



NOTICE OF ANNUAL  
**GENERAL MEETING**

THURSDAY 10th DECEMBER  
1987

**STATEMENT OF  
ACCOUNTS  
& ANNUAL REPORT**

FOR THE YEAR ENDED  
31st JULY 1987

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**The Manchester United  
Football Club plc**

**President**

Sir Matt Busby, C.B.E.

**Vice-Presidents**

J. A. Gibson  
W. A. Young  
J. G. Gulliver  
R. L. Edwards

**Directors**

C. M. Edwards (*Chairman*)  
J. M. Edelson  
R. Charlton, C.B.E.  
E. M. Watkins  
A. M. Al Midani

**Chief Executive**

C. Martin Edwards

**Manager**

Alex Ferguson

**Secretary**

Leslie Olive

**Registered Office**

Warwick Road North  
Old Trafford  
Manchester  
M16 0RA

**Registrar and Transfer Office**

National Westminster Bank PLC  
Registrar's Department  
Caxton House  
P.O. Box No. 82  
Redcliffe Way  
Bristol BS99 7NH

**Auditors**

Hindle & Jepson  
Chartered Accountants  
10 Borough Road  
Darwen BB3 1PL

NOTICE IS HEREBY GIVEN that the Seventy sixth Annual General Meeting of the Company will be held at the Europa Suite, Old Trafford, on 10th December, 1987 at 11.00 a.m. for the following purposes:-

- (i) To receive and consider the Directors Report, the Statement of Accounts for the year ended 31st July 1987 and the Auditors' Report thereon.
- (ii) To elect Directors
  - (a) Mr. C.M. Edwards
  - (b) Mr. A.M. Al Midani
- (iii) To declare a dividend.
- (iv) To reappoint the Auditors and fix their remuneration.

To transact any other business which may be properly transacted at an Annual General Meeting.

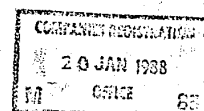
By Order of the Board,

L. OLIVE,  
Secretary,

*L. Olive*

Warwick Road North,  
Old Trafford,  
Manchester M16 0RA

Dated the 17th November, 1987



- (i) A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and on a poll, vote instead of him. A proxy need not be a member of the Company. To be effective the instrument appointing a proxy must be deposited at the office of the Company's Registrars not less than 48 hours before the meeting.
- (ii) The transfer books of the Company will be closed from 10th November, 1987 to 10th December, 1987.

## **The Manchester United Football Club plc**

### **Chairman's Statement**

I am able to report an operating profit after interest of £17,586 as shown on the Profit and Loss Account. After taking into consideration the profit on transfer of players of £793,286, an overall profit of £810,872 was made before taxation. The operating profit was well down on the previous year because of high termination payments to staff and players and an average fall in home gates of approximately 6,000 spectators per game. However, our average home gate of 40,626 for League games was, once again, the highest in the League.

Since the end of last Season Frank Stapleton (Ajax), Terry Gibson (Wimbledon), John Sivebaek (St-Etienne) and Gary Bailey through permanent injury, have all left the Club and we wish them every success for their future. In their places we welcome Viv Anderson from Arsenal and Brian McClair from Celtic.

During the close season we have installed a Wilco Warmaturf hot water underpitch heating system to replace the previous installation which was so disappointing. This has been tried and tested over many years at a number of clubs and we are confident that it will prove to be successful. At the same time we have taken the opportunity of putting in new drainage pipes, changed the irrigation to make future maintenance easier and appointed a new Head Groundsman, Mr. Keith Kent, who has joined us from Leicester City Football Club. All this work has been supervised by John Souter of Stirling who has a long experience in turf management being responsible for a number of grounds in England and Scotland. The carrying out of all this work resulted in re-seeding not taking place until late June, and it will be two or three years before the full benefit of this expenditure is derived.

