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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)

ADVISERS

AUDITORS Grant Thornton Chartered Accountants Heron House, Albert Square Manchester M2 5HD	SECRETARY AND REGISTERED OFFICE Robin Launders Old Trafford Manchester M16 0RA
REGISTRARS AND TRANSFER OFFICE National Westminster Bank PLC Registrars Department, PO Box 82 Caxton House, Redcliffe Way Bristol BS99 7NH	STOCKBROKERS Smith New Court Corporate Finance Limited Smith New Court House 20 Farringdon Road London EC1M 3NH
FINANCIAL ADVISERS Henry Ansbacher & Co. Limited One Mitre Square London EC3A 5AN	BANKERS National Westminster Bank PLC PO Box 339 55 King Street Manchester M60 2DB
MANCHESTER STOCKBROKERS Charlton Seal, a division of Wise Speke Limited PO Box 512, 8 King Street Manchester M60 2EP	SOLICITORS James Chapman & Co Canada House, 3 Chepstow Street Manchester M1 5ER





CHAIRMAN'S STATEMENT

Results and dividend

Your Board is pleased to announce the Group's results for the year ended 31 July 1993 in which Manchester United became League Champions after 26 years and qualified for the top European competition. The results show an increase of 6.6% in profits before transfer fees and taxation to £8,188,000 (1992 £7,681,000) on turnover up by 25% to £25,177,000 (1992 £20,145,000) with increases in most areas of activity. This was a highly creditable performance given that gate receipts were down 4% on the previous year, principally due to rebuilding.

Net expenditure on player transfers amounted to £3,986,000 (1992 £2,625,000) including the acquisition of Roy Keane for £3.75 million. Manchester United does not carry any of the historic cost of player transfers in its Balance Sheet. Profits before taxation, and after fully writing off transfer expenditure, are £4,202,000 (1992 £5,056,000).

Profit after taxation was £2,955,000 (1992 £3,611,000). The Board has appropriated £1,000,000 from the transfer fee reserve. Earnings per share were 24.3 pence before appropriation and 32.5 pence after appropriation (1992 29.7 pence before appropriation and 27.6 pence after appropriation).

The Board recommends a final dividend of 13.5 pence per share (1992 12.0 pence per share) giving a total dividend for the year of 19.5 pence per share (1992 18.0 pence per share).

Operations

I am very pleased with operational performance in all the activities of Manchester United, particularly against the background of reduced capacity during rebuilding and only modest cup runs, together resulting in a reduction in gate receipts of 4% from the phenomenal levels of 1992. This is a tribute to the support from the fans and the attractive football played by the team, winning the FA Premier League Championship in style.

Television income reflected improved arrangements under the FA Premier League and the additional revenues from winning the Championship. Sponsorship and royalty income includes the first year with UMBRO and the success of sales and replica kits. Conference and catering income was affected by the reduced capacity during rebuilding but showed an increase in turnover of 6% to £1,808,000. Other sources of income, mainly the retail, mail order, publishing and wholesale trading of the merchandising division, showed an increase in turnover of 93% from £2,705,000 to £5,225,000.

Operating profit has increased 18% from £6,265,000 to £7,392,000. Interest receivable was reduced from £1,416,000 to £796,000 as a result of a £12 million investment in fixed assets.

Expenditure on players totalled £6,020,000 and included the inward transfers of Dion Dublin, Eric Cantona and Roy Keane. Player transfers to other clubs totalled £2,034,000 and included Mark Robins, Mal Donaghy and Neil Webb. Net expenditure on player transfers was £3,986,000.

For the information of shareholders, we have again asked Touche Ross & Co. to prepare an independent report on the aggregate value to be attributed to the first team squad of players. As at 31 July 1993, this shows an aggregate value of £30 million (1992 £24 million).

The Stretford End was completed on time and the final cost was £10.3 million, which was within the budget of £10.5 million. Our other stadium improvements have



concentrated on safety, quality and comfort for spectators. Capital investments included a major refurbishment to the South Stand totalling £2.8 million of which £1.2 million was spent prior to 31 July 1993. This gives the Club 500 more seats, an extra lounge for 160 Premier Club members and the potential for a further large room for VIP guests. The development gives supporters more comfort and fully modern concourse facilities.

