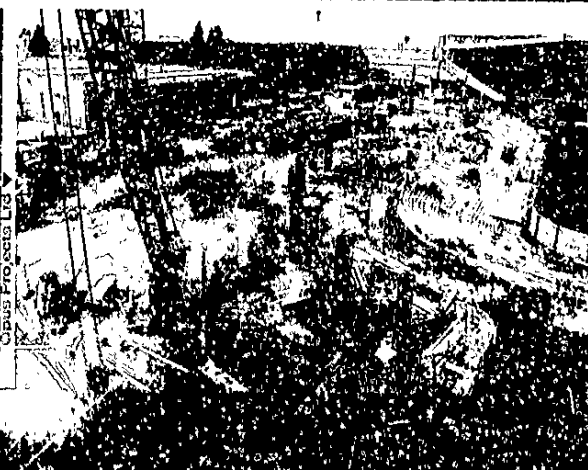
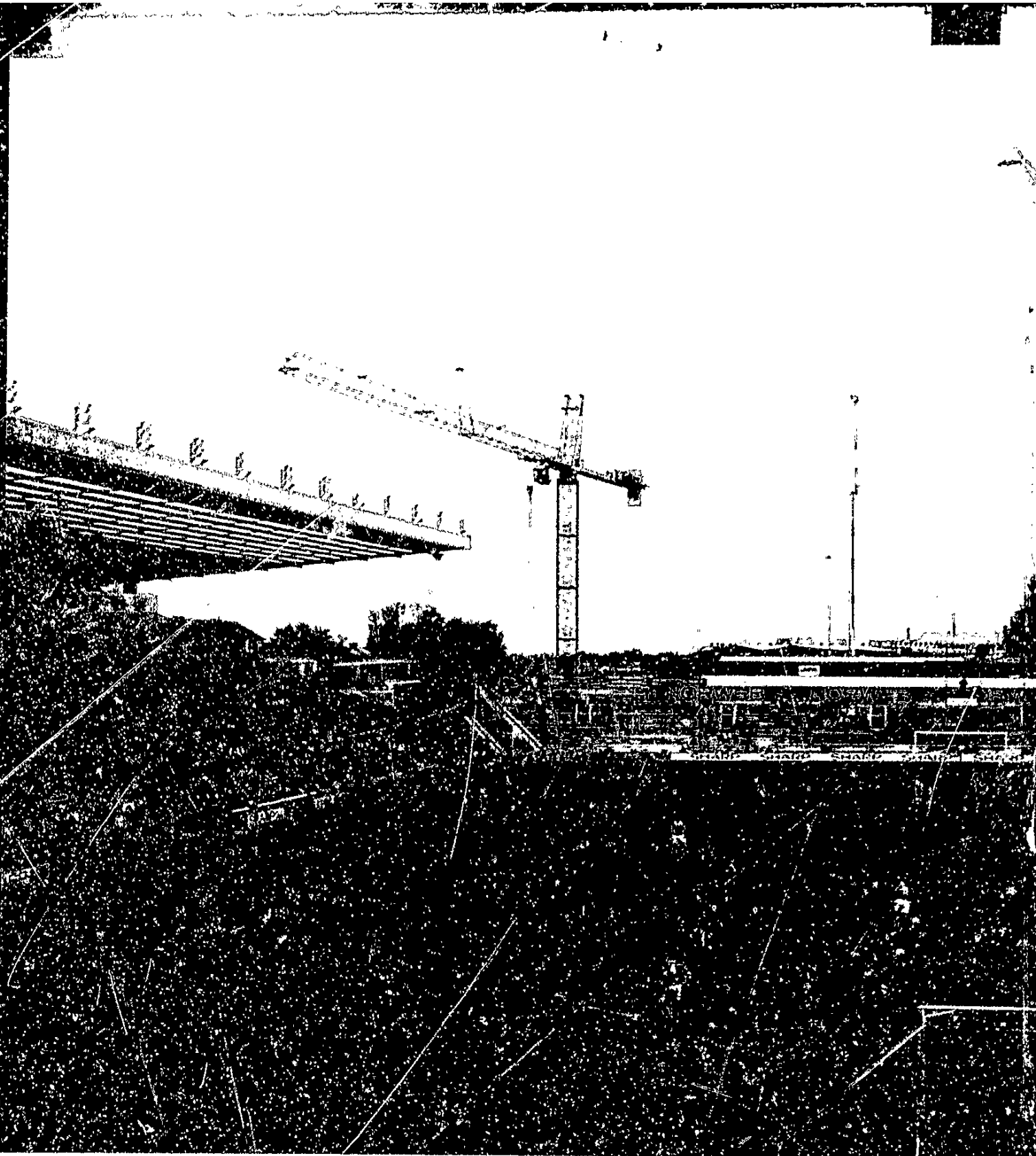




MANCHESTER UNITED PLC

REPORT & ACCOUNTS

1992



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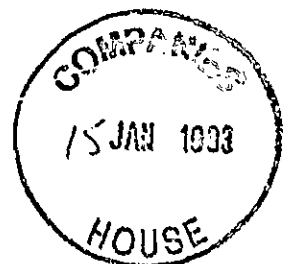


