

36624



NOTICE OF ANNUAL GENERAL MEETING



*Captain Dave Watson lifts the FA Cup,
20 May 1995*

Notice is hereby given that the one hundred and sixteenth Annual General Meeting of The Everton Football Club Co Ltd (The Company) will be held at Goodison Park, Liverpool L4 4EL on Tuesday 21 November 1995 at 7 pm for the purposes of considering the following business:

- 1) To receive the Directors' Report and Accounts for the year ended 31 May 1995.
- 2) To elect Directors.
- 3) To appoint Auditors for the ensuing year, and authorise the Directors to fix their remuneration.
- 4) To transact any other business which may be transacted at the Annual General Meeting of the Company.

The transfer books of the Company will be closed until the 22 November 1995.

By order of the Board

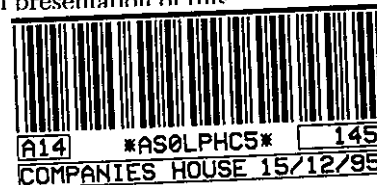
M J Dunford
Secretary
Goodison Park
Liverpool
L4 4EL

12 October 1995

Notes

- 1) A member entitled to attend and vote at the above meeting may appoint one or more proxies to attend, and on a poll, to vote in his/her place. A proxy need not be a member of the Company.
- 2) To be valid, a duly executed instrument of proxy must be lodged at the Registered Office of the Company at least 48 hours before the time appointed for holding the meeting.
- 3) Admission to the Meeting will be on presentation of this Annual Report.

NOTICE OF
ANNUAL
GENERAL
MEETING

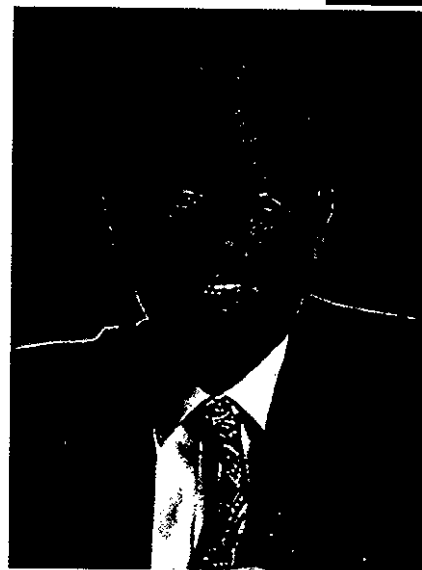


“ Last season was one of great contrasts. Once again our long established position in the top flight was under threat and was only confirmed in the penultimate game of the season. ”





Last season was one of great contrasts. Once again our long established position in the top flight was under threat and was only confirmed in the penultimate game of the season. However we did lift our first major trophy for eight years on a memorable May afternoon in London. This FA Cup Final success was quite an achievement, for it earned us a place in Europe for the first time in ten years, in fact since we won the Cup Winners Cup in 1985 only to be denied the chance of further glory by the UEFA ban on English clubs.



The league season opened in disappointing fashion, with a return of only eight points from fourteen games constituting the worst ever start to a campaign in the history of Everton. Regrettably the disastrous spell led to your Board having to terminate the contracts of the manager Michael Walker and coach David Williams. Subsequently, new manager Joe Royle and coach Willie Donachie steered us to Premier League safety with the remaining 28 games reaping a further 42 points.

In contrast with our superb run in the other big knockout competition, our involvement in the Coca-Cola Cup ended at the first hurdle, as the result of a defeat over the course of two legs against Portsmouth.

Throughout all the varying fortunes on the field of play the one constant factor was the backing given to us by our supporters. Their enthusiasm was magnificent and average attendances increased by 37% to 31,368.

Here at Everton we are proud of our youth policy and we have an outstanding crop of youngsters whose abilities promise great things for the future. They were instrumental in our reserve side gaining runners-up spot in the First Division of the Pontins League, whilst the A & B teams finished 3rd and 4th respectively in the Lancashire League.

In order to develop our youth policy, a large sports ground and social club in Netherton has been purchased. Boasting four full size pitches and space for a floodlit astroturf pitch, the ground will be designated Everton's Youth Centre of Excellence.

At youth level, representative honours for England were won by Jonathan O'Connor, Graham Allen, Michael Branch, John O'Toole, John Marshall, Michael Ball, Michael O'Brien and David Poppleton with Richard Dunn representing the Republic of Ireland.



