



BDO Binder Hamlyn  
Chartered Accountants

1724/22

THE MILLWALL FOOTBALL  
AND ATHLETIC COMPANY (1985) PLC  
DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
for the year ended  
31 JULY 1988

23 FEB 1989  
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Ayr Basing Bath Belfast Birmingham Bradford Bristol  
Bury St Edmunds Cardiff Croydon Dublin Edinburgh  
Enniskillen Glasgow Hartlepool Leamington Spa Leeds  
London Manchester Newbury Newcastle Newmarket  
Norwich Nottingham Poole Reading Rochdale St Albans  
Southcoast Stockton-on-Tees Stoke-on-Trent Stranmillis  
Telford Wolverhampton Wrexham Isle of Man

## DIRECTORS

R I Burr (Chairman)  
 J D Burnige  
 B E Mitchell  
 P W Mead  
 D P Sullivan

## REPORT OF THE DIRECTORS

The directors submit their report together with the audited financial statements of the company for the year ended 31 July 1988.

## REVIEW OF THE BUSINESS

The company's principal activity is the operation of a Professional Football Club.

The considerable expenditure on acquiring new players during the year under review is anticipated to lead to increasingly successful results, both in terms of performance on the football field and financially. The directors consider that they have the appropriate resources in terms of playing and management staff to sustain such improved performances. Taking into account the value to the company of players' contracts the directors consider the company to be solvent and soundly based. The team manager estimates the market value of the players to be of the order of of £8 million.

## FINANCIAL RESULTS

The loss for the year, before accounting for transfer fees, exceptional item and taxation, amounted to £213,345 (1987: £159,778). After accounting for net transfer fees payable of £626,733 (1987: £602,917) (which the company treats as a revenue expense in line with similar organisations), exceptional gain of £98,000 (1987: £ nil) and taxation, the loss for the year amounted to £742,078 (1987: £755,195).

## POST BALANCE SHEET EVENT

Subsequent to 31 July 1988, the company purchased the freehold of "The Den" for £150,000.

## FIXED ASSETS

Movements on fixed assets are disclosed in note 9 to the accounts.

## ISSUE OF SHARES

In March 1988 the authorised share capital of the company was increased to £505,000, and £305,000 new 5% Cumulative Redeemable Preference shares of £1 each were issued in replacement of the directors' loan accounts, at par, to provide additional working capital.

## DIRECTORS

The directors who served during the year and their interests in the share capital of the company were as follows:

|              | 31 July 1988 |            | 31 July 1987 |            |
|--------------|--------------|------------|--------------|------------|
|              | Ordinary     | Preference | Ordinary     | Preference |
| R I Burr     | 33,335       | 130,000    | 33,335       | -          |
| J D Burnige  | 33,333       | -          | 33,333       | -          |
| B E Mitchell | 33,334       | -          | 33,334       | -          |
| P W Mead     | 33,333       | 175,000    | 33,333       | -          |

## THE MILLWALL FOOTBALL AND ATHLETIC COMPANY (1985) PLC

REPORT OF THE DIRECTORS  
(continued)

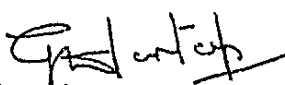
## DONATIONS

During the year the company made charitable donations totalling £5,050 (1987: £ nil).

## AUDITORS

Binder Hamlyn changed their name on 12 September 1988 to BDO Binder Hamlyn and have accordingly signed their report in their new name. A resolution to reappoint BDO Binder Hamlyn as auditors will be submitted to the annual general meeting.

BY ORDER OF THE BOARD

  
Secretary

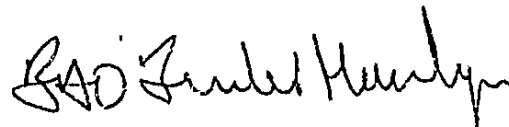
The Den  
New Cross  
London  
SE14 5RH

Dated: 30 January 1989

AUDITORS' REPORT TO THE MEMBERS OF  
THE MILLWALL FOOTBALL AND ATHLETIC COMPANY (1985) PLC

We have audited the financial statements on pages 4 to 15 in accordance with approved Auditing Standards.

In our opinion the financial statements, which have been prepared on the basis of the accounting policies set out on pages 7 and 8, give a true and fair view of the state of the affairs of the company at 31 July 1988 and of its loss and source and application of funds for the year then ended and comply with the Companies Act 1985.