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DIRECTORS AND ADVISERS

DIRECTORS Professor Sir Roland Smith (Non-Executive Chairman) Martin Edwards (Chief Executive) Robin Launders (Finance Director) Amer Al Midani (Non-Executive Director) Maurice Watkins (Non-Executive Director)	SECRETARY AND REGISTERED OFFICE Robin Launders Old Trafford Manchester M16 0RA
AUDITORS Grant Thornton Chartered Accountants Heron House, Albert Square Manchester M2 5HD	STOCKBROKERS Smith New Court Corporate Finance Limited Smith New Court House 20 Farringdon Road London EC1M 3NH
REGISTRARS AND TRANSFER OFFICE National Westminster Bank PLC Registrars Department, PO Box 82 Caxton House, Redcliffe Way Bristol BS99 7NH	BANKERS National Westminster Bank PLC PO Box 339 55 King Street Manchester M60 2DB
FINANCIAL ADVISERS Henry Ansbacher & Co. Limited One Mitre Square London EC3A 5AN	SOLICITORS James Chapman & Co Canada House, 3 Chepstow Street Manchester M1 5ER
MANCHESTER STOCKBROKERS Charlton Seal, a division of Wise Speke Limited PO Box 512, 76 Cross Street Manchester M60 2EP	





CHAIRMAN'S STATEMENT

Results and dividend

I am pleased to announce the Group's results for the year ended 31 July 1992. Turnover has increased by 13 per cent to £20,145,000 (1991 £17,816,000). Profits before transfer fees have increased by 24 per cent to £7,681,000 (1991 £6,176,000). Net expenditure on player transfers in the second half of the year has amounted to £397,000, taking the full year's expenditure to £2,625,000 (1991 £801,000).

Profit before taxation and after writing off net transfer expenditure was £5,056,000 (1991 £5,375,000).

The balance sheet has improved in strength, with net cash deposits and marketable securities amounting to £14,783,000 (1991 £14,053,000). No value for players is included in the balance sheet, but, as set out in the Directors' Report, the Board has commissioned an independent report which gives an aggregate value for the players of £24 million.

Your Board is proposing a net final dividend of 12.0 pence per share, taking the full year dividend to 18.0 pence net, equivalent to 24 pence per share gross of tax credit. The dividend of 18.0 pence gives shareholders a modest increase ahead of the Prospectus forecast of 17.4 pence per share dividend for the year to 31 July 1992.

The Board has taken account of the increased trading to set aside a further £250,000 to the transfer fee reserve. This distributable reserve now stands at £2,250,000 and is available to make allowance for the impact of transfer fees on profits available for dividends in any future year.

Operations

The last financial year proved a successful one for Manchester United Football Club, with Manchester United winning the Rumbelows Cup, achieving second place in Division One of the Football League, and winning the F A Youth Cup. Average attendances in league home matches were 45,000, and more than two million spectators watched Manchester United in home and away first team League and cup matches.

The increased turnover reflected greater attendances at higher prices. Turnover from sponsorships, catering and the souvenir shop were all higher than last year. Only income from television was down on the previous year, when television income included additional European games in reaching the final of the European Cup Winners Cup.

Prospects

The major reconstruction of the Stretford End is on schedule, and it is expected that more than 2,000 new seats will be licensed to admit spectators in the near future.

Since the year end, Manchester United Football Club has purchased new players for the Club at a cost of £1,020,000 and received £925,000 from player sales.

The increase in seat prices in the new playing season has enabled income from gate receipts to be maintained, even though spectator capacity is reduced to 34,000 for the first half of the new financial year. When the Stretford End is fully completed during 1993, capacity will be available for at least 43,000 spectators which will increase revenues accordingly.

The first season under the rules of the new Premier League has started with Manchester United in a well placed position.

Sir Roland Smith
Chairman
27 October 1992



DIRECTORS' REPORT

The directors present their report together with the accounts for the year ended 31 July 1992.

Principal activity

The principal activity of the Group continues to be the operation of a professional football club together with related and ancillary activities.

Business review, results and dividend

Turnover has risen from £17,816,000 in 1991 to £20,145,000 in 1992, an increase of over 13% largely due to success on the field and excellent match attendances. The Club won the Rumbelows Cup and were runners-up in the First Division of the Football League. Profit before transfer fees increased by 24% to £7,681,000 (1991 £6,176,000). Transfer fees were at a higher level than the previous year, resulting in a profit before taxation for the year to 31 July 1992 of £5,056,000. These results are reviewed in the Chairman's Statement and are set out in the accounts.

The Board of Directors proposes a final dividend of 12.0 pence per share for the year to 31 July 1992.

The directors have appropriated a further £250,000 to the transfer fee reserve and the balance of £1,172,000 from profits after taxation has been retained. The consolidated balance sheet continues to show a healthy position at the year end.

Events since the year end and future developments

Since the year end the Club has spent £1,020,000 on new players, mainly the acquisition of Dion Dublin for £1 million. In addition, players have been transferred to other clubs for a total of £925,000.