After £12 million of capital investment during the year, cash and marketable securities stand at £7,757,000 (1992 £14,783,000 net). The cash generated from operating activities, less taxation and dividends paid amounted to £3.9 million.

Prospects

The season has opened, as last season closed, successful both on and off the field. Old Trafford is now back to a capacity of 45,000 and has been effectively sold out for each of the last four league games. With all boxes and executive seats sold, including the new boxes and Club Class seats in the Stretford End, and with the membership reaching over 83,000 (1992 55,000), we will continue to enjoy a phenomenal level of support.

We have been considering the opportunities inherent in the support and worldwide reputation of Manchester United PLC. Following the development of new markets such as the United Magazine, Champions Video and wholesaling of merchandise, we plan to launch further publishing ventures such as a video magazine. We are also looking to develop carefully the use of the Manchester United brand name to launch products such as the recently announced 'Champs Cola' and to develop links with suppliers of services that can benefit our extensive list of members and customers.

Manchester United has progressed to the second knock-out stage of the European Champions Cup, where we need to win the second leg against Galatasaray of Turkey in order to gain entry to the league stage and guarantee three home matches and participation in TV and other revenues, which UEFA distributes to the participants on the basis of points won. I commend the efforts of our management, the team and our staff who have performed excellently during the year and salute the fans for their continuing support of the Club in this its Championship year.

Sir Roland Smith
Chairman
30 October 1993



DIRECTORS' REPORT

The directors present their report together with the accounts for the year ended 31 July 1993.

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 increased by 25.0% from £20,145,000 in 1992 to £25,177,000 in 1993, despite reduced capacity for much of the season due to rebuilding works. The Club became League Champions for the first time in 26 years. Profit before transfer fees increased by 6.6% to £8,188,000 (1992 £7,681,000). Net expenditure on player transfers amounted to £3,986,000 (1992 £2,625,000), leaving a profit before taxation of £4,202,000 (1992 £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 13.5 pence per share for the year to 31 July 1993.

The directors have transferred £1,000,000 from the transfer fee reserve and the balance of £1,583,000 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

The company has received payment of the £1.4 million grant awarded by the Football Trust in respect of its grant claim for the Stretford End major project.

The Chairman's Statement contains a review of prospects.

Explanation of the special business of the Annual General Meeting

A special resolution (number 5) 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 1993, 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 of the 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 1993, was £30 million (1992 £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 10 to the accounts, reflecting the completion of the Stretford End, the refurbishment of the South Stand and other stadium improvements.



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 31 July 1993, would show a valuation surplus of the order of £29 million.

Directors and their interests

The directors serving at 31 July 1993 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, 65, 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, 35, 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, 51, 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 Group over the last sixteen years.

The directors who held office at 31 July 1993 had interests, which have not changed since the year end, in the share capital of the Company as follows:

	31 July 1993 and 1 August 1992		31 July 1993
	Shares		Options
C M Edwards (<i>see below</i>)	3,380,158	27.8%	—
A M Al Midani	863,439	7.1%	—
E M Watkins	355,275	2.9%	—
R P Launders	—	—	100,000

1,250,000 of the shares in which C M Edwards is interested are held in a non-beneficial capacity by a trust of which C M Edwards and E M Watkins are trustees.

The share options for R P Launders were granted during the year.

Sir Roland Smith holds no shares in the Company.

In accordance with the Articles of Association, A M Al Midani 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	31 months
R P Launders	30 months

No other director has a service contract.

Sums paid to third parties in respect of directors' services are set out in Note 5. 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 21 October 1993:

	Shares	
Philen Establishment	863,439	7.1%
BBC Pension Trust Limited	565,493	4.7%
Marathon Asset Management Limited	450,000	3.7%

Due to the implementation of "The Disclosure of interest in Shares (Amendment) Regulations 1993" under Section 198 of the Companies Act 1985, Phillips & Drew Fund Management Limited no longer has a notifiable interest in the ordinary share capital of Manchester United PLC.

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

Charitable and political contributions

The Group has contributed £80,774 of the proceeds of a match held on 31 July 1993 against Benfica to a Trust for the benefit of former players; accordingly the Group contributed a total of £90,360 (1992 £4,852) to charities. The Group made no political contributions in the year (1992 £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.