Chartered Accountants

Dated: 6<sup>th</sup> February 1989

THE MILLWALL FOOTBALL AND ATHLETIC COMPANY (1975) PLC

PROFIT AND LOSS ACCOUNT

for the year ended 31 JULY 1988

|   | Notes | 1988<br>£            | 1987<br>£          |
|---|-------|----------------------|--------------------|
| TURNOVER  | 2     | 1,187,234            | 566,077            |
| Players and staff costs   |       | 844,115              | 481,207            |
| Match and ground expenses   |       | 381,413              | 216,904            |
| Administration expenses   |       | 250,578              | 156,359            |
|   |       | <hr/>                | <hr/>              |
| Other operating income  | 4     | 1,476,106<br>112,838 | 854,470<br>149,494 |
|   |       | <hr/> (1,363,268)    | <hr/> (704,976)    |
| OPERATING LOSS  | 5     | (176,034)            | (148,899)          |
| Interest payable  | 6     | 37,311               | 10,879             |
|   |       | <hr/>                | <hr/>              |
| LOSS ON ORDINARY ACTIVITIES<br>BEFORE TRANSFER FEES<br>AND EXCEPTIONAL ITEM |       | (213,345)            | (159,778)          |
| Exceptional item  | 7     | 98,000               | -                  |
| TRANSFER FEES PAYABLE (NET)   |       | <hr/> (626,733)      | <hr/> (602,917)    |
| LOSS ON ORDINARY ACTIVITIES<br>BEFORE TAXATION                              |       | (742,078)            | (762,695)          |
| Tax on loss on ordinary<br>activities                                       | 8     | -                    | (7,500)            |
|   |       | <hr/>                | <hr/>              |
| LOSS FOR THE YEAR   | 17    | <hr/> £ (742,078)    | <hr/> £ (755,195)  |

THE MILLWALL FOOTBALL AND ATHLETIC COMPANY (1985) PLC

BALANCE SHEET at 31 JULY 1988

|   | Notes | 1988<br>£          | 1987<br>£          |
|---|-------|--------------------|--------------------|
| <b>FIXED ASSETS</b>                                     |       |                    |                    |
| Tangible assets   | 9     | 395,947            | 248,960            |
| <b>CURRENT ASSETS</b>                                   |       |                    |                    |
| Stocks  | 10    | 5,306              | 2,316              |
| Debtors   | 11    | 315,020            | 193,039            |
| Cash at bank and in hand                                |       | 1,281              | 1,758              |
|   |       | <u>321,607</u>     | <u>197,113</u>     |
| CREDITORS: Amounts falling due within one year          | 12    | (1,167,714)        | (593,515)          |
| <b>NET CURRENT LIABILITIES</b>                          |       | <u>(846,107)</u>   | <u>(396,402)</u>   |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>            |       | <u>(449,160)</u>   | <u>(147,442)</u>   |
| CREDITORS: Amounts falling due after more than one year | 13    | 162,744            | 329,353            |
| DEFERRED INCOME   | 14    | 372,220            | 70,251             |
|   |       | <u>534,964</u>     | <u>399,604</u>     |
| <b>NET LIABILITIES</b>                                  |       | <u>£ (984,124)</u> | <u>£ (547,046)</u> |
| <b>CAPITAL AND RESERVES</b>                             |       |                    |                    |
| Called up share capital                                 | 15    | 438,35             | 133,335            |
| Revaluation reserve                                     | 16    | 98,423             | 99,534             |
| Profit and loss account                                 | 17    | (1,520,882)        | (779,915)          |
|   |       | <u>£ (984,124)</u> | <u>£ (547,046)</u> |

Signed on behalf of the board




)  
) Directors  
)

