

Reg<sup>n</sup> number 53301

SOUTHAMPTON FOOTBALL CLUB LIMITED  
DIRECTORS REPORT AND FINANCIAL STATEMENTS  
For the Year Ended  
31ST MAY 1994



SOUTHAMPTON FOOTBALL CLUB LIMITED

REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS

INDEX

Page

2	List of Directors, etc.
3	Chairman's Statement
4 - 6	Report of the Directors
7	Report of the Auditors
8	Consolidated Profit and Loss Account
9	Consolidated Balance Sheet
10	Balance Sheet
11	Consolidated Cash Flow Statement
12-19	Notes to the Financial Statements
20	Major Honours
21	Staff 1994/95 Season
22	1st Team Fixture List
23	Notice of Meeting

SOUTHAMPTON FOOTBALL CLUB LIMITED

President:	John Corbett
Vice President:	Ted Bates
Directors:	F.G.L. Askham, F.C.A. (Chairman) K. St.J. Wiseman, M.A. I.L. Gordon B.H.D. Hunt M.R. Richards, F.C.A. L. McMenemy
Secretary:	B. Truscott
Registered Office:	The Dell, Milton Road, Southampton
Registered No.	53301
Team Manager:	A. Ball
Bankers:	Barclays Bank Plc., Southampton City Branch
Solicitors:	Messrs. Woodford & Ackroyd, Southampton Messrs. Paris Smith & Randall, Southampton
Auditors:	Messrs. Ernst & Young, Chartered Accountants, Southampton

SOUTHAMPTON FOOTBALL CLUB LIMITED

CHAIRMAN'S STATEMENT

1994 FINANCIAL RESULTS

The loss for the year of £1,118,365 (after charging net transfer costs of £1,116,877) compares with a profit in the proceeding year of £1,547,896 (after crediting net transfer receipts of £1,003,578).

FOOTBALL REVIEW

Premier league	1993/94	43 points	18th position
	1992/93	50 points	18th position
FA Cup	1993/94	Ko'd	3rd round
	1992/93	Ko'd	3rd round
Coca Cola Cup	1993/94	Ko'd	2nd round
	1992/93	Ko'd	3rd round

The first half of the season was extremely difficult due in the main to injuries to players and adverse crowd reaction to the then Manager. The second half of the season materially improved following the appointments of Lawrie McMenemy and Alan Ball.

The early exits from the Cup competitions for the second successive season was a major disappointment. The reducing of the age profile of the Reserve Team and the enhancing of the Club's YTS intake are plus points for the future.

PROSPECTS

Last year I reported that time and patience was required to bring to fruition the rejuvenation of our youth policy, I am pleased to report that material progress is now being made in this area.

We shall continue to strive to obtain a satisfactory Premier League position and to progress further in cup competitions.

DEVELOPMENT

The Dell will have been converted to an all seater stadium by the commencement of the 1994/95 season.

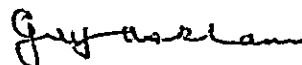
The cost of conversion is being written off over an 8 year period from June 1993.

The additional pitch development at the Staplewood training ground has been completed.

Planning permission has been obtained on the Stoneham Interchange site. This is however only a first step forward on a development which is targeted to be completed in 7 years.

STAFF

Once again I would thank all our staff for their hard work and loyalty in a difficult season.

  
GUY ASKHAM

Chairman  
18th August 1994

SOUTHAMPTON FOOTBALL CLUB LIMITED

REPORT OF THE DIRECTORS  
For the Year Ended 31ST MAY 1994

The Directors submit their Report and the Audited Financial Statements of the Group for the year ended 31st May 1994.

1. STATEMENT OF PROFIT AND LOSS  
FOR THE YEAR ENDED 31ST MAY

	<u>1994</u> £	<u>1993</u> £
<b>INCOME</b>		
The surplus arising on 1st team matches after charging match expenses and shares to visiting clubs, the League and Football Association	1,970,587	1,691,923
Marketing department earnings from sponsorship, ground advertising, programmes and donations	480,669	352,294
Other income from catering, television, league and kit sponsorship, interest etc.	1,466,224	1,429,038
	<u>3,917,480</u>	<u>3,473,255</u>
<b>EXPENDITURE</b>		
The cost of player's and coaches' wages, insurance, running of junior teams, other expenses relating to direct team costs	2,961,104	2,207,016
Overhead expenses, of salaries, occupancy, safety and upkeep and all other administrative costs	805,915	709,535
Provision for depreciation	124,327	64,579
	<u>3,891,346</u>	<u>2,981,130</u>
<b>PROFIT FROM PLAYING FOOTBALL</b>	<u>26,134</u>	<u>492,125</u>
<b>Transfers</b>		
Transfer fees receivable	2,507,500	5,185,000
Transfer and signing on fees payable	3,624,377	4,181,422
	<u>(1,116,877)</u>	<u>1,003,578</u>
<b>(Loss)/Profit for the year of the Company</b>	<u>(1,090,743)</u>	<u>1,495,703</u>
<b>(Loss)/Profit of Subsidiary Undertakings</b>	<u>(27,622)</u>	<u>52,193</u>
<b>Retained (Loss)/Profit for the year transferred to reserves</b>	<u>(1,118,365)</u>	<u>1,547,896</u>

2. PRINCIPAL ACTIVITY

The Company is a Football Club, which participates in the F.A. Premier League, other Leagues and Cup Competitions.