Auditors

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

BY ORDER OF THE BOARD
R P Launders
Secretary
30 October 1993

Old Trafford
Manchester
M16 0RA



CORPORATE GOVERNANCE

The Board of Directors

The Board of directors, under its non-executive Chairman, meets regularly throughout the year and consists of two executive and three non-executive members.

The Board is responsible for overall group strategy and monitors the executive management. In addition, it has reserved to itself decisions on significant player transfers and major capital expenditure, the appointment of advisers, treasury management, and safety policy in a supervisory capacity.

The Board has an agreed procedure for directors to take independent professional advice in the furtherance of their duties, should they so require. The Company Secretary's advice and services are also available to all Board members when and if needed.

Non-Executive Directors

Except as disclosed in Note 5 to the accounts, the non-executive members of the Board have no financial or contractual interest in the Company other than by way of their fees and shareholding. The non-executive directors do not participate in the Executive Share Option Scheme.

The Board considers that the non-executive members are of such calibre and number for their views to carry significant weight in the Board's decision making.

Non-executive directors appointed in the future will be engaged for specific terms, their reappointment will not be automatic, and the appointment process will be formalised.

Executive Directors

The two executive directors are also members of the Board of the Manchester United Football Club plc, the Company's subsidiary, which manages the day to day business of the Group.

The executive directors have service contracts. Their emoluments are set by the Remuneration Committee, which is composed of the non-executive directors. All directors' remuneration and expenses are reviewed by the Audit Committee annually. Details of directors' emoluments are set out in Note 5 to the accounts.

Reporting and Controls

The Board is fully aware of its duty to present a balanced and understandable assessment of the Group's position. The Board regularly reviews financial statements, cash balances and forecasts to ensure that a going concern state of affairs will prevail.

A statement covering the Board's responsibilities for preparing the accounts precedes the Report of the Auditors.

The Board has constituted an Audit Committee comprising all members of the Board, with the proviso that on at least one occasion each year the auditors will have a meeting with the non-executive directors alone.

The Cadbury Report

Following the publication of the Cadbury Report and at a Meeting on 12 December 1992, the Board has adopted various resolutions, of which the above is a summary, in order to comply with the requirements of the Report. The Board will adopt further resolutions as guidance becomes available in the area of internal control.



CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the 12 months ended 31 July 1993

	Note	1993 £'000	1992 £'000
Turnover	1	25,177	20,145
Operating expenses	2	(17,785)	(13,880)
Operating profit		7,392	6,265
Interest receivable	3	796	1,416
Profit before transfer fees		8,188	7,681
Net transfer fees	4	(3,986)	(2,625)
Profit on ordinary activities before taxation		4,202	5,056
Taxation	6	(1,247)	(1,441)
Profit for the year	7	2,955	3,611
Dividends	8	(2,372)	(2,189)
Appropriation from/(to) transfer fee reserve	21	1,000	(250)
Retained profit for the year	21	1,583	1,172
Earnings per ordinary share (pence)	9	24.3	29.7
Before appropriation (pence)	9	32.5	27.6
After appropriation (pence)			

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the 12 months ended 31 July 1993

There were no recognised gains or losses in 1993 or 1992 other than the consolidated profit for the year.

The accompanying notes on pages 13 to 20 are an integral part of these accounts.



CONSOLIDATED BALANCE SHEET

At 31 July 1993

	Note	1993 £'000	1992 £'000
Fixed assets			
Tangible assets	10	<u>22,601</u>	<u>11,284</u>
Current assets			
Stocks	12	1,084	503
Debtors	13	3,893	2,521
Marketable securities	14	4,914	4,088
Cash at bank and in hand		<u>2,843</u>	<u>10,945</u>
		12,734	18,057
Creditors			
Amounts falling due within one year	16	10,352	6,399
Income deferred less than one year	17	<u>8,670</u>	<u>6,640</u>
Net current (liabilities)/assets		<u>(6,288)</u>	<u>5,018</u>
Total assets less current liabilities		16,316	16,302
Accruals and deferred income			
Income deferred more than one year		—	550
Deferred grant income	18	563	566
Provision for liabilities and charges	19	<u>308</u>	<u>324</u>
Net assets		<u>15,445</u>	<u>14,862</u>
Capital and reserves			
Share capital	20	1,216	1,216
Share premium account	21	6,477	6,477
Transfer fee reserve	21	1,250	2,250
Profit and loss account	21	<u>6,502</u>	<u>4,919</u>
Shareholders' funds	22	<u>15,445</u>	<u>14,862</u>

R P Launderers
Director
30 October 1993

The accompanying notes on pages 13 to 20 are an integral part of these accounts.