CHAIRMAN'S
REPORT





The death of John Marshall, one of our young YTS boys, at the age of 16, devastated all at the Club and we offer our condolences to his family

Since the last report the following players have joined the club - Daniel Amokachi, Earl Barrett, David Burrows, Duncan Ferguson and Vinny Samways. Outgoing transfers have been Brett Angell, David Burrows, Tony Cottey and Mark Ward.

At international level, Neville Southall, Barry Horne, Anders Limpar, Daniel Amokachi and Duncan Ferguson represented their countries at senior level. David Unsworth and Tony Grant represented England at under 21 level.

Income from gate receipts and season ticket sales rose by a little over £3.6m, whilst trading and other activities rose by around £1m. The operating profit of £1.1m, translated into a loss of £9.37m after transfer fees were accounted for.

After ten years, club sponsorship with NEC came to an end and we are delighted to record that our new sponsors, DANKA, have signed a four year agreement.

In the 1990's the commercial activities of a football club are a key element in its success or failure and we are confident that our satellite souvenir shop in Gwladys Street and the recently completed Walton Lane megastore give us a commercial presence to match that of any other Premiership club.

I mentioned in the 1994 report that Jim Greenwood would be retiring at the end of the year and I am pleased to welcome our new Secretary, Michael Dunford, and Commercial Manager, Andrew Watson.

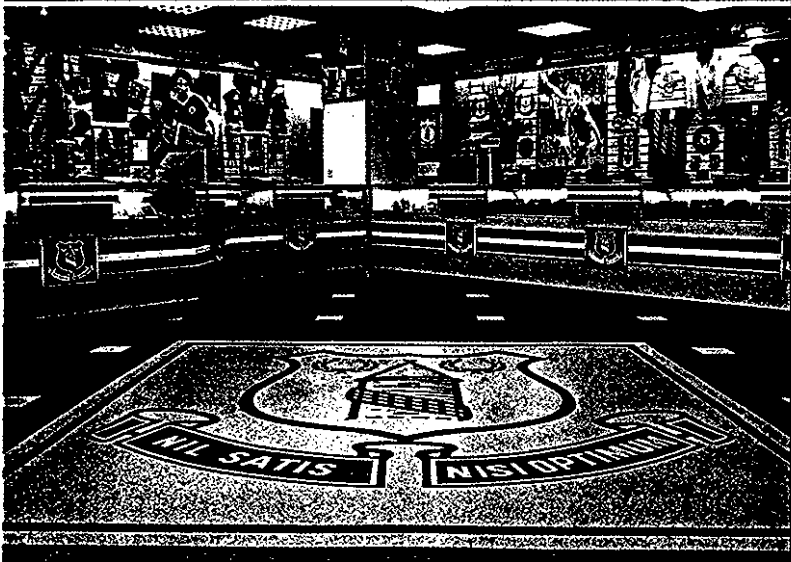
One of our directors, David Newton, has decided to retire after 16 years on the Board and I would like to take this opportunity to thank him for his support and wish him a long and happy retirement.

Finally, may I thank my Board colleagues, the Manager and his staff, and all other members of staff for their support and loyalty in what was an interesting, and ultimately successful season.

Peter Johnson

12 October 1995





“ In the 1990's the commercial activities of a football club are a key element in its success or failure and we are confident that our Satellite Souvenir Shop in Gwladys Street and the recently completed Walton Lane Megastore give us a commercial presence to match that of any other Premiership club. ”



DIRECTORS' REPORT

The directors present their report and the financial statements of the Company for the year ended 31st May 1995.

Principal Activity

The principal activity of the Company continues to be that of a professional football club.

Review of Business

The results of the year's trading are shown on page 12 of the financial statements.

A net loss of £9,373,396 arose in the year.

A review of the Company's business and future developments is set out in the Chairman's Report.

Dividend

The directors do not recommend the payment of a dividend.

Fixed Assets

Information relating to changes in the fixed assets is given in note 10 to the financial statements.

Directors

The directors in office in the year and their beneficial interests in the share capital of the company at the end of the financial year and of the previous financial year (or date of appointment where later) were as follows:

| | Number of Stock Units | |
|--|-----------------------|---------------|
| | 31st May 1995 | 31st May 1994 |
| P R Johnson (appointed 26.7.94) | 2,498 | 1 |
| Sir Desmond H Pitcher DL | 13 | 13 |
| B C Finch (appointed 26.7.94) | 12 | — |
| R J Hughes (appointed 26.7.94) | 3 | — |
| Sir Philip Carter CBE | 103 | 103 |
| Dr D M Marsh | 10 | 11 |
| K M Tamlin | 17 | 17 |
| D A B Newton | 5 | 5 |
| W Kenwright | 25 | 25 |
| A J L Abercromby (appointed 26.7.94) | 3 | 3 |
| The Rt Hon C J Suenson Taylor (appointed 26.7.94) | 102 | 88 |

D A B Newton has resigned as a director with effect from 26 September 1995.