Last April the Club announced the introduction of a Membership Scheme for the start of this Season. All Football League clubs were obliged to make 50% of their ground capacity 'membership only areas' under an agreement between the Government and the Football League. All those clubs who did not achieve this target were subject to an independent inspection and in some cases, clubs who had not complied, were instructed to introduce a scheme. In order to avoid such intervention we decided at the outset to introduce our own voluntary scheme. I am pleased to report that in spite of initial teething problems we are now approaching our target of 40,000 members. There are considerable benefits attached to the membership and it is our intention to make further improvements to the scheme for next season.

The Museum continues to attract a large number of visitors. Since it first opened its doors to the public in May, 1986 more than 35,000 people have passed through. Individually or in parties, people from all walks of life and of all ages come to the museum from every corner of Britain and from many parts of the world. At the last count we had welcomed foreign visitors from forty nine different countries such as Bolivia, China, Chile, Iceland, Indonesia and Thailand.

The basketball team finished third in the National League and reached the finals of the Play-Offs at Wembley, although they lost on successive nights to Kingston and Portsmouth. The team did exceptionally well in the European Cup by beating Benfica before losing to Real Madrid, seven times European Champions, after holding them to within eight points at Stretford in the first leg.

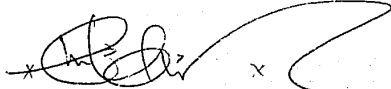
On the 25th October last year we were thrilled to stage the first Rugby League Test, Great Britain v Australia. A record crowd for Rugby League Internationals of 50,000 watched a magnificent match in atrocious weather conditions. The Rugby League were so pleased with the crowd, facilities and organisation at Old Trafford that they decided to hold the Premiership Play-Offs here on the 17th May this year. It has since been decided to make Old Trafford the regular venue for this event.

On the 3rd February, Mr. Amer Al Midani was appointed to the Board. He was already a Director of the basketball club after we took over Manchester Giants where he was the previous chairman. Mr. Midani was born in the Middle East and moved to the Manchester area some thirteen years ago. He was a graduate of Manchester University and attended the Manchester Business School, before embarking on a highly successful business career.

At the time of writing the team have made a promising start to the season currently lying in fifth position in the League having lost only one game in thirteen and having reached the fourth round of the Littlewoods Cup. It was particularly pleasing to win the Manchester International Football Tournament, held early in August at Maine Road by beating Manchester City (3-1) and Athletico Mineiro of Brazil (3-1) in the final.

Our thanks are also due to all members of the Club and the Development Association, together with all officials, stewards and members of the Supporters groups for their work on behalf of the Club, which is very much appreciated at all times.

C. M. EDWARDS  
Chairman.



**The Manchester United  
Football Club plc**

Report of the Directors  
**Year ended 31st July, 1987**

**RESULTS & DIVIDENDS**

The Operating Profit of the Group for the year amounted to £17,586 after interest, but before Taxation. The Surplus on Transfers was £793,286 resulting in an overall Trading Profit of £810,872 before Taxation. After charging extraordinary items there is a profit for the year of £535,662. The Directors recommend that a dividend of 10 pence net per ordinary share and 10.5 pence per preference share be paid, leaving a profit to be retained of £435,219.

**REVIEW OF THE BUSINESS**

The principal activity of the Group continued to be that of a professional Football League Club and Basketball Club.

During the year there has been a small increase in Turnover, together with a surplus on transfer of players, resulting in an overall profit.

**MARKET VALUE OF LAND AND BUILDINGS**

In the opinion of the Directors, the market value of the land and buildings is considerably greater than the book value and because of this, no depreciation has been charged this year. In view of the specialised nature of these assets, the Directors do not consider it appropriate, at this time, to have a current valuation prepared.

**INTANGIBLE ASSETS**

Goodwill costing £30,256 was acquired during the year.

**TANGIBLE ASSETS**

Expenditure amounting to £564,749 was incurred in purchasing land and improving the Stands; Plant and Equipment was purchased for £670,887; Tangible Assets sold, realised £333,612.

**EVENTS SINCE THE END OF THE YEAR**

Since the end of the year the club has transferred two players for the sum of £427,000.