The rebuilding of the Stretford End is on schedule.

Proposed Share Option Scheme

It is proposed to set up a Share Option Scheme for the benefit of senior full time employees. A resolution (number 5) will be put to the forthcoming Annual General Meeting and a letter to shareholders is being circulated with this report which sets out further information on the proposed scheme.

Explanation of the special business of the Annual General Meeting

A special resolution (number 6) will be proposed to disapply the provisions of section 89(1) of the Companies Act 1985 in order to provide directors with a limited power to issue equity securities for cash otherwise than pro-rata to ordinary shareholdings. The resolution conforms with the guidelines of the Investment Committees of the Association of British Insurers and the National Association of Pension Funds. If approved, it will maintain the flexibility of the Company to allot equity securities by way of a rights issue or, up to an aggregate of £60,600 (606,000 ordinary shares) representing 5% of the issued share capital as at 31 July 1992, in any other way.

Aggregate value attributable to players

The Group's accounting policy for expenditure and receipts in respect of player transfers is to deal with these through the profit and loss account. This means that no value is attributed to players in the balance sheet. The directors will continue this policy unchanged but have commissioned an independent report on the aggregate value to be attributed to the first team squad of players.



In the opinion of Touche Ross & Co., Chartered Accountants, the aggregate of the individual amounts attributed to the players comprising the first team playing squad (together with first and second year professional players), as at 31 July 1992, was £24 million. This assumes willing buyers for the relevant player's services on normal contractual terms and an orderly disposal over a period of time. Touche Ross & Co. have drawn to our attention that the amounts attributable to individual players can fluctuate rapidly as a result of selection policy, personal form, injury, international representation and other matters.

Fixed assets

Movements in fixed assets are set out in Note 11 to the Accounts. Work on the Stretford End has now commenced, with approximately £1.2 million being incurred prior to the year end. A further £1.5 million has been spent on property, including new offices for the Development Association, and the Club has also made close season improvements at Old Trafford.

The directors consider that the market value of interests in land and buildings is at least that shown as the book value of the assets. The value on a depreciated replacement cost basis, as reported on by Dunlop Heywood & Co Limited, consultant surveyors, as at 30 April 1991, showed a valuation surplus of £27 million. Although, since that date, the original Stretford End has been demolished and the additions noted above have been made, the directors consider that this revaluation surplus would not now be substantially different.

Directors and their interests

The directors serving at 31 July 1992 and throughout the year were as follows:

Professor Sir Roland Smith (Chairman)

C M Edwards

R P Launders

A M Al Midani

E M Watkins

Brief biographical details of the non-executive directors are as follows:

Professor Sir Roland Smith is a director of the Bank of England, president of the Equitable Life Assurance Society, chairman of Hepworth PLC and chairman, director and consultant to other public and private companies.

Amer Al Midani has been a director of the Club since February 1987. He has extensive interests in the hotel and leisure industries, principally in Spain.

Maurice Watkins has been a director of the Club since June 1984. He is a partner in the Manchester firm of solicitors, James Chapman & Co, solicitors to the Group and has provided legal advice to the Club over the last fifteen years.

The directors who held office at 31 July 1992 had interests, which have not changed throughout the year or since the year end, in the issued share capital of the Company as follows:

	31 July 1992 and 1 August 1991	
	Shares	
C M Edwards	3,380,158	27.8%
A M Al Midani	863,439	7.1%
E M Watkins	355,275	2.9%

1,250,000 of the shares in which C M Edwards is interested are held in a non-beneficial capacity.

Sir Roland Smith and R P Launders hold no shares in the Company.



In accordance with the Articles of Association, Robin Launders retires at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election. Three of the directors have service contracts, for which the unexpired periods are as follows:

Sir Roland Smith	7 months
C M Edwards	19 months
R P Launders	19 months

No other director has a service contract.

Sums paid to third parties in respect of directors' services are set out in Note 6. The Company maintains directors' liability insurance. There were no other material contracts with the Group in which any director had an interest.

Substantial Interests

In addition to the holdings noted under directors' interests above, the Company has been notified of the following interests in over 3% of its issued share capital as at 14 October 1992:

	Shares	
Phillips & Drew Fund Management Limited	943,917	7.7%
Philen Establishment	863,439	7.1%
BBC Pension Trust Limited	515,493	4.2%
G T Management Plc	463,400	3.8%

Phillips & Drew Fund Management Limited additionally manages funds amounting to 511,123 shares, giving an aggregate notified and managed interest of 1,455,040 shares representing 11.9%.

The interest of Philen Establishment duplicates the interest of A M Al Midani referred to under directors and their interests, above.

Charitable and political contributions

The Group contributed £4,852 (1991 £3,469) to charities and made no political contributions in the year (1991 £nil).

Close company status

The directors are of the opinion that the Company is not a close company under the provisions of the Income and Corporation Taxes Act 1988 and that this position has not altered since the year end.