In accordance with the Articles of Association Mr K.M. Tamlin, Sir Philip D. Carter and Mr W. Kenwright retire by rotation and, being eligible, offer themselves for re-election.

The Board of Directors, in accordance with the Articles of Association, have determined that the maximum number of directors should be ten with effect from 26 September 1995.

Directors' Responsibilities

Company law requires the directors 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 profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that the financial statements comply with the above requirements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The auditors, Messrs Rogers Bowler & Co., have signified their willingness to continue in office if re-appointed at the forthcoming annual general meeting.

Approved by the Board on 12 October 1995
and signed on its behalf by

M. Dunford, Secretary.

**DIRECTORS
REPORT**





MINUTES OF THE 115TH ANNUAL GENERAL MEETING OF THE EVERTON FOOTBALL CLUB COMPANY LIMITED

*Held at Goodison Park, Liverpool on Thursday 10th
November 1994 at 7.00 pm*

Present:

Mr P R Johnson (in the chair), Sir H Desmond Pitcher DL, Sir Philip Carter CBE, Dr D M Marsh, Mr K M Tamlin, Mr D A B Newton, Mr W Kenwright, The Rt Hon C J Suenson-Taylor, Mr A J L Abercromby and Mr R J Hughes (Directors), Mr J Greenwood (Secretary), Mr M J Dunford (Secretary Designate) and Mr P B Bowler (representing Rogers, Bowler & Co), together with 175 stockholders.

Apologies

Apologies were recorded for Messrs B C Finch (Director), A R Tighe and J Tushingham.

Notice Convening the Meeting

It was agreed the notice convening the meeting should be taken as read.

Admission of the Press

It was agreed that the members of the Press in attendance should be allowed to remain throughout the meeting.

Minutes of the 114th AGM

It was agreed the Minutes of the 114th Annual General Meeting of the Company, circulated with the Annual Report and Accounts, should be taken as read.

Mrs E Jones proposed that the Minutes should be approved and signed as a correct record. Mr R E D Edwards seconded and the proposal was carried.

Chairman's Report

It was agreed that the Chairman's Report, circulated with the Annual Report and Accounts, should be taken as read.

The Chairman advised the Meeting that, following the termination of the contract of Mr Mike Walker as Manager on November 8, the Board had been successful in recruiting a very worthy successor whom he would introduce to the Meeting at the conclusion of the official business.

Mr M J Dunford, the Secretary designate, was introduced to the meeting and the Chairman expressed the thanks and appreciation of the Board and the Stockholders for the 20 years loyal service of Mr J Greenwood who would be retiring on 31 December 1994 as Secretary and Chief Executive.





Directors' Report and Accounts

It was agreed the Directors' & Auditors' Reports should be taken as read.

Mr R J Hughes formally proposed the adoption of the Reports and Accounts and Mr J P Hacking seconded. There were no questions and the proposal was carried.

Dividend

Mr K M Tamlin formally proposed that no dividend should be paid. Mr K B Nolan seconded and the proposal was carried.

Appointment of Auditors

Sir Desmond H Pitcher DL formally proposed that Messrs Rogers Bowler and Co be re-appointed as auditors for the ensuing year and their remuneration be left for the Directors to determine. Mr L Bernicoff seconded and the proposal was carried.

Election of Directors

The Chairman reported that the four retiring Directors were Dr D M Marsh and Messrs D A B Newton, B C Finch and R J Hughes. All were eligible and seeking re-election. In addition nominations had been received in respect of Messrs K B Nolan and J Mass.

In accordance with the Articles of Association, the Board had determined that the number of directors at the present time should remain at eleven.

In those circumstances there were six nominations for four vacancies and the Chairman had determined that the election would be by ballot.

The meeting unanimously agreed the procedure that each stockholder would vote for up to four candidates of the six shown on the ballot paper.

It was agreed that Messrs N Dainty, G Hirst and E Birch be appointed as tellers.

Messrs J Mass and K B Nolan each addressed the meeting briefly to present their case for election to the Board.

The Chairman reported the result of the ballot, as follows:

| | | | |
|-----------------|-------|--------------|-------|
| Mr R J Hughes | 3,574 | Dr D M Marsh | 2,923 |
| Mr B C Finch | 3,569 | Mr K B Nolan | 465 |
| Mr D A B Newton | 3,491 | Mr J Mass | 382 |

The Chairman formally declared Messrs Hughes, Finch, Newton and Marsh elected for a further term and Dr Marsh expressed thanks to the meeting on behalf of the four re-elected Directors.