**DIRECTORS AND THEIR INTERESTS**

	31st July, 1987		31st July, 1986	
	Ordinary	Preference	Ordinary	Preference
C. M. Edwards	505,100	204	572,758	204
J. M. Edelson	25,200	—	25,800	—
R. Charlton, CBE	1,400	—	1,400	—
E.M. Watkins	52,300	—	52,300	—
A. M. Al Midani	8,000	—	—	—

Mr. Amer M. Al Midani was co-opted to the Board on the 3rd February, 1987

**The Manchester United  
Football Club plc**

**Report of the Directors  
Year ended 31st July, 1987**

**ELECTION OF DIRECTORS**

Mr. C. M. Edwards retires by rotation and being eligible offers himself for re-election. Mr. Amer M Al Midani was co-opted on to the Board on the 3rd February, 1987 and being eligible offers himself for election. No Director, either during or at the end of the Financial Year was materially interested in any contract that was significant in relation to the Group's business.

**SIGNIFICANT SHAREHOLDERS**

Philen Establishment has a shareholding of 100,682 Ordinary Shares and Mr. R. O. Goldstein has a shareholding of 51,000 Ordinary Shares. No other person, apart from the Directors, has reported an interest of five per cent or more in the shares of the Company.

**POLITICAL AND CHARITABLE DONATIONS**

Contributions for Charitable purposes made during the year by the Group amounted to £2,433 (last year £3,887).

No contributions were made for political purposes.

**AUDITORS**

The Auditors, Messrs Hindle & Jepson, are willing to continue in Office and a resolution regarding their re-appointment and remuneration will be proposed at the Annual General Meeting.

By Order of the Board,  
L. OLIVE,  
Secretary.

*L. Olive*

**The Manchester United  
Football Club plc**

Accounting Policies  
Year ended 31st July 1987

**BASIS OF ACCOUNTING**

The Group Accounts are prepared under the Historical Cost Convention on a going concern basis, modified in that fixed assets purchased before 17th June 1947 are brought into account at the book value thereof at that date.

**BASIS OF CONSOLIDATION**

The consolidated accounts incorporate The Manchester United Football Club plc and its subsidiary, The Manchester United Basketball Club Limited. The Accounts cover the year to 31st July 1987. No Profit and Loss Account is presented for The Manchester United Football Club plc as provided by Section 228(7) of the Companies Act 1985

**PLAYING STAFF**

In line with the practice adopted by Football Clubs and accepted by the Inland Revenue, amounts payable and receivable in respect of transfer of players are treated as revenue items. Thus, the value of the playing staff at 31st July, 1987, is not reflected in the Balance Sheet of the Group.

**DEPRECIATION**

The Freehold and Long Leasehold Properties are not depreciated, it being the Company's policy to maintain them in such condition that the estimated aggregate residual values are at least equal to the net book values in the Accounts. The cost of maintaining the properties is charged to revenue as it is incurred. Consequently, any element of Depreciation would, in the opinion of the Directors, be immaterial and no provision for Depreciation is made. Depreciation of tangible fixed assets is on a reducing balance basis at the following annual rates on the written down values:-

	<b>The Manchester United Football Club plc</b>	<b>Executive Suite</b>
(i) Freehold Land, Stand and Buildings	NIL	NIL
(ii) Plant and Machinery	25%	20%
(iii) Fixtures and Fittings	15%	100%

**STOCKS**

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

**GRANTS**

Grants received from The Football Grounds Improvement Trust are credited to Safety of Grounds Reserve.

**LEASED ASSETS**

The cost of leasing assets is charged to Revenue Account.

**DEFERRED TAXATION**

Deferred Taxation is not provided as it is considered that it will not be payable in the foreseeable future.