Auditors

Grant Thornton have indicated their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed to the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD
R P Launders
Secretary
27 October 1992

Old Trafford
Manchester
M16 0RA



CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the 12 months ended 31 July 1992

	Note	1992 £'000	1991 £'000
Turnover	2	20,145	17,816
Operating expenses	3	<u>(13,880)</u>	<u>(12,025)</u>
Operating profit		6,265	5,791
Interest receivable	4	<u>1,416</u>	<u>385</u>
Profit before transfer fees		7,681	6,176
Net transfer fees	5	<u>(2,625)</u>	<u>(801)</u>
Profit on ordinary activities before taxation		5,056	5,375
Taxation	7	<u>(1,445)</u>	<u>(1,521)</u>
Profit for the year	8	3,611	3,854
Dividends	9	(2,189)	—
Appropriation to transfer fee reserve	21	<u>(250)</u>	<u>(2,000)</u>
Retained profit for the year	21	<u>1,172</u>	<u>1,854</u>
Earnings per ordinary share			
Before appropriation (pence)	10	<u>29.7</u>	<u>37.0</u>
After appropriation (pence)	10	<u>27.6</u>	<u>17.8</u>

The accompanying notes on pages 10 to 18 are an integral part of these accounts.



CONSOLIDATED BALANCE SHEET

At 31 July 1992

	Note	1992 £'000	1991 £'000
Fixed assets			
Tangible assets	11	<u>11,284</u>	<u>7,903</u>
Current assets			
Stocks	13	503	309
Debtors	14	2,521	2,162
Marketable securities	15	4,088	4,000
Cash at bank and in hand		<u>10,945</u>	<u>10,059</u>
		18,057	16,530
Creditors			
Amounts falling due within one year	16	6,399	4,227
Income deferred less than one year	17	<u>6,640</u>	<u>4,903</u>
Net current assets		<u>5,018</u>	<u>7,400</u>
Total assets less current liabilities		<u>16,302</u>	<u>15,303</u>
Accruals and deferred income			
Income deferred more than one year		550	1,150
Deferred grant income	18	566	508
Provision for liabilities and charges	19	<u>324</u>	<u>205</u>
Net assets		<u>14,862</u>	<u>13,440</u>
Capital and reserves			
Share capital	20	1,216	1,216
Profit and loss account	21	4,919	3,747
Transfer fee reserve	21	2,250	2,000
Share premium account	21	<u>6,477</u>	<u>6,477</u>
Total capital employed		<u>14,862</u>	<u>13,440</u>

R P Launders
Director
27 October 1992

The accompanying notes on pages 10 to 18 are an integral part of these accounts



COMPANY BALANCE SHEET

At 31 July 1992

	Note	1992 £'000	1991 £'000
Fixed assets			
Tangible assets	11	7,461	5,993
Investments	12	<u>1,009</u>	<u>1,009</u>
		<u>8,470</u>	<u>7,002</u>
Current assets			
Stocks	13	503	309
Debtors	14	947	192
Cash at bank and in hand		<u>6,149</u>	<u>8,654</u>
		<u>7,599</u>	<u>9,155</u>
Creditors			
Amounts falling due within one year	16	4,845	5,779
Income deferred less than one year	17	<u>1,079</u>	<u>1,020</u>
Net current assets		<u>1,675</u>	<u>2,356</u>
Total assets less current liabilities		<u>10,145</u>	<u>9,358</u>
Accruals and deferred income			
Income deferred more than one year		550	1,150
Provision for liabilities and charges	19	<u>-</u>	<u>30</u>
Net assets		<u>9,595</u>	<u>8,178</u>
Capital and reserves			
Share capital	20	1,216	1,216
Profit and loss account	21	1,902	485
Transfer fee reserve	21	-	-
Share premium account	21	<u>6,477</u>	<u>6,477</u>
Total capital employed		<u>9,595</u>	<u>8,178</u>

R P Launders
Director
27 October 1992

The accompanying notes on pages 10 to 18 are an integral part of these accounts.



CONSOLIDATED CASH FLOW STATEMENT

For the 12 months ended 31 July 1992

	1992 £'000	£'000	1991 £'000	£'000
Net cash generated from operations				
Profit from operations	6,265		5,791	
Net transfer fees	(2,625)		(801)	
Depreciation charges	493		468	
Loss/(profit) on disposal of tangible fixed assets	23		(10)	
Grants released	(79)		(58)	
(Increase)/decrease in stocks	(194)		62	
Increase in debtors	(815)		(435)	
Increase in creditors	1,415		2,197	
Net cash inflow from operating activities		4,483		7,214
Return on investments and servicing of finance				
Interest receivable	1,416		385	
Dividends paid	(730)		—	
Net cash inflow from interest less dividends		686		385
Taxation				
Tax paid	(685)		—	
Tax paid		(685)		—
Investing activities				
Sale of tangible fixed assets	160		415	
Purchase of tangible fixed assets	(4,057)		(1,078)	
Net cash outflow from investing activities		(3,897)		(663)
Net cash inflow before financing		587		6,936
Financing				
Grants received	137		142	
Issue of ordinary share capital	—		6,685	
Net cash inflow from financing		137		6,827
Increase in cash and cash equivalents		724		13,763
Analysis of increase in cash and cash equivalents				
Marketable securities		88		4,000
Cash at bank and in hand		886		9,763
Overdraft		(250)		—
		724		13,763



STATEMENT OF ACCOUNTING POLICIES

Accounting policies

The principal accounting policies, which have been consistently applied, are set out below:

Basis of accounting

The accounts have been prepared in accordance with applicable accounting standards under the historical cost convention.