3. FUTURE DEVELOPMENTS

Since the balance sheet date the group has been successful in obtaining planning permission to build a new stadium on the Stoneham Site.

Having considered the residual value of The Dell for alternative use and a relocation to a new stadium, the group has started to depreciate The Dell over its remaining anticipated useful life.

SOUTHAMPTON FOOTBALL CLUB LIMITED

REPORT OF THE DIRECTORS

For the Year Ended 31ST MAY 1994 (CONTINUED)

4. DIRECTORS	Shareholdings	
	At 31st May	
	1994	1993
(a)		
F.G.L. Askham	3,350	3,450
I.L. Gordon	2,500	2,500
B.H.D. Hunt	2,500	2,500
K. St.J. Wiseman	2,500	2,500
M.R. Richards	2,500	2,500
L. McMenemy (appointed 29.12.1993)	100	-

(b) The Directors retiring by rotation are F.G.L. Askham and I.L. Gordon who being eligible offer themselves for re-election.

(c) L. McMenemy having been appointed to the board during the year offers himself for re-election.

The Directors are covered by an indemnity insurance policy maintained by the Company.

5. STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the Directors to prepare Financial Statements for each financial year which 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 those Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements.
- 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 which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the Financial Statements comply with the Companies Act. 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.

6. THE STATE OF THE COMPANY'S AFFAIRS is considered satisfactory.

7. FIXED ASSETS

The changes in fixed assets are set out in notes 6 and 7.

8. PLAYERS' REGISTRATION

As stated in accounting policy note 1(e) no underlying value of the registrations of players under contract is reflected in the financial statements. Although not necessarily an indicator of current market value, the players are currently insured for a total of £11 million.

SOUTHAMPTON FOOTBALL CLUB LIMITED

REPORT OF THE DIRECTORS

For the Year Ended 31ST MAY 1994 (CONTINUED)

8. AUDITORS

A resolution to reappoint Messrs Ernst & Young as Auditors will be put to the Members at the Annual General Meeting.

BY ORDER OF THE BOARD

  
Secretary

The Dell,  
Milton Road,  
Southampton.

18th August 1994

SOUTHAMPTON FOOTBALL CLUB LIMITED

REPORT OF THE AUDITORS

TO THE MEMBERS OF SOUTHAMPTON FOOTBALL CLUB LIMITED

We have audited the Financial Statements on pages 8 to 19 which have been prepared under the historical cost convention as modified by the revaluation of certain land and buildings and on the basis of the accounting policies set out on page 12.

Respective responsibilities of directors and auditors

As described on page 5 the Company's Directors are responsible for the preparation of the Financial Statements. It is our responsibility to form an independent opinion, based on our audit, on those Financial Statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards 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 of the state of affairs of the Company and of the Group as at 31st May 1994 and of the Group's loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



ERNST & YOUNG  
Chartered Accountants  
Registered Auditor  
Southampton.

18th August 1994



SOUTHAMPTON FOOTBALL CLUB LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT  
For the Year Ended 31ST MAY

	Note	<u>1994</u> £	<u>1993</u> £
TURNOVER	1(c) & 2	7,239,686	9,491,615
Cost of Sales		<u>4,381,137</u>	<u>4,956,472</u>
GROSS PROFIT		2,858,549	4,535,143
Administrative Expenses		<u>3,988,228</u>	<u>2,979,960</u>
		(1,129,679)	1,555,183
Other operating income		<u>52,594</u>	<u>73,280</u>
OPERATING (LOSS)/PROFIT	2	(1,077,085)	1,628,463
Interest payable	3	<u>41,064</u>	<u>48,522</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,118,149)	1,579,941
TAXATION	5	<u>216</u>	<u>32,045</u>
RETAINED (LOSS)/PROFIT FOR THE YEAR		<u>(1,118,365)</u>	<u>1,547,896</u>
ATTRIBUTABLE TO			
Holding Company		(1,090,743)	1,495,703
Subsidiary Undertakings		<u>(27,622)</u>	<u>52,193</u>

The group has no recognised gains and losses for the year other than those included in the results above and therefore no separate statement of total recognised gains and losses have been presented.