**The Manchester United  
Football Club plc**

**Group Profit & Loss Account  
Year to 31st July, 1987**

		1987		1986	
	Notes	£	£	£	£
Turnover	1		<b>6,718,007</b>		6,677,474
Raw Materials & Consumables		<b>763,977</b>		697,177	
Other External Charges		<b>503,879</b>		589,248	
Staff Costs	2	<b>2,827,520</b>		2,576,017	
Depreciation		<b>446,753</b>		374,037	
Other Operating Charges		<b>2,144,317</b>	<b>6,686,446</b>	1,772,350	6,008,829
Operating Profit	3		<b>31,561</b>		668,645
Interest Receivable & Similar Income		<b>19,568</b>		121,408	
Interest Payable & Similar Charges		<b>(33,543)</b>	<b>(13,975)</b>	(117,621)	3,787
			<b>17,586</b>		672,432
Players' Transfer Fees					
Receivable		<b>2,147,264</b>		124,850	
Less Payable		<b>1,353,978</b>	<b>793,286</b>	1,621,209	(1,496,359)
Profit/(Loss) on Ordinary Activities			<b>810,872</b>		(823,927)
Before Taxation			<b>(299,281)</b>		—
Tax on Profit on Ordinary Activities	4		<b>511,591</b>		(823,927)
Profit/(Loss) on Ordinary Activities after Taxation			<b>511,591</b>		(823,927)
Extraordinary Charges	5				
Goodwill Written Off		<b>(30,256)</b>		(79,999)	
Loss on Joint Venture		—	<b>(30,256)</b>	(70,406)	(150,405)
Other Taxes not shown under the above items:					
Taxes Relating to Previous Years			<b>54,537</b>		(10,333)
			<b>535,872</b>		(984,665)
Loss attributable to Minority Interest			<b>16,759</b>		16,515
Profit/(Loss) for the year			<b>552,631</b>		(968,150)
attributable to Shareholders	6		<b>(16,759)</b>		(16,515)
Deficit on Minority Interest Written Off			<b>535,872</b>		(964,665)
<b>Proposed Dividend recommended by the Directors</b>					
Ordinary Shares			<b>(100,682)</b>		—
Preference Shares			<b>(181)</b>		—
Unclaimed Dividends forfeited			<b>210</b>		311
Retained Profits/(Loss) for the Year			<b>435,219</b>		(984,354)
Retained Profits/(Loss) brought forward			<b>(360,840)</b>		623,514
Balance carried forward			<b>74,379</b>		(360,840)

**The Manchester United  
Football Club plc**

**Balance Sheet  
As at 31st July, 1987**

	1986	1987
£	£	£
697,177	6,677,474	
589,248		
2,576,017		
374,037		
1,772,350	6,008,829	
	668,645	
121,408		
(117,621)	3,787	
	672,432	
124,850		
1,621,209	(1,496,359)	
	(823,927)	
	(823,927)	
(79,999)		
(70,406)	(150,405)	
	(10,333)	
	(984,665)	
	16,515	
	(968,150)	
	(16,515)	
	(984,665)	
	311	
	(984,354)	
	623,514	
	(360,840)	

