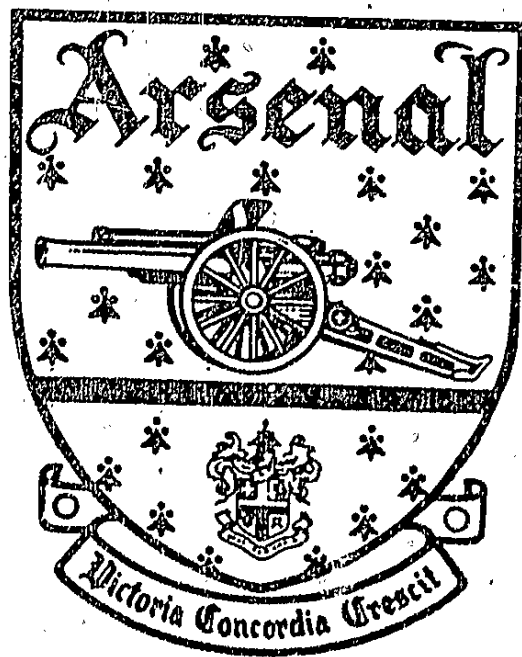


# ARSENAL FOOTBALL CLUB LIMITED

STATEMENT OF ACCOUNTS  
AND  
ANNUAL REPORT

1981-82





# ARSENAL FOOTBALL CLUB LIMITED

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NOTICE IS HEREBY GIVEN that the Seventy Second Annual General Meeting of the shareholders of Arsenal Football Club Limited will be held at The Conference Centre, Winchester House, 100 Old Broad Street, London E.C.2 on Friday 24th September, 1982 at 12 noon precisely when the following ordinary business will be transacted, viz.:

1. To receive the Directors' Report and Statement of Accounts and the Auditors' Report thereon for the year ended 31st May, 1982.
2. To re-elect Directors.
3. To re-appoint the auditors and to authorise the Directors to fix their remuneration.
4. To transact any other ordinary business of the meeting.

Dated this

1st day of September, 1982.

By Order of the Board,

K. J. FRIAR,

Secretary.

**Registered Office:**

Arsenal Stadium,  
Avenue Road,  
Highbury,  
London N5 1BU.

**Note.**—A member of the Company who is entitled to attend and vote may appoint another person (whether a member or not) as his proxy to attend and vote instead of him.

A form of proxy is enclosed with this annual report for the use of members who are unable to attend the meeting and should be deposited at the Registered Office of the Company not less than 48 hours before the time of the meeting.

Admission to the meeting will be upon production of an admission card only and any person attending as a proxy (whether a member or not) must produce the admission card.

# ARSENAL FOOTBALL CLUB LIMITED

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## Directors:

P. D. HILL-WOOD, Esq., (*Chairman*)

Sir ROBERT BELLINGER, G.B.E., D.Sc.

S. C. McINTYRE, Esq., M.B.E., F.C.I.S.

The Reverend NÖEL F. BONE, T.D.

A. WOOD, Esq.

R. G. GIBBS, Esq.

C. E. B. L. CARR, Esq.

R. C. L. CARR, Esq.

## Secretary:

K. J. FRIAR

## Manager:

W. J. T. NEILL

## Auditors:

HOPE, AGAR & CO.

Chartered Accountants

Epworth House, 25/35 City Road, London EC1Y 1AR

## Registered Office:

ARSENAL STADIUM

Avenell Road, Highbury, London N5 1BU

## CHAIRMAN'S STATEMENT

It is very sad to report the death on 4th May of Mr Denis Hill-Wood our Chairman for the past 21 years. He joined the Board in 1949 and throughout his association with the Club, set and maintained the very highest standards. His integrity, inspiration and leadership will be sorely missed not only by everyone at the Club but by Football in general.

I am honoured to have been elected by the Board to succeed my father as Chairman and I will do everything I can to maintain the high standards of the Club.