Dated: 30 January 1989

## THE MILLWALL FOOTBALL AND ATHLETIC COMPANY (1985) PLC

## STATEMENT OF SOURCE AND APPLICATION OF FUNDS

for the year ended 31 JULY 1988

|   | 1988      |             | 1987      |             |
|---|-----------|-------------|-----------|-------------|
|   | £         | £           | £         | £           |
| Loss on ordinary activities<br>before transfer fees<br>and taxation |           | (115,345)   |           | (159,778)   |
| Adjustment for items not involving<br>the movement of funds         |           |             |           |             |
| Depreciation  | 34,311    |             | 17,699    |             |
| Loss/(profit) on sale of<br>tangible fixed assets                   | 3,514     |             | (6,595)   |             |
|   |           | 37,825      |           | 11,104      |
| FUNDS ABSORBED BY OPERATIONS  |           | (77,520)    |           | (148,674)   |
| FUNDS FROM OTHER SOURCES  |           |             |           |             |
| Shares issued   | 305,000   |             | 33,333    |             |
| Safety work grants in respect of<br>tangible fixed assets acquired  | 80,336    |             | 232,643   |             |
| Sale of tangible fixed assets                                       | 6,450     |             | 6,595     |             |
| Loans and hire purchase finance                                     | 112,418   |             | 354,376   |             |
|   |           | 504,204     |           | 626,947     |
| TOTAL FUNDS GENERATED   |           | 426,684     |           | 478,273     |
| APPLICATION OF FUNDS  |           |             |           |             |
| Tax paid  | 9,116     |             | -         |             |
| Purchase of tangible fixed assets                                   | 272,598   |             | 399,302   |             |
| Transfer fees (net)   | 626,733   |             | 602,917   |             |
| Loans and hire purchase repayments                                  | 338,517   |             | 15,762    |             |
|   |           | 1,246,964   |           | 1,017,981   |
|   |           | (820,280)   |           | (539,708)   |
| INCREASE/(DECREASE) IN WORKING CAPITAL                              |           |             |           |             |
| Stocks  | 2,990     |             | 2,316     |             |
| Debtors   | 120,412   |             | 161,422   |             |
| Creditors   | (564,017) |             | (367,777) |             |
|   |           | (440,615)   |           | (204,039)   |
| MOVEMENT IN NET LIQUID FUNDS  |           | £ (379,665) |           | £ (335,669) |
| REPRESENTED BY:   |           |             |           |             |
| NET DECREASE IN CASH BALANCES                                       |           | (477)       |           | (159,543)   |
| NET INCREASE IN BANK OVERDRAFT                                      |           | (379,188)   |           | (176,126)   |
|   |           | £ (379,665) |           | £ (335,669) |

THE MILLWALL FOOTBALL AND ATHLETIC COMPANY (1985) PLC

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 JULY 1988

1. ACCOUNTING POLICIES

The following are the more important accounting policies adopted by the company:

Accounting convention

The financial statements are prepared under the historical cost convention, with the exception of leasehold premises which are included at valuation.

Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis as the directors consider that the value to the company of players' contracts is such that the company has adequate resources to meet its obligations as they fall due.

Players' contracts

Players' contracts have not been valued for the purposes of the financial statements. The team manager estimates the market value of the players to be of the order of £8 million.

Stocks

Stocks, which comprise of goods held for resale, are valued at the lower of cost and net realisable value.

Deferred taxation

Deferred taxation is provided on timing differences to the extent that a liability for the payment of such taxation is expected to arise in the foreseeable future. The provision is calculated using the liability method and the rate of corporation tax thought likely to be ruling in the earliest period in which reversal is anticipated.

Turnover

Turnover represents match receipts and all other income associated with the principal activity of running a professional football club and excludes value added tax. Season ticket and other revenues relating to future periods are accounted for in the period to which they relate. This is a change in accounting policy (see note 17).

Transfer fees

Fees payable to and receivable from other football clubs on the transfer of players' registrations, together with signing on fees and associated costs, are dealt with through the profit and loss account in the year in which the transfer takes place. Transfer fees contingent on, for example, future appearances, are taken to the profit and loss account in the period they become payable.



THE MILLWALL FOOTBALL AND ATHLETIC COMPANY (1986) PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. ACCOUNTING POLICIES (continued)

Depreciation

Depreciation is provided on tangible fixed assets, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, which is reviewed annually. The depreciation rates used are as follows:

|                                     |                              |
|-------------------------------------|------------------------------|
| Leasehold premises and improvements | - over the term of the lease |
| Safety work                         | - 4% per annum               |
| Equipment and furniture             | - 20% per annum              |
| Motor vehicles                      | - 25% per annum              |

Safety grants received from the Football Grounds Improvement Trust are credited against the cost of the related asset.

Leases and hire purchase contracts

Assets purchased under hire purchase agreements or finance leases are capitalised in the balance sheet as tangible fixed assets and are depreciated in accordance with their classification. The related finance charges are charged to the profit and loss account on a straight line basis over the term of the relevant agreement.

Operating lease rentals are charged to the profit and loss account on a straight line basis over the term of the lease.