COMPANY BALANCE SHEET

At 31 July 1993

	Note	1993 £'000	1992 £'000
Fixed assets			
Tangible assets	10	7,299	7,461
Investments	11	<u>1,009</u>	<u>1,009</u>
		<u>8,308</u>	<u>8,470</u>
Current assets			
Stocks	12	1,084	503
Debtors	13	5,676	947
Cash at bank and in hand		<u>1,395</u>	<u>6,149</u>
		8,155	7,599
Creditors			
Amounts falling due within one year	16	4,842	4,845
Income deferred less than one year	17	<u>1,283</u>	<u>1,079</u>
Net current assets		<u>2,030</u>	<u>1,675</u>
Total assets less current liabilities		10,338	10,145
Accruals and deferred income			
Income deferred more than one year		<u>-</u>	<u>550</u>
Net assets		<u>10,338</u>	<u>9,595</u>
Capital and reserves			
Share capital	20	1,216	1,216
Share premium account	21	6,477	6,477
Profit and loss account	21	<u>2,645</u>	<u>1,902</u>
Shareholders' funds		<u>10,338</u>	<u>9,595</u>

R P Launders
Director
30 October 1993

The accompanying notes on pages 13 to 20 are an integral part of these accounts.



CONSOLIDATED CASH FLOW STATEMENT

For the 12 months ended 31 July 1993

	1993	1992
	£'000	£'000
Net cash inflow from operating activities	8,104	4,389
Return on investments and servicing of finance		
Interest receivable	796	1,416
Dividends paid	<u>(2,182)</u>	<u>(730)</u>
Net cash (outflow)/inflow from return on investments and servicing of finance	(1,386)	686
Taxation		
Tax paid	<u>(1,977)</u>	<u>(685)</u>
	(1,977)	(685)
Investing activities		
Sale of tangible fixed assets	94	160
Purchase of tangible fixed assets	(12,123)	(4,057)
Sale of marketable securities	2,958	4,094
Purchase of marketable securities	(3,614)	(4,088)
Longer term bank deposit proceeds	3,350	-
Longer term bank deposits	<u>(1,350)</u>	<u>-</u>
Net cash outflow from investing activities	(10,685)	(3,891)
Net cash (outflow)/inflow before financing	(5,944)	499
Financing		
Grants received	<u>92</u>	<u>137</u>
Net cash inflow from financing	92	137
(Decrease)/increase in cash and cash equivalents (Note 15)	<u>(5,852)</u>	<u>636</u>
Net cash generated from operations		
Operating profit	7,392	6,265
Net transfer fees	(3,986)	(2,625)
Depreciation charges	624	493
Loss on disposal of tangible fixed assets	85	23
Profit on disposal of marketable securities	(170)	(94)
Grants released	(95)	(79)
Increase in stocks	(581)	(194)
Increase in debtors	(1,372)	(815)
Increase in creditors	<u>6,207</u>	<u>1,415</u>
Net cash inflow from operating activities	<u>8,104</u>	<u>4,389</u>



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 and under the historical cost convention.

Basis of consolidation

The principles of merger accounting have been applied. The accounts combine the results of Manchester United PLC and its subsidiary The Manchester United Football Club plc.

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 assets, 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, and the Old Trafford stadium in particular. Provision will be made against the cost of the properties in the event of any permanent diminution in their 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 Turnover

Turnover, which all originates in the United Kingdom, can be analysed into its principal components as follows:

	1993 £'000	1992 £'000
Gate receipts and programme sales	10,676	11,142
Television	3,849	1,843
Sponsorship, royalties and advertising	3,619	2,756
Conference and catering	1,808	1,699
Merchandising and other	5,225	2,705
	<u>25,177</u>	<u>20,145</u>

Turnover arises from the principal activity of the Group.