	Notes	1987 £	1986 £	PARENT 1987 £	1986 £
<b>Fixed Assets:</b>					
Tangible Assets	7	<b>8,463,920</b>	8,008,648	<b>8,452,786</b>	7,990,429
Investment in Subsidiary	8	<b>1</b>	<b>2</b>	<b>751</b>	751
Unquoted Investment		<b>8,463,921</b>	8,008,650	<b>8,453,539</b>	7,991,180
<b>Current Assets:</b>					
Stock	9	<b>133,846</b>	61,139	<b>133,846</b>	61,139
Debtors	10	<b>454,377</b>	494,000	<b>487,734</b>	517,249
Cash at Bank and in Hand		<b>1,014,950</b>	626,710	<b>1,013,325</b>	602,635
		<b>1,603,173</b>	1,181,349	<b>1,634,905</b>	1,181,083
<b>Creditors</b>					
Amounts Falling Due Within One Year	11	<b>(2,101,276)</b>	(2,308,427)	<b>(1,965,495)</b>	(2,287,360)
<b>Net Current Assets/(Liabilities)</b>		<b>(498,103)</b>	(1,126,578)	<b>(330,590)</b>	(1,106,277)
<b>Total Assets, Less Current Liabilities</b>		<b>7,965,818</b>	6,882,072	<b>8,122,949</b>	6,884,903
<b>Accruals &amp; Deferred Income</b>		<b>(3,074,277)</b>	(2,700,704)	<b>(3,081,345)</b>	(2,540,776)
<b>Net Assets</b>		<b>4,891,541</b>	4,181,368	<b>5,121,604</b>	4,344,127
<b>Capital &amp; Reserves</b>					
Called Up Share Capital	12	<b>1,008,546</b>	1,008,546	<b>1,008,546</b>	1,008,546
<b>Capital Reserves</b>					
Amount Paid by Development Associations	13	<b>3,426,691</b>	3,151,737	<b>3,415,875</b>	3,140,921
Safety of Ground Reserve	14	<b>381,925</b>	381,925	<b>381,925</b>	381,925
<b>Revenue Reserves</b>					
Profit and Loss Account		<b>74,379</b>	(360,840)	<b>315,258</b>	(187,265)
		<b>4,891,541</b>	4,181,368	<b>5,121,604</b>	4,344,127

APPROVED BY THE BOARD ON 2nd OCTOBER, 1987

C. M. EDWARDS

DIRECTORS

E. M. WATKINS

*[Signature]*  
*x E. M. Watkins*



**The Manchester United  
Football Club plc**

**Source & Application of Group Funds  
Year Ended 31st July, 1987**

	£	1987	£	1986	£
<b>Source of Funds:</b>					
Net Profit After Tax					
Attributable to the Group			552,631		(968,150)
Adjustments for items not involving the movement of funds:					
Depreciation			446,753		374,037
Goodwill Written Off			30,256		79,999
Total (Utilised)/Generated by Operations			1,029,640		(514,114)
Sale of Fixed Assets			333,612		75,797
Increase in Capital Reserves			274,954		695,818
			1,638,206		257,501
<b>Less Application of Funds:</b>					
Acquisition of Fixed Assets and Stadium Developments	1,265,892			2,507,028	
Dividends paid	160			100,304	
Decrease in Interest of Minority Shareholders Written Off	16,759		1,282,811	16,515	2,623,847
Increase/(Decrease) in Working Capital			355,395		(2,366,346)
<b>Made Up:</b>					
Increase/(Decrease) in Current Assets:					
Stock			72,707		22,770
Debtors			(39,623)		(479,785)
Net Liquid Funds			1,976,997		(2,777,421)
			2,010,081		(3,234,436)
<b>Less:</b>					
Increase/(Decrease) in Creditors	1,281,113			(812,615)	
Accruals & Deferred Income	373,573			(55,475)	
			1,654,686		(868,090)
			355,395		(2,366,346)



**The Manchester United  
Football Club plc**

**Notes to the Accounts  
Year ended 31st July, 1987**

**(7) Tangible Fixed Assets as at 31st July, 1987:**

	Freehold Property £	Leasehold Property £	Plant and Machinery £	Fixtures and Fittings £	Total £
<b>(a) Group</b>					
Opening Cost	5,818,178	245,673	439,334	3,293,427	9,796,712
Additions	563,921	828	129,039	541,848	1,235,636
Disposals	(294,907)	(41,083)	(25,476)	—	(361,466)
Cost	6,087,192	205,418	542,897	3,835,375	10,670,882
Opening Depreciation	93,560	—	364,004	1,330,500	1,788,064
Depreciation on Disposals	—	—	(4,400)	—	(4,400)
Depreciation for Year	—	—	47,942	375,353	423,298
Total Depreciation	93,560	—	407,546	1,705,856	2,206,962
Net Book Value 1987	5,993,632	205,418	135,351	2,129,519	8,463,920
Net Book Value 1986	5,724,619	245,672	75,330	1,933,027	8,008,648
<b>(b) Parent:</b>					
Opening Cost	5,818,178	245,673	428,534	3,281,461	9,773,846
Additions	563,921	828	128,139	541,848	1,234,736
Disposals	(294,907)	(41,083)	(18,276)	—	(354,266)
Cost	6,087,192	205,418	538,397	3,823,309	10,654,316
Opening Depreciation	93,560	—	361,304	1,328,553	1,783,417
Depreciation for Year	—	—	44,273	373,838	418,111
Total Depreciation	93,560	—	405,577	1,702,391	2,201,528
Net Book Value 1987	5,993,632	205,418	132,820	2,120,918	8,452,788
Net Book Value 1986	5,724,619	245,672	67,230	1,952,908	7,990,429