Basis of consolidation

The principles of merger accounting have been applied. The comparative information has been prepared as if the acquisition of The Manchester United Football Club plc (the Club) had taken effect on 1 August 1990. The comparative figures therefore reflect the combined transactions of the Club for the 12 months ended 31 July 1991 and of the Company from incorporation on 21 December 1990 to 31 July 1991.

Turnover

Turnover represents gate receipts, lottery donations and sales invoiced, exclusive of value added tax.

Depreciation

Depreciation is provided on fixed assets on a reducing balance basis at annual rates appropriate to the estimated useful lives of the fixed asset, as follows:

Plant and machinery	20% - 25%
General fixtures and fittings	15%
Executive suite fixtures and fittings	100%

Depreciation is not provided on freehold properties. It is the Group's policy to maintain all its properties in such a condition that the estimated aggregate residual disposal values are at least equal to their book values. Consequently, any element of depreciation would, in the opinion of the directors, be immaterial. Residual disposal values are appraised each year by reference to the estimated depreciated replacement cost of the properties in aggregate. Provision will be made against the cost of the properties in the event of any permanent diminution in their aggregate value.

Stocks

Stocks comprising raw materials, consumables and goods held for resale are valued at the lower of cost and net realisable value.

Transfer 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 accounting period in which the transfer fee is payable or receivable.

Grants

Grants receivable from the Football Trust and the former Football Grounds Improvement Trust in respect of capital expenditure are treated as deferred income and released to the profit and loss account so as to match the depreciation charged on the fixed assets purchased with the grant. Deferred grant income in the balance sheet represents total grants received less amounts credited to the profit and loss account.

Deferred taxation

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

Pension costs

Defined contribution pension arrangements are made for certain employees of the Group. The Group's contributions are charged against the profit and loss account in the year in which they become payable. The assets of the pension schemes are held separately from those of the Group in independently administered funds.



NOTES TO THE ACCOUNTS

1 Presentation of comparative figures to the results

The presentation of these accounts follows the principles of merger accounting, as stated in the accounting policy for the basis of consolidation. The comparative figures for the consolidated profit and loss account and related notes are for the 12 months to 31 July 1991. In presenting the Group's accounts for the period to 31 July 1991, the accounts showed statutory consolidated results from the date of holding company's incorporation, 21 December 1990 to 31 July 1991, a period of approximately 32 weeks. Extracts from those audited results for the 32 week period are shown highlighted below in order to provide comparative information for that statutory period.

	12 months to 31 July 1992 £'000	12 months to 31 July 1991 £'000	32 weeks to 31 July 1991 £'000
Turnover	20,145	17,816	10,658
Operating expenses	(13,880)	(12,025)	(7,796)
Operating profit	6,265	5,791	2,862
Interest receivable	1,116	385	334
Profit before transfer fees	7,681	6,176	3,196
Net transfer fees	(2,625)	(801)	(831)
Profit on ordinary activities before taxation	5,056	5,375	2,365
Taxation	(1,445)	(1,521)	(711)
Profit for the financial period	3,611	3,854	1,654

2 Turnover

Turnover can be analysed into its principal components as follows:

	1992 £'000	1991 £'000
Gate receipts and programme sales	11,112	9,237
Television	1,813	2,343
Sponsorship, royalties and advertising	2,756	2,462
Conference and catering	1,699	1,598
Other	2,705	2,176
	20,145	17,816

Turnover arises from the principal activity of the Group.

3 Operating expenses

	1992 £'000	1991 £'000
Auditors' remuneration	25	30
Directors' remuneration (Note 6)	268	157
Staff costs (Note 6)	6,149	5,214
Depreciation	493	468
Operating leases	150	247
Plant and vehicle hire	26	22
Other operating charges	6,919	5,955
Grants released (Note 18)	(79)	(58)
Loss/(profit) on disposal of tangible fixed assets	23	(10)
Profit on disposal of marketable securities	(91)	
	13,880	12,025

4 Interest receivable

	1992 £'000	1991 £'000
Loan interest receivable	-	5
Bank interest receivable	1,120	408
Bank overdraft interest payable	(4)	(12)
Finance lease interest payable	-	(16)
	1,116	385



NOTES TO THE ACCOUNTS

5 Net transfer fees

	1992 £'000	1991 £'000
Transfer fees receivable	365	170
Transfer fees payable	<u>(3,010)</u>	<u>(971)</u>
	<u>(2,625)</u>	<u>(801)</u>

6 Staff costs

Particulars of employee costs (excluding directors) are as shown below:

	1992 £'000	1991 £'000
Wages and salaries	5,495	4,708
Social security costs	507	414
Other pension costs	<u>147</u>	<u>92</u>
	<u>6,149</u>	<u>5,214</u>

The average number of employees was as follows:

	1992	1991
Players	37	42
Ground staff	27	24
Restaurant and conference centre staff	41	38
Administration and other	<u>69</u>	<u>60</u>
Average number of employees	<u>174</u>	<u>164</u>

The Group also employs approximately 350 temporary staff on match days.