2 Operating expenses

	1993 £'000	1992 £'000
Auditors' remuneration: audit fees	28	25
Auditors' remuneration: non audit services	29	n/a
Directors' remuneration (Note 5)	307	268
Staff costs (Note 5)	7,566	6,149
Depreciation	624	493
Operating leases	66	150
Plant and vehicle hire	3	26
Other operating charges	9,322	6,919
Grants released (Note 18)	(95)	(79)
Loss on disposal of tangible fixed assets	85	23
Profit on disposal of marketable securities	(170)	(94)
	<u>17,785</u>	<u>13,880</u>

3 Interest receivable

	1993 £'000	1992 £'000
Bank interest receivable	801	1,420
Bank overdraft interest payable	(5)	(4)
	<u>796</u>	<u>1,416</u>

4 Net transfer fees

	1993 £'000	1992 £'000
Transfer fees receivable	2,034	385
Transfer fees payable	(6,020)	(3,010)
	<u>(3,986)</u>	<u>(2,625)</u>



NOTES TO THE ACCOUNTS

5 Staff costs

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

	1993 £'000	1992 £'000
Wages and salaries	6,746	5,495
Social security costs	690	507
Other pension costs	150	147
	<u>7,586</u>	<u>6,149</u>

The average number of employees was as follows:

	1993 Number	1992 Number
Players	43	37
Ground staff	28	27
Ticket office and membership	13	13
Restaurant and conference centre staff	51	41
Merchandising and publishing; museum	29	24
Administration and other	34	32
Average number of employees	<u>198</u>	<u>174</u>

The Group also employs approximately 550 temporary staff on match days.

The directors of the Company received the following remuneration:

	1993 £'000	1992 £'000
Remuneration for management services	269	241
Pension contributions	22	21
Fees as directors	16	6
	<u>307</u>	<u>268</u>

Sums paid to third parties in respect of directors' services are excluded from the figures shown above and are as follows. Payments of £40,500 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 £48,000 being services in the ordinary course of business as the Group's solicitors.

The directors' remuneration shown above (excluding pension contributions) included:

	1993 £'000	1992 £'000
Chairman	5	5
Highest paid director, including bonus and benefits in kind	<u>174</u>	<u>165</u>
	Number	Number
Other directors in the range from £95,001 to £100,000	1	-
Other directors in the range from £75,001 to £80,000	-	1
Other directors in the range from £10,001 to £15,000	1	-
Directors receiving up to £5,000	-	1
Directors receiving no emoluments	<u>1</u>	<u>1</u>



NOTES TO THE ACCOUNTS

6 Taxation

	1993 £'000	1992 £'000
UK corporation tax based on the profit for the year	(1,402)	(1,069)
Deferred taxation (Note 19)	155	(376)
	<u>(1,247)</u>	<u>(1,445)</u>
Effective rate of corporation tax	29.7%	28.6%
Statutory rate of corporation tax	33%	33%

The effective rates of corporation tax are lower than the statutory rates due to the non-taxable nature of certain income.

7 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. The profit after taxation for the year is shown in Note 21.

8 Dividends

	1993 £'000	1992 £'000
Interim dividend paid (6.0 pence per share)	739	730
Final dividend proposed (13.5 pence per share)	<u>1,642</u>	<u>1,459</u>
Dividends for the financial year	<u>2,372</u>	<u>2,189</u>

9 Earnings per ordinary share

Earnings per ordinary share have been calculated by dividing the profit for the year after taxation and the profit after appropriation from or to the transfer fee reserve for the year by the weighted number of ordinary shares in issue for the year.

	1993	1992
Profit for the year after taxation	£2,955,000	£3,611,000
Appropriation from / (to) the transfer fee reserve	<u>1,000,000</u>	<u>(250,000)</u>
Profit after appropriation	<u>£3,955,000</u>	<u>£3,361,000</u>
Weighted average number of shares in issue	12,163,402	12,163,402
Earnings per ordinary share		
Before appropriation (pence)	<u>24.3</u>	<u>29.7</u>
After appropriation (pence)	<u>32.5</u>	<u>27.6</u>

In addition to the usual definition of earnings per share, Manchester United PLC has always offered another version, "earnings per share after appropriation". Movements to and from the transfer fee reserve are decided by the directors on a balance of Cup income and transfer fee income and expenditure. When Cup income exceeds net player expenditure then an appropriation is usually made from profit for the year to the transfer fee reserve. If net player expenditure exceeds Cup income then the directors usually appropriate from the transfer fee reserve. The effect of this practice is to balance some of the volatility inherent in a football business where Cup runs can depend on the outcome of a single match and transfers of players cannot conform to any pattern. The directors therefore believe that earnings per share after appropriation is a useful measure of performance.