Close of Business

The Chairman formally declared the meeting closed and introduced the new Manager, Mr Joe Royle, to the meeting.

MINUTES



PROFIT AND LOSS ACCOUNT

For the year ended 31 May 1995

| | Notes | 1995 £ | 1994 £ |
|---|-------|--------------|-------------|
| Turnover | 2 | 13,545,624 | 8,858,407 |
| Direct operating costs | | (12,607,814) | (8,007,302) |
| Gross Profit | | 937,810 | 851,105 |
| Other income | 3 | 146,471 | 147,846 |
| Operating Profit | 4 | 1,084,281 | 998,951 |
| Interest receivable | 5 | 62,760 | 6,333 |
| Interest payable | 6 | (143,277) | (227,698) |
| Profit | | | |
| on ordinary activities before transfer fees | | 1,003,764 | 777,586 |
| Transfer fees | 7 | (10,377,160) | (1,228,212) |
| Loss | | | |
| on ordinary activities before taxation | | (9,373,396) | (450,626) |
| Taxation | 9 | - | (4,414) |
| Loss for the year | 15 | (9,373,396) | (455,040) |

All amounts relate to continuing operations.

The company has no recognised gains or losses other than the loss for each of the above two financial years.


BALANCE SHEET
 At 31 May 1995

| | Notes | 1995 £ | 1994 £ |
|--|-------|--------------------|---------------------|
| Fixed Assets | | | |
| Tangible assets | 10 | 9,544,301 | 8,633,266 |
| Current Assets | | | |
| Stocks | 11 | 208,887 | 68,105 |
| Debtors | 12 | 3,306,112 | 1,776,093 |
| Cash at bank and in hand | | 32,699 | 110,166 |
| | | <u>3,547,698</u> | <u>1,954,364</u> |
| Creditors: | | | |
| Amounts falling due within one year | 13 | <u>9,218,326</u> | <u>7,340,561</u> |
| Net Current Liabilities | | | |
| | | <u>(5,670,628)</u> | <u>-(5,386,197)</u> |
| Total Assets Less Current Liabilities | | | |
| | | <u>£3,873,673</u> | <u>£3,247,069</u> |
| Representing: | | | |
| Capital and Reserves | | | |
| Called up share capital | 14 | 5,000 | 2,500 |
| Share premium account | 15 | 9,997,500 | — |
| Revaluation reserve | 15 | 4,527,325 | 4,527,325 |
| Profit and loss account | 15 | (10,656,152) | (1,282,756) |
| Shareholders' funds | 16 | <u>£3,873,673</u> | <u>£3,247,069</u> |

The financial statements were approved by the Board on 26th September 1995 and signed on its behalf by

P R Johnson & R J Hughes,
Directors



**CASH FLOW STATEMENT**

For the year ended 31 May 1995

| | | 1995 | | 1994 | |
|--|-------|--------------|--------------|-------------|-------------|
| | Notes | £ | £ | £ | £ |
| NET CASH INFLOW FROM OPERATING ACTIVITIES | 17a | | 2,966,299 | | 2,334,353 |
| <i>Returns on investments and servicing of finance</i> | | | | | |
| Interest received | | 62,760 | | 6,333 | |
| Interest paid | | (143,277) | | (227,698) | |
| Net cash outflow from returns on investments and servicing of finance | | | (80,517) | | (221,365) |
| <i>Taxation</i> | | | | | |
| Tax refunded | | | 3,382 | | 5,322 |
| <i>Investing activities</i> | | | | | |
| Payments to acquire tangible fixed assets | | (2,644,175) | | (1,392,054) | |
| Grants from The Football Trust | | 1,503,465 | | - | |
| Receipts from sales of tangible fixed assets | | 86,484 | | 80,270 | |
| Transfer fees payable (net) | | (10,377,160) | | (1,228,212) | |
| Net cash outflow from investing activities | | | (11,431,386) | | (2,539,996) |
| NET CASH OUTFLOW BEFORE FINANCING | | | (8,542,222) | | (421,686) |
| <i>Financing</i> | | | | | |
| Issue of new share capital, including premium | | 10,000,000 | | - | |
| Loans repaid | | (53,352) | | (4,858) | |
| Net cash inflow/(outflow) from financing | 17c | | 9,946,648 | | (4,858) |
| INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS | 17b | | £1,404,426 | | £ (426,544) |

CASH FLOW
STATEMENT



NOTES TO THE ACCOUNTS

For year ended 31 May 1995

1 ACCOUNTING BASIS AND POLICIES

These accounts have been prepared on the historical cost basis of accounting as modified to include valuations of the Club's properties, and in accordance with applicable UK accounting standards, and accounting policies consistent with those adopted previously. The principal accounting policies are as follows:-

(i) Turnover

Turnover is stated exclusive of value added tax and match receipts are included net of percentage payments to visiting clubs, The FA, Premier League and The Football Association.