NOTE OF HISTORICAL COST PROFIT AND LOSSES

	<u>1994</u> £	<u>1993</u> £
Reported (Loss)/Profit on ordinary activities before taxation	(1,118,149)	1,579,941
Difference between historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	70,832	-
Historical cost (loss)/profit on ordinary activities before taxation	<u>(1,047,317)</u>	<u>1,579,941</u>
Historical cost (loss)/profit for the year after taxation	<u>(1,047,533)</u>	<u>1,547,896</u>

All the group's activities are classed as continuing.

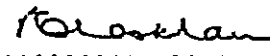
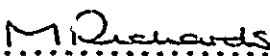
A statement of movement on profit and loss account is given in Note 12 to the Financial Statements.

SOUTHAMPTON FOOTBALL CLUB LIMITED

CONSOLIDATED BALANCE SHEET  
As at 31ST MAY

	<u>Note</u>	<u>1994</u> £	<u>1993</u> £
<b>FIXED ASSETS</b>			
Tangible Assets	6(a)	3,841,090	2,679,264
Investments	7(a)	13,323	17,228
		<u>3,854,413</u>	<u>2,696,492</u>
<b>CURRENT ASSETS</b>			
Stock		3,035	4,090
Debtors	8	408,306	447,873
Cash and Bank Balances		21,661	767,235
		<u>433,002</u>	<u>1,219,198</u>
<b>CREDITORS: Amounts falling due within one year</b>	9	<u>2,735,818</u>	<u>1,724,738</u>
<b>NET CURRENT LIABILITIES</b>		<u>(2,302,816)</u>	<u>(505,540)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,551,597</u>	<u>2,190,952</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	9	723,102	706,401
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	10	<u>462,309</u>	<u>-</u>
		<u>1,185,411</u>	<u>706,401</u>
		<u>366,186</u>	<u>1,484,551</u>
<b>CAPITAL AND RESERVES</b>			
Called Up Share Capital	11	52,570	52,570
Revaluation Reserve	12	496,067	566,899
Profit and Loss Account	12	(182,451)	865,082
		<u>366,186</u>	<u>1,484,551</u>

The Financial Statements on pages 8 to 19 were approved by the Board of Directors on 18th August 1994 and were signed on its behalf by:

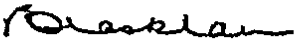
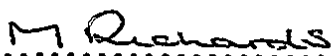
  
 ..... )  
 F.G.L. ASKHAM )  
 ..... ) Directors  
  
 ..... )  
 M.R. RICHARDS )

SOUTHAMPTON FOOTBALL CLUB LIMITED

BALANCE SHEET  
As at 31ST MAY

	<u>Note</u>	<u>1994</u> <u>£</u>	<u>1993</u> <u>£</u>
<b>FIXED ASSETS</b>			
Tangible Assets	6(b)	519,341	323,553
Investments	7(b)	751,000	751,000
		<u>1,270,341</u>	<u>1,074,553</u>
<b>CURRENT ASSETS</b>			
Debtors	8	984,614	710,567
Cash and Bank Balances		1,515	302,008
		<u>986,129</u>	<u>1,012,575</u>
<b>CREDITORS: Amounts falling due within one year</b>	9	<u>2,490,752</u>	<u>1,380,613</u>
<b>NET CURRENT LIABILITIES</b>		<u>(1,504,623)</u>	<u>(368,038)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(234,282)</u>	<u>706,515</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	9	544,530	506,401
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	10	111,817	-
		<u>656,347</u>	<u>506,401</u>
		<u>(890,629)</u>	<u>200,114</u>
<b>CAPITAL AND RESERVES</b>			
Called up Share Capital	11	52,570	52,570
Profit and Loss Account	12	(943,199)	147,544
		<u>(890,629)</u>	<u>200,114</u>

The Financial Statements on pages 8 to 19 were approved by the Board of Directors on 18th August 1994 and were signed on its behalf by:

  
 ..... )  
 F.G.L. ASKHAM )  
 ..... ) Directors  
  
 ..... )  
 M.R. RICHARDS )