NOTES TO THE ACCOUNTS

10 Tangible fixed assets Group

	Freehold Property £'000	Plant and Machinery £'000	Fixtures and Fittings £'000	Group Total £'000
Cost				
At 1 August 1992	8,425	1,974	4,653	15,052
Additions	8,913	1,978	1,202	12,123
Disposals	(130)	(71)	-	(201)
At 31 July 1993	<u>17,238</u>	<u>3,881</u>	<u>5,855</u>	<u>26,974</u>
Depreciation				
At 1 August 1992	94	869	2,805	3,768
Charge for the year	-	329	295	624
Disposals	-	(22)	-	(22)
At 31 July 1993	<u>94</u>	<u>1,176</u>	<u>3,100</u>	<u>4,370</u>
Net Book Value				
At 31 July 1992	<u>8,331</u>	<u>1,105</u>	<u>1,848</u>	<u>11,284</u>
At 31 July 1993	<u>17,144</u>	<u>2,705</u>	<u>2,755</u>	<u>22,604</u>
Company				
	Freehold Property £'000	Plant and Machinery £'000	Fixtures and Fittings £'000	Company Total £'000
Cost				
At 1 August 1992	7,031	447	787	8,265
Additions	39	296	65	400
Transfers from subsidiary	(238)	-	(54)	(292)
Disposals	(130)	(19)	-	(149)
At 31 July 1993	<u>6,702</u>	<u>724</u>	<u>798</u>	<u>8,224</u>
Depreciation				
At 1 August 1992	94	172	538	804
Charge for the year	-	102	28	130
Disposals	-	(9)	-	(9)
At 31 July 1993	<u>94</u>	<u>265</u>	<u>566</u>	<u>925</u>
Net Book Value				
At 31 July 1992	<u>6,937</u>	<u>275</u>	<u>249</u>	<u>7,461</u>
At 31 July 1993	<u>6,608</u>	<u>459</u>	<u>232</u>	<u>7,299</u>

11 Fixed asset investments

The fixed asset investment comprises the Company's investment in the ordinary share capital of 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, operating principally within the United Kingdom.



NOTES TO THE ACCOUNTS

12 Stocks

	Group		Company	
	1993 £'000	1992 £'000	1993 £'000	1992 £'000
Raw materials and consumables	39	86	39	86
Goods for resale	<u>1,045</u>	<u>417</u>	<u>1,045</u>	<u>417</u>
	<u>1,081</u>	<u>503</u>	<u>1,081</u>	<u>503</u>

13 Debtors

	Group		Company	
	1993 £'000	1992 £'000	1993 £'000	1992 £'000
Trade debtors	2,549	967	2,021	102
Subsidiary undertaking	-	-	3,181	-
Advance corporation tax recoverable	359	230	359	230
Other debtors	166	183	1	-
Prepayments and accrued income	<u>819</u>	<u>1,141</u>	<u>114</u>	<u>615</u>
	<u>3,893</u>	<u>2,521</u>	<u>5,676</u>	<u>947</u>

The advance corporation tax recoverable relates to the ACT on the proposed final dividend and is recoverable against mainstream corporation tax payable on 1 May 1995.

14 Marketable securities

	Group		Company	
	1993 £'000	1992 £'000	1993 £'000	1992 £'000
Government securities - at cost	<u>4,914</u>	<u>4,088</u>	-	-
Government securities - at market value	<u>5,020</u>	<u>4,088</u>	-	-

15 Analysis of cash and cash equivalents

	At 1 August 1992 £'000	Movement in year £'000	At 31 July 1993 £'000
Cash at bank and in hand	10,945	(8,102)	2,843
Less: longer term deposits	<u>(2,000)</u>	<u>2,000</u>	-
Cash at bank and in hand less longer term deposits	8,945	(6,102)	2,843
Bank overdraft	<u>(250)</u>	<u>250</u>	-
Cash and cash equivalents	<u>8,695</u>	<u>(5,852)</u>	<u>2,843</u>

Marketable securities have been excluded from cash and cash equivalents under a strict reading of FRS1 as having a maturity date at the time of purchase greater than three months. These government securities are held as part of the Group's cash management operations and are readily convertible into cash through the gilt edged market.