2. TURNOVER

|   | 1988<br>£  | 1987<br>£ |
|---|------------|-----------|
| Match receipts  | 662,219    | 288,874   |
| Football League, Football Association<br>and other levies | 90,348     | 103,042   |
| Other football revenue                                    | 434,667    | 164,161   |
|   | <hr/>      | <hr/>     |
|   | £1,187,234 | £556,077  |
|   | <hr/>      | <hr/>     |

THE MILLWALL FOOTBALL AND ATHLETIC COMPANY (1985) PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. STAFF NUMBERS AND COSTS

Staff costs during the year amounted to:

|                       | 1988<br>£       | 1987<br>£       |
|-----------------------|-----------------|-----------------|
| Wages and salaries    | 848,191         | 425,051         |
| Social security costs | 88,021          | 49,208          |
| Pension costs         | 9,039           | 6,948           |
|                       | <u>£945,251</u> | <u>£481,207</u> |

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

|                                 | 1988<br>Number | 1987<br>Number |
|---------------------------------|----------------|----------------|
| Football team management        | 4              | 3              |
| Administrative and ground staff | 12             | 13             |
| Players                         | 33             | 33             |
|                                 | <u>49</u>      | <u>49</u>      |

The number of employees earning over £30,000 during the year was as follows:

|                 |          |          |
|-----------------|----------|----------|
| 30,000 - 35,000 | 5        | -        |
| 35,001 - 40,000 | 1        | -        |
| 40,001 - 45,000 | 2        | -        |
| 50,001 - 55,000 | 1        | -        |
|                 | <u>9</u> | <u>0</u> |

4. OTHER OPERATING INCOME

|   | 1988<br>£       | 1987<br>£       |
|---|-----------------|-----------------|
| Donations (net of expenses)               | 77,213          | 84,020          |
| Interest receivable                       | 3,079           | 9,205           |
| (Loss)/profit on disposal of fixed assets | (3,514)         | 6,595           |
| Sundry income                             | 36,060          | 49,674          |
|   | <u>£112,838</u> | <u>£149,494</u> |

5. OPERATING LOSS

This is stated after charging:

|   | 1988<br>£     | 1987<br>£     |
|---|---------------|---------------|
| Directors' remuneration                       | -             | -             |
| Auditors' remuneration                        | 4,500         | 4,000         |
| Payments under operating leases               | 2,628         | 2,394         |
| Depreciation and amortisation of fixed assets | 34,311        | 17,699        |
|   | <u>41,439</u> | <u>24,093</u> |

## THE MILLWALL FOOTBALL AND ATHLETIC COMPANY (1985) PLC

## NOTES TO THE FINANCIAL STATEMENTS (continued)

| 6. INTEREST PAYABLE  | 1988<br>£       | 1987<br>£       |
|--|-----------------|-----------------|
| Hire purchase charges                                      | 8,680           | 3,697           |
| Bank overdraft and other loans repayable<br>within 5 years | 28,631          | 7,182           |
|  | <u>£ 37,311</u> | <u>£ 10,879</u> |

## 7. EXCEPTIONAL ITEM

This represents proceeds from an insurance policy entered into by the company at the start of the year, whereby the company insured against additional expenditure, should the club gain promotion to the First Division.

## 8. TAX ON LOSS ON ORDINARY ACTIVITIES

|                                | 1988       | 1987             |
|--------------------------------|------------|------------------|
| Based on loss for the year:    |            |                  |
| (1987: Corporation tax at 29%) | £ -        | £ (7,500)        |
|                                | <u>£ -</u> | <u>£ (7,500)</u> |