(ii) Fixed Assets and Depreciation

It is the Club's policy to maintain the value and extend the life of its properties by regular expenditure charged to revenue, and to revalue the properties every four years and adjust the book values accordingly. However, in view of the significant developments in progress at the year end, the directors felt that it would be inappropriate to undertake the revaluation due this year and have postponed it for one year. Having regard to the aforementioned policy, depreciation is not provided on the Club's properties as the directors are of the opinion that the sum involved would be immaterial. Depreciation on other fixed assets has been calculated at 25% on the book value.

(iii) Stocks

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

(iv) Transfer fees

Transfer fees payable and receivable are dealt with in the profit and loss account in the year in which the transfer contract is signed.

(v) Signing-on Fees and Loyalty Bonuses

Signing-on fees and loyalty bonuses are charged on the accruals basis and those instalments due in the future on continued service are not provided for but are noted as contingent liabilities at Note 19.

(vi) Grants

Grants receivable from The Football Trust are deducted from the expenditure to which they relate.

(vii) Deferred Taxation

Deferred tax is provided at current rates in respect of the tax effect of all material timing differences, to the extent that it is probable that a liability or asset will crystallize in the foreseeable future.

| 2 | TURNOVER | 1995 | 1994 |
|----------|---|------------------|-----------------|
| | | £ | £ |
| | Match receipts and income from related footballing activities | 10,322,364 | 6,721,342 |
| | Commercial and sundry income | 3,223,260 | 2,137,065 |
| | | <hr/> 13,545,624 | <hr/> 8,858,407 |
| | | | |
| 3 | OTHER INCOME | 1995 | 1994 |
| | | £ | £ |
| | Donations from development associations | 127,792 | 122,050 |
| | Rents receivable | 18,679 | 25,796 |
| | | <hr/> 146,471 | <hr/> 147,846 |





| 4 OPERATING PROFIT | 1995 £ | 1994 £ |
|--|-----------|-----------|
| The operating profit is stated after charging: | | |
| Depreciation | 143,191 | 123,028 |
| Costs of capital restructuring | 106,315 | 131,650 |
| Auditors' remuneration - for audit | 9,000 | 7,500 |
| - for other services | 11,650 | 8,950 |

| 5 INTEREST RECEIVABLE | 1995 £ | 1994 £ |
|------------------------------|---------------|--------------|
| Bank deposit interest | 52,485 | - |
| Other interest | 10,275 | 6,333 |
| | <u>62,760</u> | <u>6,333</u> |

| 6 INTEREST PAYABLE | 1995 £ | 1994 £ |
|---------------------------|----------------|----------------|
| On bank overdrafts | 143,215 | 227,674 |
| On other liabilities | 62 | 24 |
| | <u>143,277</u> | <u>227,698</u> |

| 7 TRANSFER FEES | 1995 £ | 1994 £ |
|--|---------------------|--------------------|
| Transfer fees payable and related levies | (12,727,160) | (3,803,212) |
| Transfer fees receivable | 2,350,000 | 2,575,000 |
| | <u>(10,377,160)</u> | <u>(1,228,212)</u> |

| 8 PARTICULARS OF EMPLOYEES | 1995 Number | 1994 Number |
|--|----------------|----------------|
| The average weekly number of employees during the year was as follows: | | |
| Playing, training and management | 57 | 54 |
| Maintenance and administration | 35 | 29 |
| Catering and sales | 50 | 31 |
| | <u>142</u> | <u>114</u> |

| Aggregate payroll costs were as follows:- | 1995 £ | 1994 £ |
|---|------------------|------------------|
| Wages and salaries | 6,679,794 | 4,597,099 |
| Social security costs | 587,216 | 390,722 |
| Other pension costs | 164,348 | 188,390 |
| | <u>7,431,358</u> | <u>5,176,211</u> |





8 Other pension costs comprise contributions made by the Company in respect of the majority of its permanent employees to pension schemes which are independently administered by the Football League Limited, together with contributions made to individual pension contracts with insurance companies under agreements with certain employees. All pension arrangements are defined contribution schemes and contributions are charged to the profit and loss account in the year to which they relate.

The directors received no emoluments from the company during the year.