NOTES TO THE ACCOUNTS

16 Creditors Amounts falling due within one year

	Group		Company	
	1993	1992	1993	1992
	£'000	£'000	£'000	£'000
Trade creditors	5,496	1,091	1,398	460
Bank overdraft	-	250	-	250
Subsidiary undertaking	-	-	-	1,131
Social security and other taxes	813	1,028	857	24
Corporation tax	787	1,501	693	900
Dividends proposed	1,642	1,459	1,642	1,459
Other creditors	-	533	-	511
Accruals	1,614	537	252	110
	<u>10,352</u>	<u>6,399</u>	<u>4,842</u>	<u>4,845</u>

17 Income deferred less than one year

	Group		Company	
	1993	1992	1993	1992
	£'000	£'000	£'000	£'000
Deferred revenue income	<u>8,670</u>	<u>6,640</u>	<u>1,283</u>	<u>1,079</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 Deferred grant income

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

	Group	Company
	£'000	£'000
At 1 August 1992	566	-
Grants received in the year	92	-
Grants released in the year	(95)	-
At 31 July 1993	<u>563</u>	<u>-</u>

Since the year-end, the company has received payment of the £1.4 million grant awarded by the Football Trust in respect of its grant claim for the Stretford End major project.

19 Provision for liabilities and charges

This comprises deferred taxation attributable to:

	Group		Company	
	1993	1992	1993	1992
	£'000	£'000	£'000	£'000
Excess of tax allowances over book depreciation of fixed assets	370	326	44	48
Advance corporation tax	(118)	(257)	(118)	(257)
Other timing differences	56	255	74	209
	<u>308</u>	<u>324</u>	<u>-</u>	<u>-</u>

There was no unprovided deferred taxation.

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

	Group	Company
	£'000	£'000
At 1 August 1992	324	-
Credit for the year (Note 6)	(155)	(139)
Transfer from ACT recoverable	139	139
At 31 July 1993	<u>308</u>	<u>-</u>



NOTES TO THE ACCOUNTS

20 Share capital

	1993	1992
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>

During the year the company granted options over 225,000 ordinary shares of 10p each under the Executive Share Option Scheme. The options are exercisable in accordance with the terms of the scheme on 12 January 1996 at a price of 339p per share.

The total number of shares over which options subsisted at the year end was 225,000.

21 Reserves

The movements during the year were as follows:

	Profit and loss account £'000	Group Transfer fee reserve £'000	Share premium account £'000	Company Profit and loss account £'000	Share premium account £'000
At 1 August 1992	4,919	2,250	6,477	1,902	6,477
Profit for the year	2,955	-	-	3,115	-
Dividends	(2,372)	-	-	(2,372)	-
Appropriation from transfer fee reserve	<u>1,000</u>	<u>(1,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 July 1993	<u>6,502</u>	<u>1,250</u>	<u>6,477</u>	<u>2,645</u>	<u>6,477</u>

Under the terms of certain lotteries, past donations of £15,973 (1992 £1,618,232) 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. The reduction in the balance reflects the application of past donations to the Stretford End project during the year. It is intended that the balance will be applied to capital programmes and will thereby become distributable. The transfer fee reserve is distributable.

22 Reconciliation of movement on shareholders funds

	Group 1993 £'000	1992 £'000
Profit for the financial year	2,955	3,611
Dividends	<u>(2,372)</u>	<u>(2,189)</u>
Net addition to shareholders' funds	583	1,422
Opening shareholders' funds	<u>14,862</u>	<u>13,440</u>
Closing shareholders' funds	<u>15,445</u>	<u>14,862</u>



NOTES TO THE ACCOUNTS

23 Capital and other financial commitments

a. Capital commitments

At 31 July 1993, capital commitments were:

	Group		Company	
	1993 £'000	1992 £'000	1993 £'000	1992 £'000
Contracted but not provided for	<u>1,760</u>	<u>9,000</u>	<u>-</u>	<u>250</u>
Authorised but not contracted for	<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>

b. Lease commitments

The Group leases certain vehicles on short term leases. At 31 July 1993, the Group had committed rentals under these operating leases for the next 12 months as follows:

	Group		Company	
	1993 £'000	1992 £'000	1993 £'000	1992 £'000
Leases expiring within 1 year	<u>15</u>	<u>17</u>	<u>15</u>	<u>17</u>
Leases expiring between 1 and 5 years	<u>5</u>	<u>35</u>	<u>5</u>	<u>35</u>
	<u>20</u>	<u>52</u>	<u>20</u>	<u>52</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 were met. The maximum that could be payable is £600,000 (1992 £570,000) of which £20,000 could arise in one year.