**Future Capital Expenditure**

	1987 £	1986 £
Outstanding Commitments	—	281,737
Board Authorisation, Not Contracted For	3,000	—

**(8) Investment in Subsidiary:**

The Company owns 751 Shares purchased at par, out of 1,000 shares in The Manchester United Basketball Club Limited, registered in England.

**(9) Stocks:**

Stock consists of raw materials and consumables and is valued at the lower of cost and net realisable value.

**(10) Debtors:**

	Group		Parent	
	1987 £	1986 £	1987 £	1986 £
Trade Debtors	169,530	168,082	169,530	168,082
Amounts owed by Subsidiary	—	—	89,775	86,536
Other Debtors	200,910	158,077	145,887	95,946
Prepayments & Accrued Income	83,937	167,841	82,542	166,685
	454,377	494,000	487,734	517,249

**The Manchester United  
Football Club plc**

**Notes to the Accounts  
Year ended 31st July, 1987**

**11. Creditors:**  
Amounts falling due within one year

	<b>Group</b>		<b>Parent</b>	
	1987	1986	1987	1986
	£	£	£	£
Trade Creditors	1,308,543	175,619	1,304,419	170,486
Proposed Dividend	100,863	—	100,863	—
Other Creditors	234,343	99,657	231,928	97,242
Taxation	77,075	53,980	77,075	43,647
Other Taxes and Social Security	254,434	264,396	251,210	261,210
Bank Overdraft	126,018	1,714,775	—	1,714,775
	<u>2,101,276</u>	<u>2,308,427</u>	<u>1,965,495</u>	<u>2,287,360</u>

**12. Share Capital:**

	1987	1986
	Number	Number
Authorised Share Capital:		
Ordinary Shares of £1 each	1,007,500	1,007,500
5.25% Cumulative Preference Shares of £1 each	7,500	7,500
	<u>1,015,000</u>	<u>1,015,000</u>
Allotted, called up, and fully paid:		
Ordinary Shares of £1 each	1,006,821	1,006,821
5.25% Cumulative Preference shares of £1 each	1,725	1,725
	<u>1,008,546</u>	<u>1,008,546</u>

**13. Amounts Paid by Manchester United Development Associations:**

	<b>Group</b>	<b>Parent</b>
	£	£
Balance as at 1st August, 1986	3,151,737	3,140,921
Contributions during the year	274,954	274,954
Balance at 31st July, 1987	<u>3,426,691</u>	<u>3,415,875</u>

**14. Safety of Ground Reserve:**

	£
Balance at 1st August, 1986	381,925
Contribution from The Football Grounds' Improvement Trust during the year	—
	<u>381,925</u>

**15. The Company is a Close Company.**

**The Manchester United  
Football Club plc**

**Report of the Auditors  
For the year ended 31st July, 1987**

We have audited the financial statements on pages (3) to (11) in accordance with approved Auditing Standards.

In our opinion, the financial statements, which have been prepared under the historical cost convention, give a true and fair view of the state of affairs of the Company and the Group at 31st July, 1987 and of the Profit and Source and Application of Funds of the Group for the year then ended and comply with the Companies Act, 1985.

HINDLE & JEPSON  
Chartered Accountants  
10 Borough Road  
Darwen  
BB3 1PL  
Lancashire

*Hindle*

2nd October, 1987