9 TAXATION

No taxation arises on the results of the current year and losses are available for relief against future profits for taxation purposes.

In view of the continuing use of the freehold properties by the company in the future, no provision is considered necessary in respect of the potential tax liability which might arise in the event of the disposal of the properties at the amounts at which they are included in these accounts, and in the opinion of the directors it is impracticable and of no useful purpose to attempt to quantify it.

10 TANGIBLE FIXED ASSETS

| | Properties £ | Plant and equipment £ | Vehicles £ | Total £ |
|-------------------------|-----------------|-----------------------------|---------------|-------------|
| Cost or valuation | | | | |
| At 31 May 1994 | 8,305,326 | 869,684 | 251,744 | 9,426,754 |
| Additions | 2,342,397 | 254,348 | 47,430 | 2,644,175 |
| Grants | (1,503,465) | — | — | (1,503,465) |
| Disposals | — | — | (170,192) | (170,192) |
| Revaluation adjustment | — | — | — | — |
| At 31 May 1995 | 9,144,258 | 1,124,032 | 128,982 | 10,397,272 |
| Cost | 2,660,258 | 1,124,032 | 128,982 | 3,913,272 |
| Valuation in April 1991 | 6,484,000 | — | — | 6,484,000 |
| | 9,144,258 | 1,124,032 | 128,982 | 10,397,272 |
| Depreciation | | | | |
| At 31 May 1994 | — | 689,579 | 103,909 | 793,488 |
| Provided during year | — | 108,613 | 34,578 | 143,191 |
| On disposals | — | — | (83,707) | (83,707) |
| At 31 May 1995 | — | 798,192 | 54,780 | 852,972 |
| Net book value | | | | |
| At 31 May 1995 | 9,144,258 | 325,840 | 74,202 | 9,544,300 |
| At 31 May 1994 | 8,305,326 | 180,105 | 147,835 | 8,633,266 |

Expenditure of £1,552,202 incurred during the year on the completion of the new Park End Stand is included above under additions to properties. The aggregate cost of the stand over the past two years is £2.7 million, in respect of which the Club has received or been promised grants of £1.5 million from the Football Trust.

The Club's properties are freehold, with the exception of certain minor residential properties which are long leasehold.

NOTES
TO THE
ACCOUNTS





10

If the freehold properties had not been revalued regularly since 1983 they would have been included at the following amounts on the basis previously appertaining:

| | 1995 £ | 1994 £ |
|------------------------|------------------|------------------|
| Cost | 4,800,920 | 3,958,523 |
| Aggregate depreciation | 162,846 | 156,876 |
| Net book value | <u>4,638,074</u> | <u>3,801,647</u> |

11

STOCKS

| | 1995 £ | 1994 £ |
|--|----------------|---------------|
| Refreshments, souvenirs and goods for resale | 199,982 | 66,188 |
| Maintenance stocks | 8,905 | 1,917 |
| | <u>208,887</u> | <u>68,105</u> |

12

DEBTORS

| | 1995 £ | 1994 £ |
|--------------------------------|------------------|------------------|
| Trade debtors | 2,661,737 | 1,350,845 |
| Other debtors | 211,781 | 258,975 |
| Prepayments and accrued income | 432,594 | 166,273 |
| | <u>3,306,112</u> | <u>1,776,093</u> |

Other debtors includes a bridging loan of £190,000 (1994 - Nil) to an officer of the company other than a director.

13

CREDITORS: *Amounts falling due within one year*

| | 1995 £ | 1994 £ |
|---------------------------------|------------------|------------------|
| Trade creditors | 4,206,456 | 2,053,324 |
| Social security and other taxes | 824,069 | 130,658 |
| Pension scheme premiums | 1,307 | 905 |
| Other creditors | - | 2,683 |
| Accruals and deferred income | 1,379,295 | 808,197 |
| | <u>6,411,127</u> | <u>2,995,767</u> |
| Corporation tax | - | 2,350 |
| Bank overdraft | 2,807,199 | 4,289,092 |
| Loan from brewery | - | 53,352 |
| | <u>9,218,326</u> | <u>7,340,561</u> |

The bank overdraft is secured by fixed and floating charges over all the company's assets and undertakings.





14 EQUITY SHARE CAPITAL

| | 1995 £ | 1994 £ |
|---|-----------|-----------|
| Authorised: 5,000 (1994 - 2,500) stock units of £1 each | 5,000 | 2,500 |
| Allotted, issued and fully paid: 5,000 (1994 - 2,500) stock units of £1 each | 5,000 | 2,500 |

An increase in the authorised share capital of the company from £2,500 to £5,000 and a rights issue of shares were approved by a special resolution passed at an extraordinary general meeting of the company held on 26 July 1994. Following the approval of the rights issue, 2,500 stock units of £1 each were allotted and fully paid up for cash at £4,000 per stock unit to provide additional working capital.