## 9. TANGIBLE FIXED ASSETS

|                     | Leasehold<br>premises<br>£ | Safety<br>work<br>£ | Premises<br>improvements<br>£ | Motor<br>vehicles<br>£ | Office<br>equipment<br>£ | Total<br>£      |
|---------------------|----------------------------|---------------------|-------------------------------|------------------------|--------------------------|-----------------|
| Cost or valuation   |                            |                     |                               |                        |                          |                 |
| At 1 August 1987    | 100,000                    | 93,930              | 19,062                        | 50,621                 | 3,046                    | 266,659         |
| Additions           | -                          | 52,443              | 72,019                        | 56,408                 | 11,392                   | 192,262         |
| Disposals           | -                          | -                   | -                             | (13,285)               | -                        | (13,285)        |
|                     | <u>100,000</u>             | <u>146,373</u>      | <u>91,081</u>                 | <u>93,744</u>          | <u>14,438</u>            | <u>445,636</u>  |
| Depreciation        |                            |                     |                               |                        |                          |                 |
| At 1 August 1987    | 466                        | 3,757               | 212                           | 12,655                 | 609                      | 17,699          |
| Disposals           | -                          | -                   | -                             | (3,321)                | -                        | (3,321)         |
| Charge for the year | 1,111                      | 5,855               | 1,021                         | 23,436                 | 2,888                    | 34,311          |
|                     | <u>1,577</u>               | <u>9,612</u>        | <u>1,233</u>                  | <u>32,770</u>          | <u>3,497</u>             | <u>48,689</u>   |
| Net book value      |                            |                     |                               |                        |                          |                 |
| At 31 July 1988     | <u>£ 98,423</u>            | <u>£136,761</u>     | <u>£89,848</u>                | <u>£60,974</u>         | <u>£10,941</u>           | <u>£396,947</u> |
| At 31 July 1987     | <u>£ 99,534</u>            | <u>£ 90,173</u>     | <u>£18,850</u>                | <u>£37,966</u>         | <u>£ 2,437</u>           | <u>£248,960</u> |

## THE MILLWALL FOOTBALL AND ATHLETIC COMPANY (1985) PLC

## NOTES TO THE FINANCIAL STATEMENTS (continued);

## 9. TANGIBLE FIXED ASSETS (continued)

Included in net book value is £95,912 (1987: £37,965) relating to assets acquired under hire purchase agreements. The depreciation charge on these assets amounted to £23,833 (1987: £12,655).

The company was granted a 90 year lease of Millwall Football Ground by Millwall Football and Athletic Company Limited on 15 July 1986 at a cost of £ nil. On 25 February 1987 the lease was valued by Messrs Wilks, Head and Eve, Chartered Surveyors, on an open market basis at £100,000.

At the year end, capital commitments authorised were approximately:

|                    |                       |
|--------------------|-----------------------|
| Contracted for     | £75,000 (1987: £ nil) |
| Not contracted for | £80,000 (1987: £ nil) |

| 10. STOCKS                | 1988              | 1987              |
|---------------------------|-------------------|-------------------|
| Club souvenirs for resale | £ 5,306           | £ 2,316           |
|                           | <u>          </u> | <u>          </u> |
| 11. DEBTORS               | 1988              | 1987              |
|                           | £                 | £                 |
| Transfer fees             | 40,000            | 6,667             |
| Other debtors             | 252,250           | 173,336           |
| Prepayments               | 22,768            | 13,034            |
| Unpaid share capital      | 2                 | 2                 |
|                           | <u>          </u> | <u>          </u> |
|                           | £315,020          | £193,039          |
|                           | <u>          </u> | <u>          </u> |

Other debtors include an amount of £34,370 (1987: £ nil) recoverable after more than one year.

| 12. CREDITORS: Amounts falling due within one year | 1988              | 1987              |
|--|-------------------|-------------------|
|  | £                 | £                 |
| Loans  | 9,738             | -                 |
| Hire purchase loans (note 21)                      | 31,083            | 16,809            |
| Bank overdraft                                     | 555,314           | 176,126           |
| Transfer and signing on f. s                       | 237,717           | 267,500           |
| Other taxes and social security                    | 41,942            | 34,835            |
| Other creditors                                    | 95,419            | 54,240            |
| Accruals   | 196,501           | 44,005            |
|  | <u>          </u> | <u>          </u> |
|  | £1,167,714        | £593,515          |
|  | <u>          </u> | <u>          </u> |

The bank overdraft includes £486,594 (1987: £ nil) secured by a fixed and floating charge over the undertaking and property of the company.

Loans include £5,833 (1987: £ nil) secured by a legal charge on the leasehold building and fixtures of the company.

## THE MILLWALL FOOTBALL AND ATHLETIC COMPANY (1985) PLC

## NOTES TO THE FINANCIAL STATEMENTS (continued)

## 13. CREDITORS: Amounts falling due after more than one year

|                               | 1988<br>£      | 1987<br>£      |
|-------------------------------|----------------|----------------|
| Loans                         | 18,035         | -              |
| Hire purchase loans (note 21) | 53,660         | 24,353         |
| Directors' loans              | -              | 305,000        |
| Signing on fees               | 91,049         | -              |
|                               | <u>162,744</u> | <u>329,353</u> |

Loans include £6,320 (1987: £ nil) secured by a legal charge on the leasehold, building and fixtures of the company.