The directors of the Company received the following remuneration:

	1992 £'000	1991 £'000
Remuneration for management services	241	143
Pension contributions	21	13
Fees as directors	<u>6</u>	<u>1</u>
	<u>268</u>	<u>157</u>

Sums paid to third parties in respect of directors' services are excluded from the figures shown above and are as follows. Payments of £36,000 were made to Roland Smith and Associates Limited, a company in which Professor Sir Roland Smith is interested, in respect of consultancy services to the Company by Professor Sir Roland Smith. Legal fees paid during the year to James Chapman & Co, of which E M Watkins is a partner, were £27,000 being services in the ordinary course of business as the Group's solicitors.

The bands for directors' remuneration, including benefits but excluding pension contributions, were as follows:

	1992 £'000	1991 £'000
Chairman	5	1
Highest paid director (including in 1992 only profit related bonus of £20,000)	<u>165</u>	<u>120</u>
	Number	Number
Other directors in the range from £75,001 to £80,000	1	-
Other directors in the range from £20,001 to £25,000	-	1
Directors receiving up to £5,000	1	-
Directors receiving no emoluments	<u>1</u>	<u>7</u>

In 1991, the highest paid director served as chairman between the period 28 January 1991 and 24 April 1991, during which his remuneration was £27,950.



NOTES TO THE ACCOUNTS

7 Taxation

	1992 £'000	1991 £'000
UK corporation tax based on the profit for the year	(1,069)	(1,316)
Deferred taxation	(376)	(205)
	<u>(1,445)</u>	<u>(1,521)</u>
Statutory rate of corporation tax	<u>33.00%</u>	<u>33.66%</u>

The tax charge for the year to 31 July 1992 was reduced because of the non-taxable nature of certain income. The tax charge for the year to 31 July 1991 was also reduced by the utilisation of tax losses brought forward and other timing differences.

8 Profit for the year

The Company has taken advantage of Section 230 of the Companies Act 1985 and has not presented its own profit and loss account.

9 Dividends

	1992 £'000	1991 £'000
Interim dividend paid (6.0 pence per share)	730	-
Final dividend proposed (12.0 pence per share)	1,459	-
Dividends for the financial year	<u>2,189</u>	<u>-</u>

10 Earnings per ordinary share

Earnings per ordinary share have been calculated by dividing the profit after taxation for the year by the weighted average number of shares in issue for the year.

	1992	1991
Profit for the year after taxation	£3,611,000	£3,854,000
Appropriation to the transfer fee reserve	<u>(£250,000)</u>	<u>(£2,000,000)</u>
Profit after appropriation	<u>£3,361,000</u>	<u>£1,854,000</u>
Weighted average number of shares in issue	12,163,402	10,415,670
Earnings per ordinary share (pence)		
Before appropriation (pence)	<u>29.7</u>	<u>37.0</u>
After appropriation (pence)	<u>27.6</u>	<u>17.8</u>



NOTES TO THE ACCOUNTS

11 Tangible fixed assets

Group	Freehold Property £'000	Plant and Machinery £'000	Fixtures and Fittings £'000	Group Total £'000
Cost				
At 1 August 1991	5,780	1,163	4,612	11,555
Additions	2,784	936	337	4,057
Disposals	(139)	(125)	(296)	(560)
At 31 July 1992	<u>8,425</u>	<u>1,974</u>	<u>4,653</u>	<u>15,052</u>
Depreciation				
At 1 August 1991	94	746	2,812	3,652
Charge for the year	-	204	289	493
Disposals	-	(81)	(296)	(377)
At 31 July 1992	<u>94</u>	<u>869</u>	<u>2,805</u>	<u>3,768</u>
Net Book Value				
At 31 July 1991	<u>5,686</u>	<u>417</u>	<u>1,800</u>	<u>7,903</u>
At 31 July 1992	<u>8,331</u>	<u>1,105</u>	<u>1,848</u>	<u>11,284</u>
Company				
	Freehold Property £'000	Plant and Machinery £'000	Fixtures and Fittings £'000	Company Total £'000
Cost				
At 1 August 1991	5,780	189	653	6,622
Additions	1,390	208	134	1,732
Transfers from subsidiary	-	76	-	76
Disposals	(139)	(26)	-	(165)
At 31 July 1992	<u>7,031</u>	<u>447</u>	<u>787</u>	<u>8,265</u>
Depreciation				
At 1 August 1991	94	43	492	629
Transfers from subsidiary	-	67	-	67
Charge for the year	-	74	46	120
Disposals	-	(12)	-	(12)
At 31 July 1992	<u>94</u>	<u>172</u>	<u>538</u>	<u>804</u>
Net Book Value				
At 31 July 1991	<u>5,686</u>	<u>146</u>	<u>161</u>	<u>5,993</u>
At 31 July 1992	<u>6,937</u>	<u>275</u>	<u>249</u>	<u>7,461</u>

12 Fixed asset investments

The fixed asset investment comprises the Company's investment in its wholly owned subsidiary, The Manchester United Football Club plc (the Club).