15 RESERVES

| | Share Premium Account £ | Revaluation Reserve £ | Profit and Loss Account £ |
|--|----------------------------------|-----------------------------|------------------------------------|
| Balance at 1 June 1994 | — | 4,527,325 | (1,282,756) |
| Premium arising on rights issue of shares | 9,997,500 | — | — |
| Loss for the year | — | — | (9,373,396) |
| Balance at 31 May 1995 | 9,997,500 | 4,527,325 | (10,656,152) |

16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 1995 £ | 1994 £ |
|--|-------------|-----------|
| Loss for the year | (9,373,396) | (455,040) |
| New share capital subscribed, including premium | 10,000,000 | — |
| Net addition to shareholders' funds | 626,604 | (455,040) |
| Shareholders' funds at 1 June 1994 | 3,247,069 | 3,702,109 |
| Shareholders' funds at 31 May 1995 | 3,873,673 | 3,247,069 |

17 CASH FLOW STATEMENT

(a) Reconciliation of operating profit to net cash inflow from operating activities:

| | 1995 £ | 1994 £ |
|---|-------------|-----------|
| Operating profit | 1,084,281 | 998,951 |
| Depreciation charges | 143,191 | 123,028 |
| Decrease/(Increase) in stocks | (140,782) | 12,791 |
| Increase in debtors | (1,535,751) | (173,757) |
| Increase in creditors | 3,415,360 | 1,373,340 |
| Net cash inflow from operating activities | 2,966,299 | 2,334,353 |

NOTES
TO THE
ACCOUNTS





17

(b) Analysis of cash and cash equivalents:

| | 1995 £ | 1994 £ | Change in year £ | Change in year £ |
|-----------------------------|--------------------|--------------------|------------------------|------------------------|
| Cash at bank and in hand | 32,699 | 110,166 | (77,467) | 41,839 |
| Bank overdrafts | (2,807,199) | (4,289,092) | 1,481,893 | (468,383) |
| | <u>(2,774,500)</u> | <u>(4,178,926)</u> | <u>1,404,426</u> | <u>(426,544)</u> |

(c) Analysis of changes in financing:

| | Share capital (including premium) £ | Loans £ |
|---|--|------------|
| Balance at 1 June 1993 | 2,500 | 58,210 |
| Net cash outflow from financing | — | (4,858) |
| Balance at 31 May 1994 | 2,500 | 53,352 |
| Net cash inflow/(outflow) from financing | 10,000,000 | (53,352) |
| Balance at 31 May 1995 | <u>10,002,500</u> | <u>—</u> |

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FUTURE CAPITAL EXPENDITURE

| | 1995 | 1994 |
|--|-------|-------|
| Capital expenditure contracted for but not provided for in these accounts amounted to | £2.4m | £1.4m |
| Further capital expenditure authorised by the directors on which orders had not been placed prior to the Balance Sheet date amounted to | Nil | Nil |

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CONTINGENT LIABILITIES

No provision is included in the accounts for transfer fees of £934,000 which are contingent upon future appearances of certain players, and signing-on fees and loyalty bonuses of £2,644,863 which will become due to certain players if they are still in the service of the Club on specific future dates.

The Club, in common with other clubs in The Football Association Premier League, has been requested by the Inland Revenue to commission the preparation of a report on tax sensitive issues. Contingent upon the outcome of such report, Everton may or may not face additional tax liabilities arising in respect of earlier periods.





REPORT OF THE AUDITORS TO THE MEMBERS OF THE EVERTON FOOTBALL CLUB COMPANY LIMITED

We have audited the financial statements on pages 12 to 20 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and on the basis of the accounting policies set out on page 15.