The loans from directors were interest free and were converted into 5% cumulative redeemable preference shares during the year (note 15).

## 14. DEFERRED INCOME

This represents payments received in advance in respect of season tickets, sponsorship and advertising.

## 15. SHARE CAPITAL

|   | Number  | 1988<br>£      | 1987<br>£      |
|---|---------|----------------|----------------|
| Authorised:   |         |                |                |
| Ordinary shares of £1 each                            | 200,000 | 200,000        | 200,000        |
| 5% Cumulative Redeemable Preference shares of £1 each | 305,000 | 305,000        | -              |
|   |         | <u>505,000</u> | <u>200,000</u> |
| Issued and fully paid:                                |         |                |                |
| Ordinary shares of £1 each                            | 133,333 | 133,333        | 133,333        |
| 5% Cumulative Redeemable Preference shares of £1 each | 305,000 | 305,000        | -              |
| Issued, nil paid:                                     |         |                |                |
| Ordinary shares of £1 each                            | 2       | 2              | 2              |
|   |         | <u>438,335</u> | <u>133,335</u> |

In March 1988, the authorised share capital of the company was increased from £200,000 to £505,000, by the creation of 305,000 new 5% (net) Cumulative Redeemable Preference shares of £1 each.

305,000 preference shares were issued at par in March 1988 to provide the company with additional working capital. The earliest redemption date, at the company's option, for the preference shares is 31 December 1988. All preference shares are to be redeemed by 4 March 1998. Redemption will be at par.

THE MILLWALL FOOTBALL AND ATHLETIC COMPANY (1988) PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. REVALUATION RESERVE

|  | 1988<br>£ | 1987<br>£ |
|--|-----------|-----------|
| Balance at 31 July 1987  | 99,534    | -         |
| Arising during year in respect of leasehold premises included at valuation | -         | 100,000   |
| Transfer to profit and loss account (note 17)                              | 1,111     | 466       |
|  | <hr/>     | <hr/>     |
| Balance at 31 July 1988  | £ 98,423  | £ 99,534  |
|  | <hr/>     | <hr/>     |

17. PROFIT AND LOSS ACCOUNT

|  | 1988<br>£    | 1987<br>£  |
|--|--------------|------------|
| Retained (loss)/profits brought forward as previously stated | (733,037)    | 16,251     |
| Prior year adjustment  | (46,878)     | (41,437)   |
|  | <hr/>        | <hr/>      |
|  | (779,915)    | (25,186)   |
| Loss for the year  | (742,078)    | (755,195)  |
| Transfer from revaluation reserve (note 16)                  | 1,111        | 466        |
|  | <hr/>        | <hr/>      |
| Loss carried forward   | £(1,520,882) | £(779,915) |
|  | <hr/>        | <hr/>      |

The prior year adjustment resulted from a change in accounting for season and executive club tickets from a cash received basis to an accruals basis.

18. DEFERRED TAXATION

No provision has been made for deferred taxation as the potential liability arising from accelerated capital allowances is extinguished by the incidence of taxation losses available for use against future taxable profits of approximately £1,500,000 (1987: £750,000). The company has no intention of selling the leasehold property and consequently no provision is made for the potential tax payable were it to be sold at valuation.

The potential liability arises as follows:

|                                | Provided        |                 | Potential       |                 |
|--------------------------------|-----------------|-----------------|-----------------|-----------------|
|                                | 1988<br>£       | 1987<br>£       | 1988<br>£       | 1987<br>£       |
| Accelerated capital allowances | 35,000          | 27,106          | 35,000          | 27,106          |
| Revaluation of assets          | -               | -               | 25,000          | 30,000          |
|                                | <hr/>           | <hr/>           | <hr/>           | <hr/>           |
|                                | 35,000          | 27,106          | 60,000          | 57,106          |
| <u>Less: Losses available</u>  | <u>(35,000)</u> | <u>(27,106)</u> | <u>(35,000)</u> | <u>(27,106)</u> |
|                                | <hr/>           | <hr/>           | <hr/>           | <hr/>           |
|                                | £ Nil           | £ Nil           | £25,000         | 30,000          |
|                                | <hr/>           | <hr/>           | <hr/>           | <hr/>           |

## NOTES TO THE FINANCIAL STATEMENTS (continued)

## 19. PENSIONS

Eligible staff of the company are members of the Football League Limited Pension and Life Assurance Scheme. The Scheme is a defined contribution scheme based on final pensionable salary with both the company and staff making contributions into the Fund. The assets of the Scheme do not form part of these financial statements.