The Club is registered in England and Wales and its principal business is that of a professional football club.



NOTES TO THE ACCOUNTS

13 Stocks

	Group		Company	
	1992	1991	1992	1991
	£'000	£'000	£'000	£'000
Raw materials and consumables	86	95	86	95
Goods for resale	417	214	417	214
	<u>503</u>	<u>309</u>	<u>503</u>	<u>309</u>

14 Debtors

	Group		Company	
	1992	1991	1992	1991
	£'000	£'000	£'000	£'000
Trade debtors	967	1,764	102	71
Other debtors	413	248	230	104
Prepayments and accrued income	1,141	150	615	17
	<u>2,521</u>	<u>2,162</u>	<u>947</u>	<u>192</u>

15 Marketable securities

	Group		Company	
	1992	1991	1992	1991
	£'000	£'000	£'000	£'000
Government securities – at cost	4,088	4,000	–	–
Government securities – at market value	<u>4,088</u>	<u>4,006</u>	<u>–</u>	<u>–</u>

16 Creditors – Amounts falling due within one year

	Group		Company	
	1992	1991	1992	1991
	£'000	£'000	£'000	£'000
Trade creditors	1,091	465	460	134
Bank overdraft	250	–	250	–
Subsidiary undertaking	–	–	1,131	5,351
Social security and other taxes	1,028	805	21	15
Corporation tax	1,501	1,316	900	34
Dividends proposed	1,459	–	1,459	–
Other creditors	533	53	511	7
Accruals	537	1,588	110	238
	<u>6,399</u>	<u>4,227</u>	<u>4,845</u>	<u>5,779</u>



NOTES TO THE ACCOUNTS

17 Income deferred less than one year

	Group		Company	
	1992	1991	1992	1991
	£'000	£'000	£'000	£'000
Deferred revenue income	<u>6,610</u>	<u>4,903</u>	<u>1,079</u>	<u>1,020</u>

Deferred revenue income consists of season ticket, sponsorship and other elements of income which have been received prior to the year end in respect of the following football season.

18 Creditors – Deferred grant income

The movements in deferred grant income during the year were as follows:

	Group	Company
	1992	1992
	£'000	£'000
At 1 August 1991	508	-
Grants received in the year	137	-
Grants released in the year	<u>(79)</u>	<u>-</u>
At 31 July 1992	<u>566</u>	<u>-</u>

19 Provision for liabilities and charges

This comprises deferred taxation attributable to:

	Group		Company	
	1992	1991	1992	1991
	£'000	£'000	£'000	£'000
Excess of tax allowances over book depreciation of fixed assets	326	334	48	30
Advance corporation tax	(257)	-	(257)	-
Other timing differences	<u>255</u>	<u>(129)</u>	<u>209</u>	<u>-</u>
	<u>324</u>	<u>205</u>	<u>-</u>	<u>30</u>

There was no unprovided deferred taxation.

The movements in deferred taxation balances during the year were as follows:

	Group	Company
	1992	1992
	£'000	£'000
At 1 August 1991	205	30
Charge for the year (Note 7)	376	227
Transfer from ACT recoverable	<u>(257)</u>	<u>(257)</u>
At 31 July 1992	<u>324</u>	<u>-</u>



NOTES TO THE ACCOUNTS

20 Share capital

	1992	1991
Authorised 16,000,000 ordinary shares of 10p each	<u>£1,600,000</u>	<u>£1,600,000</u>
Allotted, called up and fully paid 12,163,402 ordinary shares of 10p each	<u>£1,216,340</u>	<u>£1,216,340</u>

21 Reserves

	Group		Company	
	1992 £'000	1991 £'000	1992 £'000	1991 £'000
Profit and loss account	4,919	3,747	1,902	485
Transfer fee reserve	2,250	2,000	-	-
Share premium account	<u>6,477</u>	<u>6,477</u>	<u>6,477</u>	<u>6,477</u>
	<u>13,646</u>	<u>12,224</u>	<u>8,379</u>	<u>6,962</u>

Under the terms of certain lotteries, past donations of £1,618,232 (1991 £983,540) received by the Company's subsidiary, and included within the profit and loss account balance, are not available for distribution (and bank balances are restricted accordingly) until such monies have been expended within the terms of those lotteries. It is intended that these balances will be applied to the major capital programme which is in progress and will thereby become distributable. The transfer fee reserve is distributable.