We have now completed our first full Season of sponsorship with JVC (UK) Ltd and we are extremely pleased with our relationship. As was mentioned last year, part of the money received under the arrangement was used to convert our Indoor Hall into a fully equipped Indoor Training Centre. This is now completed. We have an artificial playing surface, changing rooms, gymnasium, physiotherapy room, shower facilities and viewing galley, and undoubtedly this is one of the finest Indoor Halls of its type in the country. This will bring considerable benefit not only to us but to the community as a whole and we are grateful to JVC for their co-operation in such a worthwhile venture.

In June, John Hollins was honoured in the Queen's Birthday list, and was awarded the MBE. He is a great ambassador for the game and on behalf of my colleagues, I extend to him our sincere congratulations.

Gate receipts at £1,593,616 were slightly down on the previous Season, due probably to first, the worsening economic climate and secondly to our inability, at least in the early part of the Season, to score goals. Lower attendances affect all other income and although at the balance sheet date, cash on deposit amounted to £1,504,000 our overall trading result was nonetheless disappointing, showing a loss of £40,766 which after adjustment to take account of the profit on disposal of property produced an overall profit of £56,372.

Much criticism was levelled at the Club during the year, some of it justified, but much of it ignorant and annoying. As was stated many times, the Board was not prepared to pay exorbitant fees for players, who, in the opinion of Terry Neill, were not up to our standard. I think that with hindsight, we have been proved right and a year of transition ended in us being 5th in the First Division and once more qualifying for the UEFA Cup.

During the year we had the gratification of seeing young players mature, particularly Stewart Robson, Chris Whyte and Paul Davis. During the close Season we were delighted to have been able to sign Tony Woodcock from FC Cologne, Vladimir Petrovic from Red Star Belgrade and Lee Chapman from Stoke City. The uncertainty that has arisen since the signing of Petrovic, due to the last minute intervention of the Yugoslav FA has obviously been very frustrating. However, this will hopefully be resolved in mid-September when the Yugoslav FA hold their summer meeting. These players are in the very highest class and we are looking forward to an exciting and successful year in 1983.

We are very proud that Arsenal were so well represented at the World Cup. Don Howe, Fred Street, Kenny Sansom, Graham Rix and Tony Woodcock for England; Pat Jennings for Northern Ireland; George Wood for Scotland and Vladimir Petrovic for Yugoslavia. Our congratulations to them all.

After some initial teething troubles the Executive Suite in the West Stand proved a great success. This is borne out by the very high rate of renewal and the speed at which we resold the tickets for the coming Season.

As usual a great deal of work has been done on maintaining the Stadium, much of the work, although expensive, is not noticeable but vital if we wish to keep Arsenal Stadium as one of the best in the country.

In closing I would like to place on record the Board's appreciation to the Staff, both on and off the field for their efforts throughout the Season.

We wish Terry Neill and his Staff and all of the Players the very best of luck for the coming Season which we hope will produce continued success.

PETER HILL-WOOD  
Chairman,  
Arsenal Football Club

## REPORT OF THE DIRECTORS

The Directors present their Report and the Audited Accounts for the year ended 31st May 1982.

### PRINCIPAL ACTIVITY

The principal activity of the Company is that of a Professional Football Club.

### RESULTS

The results for the year are set out on Page 6.

The Directors do not recommend the payment of a dividend.

### FIXED ASSETS

The Directors are of the opinion that the market value of the Company's Land and Buildings is considerably greater than book value, but in view of the specialised nature of most of this asset, it is not practicable to fix a realistic present day value.