SOUTHAMPTON FOOTBALL CLUB LIMITED

CONSOLIDATED CASH FLOW STATEMENT  
For the Year Ended 31ST MAY

	<u>Note</u>	<u>£</u>	<u>1994</u> <u>£</u>	<u>1993</u> <u>£</u>
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	14		(879,127)	2,065,247
RETURN ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received		25,691		67,731
Interest paid		(33,180)		(70,729)
Dividends received		1,081		1,712
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			(6,408)	(1,286)
TAXATION				
Tax on franked investment income		(216)		(428)
Taxation paid		(20,895)		-
TAXATION (PAID)			(21,111)	(428)
INVESTING ACTIVITIES				
Purchase of fixed assets		(1,122,191)		(230,063)
Sale of fixed assets		40,700		19,395
Loans advanced		(26,000)		(33,470)
Loans repaid		46,700		34,328
Purchase of investments		-		(16,047)
Sale of investments		4,896		78,756
NET CASH OUTFLOW FROM INVESTING ACTIVITIES			(1,055,895)	(147,101)
NET CASH (OUTFLOW)/INFLOW BEFORE FINANCING			(1,962,541)	1,916,432
FINANCING				
Grants received			(429,767)	-
Repayment of finance leases			9,885	-
Repayment of amounts borrowed			25,000	25,000
NET CASH (INFLOW)/OUTFLOW FROM FINANCING	16		(394,882)	25,000
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	15		(1,567,659)	1,891,432
			(1,962,541)	1,916,432

SOUTHAMPTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended 31ST MAY 1994

1. ACCOUNTING POLICIES

(a) Basis of Accounting

The Financial Statements are prepared under the historical cost convention as modified by the revaluation of freehold land and buildings. The Financial Statements are prepared in accordance with applicable accounting standards.

(b) Basis of Consolidation

The Consolidated Financial Statements include the Company and all its subsidiary undertakings. No profit and loss account has been prepared for the Holding Company as permitted by S230 Companies Act 1985.

(c) Turnover

Turnover is the total amount receivable in the ordinary course of business excluding Value Added Tax.

(d) Depreciation

Depreciation has been provided where considered necessary at rates calculated to write down the assets to their estimated residual value over their anticipated useful lives as follows:-

The Dell	8 years
Freehold Property	50 years
Equipment	10 years
Motor Vehicles	5 years

(e) Transfer and Signing on Fees

Fees payable to and receivable from other football clubs on the transfer of players' registrations together with associated costs are dealt with through the profit and loss account in the year in which the transfer takes place. Signing on fees are charged in the period in which the contract commences. No underlying value of the registrations of players currently under contract is therefore reflected in the assets of the Group.

(f) Pension Costs

The Group makes contributions to the Football League Pension Scheme on behalf of its employees who are members of that scheme. The charge in the Financial Statements represents the premiums paid during the year.

(g) Investments

Investments which are held for the long term are included in the Balance Sheet as fixed assets at cost. Provision is made where, in the opinion of the Directors, a permanent diminution in value has occurred.

(h) Stocks

Stocks are stated at the lower of cost and net realisable value.

SOUTHAMPTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31ST MAY 1994 (Continued)

1. ACCOUNTING POLICIES (continued)

(i) Deferred Taxation

Provision is made for taxation which is deferred as a result of timing differences between depreciation and other charges made in the Financial Statements and the corresponding allowances for taxation purposes, to the extent that they are likely to crystallise. Due allowance has been made for all trading losses that are likely to be relieved in the future.

(j) Leasing and Hire Purchase Commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the term of the lease.

(k) Football Trust Grants

Grants received from The Football Trust in respect of ground improvements are treated as deferred income as these may become repayable in whole or in part if The Dell is sold.

2. TURNOVER AND OPERATING (LOSS)/PROFIT

	<u>Turnover</u>		<u>Operating (Loss)/Profit</u>	
	<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
	£	£	£	£
Trading Activities	4,732,186	4,306,615	39,792	624,885
Transfer Fees	2,507,500	5,185,000	(1,116,877)	1,003,578
	<u>7,239,686</u>	<u>9,491,615</u>	<u>(1,077,085)</u>	<u>1,628,463</u>

Operating (loss)/profit on ordinary activities before taxation and interest payable is stated after charging:

	£	£
Depreciation	256,103	60,807
Loss on sale of assets	10,818	4,877
Auditors' remuneration	11,000	10,790
Hire of Plant and Machinery	45,707	50,250

and crediting:

Income from listed investments	1,081	1,712
Interest from bank deposits	24,907	66,479
Rents received	2,615	2,484
Profit on sale of investments	23,991	2,605
	<u>52,594</u>	<u>73,280</u>

3. INTEREST PAYABLE

	<u>1994</u>	<u>1993</u>
	£	£
Bank Loan and Overdraft repayable within five years	20,178	25,405
Bank loan repayable in more than five years	14,596	23,117
Finance charges in respect of hire purchase and finance leases	6,290	-
	<u>41,064</u>	<u>48,522</u>

SOUTHAMPTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended 31ST MAY 1994 (Continued)

4. DIRECTORS AND EMPLOYEES

DIRECTORS

In accordance with the Rules of the Football Association and Article 11 of the Company's Articles of Association, the Directors received no remuneration during the year. However, the Directors have an interest in the supply of services to the group by their respective professional practices and companies in which they hold shares.