## 20. OPERATING LEASE COMMITMENTS

The aggregate payments, for which there are commitments as at 31 July 1988 under operating leases, fall due as follows:

|                          | 1988<br>£ | 1987<br>£ |
|--------------------------|-----------|-----------|
| Expiring within 1 year   | 1,833     | 1,505     |
| Expiring in 2 to 5 years | 5,999     | 5,276     |
| Expiring after 5 years   | 270       | 1,350     |
|                          | <hr/>     | <hr/>     |
|                          | £ 8,102   | £ 8,131   |
|                          | <hr/>     | <hr/>     |

The company is committed to pay the following amounts in the coming year in respect of operating leases:

|                          | 1988<br>£ | 1987<br>£ |
|--------------------------|-----------|-----------|
| Expiring within 1 year   | -         | -         |
| Expiring in 2 to 5 years | 753       | 425       |
| Expiring after 5 years   | 1,080     | 1,080     |
|                          | <hr/>     | <hr/>     |
|                          | £ 1,833   | £ 1,505   |
|                          | <hr/>     | <hr/>     |

## 21. HIRE PURCHASE CREDITOR

Amounts payable:

|                               | 1988<br>£ | 1987<br>£ |
|-------------------------------|-----------|-----------|
| Within one year               | 43,449    | 16,809    |
| 2 to 5 years                  | 78,646    | 24,353    |
| After 5 years                 | 4,470     | -         |
|                               | <hr/>     | <hr/>     |
|                               | 126,565   | 41,162    |
|                               | <hr/>     | <hr/>     |
| Less: Future interest charges | 41,822    | -         |
|                               | <hr/>     | <hr/>     |
|                               | £ 84,743  | £ 41,162  |
|                               | <hr/>     | <hr/>     |

The hire purchase creditors are repayable in monthly or quarterly instalments.

THE MILLWALL FOOTBALL AND ATHLETIC COMPANY (1985) PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

22. CONTINGENT LIABILITIES

Additional transfer fees of up to £42,500 may become payable in accordance with the transfer agreements.

Loyalty payments of up to £33,000 are payable to players as part of their contract of employment in the event they remain with the club for a specified period.

23. POST BALANCE SHEET EVENTS

Subsequent to 31 July 1988, the company purchased the freehold of "The Den" for £150,000.

24. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors at a meeting on 30 January 1989.



## THE MILLWALL FOOTBALL AND ATHLETIC COMPANY (1985) PLC

## PRO-FORMA BALANCE SHEET

The pro-forma balance sheet set out below is based on:

The company's balance sheet at 31 July 1988. A valuation of the company's freehold premises at 'The Den', Coldblow Lane, was carried out on 30 November 1988 by Messrs Wilks, Head and Eve, Chartered Surveyors. The basis of valuation was depreciated replacement cost, representing its value to the business, and is in accordance with the guidance notes of the valuation of assets issued by the Royal Institution of Chartered Surveyors. On this basis the company's freehold was valued at £1.5 million.

|  | £'000 | £'000   |
|--|-------|---------|
| FIXED ASSETS                                   |       | 1,899   |
| CURRENT ASSETS                                 | 322   |         |
| CREDITORS: Amounts falling due within one year | 1,318 |         |
|  | <hr/> |         |
| NET CURRENT LIABILITIES                        |       | (996)   |
|  |       | <hr/>   |
| TOTAL ASSETS LESS CURRENT LIABILITIES          |       | 903     |
| CREDITORS: Amounts due after one year          | 163   |         |
| DEFERRED INCOME                                | 372   |         |
|  | <hr/> |         |
|  |       | 535     |
|  |       | <hr/>   |
| NET ASSETS                                     |       | £ 368   |
|  |       | <hr/>   |
| Share capital                                  |       | 438     |
| Revaluation reserve                            |       | 1,450   |
| Profit and loss account                        |       | (1,520) |
|  |       | <hr/>   |
| SHAREHOLDERS' FUNDS                            |       | £ 368   |
|  |       | <hr/>   |