### DIRECTORS

The following Directors have served during the year and their interests in the Shares of the Company were as stated against their respective names:

	<u>31.5.82</u>	<u>31.5.81</u>
	<u>Beneficial Interests</u>	
D.J.C.H. Hill-Wood, M.C. (Died 4th May 1982)	508	508
Sir Robert Bellinger, G.B.E. D.Sc.	89	89
S. C. McIntyre, M.B.E. F.C.I.S.	80	80
P. D. Hill-Wood	607	607
Rev. N. F. Bone, T.D.	25	25
A. Wood	81	81
R. G. Gibbs	42	42
C.E.B.L. Carr	25	—
R.C.L. Carr	25	—
	<u>Non Beneficial Interests</u>	
C.E.B.L. Carr	1,208	

In accordance with the provisions of Article 90 of the Articles of Association Mr. S.C. McIntyre and Rev. N.F. Bone retire by rotation and, being eligible, offer themselves for re-election.

### AUDITORS

Messrs. Hope, Agar & Co. have expressed their willingness to continue in office.

1st September 1982

By Order of the Board  
K.J. FRIAR  
Secretary

# ARSENAL FOOTBALL CLUB LIMITED

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st MAY, 1982

	Note	1982	1981
		£	£
<b>TURNOVER</b>			
Gate Receipts ... ..		1,593,616	1,703,636
Broadcasting and Television Fees ... ..		32,854	31,105
Ground Advertisements and other activities ...		<u>465,684</u>	<u>293,587</u>
		2,092,154	2,028,328
<b>EXPENDITURE</b>			
Transfer Fees — Net ... ..		342,996	787,203
Players, Management and Staff ... ..		1,372,654	1,175,973
Police, Referees and Gatemen ... ..		82,843	89,484
Ground Maintenance and Expenses ... ..		337,879	390,522
General Expenses ... ..		118,115	107,449
Depreciation ... ..		19,974	11,406
Audit Fee ... ..		<u>2,000</u>	<u>2,000</u>
		2,276,461	2,564,037
<b>FOOTBALL LOSS</b> ... ..		(184,307)	(535,709)
<b>RENTS AND INTEREST RECEIVABLE</b> ... .. 2		<u>143,541</u>	<u>47,368</u>
<b>LOSS BEFORE TAXATION</b> ... ..		(40,766)	(488,341)
<b>TAXATION</b> ... .. 3		<u>—</u>	<u>(132,000)</u>
<b>LOSS AFTER TAXATION</b> ... ..		(40,766)	(356,341)
<b>EXTRAORDINARY ITEM</b>			
Profit on disposal of property ... ..		97,138	—
<b>MOVEMENT IN RETAINED PROFITS</b> ... .. 8		<u><u>£56,372</u></u>	<u><u>£(356,341)</u></u>

# ARSENAL FOOTBALL CLUB LIMITED

BALANCE SHEET 31st MAY, 1982

	Note	1982	1981
		£	£
FIXED ASSETS ... .. 6		970,300	434,389
<b>CURRENT ASSETS</b>			
Stocks ... ..	51,740	56,488	
Debtors ... ..	520,486	341,901	
Short Term Investments ... ..	1,504,000	770,997	
Cash at Bank and in Hand ... ..	1,050	2,052	
	<u>2,077,276</u>	<u>1,171,438</u>	
<b>CURRENT LIABILITIES</b>			
Season Tickets ... ..	207,768	345,058	
Creditors ... ..	2,096,091	728,481	
Bank Overdraft (Secured) ... ..	101,676	322,619	
	<u>2,405,535</u>	<u>1,396,158</u>	
<b>NET CURRENT LIABILITIES</b> ... ..		(328,259)	(224,720)
		<u>£ 642,041</u>	<u>£ 259,669</u>
<b>FINANCED BY:</b>			
<b>SHARE CAPITAL</b> ... .. 7		5,849	5,849
<b>RESERVES</b> ... .. 8		636,192	253,820
		<u>£ 642,041</u>	<u>£ 259,669</u>

P. D. HILL-WOOD  
R. I. BELLINGER } Directors.

K. J. FRIAR, Secretary.

1st September 1982

*Handwritten signatures:*  
P. D. Hill-Wood  
R. I. Bellinger  
K. J. Friar



# ARSENAL FOOTBALL CLUB LIMITED

## NOTES TO THE ACCOUNTS

31st May, 1982

### 1. ACCOUNTING POLICIES

#### Turnover

Turnover represents the net income from football and related activities.