<u>Director</u>	<u>Related Undertaking</u>	<u>Charged in the Year</u> £
I.L. Gordon	Paris, Smith and Randall	17,590
B.H.D. Hunt	Brian Hunt Limited	20,000
K. St. J. Wiseman	Woodford and Ackroyd	1,050
M.R. Richards	Burnett Swayne	11,070
L. McMenemy	Lawrie McMenemy Limited	60,000

	<u>1994</u> £	<u>1993</u> £
STAFF COSTS		
Wages and Salaries	3,566,540	3,016,594
Social Security Costs	335,356	289,851
Pension Contributions	37,688	53,116
	<u>3,939,584</u>	<u>3,359,561</u>

The average weekly number of employees employed by the Group during the year is analysed in the following categories:

Direct	63	66
Selling	14	18
Administration	16	16
	<u>93</u>	<u>100</u>

5. TAXATION

	<u>1994</u> £	<u>1993</u> £
The taxation charge for the year is made up as follows:		
U.K Corporation tax on the results @ 25% (1993: 25%)	-	31,617
Taxation attributable to franked investment income	216	428
	<u>216</u>	<u>32,045</u>

Subject to agreement with H.M. Inspector of Taxes the Company has tax losses to be carried forward of approximately £1,145,000.

In addition there are short term timing differences of £400,000 in excess of accelerated capital allowances. Therefore, no liability to deferred taxation arises.

SOUTHAMPTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended 31ST MAY 1994 (Continued)

6(a) TANGIBLE FIXED ASSETS - THE GROUP

	Land and Buildings		Assets Under		Motor	Total
	<u>Freehold</u>	<u>Development</u>	<u>Equipment</u>	<u>Vehicles</u>		
	£	£	£	£	£	£
COST OR VALUATION						
At 1st June 1993	2,352,807	-	411,956	153,832	2,918,595	
Transfer from current assets	-	240,790	-	-	240,790	
Additions	739,633	127,604	276,419	85,001	1,228,657	
Disposals	-	-	-	(85,469)	(85,469)	
At 31st May 1994	3,092,440	368,394	688,375	153,364	4,302,573	
DEPRECIATION						
At 1st June 1993	-	-	177,706	61,625	239,331	
Charge for Year	141,434	-	67,113	47,556	256,103	
Disposals	-	-	-	(33,951)	(33,951)	
At 31st May 1994	141,434	-	244,819	75,230	461,483	
NET BOOK VALUE						
At 31st May 1994	2,951,006	368,394	443,556	78,134	3,841,090	
NET BOOK VALUE						
At 31st May 1993	2,352,807	-	234,250	92,207	2,679,264	

6(b) TANGIBLE FIXED ASSETS - THE COMPANY

	Equipment	Motor Vehicles	Total
	£	£	£
COST			
At 1st June 1993	328,176	153,832	482,008
Additions	275,814	85,001	360,815
Disposals	-	(85,469)	(85,469)
At 31st May 1994	603,990	153,364	757,354
DEPRECIATION			
At 1st June 1993	90,830	61,625	152,455
Charge for Year	65,953	47,556	113,509
Disposals	-	(33,951)	(33,951)
At 31st May 1994	162,783	75,230	238,013
NET BOOK VALUE			
At 31st May 1994	441,207	78,134	519,341
NET BOOK VALUE			
At 31st May 1993	231,346	92,207	323,553

Freehold Property includes investment properties of £82,100.

The Group's Land and Buildings were revalued in 1983 by a professional firm of Surveyors and Valuers on the basis of open market value for existing use. The historical cost of freehold land and buildings is £2,519,317 with accumulated depreciation of £70,602 (1993: £nil). No provision for taxation on the revaluation surplus of the Group is considered necessary.



SOUTHAMPTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31ST MAY 1994 (Continued)

6(b) TANGIBLE FIXED ASSETS - THE COMPANY (continued)

Included in the amounts for equipment are the following amounts relating to assets acquired under hire purchase contracts and finance leases.

	<u>Group and Company</u> £
Net book value at 31st May 1994	64,165
Depreciation charge for the year	7,130

7(a) INVESTMENTS - THE GROUP

LISTED INVESTMENTS

COST

At 1st June 1993

Disposals

At 31st May 1994

£

17,228

(3,905)

13,323

The Market Value of the Listed Investments at 31st May 1994, amounted to £38,230 (1993: £43,829).

7(b) INVESTMENTS - THE COMPANY

Company

Shares at Cost

1994  
£

1993  
£

751,000

751,000

<u>Subsidiary Undertakings</u>	<u>Holding</u>	<u>Proportion Held</u>	<u>Nature of the Business</u>
Southampton Leisure Holdings Ltd	Ordinary shares	100%	Property
Saints Supporters Club Ltd	Ordinary shares	100%	A Supporters Club
Stadium 2000 PLC	Ordinary shares	100%	Development of Sports Stadia

All the Companies are registered in England and Wales. The shares in Stadium 2000 PLC are held by Southampton Leisure Holdings Limited.

SOUTHAMPTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended 31ST MAY 1994 (Continued)

8. DEBTORS	1994		1993	
	<u>Group</u>	<u>Company</u>	<u>Group</u>	<u>Company</u>
	£	£	£	£
Amounts falling due within one year:				
Trade Debtors	340,508	340,508	173,360	173,360
Prepayments	2,256	514	243,813	1,298
Other Debtors	55,542	-	-	-
Amounts due from subsidiary undertakings	-	602,216	-	505,209
Group Relief	-	31,376	-	-
Loans	10,000	10,000	30,700	30,700
	<u>408,306</u>	<u>984,614</u>	<u>447,873</u>	<u>710,567</u>

9. CREDITORS: Amounts falling due within one year	1994		1993	
	<u>Group</u>	<u>Company</u>	<u>Group</u>	<u>Company</u>
	£	£	£	£
Bank Overdraft (secured)	858,820	858,820	36,735	36,735
Trade Creditors	1,208,357	1,203,142	1,032,102	1,025,778
Other	6,500	-	26,000	-
Corporation Tax	-	-	20,895	4,410
Other Taxation and Social Security	162,054	161,578	108,229	107,132
Accruals and Deferred Income	470,332	230,871	470,902	190,568
Hire Purchase and Finance Lease Creditor	8,327	8,327	4,875	4,875
Bank Loan	21,428	-	25,000	-
Amounts due to subsidiary undertakings	-	28,014	-	11,115
	<u>2,735,818</u>	<u>2,490,752</u>	<u>1,724,738</u>	<u>1,380,613</u>

CREDITORS: Amounts falling due after more than one year

Trade Creditors	499,206	499,206	480,240	480,240
Bank Loan-Due 2-5 years	114,284	-	100,000	-
Due in more than 5 years	64,288	-	100,000	-
Hire Purchase and Finance Lease Creditor - Due 2-5 years	39,339	39,339	26,161	26,161
- Due in more than 5 years	5,985	5,985	-	-
	<u>723,102</u>	<u>544,530</u>	<u>706,401</u>	<u>506,401</u>

The bank borrowings of the Group are secured upon the freehold properties.

The bank loan is repayable in equal annual instalments within seven years with an early repayment option included. Interest is charged at a fixed rate of 10.3% for the first five years.

10. PROVISION FOR LIABILITIES AND CHARGES

	<u>Group</u>	<u>Company</u>
	£	£
Grants from the Football Trust towards ground improvements		
Balance at 1st June 1993	-	-
Receivable in the year	462,309	111,817
Balance at 31st May 1994	<u>462,309</u>	<u>111,817</u>

SOUTHAMPTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended 31ST MAY 1994 (Continued)

11. SHARE CAPITAL	<u>1994</u>	<u>1993</u>
	£	£
Authorised		
Ordinary Shares of £1 each	<u>60,000</u>	<u>60,000</u>
Allotted, Called Up and Fully Paid		
Ordinary Shares of £1 each	<u>52,570</u>	<u>52,570</u>
12. RESERVES		
	<u>Revaluation</u>	<u>Profit</u>
	<u>Reserve</u>	<u>&amp; Loss</u>
	£	Account
		£
The Group:		
At 1st June 1993	566,899	865,082
Retained Loss for the year	-	(1,118,365)
Transfer	<u>(70,832)</u>	<u>70,832</u>
At 31st May 1994	<u>496,067</u>	<u>(182,451)</u>
The Company:		
At 1st June 1993		147,544
Retained Loss for the year		<u>(1,090,743)</u>
At 31st May 1994		<u>(943,199)</u>
13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	<u>1994</u>	<u>1993</u>
	£	£
- (Loss)/profit for the year	(1,118,365)	1,547,896
Opening shareholders funds	<u>1,484,551</u>	<u>(63,345)</u>
Closing shareholders funds	<u>366,186</u>	<u>1,484,551</u>
14. RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	<u>1994</u>	<u>1993</u>
	£	£
Operating (loss)/profit before other income	(1,129,679)	1,555,183
Depreciation	256,103	60,807
Loss on sale of assets	10,818	4,877
Rent received	2,615	2,484
Decrease/(Increase) in stock	1,055	(431)
(Increase)/Decrease in debtors	(167,165)	155,201
Increase in creditors	<u>147,126</u>	<u>287,126</u>
Net cash (outflow)/inflow from operating activities	<u>(879,127)</u>	<u>2,065,247</u>

SOUTHAMPTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31ST MAY 1994 (Continued)

15. ANALYSIS OF CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR

	<u>1994</u> £	<u>1993</u> £	<u>Change in the year</u> £
Cash at bank and in hand	21,661	767,235	(745,574)
Bank overdrafts	(858,820)	(36,735)	(822,085)
	<u>(837,159)</u>	<u>730,500</u>	<u>(1,567,659)</u>
	<u>1993</u> £	<u>1992</u> £	<u>Change in the year</u> £
Cash at bank and in hand	767,235	128,759	638,476
Bank overdrafts	(36,735)	(1,289,691)	1,252,956
	<u>730,500</u>	<u>(1,160,932)</u>	<u>1,891,432</u>

16. ANALYSIS OF FINANCING DURING THE YEAR

	<u>Grants</u> £	<u>Loan</u> £	<u>Finance Lease Obligations</u> £	<u>Total</u> £
Balance as at 1st June 1993	-	225,000	31,036	256,036
Inception of finance lease contracts	-	-	32,500	32,500
Grants received	429,767	-	-	429,767
Grants receivable	32,542	-	-	32,542
Repayment in the year	-	(25,000)	(9,885)	(34,885)
Balance as at 31st May 1994	<u>462,309</u>	<u>200,000</u>	<u>53,651</u>	<u>715,960</u>
Balance as at 1st June 1992	-	250,000	-	250,000
Inception of finance lease contracts	-	-	31,036	31,036
Repayment in the year	-	(25,000)	-	(25,000)
Balance as at 31st May 1993	<u>-</u>	<u>225,000</u>	<u>31,036</u>	<u>256,036</u>

17. CONTINGENT LIABILITIES

- i) There is a liability to pay up to £984,167 (1993: £377,500) to other Clubs in respect of players under Contract, dependent upon the number of first team appearances made.
- ii) There are unlimited cross guarantees between Southampton Football Club Limited and Southampton Leisure Holdings Limited, given to Barclays Bank Plc., to secure the bank borrowing of the Group.

18. CAPITAL COMMITMENTS

	<u>1994</u> <u>Group</u> £	<u>Company</u> £	<u>1993</u> <u>Group</u> £	<u>Company</u> £
Amounts contracted for but not provided for	957,174	6,362	629,580	-
Amounts authorised by the Directors but not yet provided for	<u>53,000</u>	<u>53,000</u>	<u>45,000</u>	<u>45,000</u>

SOUTHAMPTON FOOTBALL CLUB LIMITED

MAJOR HONOURS

FOOTBALL LEAGUE	1920-21	Division 3 Runners-up
	1921-22	Division 3 Champions
	1947-48	Division 2 Third
	1948-49	Division 2 Third
	1949-50	Division 2 Third
	1954-55	Division 3 Third
	1959-60	Division 3 Champions
	1965-66	Division 2 Runners-up
	1977-78	Division 2 Runners-up
	1983-84	Division 1 Runners-up
F.A. CUP	1897-98	Semi-Finalist
	1899-1900	Finalist
	1901-02	Finalist
	1907-08	Semi-Finalist
	1924-25	Semi-Finalist
	1926-27	Semi-Finalist
	1962-63	Semi-Finalist
	1975-76	Winners
	1983-84	Semi-Finalist
	1985-86	Semi-Finalist
F.L. CUP	1978-79	Finalist
	1986-87	Semi-Finalist
TEXACO CUP	1974-75	Finalist
ZENITH DATA SYSTEMS CUP	1991-92	Finalist
COMBINATION LEAGUE	1982-83	Champions
	1991-92	Champions
F.A. YOUTH CUP	1956-57	Semi-Finalist
	1966-67	Semi-Finalist
	1978-79	Semi-Finalist
SOUTH EAST COUNTIES LEAGUE CUP	1987-88	Finalist
SOUTHERN JUNIOR FLOODLIGHT CUP	1988/89	Winners
SOUTH EAST COUNTIES DIVISION 2	1985/86	Champions
	1986/87	Champions
	1987/88	Champions
	1988/89	Champions