The movements during the year were as follows:

	Group			Company	
	Profit and loss account £'000	Transfer fee reserve £'000	Share premium account £'000	Profit and loss account £'000	Share premium account £'000
At 1 August 1991	3,747	2,000	6,477	485	6,477
Profit for the year	3,611	-	-	3,606	-
Dividends	(2,189)	-	-	(2,189)	-
Appropriation to transfer fee reserve	<u>(250)</u>	<u>250</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 July 1992	<u>4,919</u>	<u>2,250</u>	<u>6,477</u>	<u>1,902</u>	<u>6,477</u>



NOTES TO THE ACCOUNTS

22 Capital and other financial commitments

a. Capital commitments

At 31 July 1992, capital commitments were:

	Group		Company	
	1992	1991	1992	1991
	£'000	£'000	£'000	£'000
Contracted but not provided for	<u>9,000</u>	<u>479</u>	<u>250</u>	<u>-</u>
Authorised but not contracted for	<u>-</u>	<u>12,000</u>	<u>-</u>	<u>-</u>

b. Lease commitments

The Group leases certain vehicles on short term leases. At 31 July 1992 the Group had committed rentals under these operating leases for the next 12 months as follows:

	Group		Company	
	1992	1991	1992	1991
	£'000	£'000	£'000	£'000
Leases expiring within 1 year	<u>17</u>	<u>147</u>	<u>17</u>	<u>147</u>
Leases expiring between 1 and 5 years	<u>35</u>	<u>32</u>	<u>35</u>	<u>32</u>
	<u>52</u>	<u>179</u>	<u>52</u>	<u>179</u>

c. Transfer fees payable

Under the terms of certain contracts with other football clubs in respect of player transfers, certain additional amounts would be payable by the Group if conditions as to future team selection are met. The maximum that could be payable is £0.570 million (1991 £1.675 million) of which £0.260 million could arise in one year.

AUDITORS' REPORT

Grant Thornton 

To the members of Manchester United PLC

We have audited the financial statements on pages 6 to 18 in accordance with auditing standards.

In our opinion the financial statements give a true and fair view of the state of the affairs of the Group and Company at 31 July 1992, and of the profit and cash flows of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Grant Thornton

GRANT THORNTON
Registered Auditors
Chartered Accountants

27 October 1992
MANCHESTER



FINANCIAL DIARY

ANNUAL GENERAL MEETING
20 November 1992

FINAL DIVIDEND
Payment 30 November 1992

INTERIM RESULTS
Announcement April 1993

INTERIM DIVIDEND
Payment expected May 1993

FINAL RESULTS
Announcement October 1993



NOTICE OF MEETING

Notice is hereby given that the second Annual General Meeting of Manchester United PLC will be held at the Armitage Centre, University of Manchester, Moseley Road, Manchester M14 6HE at 11.30 a.m. on Friday 20 November 1992 for the following purposes:

1. To receive and adopt the accounts for the year ended 31 July 1992 together with the reports of the directors and auditors;
2. To declare a final dividend for the year ended 31 July 1992, which the Directors propose should be 12.0p per share;
3. To re-elect R P Launders, the director who retires by rotation in accordance with the Articles of Association;
4. To re-appoint Grant Thornton as auditors and to authorise the directors to fix their remuneration;
5. To approve the following special resolution:
"That the Manchester United Executive Share Option Scheme, the draft rules of which are produced to the meeting (and for the purposes of identification signed by the chairman), be hereby adopted and the directors be hereby authorised to do all acts and things which they consider necessary or expedient to establish and carry the scheme into effect, including the making of any alterations necessary to obtain the approval of the Board of Inland Revenue to the Scheme pursuant to the Income and Corporation Taxes Act 1988.";
6. To approve the following special resolution:
"That the directors be hereby empowered pursuant to section 95 of the Companies Act 1985 to allot equity securities (within the meaning of section 89 of that Act) for cash as if section 89 (1) of that Act did not apply to any such allotment, provided that this power shall be limited:
(a) to the allotment of equity securities in connection with a rights issue in favour of ordinary shareholders where the equity securities respectively attributable to the interests of all ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them on a fixed record date (but subject to such exclusions of other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws or requirements of any recognised regulatory body or any stock exchange in any territory);
(b) to the allotment (otherwise than pursuant to paragraph (a) above) of equity securities up to an aggregate nominal value of £60,600;
and shall expire at the conclusion of the next Annual General Meeting of the Company (or, if earlier, the date which is 15 months from the passing of this resolution) save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired." This resolution will disapply the pre-emption rights under section 89 of the Companies Act 1985.

BY ORDER OF THE BOARD

R P Launders
Secretary
27 October 1992

Old Trafford
Manchester
M16 0RA

Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on the member's behalf. A proxy need not be a member of the Company. The form of proxy should be sent to the Company's Registrars (National Westminster Bank Plc, Registrar's Department, PO Box 82, Caxton House, Redcliffe Way, Bristol BS99 7YA) so as to arrive not later than 48 hours before the time appointed for the meeting. Where a form of proxy is signed under power of attorney or other authority, the form of proxy should be accompanied by the authorising instrument. The sending of a form of proxy to the Registrars will not preclude members from attending and voting at the meeting in person, should they so wish.

Copies of directors' service contracts will be available for inspection at the registered office of the Company during usual business hours and at the place of the Annual General Meeting from 15 minutes before the time appointed for the Meeting until the end of the Meeting.



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