#### Depreciation

Depreciation on all Fixed Assets other than Freehold Properties is calculated to write off cost during their expected normal lives by annual instalments at rates ranging from 10 per cent. to 25 per cent. No Depreciation has been provided in the year under review on Freehold Properties.

#### Stocks

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

### 2. RENTS AND INTEREST RECEIVABLE

	1982	1981
Rents (Less Expenses) ... ..	(6,599)	(2,863)
Interest		
Bank ... ..	139,654	45,491
Other ... ..	10,486	4,740
	<u>150,140</u>	<u>50,231</u>
	<u>£ 143,541</u>	<u>£ 47,368</u>

### 3. TAXATION

Corporation Tax (Recoverable) ... ..	—	(117,000)
Deferred Taxation ... ..	—	(15,000)
	<u>£ —</u>	<u>£ (132,000)</u>

### 4. REMUNERATION OF EMPLOYEES

The number of employees whose emoluments receivable were in excess of £20,000 for the year was:

	1982	1981
£20,001 — £25,000 ... ..	3	5
£25,001 — £30,000 ... ..	3	3
£30,001 — £35,000 ... ..	5	4
£35,001 — £40,000 ... ..	1	3
£40,001 — £45,000 ... ..	1	1
£45,001 — £50,000 ... ..	—	1
£60,001 — £65,000 ... ..	1	—

### 5. DIRECTORS' EMOLUMENTS

In accordance with Article 86 of the Company's Articles of Association the Directors received no remuneration during the year (1981—Nil).

# ARSENAL FOOTBALL CLUB LIMITED

NOTES TO THE ACCOUNTS – continued  
31st MAY, 1982

## 6. FIXED ASSETS

	<i>Freehold Properties</i>	<i>Plant, Fixtures, Fittings and Equipment</i>	<i>Emergency and Flood Lighting</i>	<i>Motor Vehicles</i>	<i>Total</i>
Value at 1965 ... ..	12,150	—	—	—	12,150
Cost at 1st June, 1981 ... ..	556,729	143,554	41,405	13,607	755,295
Additions ... ..	446,347	14,642	—	45,051	506,040
Disposals ... ..	—	—	—	(775)	(775)
	<u>1,015,226</u>	<u>158,196</u>	<u>41,405</u>	<u>57,883</u>	<u>1,272,710</u>
Depreciation to 1st June, 1981	127,393	106,248	41,355	8,060	283,056
Charge for the year ... ..	—	8,844	—	11,130	19,974
Disposals ... ..	—	—	—	(620)	(620)
	<u>127,393</u>	<u>115,092</u>	<u>41,355</u>	<u>18,570</u>	<u>302,410</u>
Net Book Value 31st May, 1982	<u>£ 887,833</u>	<u>£ 43,104</u>	<u>£50</u>	<u>£ 39,313</u>	<u>£970,300</u>
Net Book Value 31st May, 1981	<u>£ 441,486</u>	<u>£ 37,306</u>	<u>£50</u>	<u>£ 5,547</u>	<u>£484,389</u>

Barclays Bank Limited holds a debenture giving a charge on all of the Company's properties.

## 7. SHARE CAPITAL

	1982	1981
Authorised		
7,000 Ordinary Shares of £1 each ... ..	<u>£ 7,000</u>	<u>£ 7,000</u>
Issued and Fully Paid		
5,839 Ordinary Shares of £1 each ... ..	<u>£ 5,839</u>	<u>£ 5,839</u>
Amounts paid on Shares forfeited ... ..	<u>£ 10</u>	<u>£10</u>

## 8. RESERVES

	<i>Retained Profits</i>	<i>Building Reserve</i>	<i>Total</i>
At 1st June 1981	253,820	—	253,820
Profit for year	56,372	—	56,372
Donations	—	326,000	326,000
	<u>£310,192</u>	<u>£326,000</u>	<u>£636,192</u>

