekly number of employees during the year was made up as follows:-

	1989	1988
Office and management	12	10
Footballers and apprentices	27	20
Sales and maintenance	4	3
	-----	-----
	43	33
	=====	=====

Staff costs during the year amounted to:-

	1989 £	1988 £
Wages, salaries etc.	511977	316956
Social security costs	46515	30926
Other pension costs	14600	1973
	-----	-----
	573092	349855
	=====	=====

None of the directors received any remuneration from the company during the year (1988: Nil).

6. INCOME FROM INVESTMENTS

	1989 £	1988 £
Unlisted	-	23
	=====	=====
Listed	11	-
	=====	=====

7. INTEREST RECEIVABLE

	1989 £	1988 £
Bank interest	-	447
	=====	=====

Continued .....

THE BLACKPOOL FOOTBALL CLUB LIMITED

NOTES TO THE ACCOUNTS

8. INTEREST RECEIVABLE

	1989 £	1988 £
Secured loan	2131	2104
Bank overdraft	1924	763
Hire purchase interest	1297	1061
	-----	-----
	5352	3928
	=====	=====

9. TAXATION

Corporation tax has not been provided due to the losses incurred during the year (1988: £Nil). At the year end the directors estimate that corporation tax losses of approximately £430000 were available for offset against future profits.

Deferred taxation has not been provided because, in the opinion of the directors, any timing differences arising between the book value of fixed assets and their written down value will be covered by trading losses of the group.

Continued .....

THE BLACKPOOL FOOTBALL CLUB LIMITED

NOTES TO THE ACCOUNTS

10. TANGIBLE FIXED ASSETS

	Plant and Equipment £	Motor Vehicles £	Total £
<u>Cost/Valuation:</u>			
At 1st June 1988	57251	41577	98828
Additions	13605	-	13605
Disposals	-	(12870)	(12870)
	-----	-----	-----
At 31st May 1989	70856	28707	99563
	=====	=====	=====
<u>Depreciation:</u>			
At 1st June 1988	41047	13724	54771
Provided during the year	3689	7176	10865
Disposals	-	( 3718)	( 3718)
	-----	-----	-----
At 31st May 1989	44736	17182	61918
	=====	=====	=====
<u>Net Book Value:</u>			
At 31st May 1989	26120	11525	37645
	=====	=====	=====
At 31st May 1988	16204	27853	44057
	=====	=====	=====

11. INVESTMENTS

	1989 £	1988 £
Listed investments	160	160
Unlisted investments	-	-
	-----	-----
	160	160
	=====	=====
Listed investments - market value	3323	2381
	=====	=====

Continued .....

THE BLACKPOOL FOOTBALL CLUB LIMITED

NOTES TO THE ACCOUNTS

12. STOCK

	1989 £	1988 £
Football Club - catering	363	189
- souvenir shop	10547	4224
	-----	-----
	10910	4413
	=====	=====

13. DEBTORS

	1989 £	1988 £
Trade debtors	676	-
Other debtors	108764	42127
Prepayments and accrued income	55087	306924
	-----	-----
	164527	349051
	=====	=====

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1989 £	1988 £
Unsecured loans - from directors	700410	266921
Bank overdraft	-	14064
Obligations under hire purchase contracts	4952	8832
Trade creditors	103249	113479
Tax and social security costs	31138	15279
Accruals	45094	31959
	-----	-----
	884843	450534
	=====	=====

Continued .....

THE BLACKPOOL FOOTBALL CLUB LIMITED

NOTES TO THE ACCOUNTS

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

The unsecured loans are interest free and repayable on demand, subject to the conditions below. Included in the figure for unsecured loans is an amount of £578660 being monies introduced by Mr. O.J. Oyston. The terms of the loan are:

- (i) The loan is subordinate to all other creditors of the company and in the event of the company being put into liquidation the loan will rank for the dividend only after all other creditors of the company have been paid in full.
- (ii) The repayment of the loan will take place on three months notice, in writing at the option of either the company or Mr. Oyston. Save that no repayment shall be made without the auditors of the company certifying that the repayment can be made without jeopardy to the creditors of the company.
- (iii) The loan shall be interest free until 31st May 1990. Thereafter, it will bear interest of 3% above National Westminster base lending rate for the time being. Such interest will not be paid unless the auditors of the company shall have certified that it can be paid without jeopardy to the creditors of the company.

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1989 £	1988 £
Secured Loan - Blackpool Borough Council	160000	160000
Obligations under hire purchase contracts	819	5758
	-----	-----
	160819	165758
	=====	=====

Continued .....

THE BLACKPOOL FOOTBALL CLUB LIMITED

NOTES TO THE ACCOUNTS

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR  
(continued)

The loan from Blackpool Borough Council is for a period of 10 years, repayable 2nd July 1996. It is secured by way of a legal charge over the group's freehold and leasehold properties, book and other debts and by way of a floating charge over the assets and undertaking of the group. Interest is chargeable at 3% above base rate on the outstanding amount except for the first £40,000 which is interest free. No interest is charged where the group's bank balance and cash are less than £40,000.

The secured loan from Bass North Limited is repayable over 10 years from August 1985 with interest charged at 5%. It is secured on the company's land and buildings.

The secured grant from Bass North Limited is secured on the company's land and buildings. The annual write off is dependent upon the quantity of beer sold.

Obligations under Hire Purchase Contracts

	Hire Purchase Contracts	
	1989	1988
	£	£
Year ending 31st May 1990	5732	10116
and after that date	984	6715
	-----	-----
	6716	16831
Less: Finance charges allocated		
to future periods	( 945)	( 2241)
	-----	-----
	5771	14590
	=====	=====
Hire Purchase Contracts shown as:		
Current obligations	4952	8832
Non-current obligations	819	5758
	-----	-----
	5771	14590
	=====	=====

Continued .....

THE BLACKPOOL FOOTBALL CLUB LIMITED

NOTES TO THE ACCOUNTS

**6. SHARE CAPITAL**

	<u>Authorised</u>		<u>Allocated</u>	
	<u>Called up &amp; fully paid</u>			
	1989	1988	1989	1988
	£	£	£	£
Ordinary shares £1 each	30000	30000	30000	30000
	=====	=====	=====	=====

**17. CAPITAL COMMITMENT**

- There were no capital commitments at 31st May 1989 for which provision has not been made in these accounts.

**18. CONTINGENT LIABILITIES**

The group has commitments under operating leases as set out below:-

	1989	1988
	£	£
Operating leases which expire		
within 1 year	1620	1620
In the 2nd to 5th years inclusive	2837	4457
	-----	-----
	4457	6077
	=====	=====