FIRST ASSOCIATION FOOTBALL GAME 28TH NOVEMBER 1885

ELECTED TO FOOTBALL LEAGUE 1920

FOUNDER MEMBER OF F.A. PREMIER LEAGUE 1992

**SOUTHAMPTON FOOTBALL CLUB LIMITED**  
**STAFF 1994/95 SEASON**

Assistant Managers L. Chatterley  
J. Mortimore

Coaching Staff R. Graydon  
S. Henderson  
D. Merrington

Physiotherapist D. Taylor

**Professionals**

D. Allan	(Scotland Under 21)	R. Hall	(England Under 21)
P. Allen	(England Under 21)	N. Heaney	(England Under 21)
I. Andrews	(England Under 21)	D. Hughes	(English Schools)
N. Banger		J. Kenna	(Eire Under 21)
N. Bartlett		M. Le Tissier	(England)
D. Beasant	(England)	N. Maddison	
F. Benali	(English Schools)	J. Magilton	(Northern Ireland)
F. Bennett		C. Maskell	
M. Bound		P. McDonald	
S. Charlton	(English Schools)	K. Monkou	(Holland Under 21)
C. Cramb	(Scotland Youth Under 18)	M. Robinson	
J. Dodd	(England Under 21)	P. Sheerin	(Scotland Youth Under 18)
I. Dowie	(Northern Ireland)	P. Tisdale	(English Schools)
B. Grobbelaar	(Zimbabwe)	P. Whiston	
P. Groves		T. Widdrington	

Trainees 20 Players

Ground M. Bunday  
T. Jewitt

Administration B. Fox (Assistant Secretary)  
S. Bailey  
D. Branston  
N. Cook  
C. Dowsett  
P. Minnock  
A. Nash  
J. Steven-Fountain  
R. Wheeler-Osman  
K. Foulds

Safety Officer D.W. Pallett

Community Officer A. Smith  
E. Painter

Marketing K. Lawford  
S. Carmichael

Supporters Club E. Scurr (Manageress)  
T. Painter

THE F.A. CARLING PREMIERSHIP  
1994/95 SEASON FIXTURES

<u>DATE</u>	<u>OPPONENTS</u>	<u>VENUE</u>
Sat Aug 20	BLACKBURN ROVERS	H
Wed Aug 24	ASTON VILLA	A
Sat Aug 27	NEWCASTLE UNITED	A
Wed Aug 31	LIVERPOOL	H
Mon Sep 12	TOTTENHAM HOTSPUR	A
Sat Sep 17	NOTTINGHAM FOREST	H
Sat Sep 24	COVENTRY CITY	A
Sat Oct 1	IPSWICH TOWN	H
Sat Oct 8	EVERTON	H
Sat Oct 15	LEICESTER CITY	A
Sat Oct 22	WEST HAM UNITED	A
Sat Oct 29	LEEDS UNITED	H
Wed Nov 2	NORWICH CITY	H
Sat Nov 5	MANCHESTER CITY	A
Sat Nov 19	ARSENAL	H
Sat Nov 26	CRYSTAL PALACE	A
Sat Dec 3	CHELSEA	H
Sat Dec 10	BLACKBURN ROVERS	A
Sat Dec 17	ASTON VILLA	H
Mon Dec 26	WIMBLEDON	H
Wed Dec 28	QUEENS PARK RANGERS	A
Sat Dec 31	MANCHESTER UNITED	H
Mon Jan 2	SHEFFIELD WEDNESDAY	A
Sat Jan 7		FA Cup 3rd Round
Sat Jan 14	LEEDS UNITED	A
Sat Jan 21	WEST HAM UNITED	H
Tues Jan 24	ARSENAL	A
Sat Jan 28		F A Cup 4th Round
Sat Feb 4	MANCHESTER CITY	H
Sat Feb 11	NORWICH CITY	A
Sat Feb 18	CRYSTAL PALACE	H
Wed Feb 22	CHELSEA	A
Sat Feb 25	IPSWICH TOWN	A
Sat Mar 4	COVENTRY CITY	H
Wed Mar 8	LIVERPOOL	A
Sat Mar 11	NEWCASTLE UNITED	H
Sat Mar 18	NOTTINGHAM FOREST	A
Sat Apr 1	TOTTENHAM HOTSPUR	H
Sat Apr 8	MANCHESTER UNITED	A
Sat Apr 15	QUEENS PARK RANGERS	H
Mon Apr 17	WIMBLEDON	A
Sat Apr 29	SHEFFIELD WEDNESDAY	H
Sat May 6	EVERTON	A
Sat May 13	LEICESTER CITY	H

SOUTHAMPTON FOOTBALL CLUB LIMITED

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the NINETY-SEVENTH ANNUAL GENERAL MEETING of the Shareholders of the Company will be held at The Dell, Milton Road, Southampton, on Thursday 22nd September 1994, at 2.30 in the afternoon.

1. To receive the Directors' Report and Financial Statements
2. To elect Directors
3. To appoint Auditors and fix their remuneration
4. To transact any other Ordinary Business

BY ORDER OF THE BOARD

B. TRUSCOTT

Secretary

The Dell,  
Milton Road,  
Southampton.

18th August 1994

NOTE: A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote in his stead. A proxy need not also be a Member.

Instruments appointing a proxy, to be effective, must be lodged at the Registered Office of the Company at least forty-eight hours before the appointed time of the Meeting.