## 9. CAPITAL COMMITMENTS

	1982	1981
Contracted for but not yet provided ... ..	<u>£40,000</u>	<u>£220,000</u>

# ARSENAL FOOTBALL CLUB LIMITED

## STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED 31st MAY, 1982

	1982		1981	
	£	£	£	£
<b>SOURCE (OUTFLOW) OF FUNDS</b>				
Loss before Taxation ... ..		(40,766)		(488,341)
Adjustment for item not involving the Movement of funds:				
Depreciation ... ..		19,974		11,406
		<u>(20,792)</u>		<u>(476,935)</u>
<b>FUNDS FROM OTHER SOURCES</b>				
Donation ... ..		326,000		—
		<u>305,208</u>		<u>(476,935)</u>
<b>APPLICATION OF FUNDS</b>				
Purchase of Fixed Assets Net ... ..		408,747		38,894
<b>DECREASE IN WORKING CAPITAL</b>		<u>£(103,539)</u>		<u>£(515,829)</u>
<b>MOVEMENT IN WORKING CAPITAL (DECREASE)/INCREASE ARISING FROM:</b>				
Stocks ... ..		(4,748)		19,059
Debtors ... ..		178,585		(231,571)
Cash and Short Term Investments less Overdraft ...		952,944		(205,699)
Creditors ... ..		(1,367,610)		( 43,977)
Advance payment for Season Tickets ... ..		137,290		( 53,641)
		<u>£(103,539)</u>		<u>£(515,829)</u>

# ARSENAL FOOTBALL CLUB LIMITED

REPORT OF THE AUDITORS  
To the Members of Arsenal Football Club Limited

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We have audited the accounts on pages 6-10 in accordance with approved Auditing Standards.

In our opinion the accounts, which have been prepared under the historical cost convention, give a true and fair view of the state of the company's affairs at 31st May, 1982 and of its results and source and application of funds for the year then ended and comply with the Companies Acts 1948 to 1981.

HOPE, AGAR & CO.

*Chartered Accountants.*

EPWORTH HOUSE,  
25/35 CITY ROAD,  
LONDON EC1Y 1AR.

1st September, 1982

# ARSENAL FOOTBALL CLUB LIMITED

PLAYING RECORD 1981-82

## FIRST TEAM

Football League		
42 Matches	71 Points	Position 5th
F. A. Cup		
Round 3	v Tottenham Hotspur	(A) 0-1
Football League Cup		
Round 2 (1st leg)	v Sheffield United	(A) 0-1
Round 2 (2nd leg)	v Sheffield United	(H) 2-0 a.e.t.
Round 3	v Norwich City	(H) 1-0
Round 4	v Liverpool	(H) 0-0
Round 4 (Replay)	v Liverpool	(A) 0-3 a.e.t.
EUFA Cup		
Round 1 (1st leg)	v Panathinaikos	(A) 2-0
Round 1 (2nd leg)	v Panathinaikos	(H) 1-0
Round 2 (1st leg)	v KFC Winterslag	(A) 0-1
Round 2 (2nd leg)	v KFC Winterslag	(H) 2-1 lost on away goals

## SECOND TEAM

Football Combination		
38 Matches	32 Points	Position 11th

## THIRD TEAM

South East Counties League		
30 Matches	30 Points	Position 8th
F. A. Youth Cup		
Round 2	v Gillingham	(H) 3-0
Round 3	v Southampton	(H) 0-1
Southern Junior Floodlit Cup		
Round 1	v Portsmouth	(A) 1-0
Round 2	v Leicester City	(H) 0-1
South East Counties League Cup		
Round 1	v Charlton Athletic	(H) 2-0
Round 2	v Millwall	(A) 1-1
Round 2 (Replay)	v Millwall	(H) 0-2