DIRECTORS' RESPONSIBILITIES

In respect of the preparation of the accounts

The directors are required by law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the Group at the end of the financial year and of the profit of the Group for that period. The financial statements must comply with the requirements of the Companies Act 1985.

It is the directors' responsibility to ensure that adequate accounting records are maintained, that the assets of the group are safeguarded and that fraud and other irregularities are prevented and detected.

The Board of Directors confirm that suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of the financial statements.

In addition, the directors confirm that applicable accounting standards have been followed.

AUDITORS' REPORT

Grant Thornton 

To the members of Manchester United PLC

We have audited the financial statements on pages 8 to 20 which have been prepared under the accounting policies set out on page 12.

Respective responsibilities of directors and auditors

As described above, the Company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the affairs of the Group and Company at 31 July 1993, and of the profit 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
MANCHESTER

30 October 1993



NOTICE OF MEETING

Notice is hereby given that the third Annual General Meeting of Manchester United PLC will be held at the Armitage Centre, University of Manchester, Moseley Road, Manchester M14 6HE at 11.00 a.m. on Friday 26 November 1993 for the following purposes:

1. To receive and adopt the accounts for the year ended 31 July 1993 together with the reports of the directors and auditors;
2. To declare a final dividend for the year ended 31 July 1993, which the directors propose should be 13.5p per share;
3. To re-elect A M Al Midani, 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 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 £60,000;

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
30 October 1993

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.



MANCHESTER UNITED PLC FORM OF PROXY

for use at the Annual General Meeting
to be held at 11.00 a.m. on Friday 26 November 1993

I/We the undersigned, being (a) member(s) of the above named Company hereby appoint the Chairman of the Meeting*

as my/our proxy to vote on my/our behalf as indicated below (or at his/her discretion in respect of any other matters arising) at the Annual General Meeting of the Company to be held at the Armitage Centre, University of Manchester, Moseley Road, Manchester M14 6HE at 11.00 a.m. on Friday 26 November 1993 and at any adjournment thereof, on the resolutions indicated below and set out fully in the Notice of Meeting dated 30 October 1993 which is on page 22 of the Report and Accounts.

Resolution	For	Against
1. To receive and adopt the accounts for the year ended 31 July 1993 together with the reports of the directors and auditors.		
2. To declare a final dividend for the year ended 31 July 1993, which the Directors propose should be 13.5p per share.		
3. To re-elect A M Al Midani, who retires as director 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 special resolution giving limited power to the directors to allot equity securities for cash as if section 89(1) of the Companies Act 1985 did not apply, the full text of the resolution being set out in the Notice of Meeting.		

Please indicate with an "X" in the appropriate box above how you wish your proxy to vote. Unless otherwise directed, the proxy holder will vote or abstain at his/her discretion.

Full Name(s) Signed Dated
Please use block letters

Address.....

*If it is desired to appoint any other person as your proxy, delete the words "the Chairman of the Meeting", initial the alteration and insert the name and address of the proxy, who need not be a member of the Company.

NOTES:

- Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, to vote on the member's behalf.
- In the case of joint holdings the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of any other joint holders. For these purposes, seniority shall be determined by the order of the names appearing in the register of members in respect of the joint holding.
- In the case of a corporation this form of proxy must be executed under its common seal or signed on its behalf by a duly authorised attorney or duly authorised officer of the corporation.
- 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 or a notarially certified copy thereof.
- Any alteration made to this form of proxy should be initialled.
- 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.

SECOND FOLD

BUSINESS REPLY SERVICE
Licence No. BS 2282

1



National Westminster Bank Plc,
Registrar's Department,
PO Box 82,
Caxton House,
Redcliffe Way,
Bristol BS99 7YA

FIRST FOLD

THIRD FOLD



MANCHESTER UNITED PLC

OLD TRAFFORD

MANCHESTER M16 0RA



MANCHESTER UNITED PLC

REPORT & ACCOUNTS

1993