Respective Responsibilities of Directors and Auditors

As described on page 9 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 company's affairs as at 31 May 1995 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

Rogers, Bowler & Co

Chartered Accountants and Registered Auditors
Birkenhead

12 October 1995

AUDITORS'
REPORT





FIRST TEAM RESULTS, 1994-95

| Date | Venue | Opponent | Result | Attendance | Points | Position |
|--------------|---------|--------------------------------|--------|------------|--------|----------|
| August 20 | Home | Aston Villa | 2-2 | 35,544 | 1 | - |
| August 24 | Away | Tottenham Hotspur | 1-2 | 24,553 | 1 | 15 |
| August 27 | Away | Manchester City | 0-4 | 19,867 | 1 | 19 |
| August 30 | Home | Nottingham Forest | 1-2 | 26,689 | 1 | 20 |
| September 10 | Away | Blackburn Rovers | 0-3 | 26,538 | 1 | 22 |
| September 17 | Home | QPR | 2-2 | 27,285 | 2 | 22 |
| September 20 | Home | Portsmouth Coca-Cola Cup 2 (1) | 2-3 | 14,043 | - | - |
| September 24 | Home | Leicester City | 1-1 | 28,003 | 3 | 22 |
| October 1 | Away | Manchester United | 0-2 | 43,803 | 3 | 22 |
| October 5 | Away | Portsmouth Coca-Cola Cup 2 (2) | 1-1 | 13,605 | - | - |
| October 8 | Away | Southampton | 0-2 | 15,163 | 3 | 22 |
| October 15 | Home | Coventry City | 0-2 | 28,233 | 3 | 22 |
| October 22 | Away | Crystal Palace | 0-1 | 14,505 | 3 | 22 |
| October 29 | Home | Arsenal | 1-1 | 32,003 | 4 | 22 |
| November 1 | Home | West Ham United | 1-0 | 28,338 | 7 | 22 |
| November 5 | Away | Norwich City | 0-0 | 18,377 | 8 | 22 |
| November 21 | Home | Liverpool | 2-0 | 39,866 | 11 | 20 |
| November 26 | Away | Chelsea | 1-0 | 28,115 | 14 | 19 |
| December 5 | Home | Leeds United | 3-0 | 25,897 | 17 | 18 |
| December 10 | Away | Aston Villa | 0-0 | 29,678 | 18 | 18 |
| December 17 | Home | Tottenham Hotspur | 0-0 | 32,809 | 19 | 19 |
| December 26 | Home | Sheffield Wednesday | 1-4 | 37,080 | 19 | 19 |
| December 31 | Home | Ipswich Town | 4-1 | 25,659 | 22 | 19 |
| January 2 | Away | Wimbledon | 1-2 | 9,508 | 22 | 20 |
| January 7 | Home | Derby County FA Cup 3 | 1-0 | 29,406 | - | - |
| January 26 | Away | Arsenal | 1-1 | 34,743 | 23 | 20 |
| January 21 | Home | Crystal Palace | 3-1 | 23,733 | 26 | 18 |
| January 24 | Away | Liverpool | 0-0 | 39,505 | 27 | 16 |
| January 29 | Away | Bristol City FA Cup 4 | 1-0 | 19,816 | - | - |
| February 1 | Away | Newcastle United | 0-2 | 34,465 | 27 | 18 |
| February 4 | Home | Norwich City | 2-1 | 23,293 | 30 | 18 |
| February 13 | Away | West Ham United | 2-2 | 21,081 | 31 | 17 |
| February 18 | Home | Norwich City FA Cup 5 | 5-0 | 31,616 | - | - |
| February 22 | Away | Leeds United | 0-1 | 30,793 | 31 | 18 |
| February 25 | Home | Manchester United | 1-0 | 40,011 | 34 | 16 |
| March 4 | Away | Leicester City | 2-2 | 20,447 | 35 | 17 |
| March 8 | Away | Nottingham Forest | 1-2 | 24,526 | 35 | 17 |
| March 12 | Home | Newcastle United FA Cup 6 | 1-0 | 35,203 | - | - |
| March 15 | Home | Manchester City | 1-1 | 28,485 | 36 | 17 |
| March 18 | Away | QPR | 3-2 | 14,488 | 39 | 17 |
| April 1 | Home | Blackburn Rovers | 1-2 | 37,905 | 39 | 17 |
| April 9 | Neutral | Tottenham FA Cup Semi final | 4-1 | 38,226 | - | - |
| April 14 | Home | Newcastle United | 2-0 | 34,811 | 42 | 17 |
| April 17 | Away | Sheffield Wednesday | 0-0 | 27,880 | 43 | 17 |
| April 29 | Home | Wimbledon | 0-0 | 33,063 | 44 | 16 |
| May 3 | Home | Chelsea | 3-3 | 33,180 | 45 | 17 |
| May 6 | Home | Southampton | 0-0 | 36,840 | 46 | 17 |
| May 9 | Away | Ipswich Town | 1-0 | 14,951 | 49 | 13 |
| May 14 | Away | Coventry City | 0-0 | 21,814 | 50 | 15 |
| May 20 | Neutral | Manchester Utd FA Cup Final | 1-0 | 79,592 | - | - |

RESULTS
1994-95

