40866

MANCHESTER CITY FOOTBALL CLUB P.L.C.

Report and Accounts

1988

Contents

Notice of Meeting

NOTICE IS HEREBY GIVEN that the ninety-fourth Annual General Meeting of the Company will be held on Friday, 28th October, 1988 at the Manchester City Social Club, Maine Road, Moss Side at 12.00 noon.

Agenda

1 To confirm the Minutes of the last Annual General Meeting.

2 To receive the Auditors' Report.

3 To receive and consider the Accounts and the Directors' Report.

4 (i) To re-elect F. Pye as a Director of the Company.
(ii) To re-elect G. J. Doyle as a Director of the Company.
(iii) To re-elect W. A. Miles as a Director of the Company.

5 To re-appoint Boardman, Woolrich as Auditors.

6 To authorise the Directors to fix the remuneration of the Auditors.

7 To consider and if thought fit pass the following resolution as an ordinary resolution.
"That the authority conferred upon the Directors by a resolution of an Extraordinary General Meeting of the Company dated 9th September, 1983 be renewed to the intent that the Directors shall have the authority to allot or grant rights to subscribe for 250,000 'A' Ordinary Non Voting shares of £1 each in the capital of the Company such authority to expire on 31st May, 1993."

8. Any other business

By Order of the Board
J. B. HALFORD, Secretary
30th September, 1988

Notes

The Company's Articles of Association provide that no person except a retiring Director shall be elected as Director unless seven days previous notice in writing shall be given to the Company of the intention of any member to propose any person other than a retiring Director for the election to the office of Director, stating the name and address of the person who offers himself, or is proposed as a candidate.

Any member entitled to vote at this Meeting may appoint another person, who need not be a member, as his proxy to attend and vote on his behalf. The instrument appointing a proxy duly witnessed shall be deposited at the Registered Office of the Company not less than forty-eight hours before the time for holding the Meeting.

Directors

P. J. SWALES (Chairman)
F. PYE (Vice-Chairman)
I. L. G. NIVEN, M.B.I.I.
C. B. MUIR
M. T. HORWICH
W. C. ADAMS
A. G. THOMAS
G. J. DOYLE
W. A. MILES
B. TURNBULL
J. GREIBACH
J. K. WHITE (Resigned 1st September, 1988) X

HONORARY PRESIDENTS
A. E. ALEXANDER, M.S.I.A.
S. S. ROSE, M.B., F.R.C.S.

SECRETARY
J. B. HALFORD

MANAGER
J. FRIZZELL

TEAM MANAGER
M. MACHIN

Registered Office
Maine Road, Moss Side, Manchester M14 7WN

Bankers
THE ROYAL BANK OF SCOTLAND plc

Auditors
BOARDMAN, WOOLRICH
Chartered Accountants

Solicitors
FOX BROOKS MARSHALL

Chairman's Report

[illegible] of £4?? 228 for the year ending 31st May 1988. There was a [illegible] £248 [illegible] The Club's net assets have been increased to £3 7m. In view of the [illegible] we can expect another significant increase in profits [illegible] is available for further player purchases if required, and if the [illegible]

[illegible] though we had good cup runs in the two major [illegible] to the first division. With the advent of satellite [illegible] of the money going into the first division. This trend will [illegible]

[illegible] were completed including the installation of the new [illegible] removal of the four large pylons that have dominated [illegible] system has been upgraded after several years of [illegible] tickets a long slow job are continuing. A brand new [illegible] the purchase of match and season tickets. These [illegible] cards. This has proved to be a popular service.

[illegible] our commercial activities and the [illegible] the last year. In addition to our shirt sponsorship [illegible] and distributors we have continued [illegible] North West. The burgeoning relationship with [illegible] for the Club as we approach the 1990's.

[illegible] Umbro and Greenall Whitley has been [illegible] a deal with Tom Garner Motors which should [illegible]

[illegible] of the public recently has [illegible] As well as providing our supporters [illegible] Maine Road, the Club [illegible]

[illegible] similar services but once again. We [illegible] of the scheme [illegible]

[illegible] problem. This has resulted in the proposed [illegible] grounds. This is a system that your Board is very [illegible] number of people watching football and will prove [illegible] problems that we have to deal with but because of the [illegible] We at Manchester City are constantly striving [illegible] young and old in safety and comfort.

[illegible] playing performance, our association with the Supporters [illegible] Blues continues to grow. The loyalty and support is still unsurpassed anywhere [illegible]

My thanks to everyone who continues to work for Manchester City and all our supporters. I am grateful for their support.

P. J. SWALES
Chairman

Report of the Directors 1988

The Directors submit their report and the audited accounts for the year ended 31st May, 1988

1. **Principal Activity and Review of the Business**
   The principal activity of the Company is that of a professional Football League Club. A revie[w] of the the business and future developments are included in the Chairman's Report.

2. **Results and Dividends**
   The trading profit for the year amounted to £165,559. No dividends are proposed [in] respect of the year.

3. **Directors**
   The Directors and their interests in the shares of the Company at the end of each financ[ial] year or [date of] appointment were as set out below:-

	Ordinary Shares 1988	Ordinary Shares 1987	A Ordinary Non-Voting Shares 1988	A Ordinary Non-Voting Shares 1987
P J Swales	226 850	206,450	2,500	
I L. G. Niven	31,004	31 004	300	
C. B Muir	5,235	5,235	2,000	
M. T. Horwich	8,850	8,850	500	
W. C. Adams	8,170	8 210	1,250	
A G. Thomas	150	150	-	
G. J. Doyle	15	15	-	
F Pye	1,064	1,066	-	
W. A. Miles	10,045	9,045	250	
B Turnbull	10	10	250	
J Greibach	10	10	-	
J K. White (Resigned 1st September, 1988)	10	10	-	

F. Pye, G. J Doyle and W A. Miles retire and being eligible offer themselves for re-ele[ction]

4. **Fixed Assets**
   The changes in fixed assets during the year are summarised in note 6 to the accou[nts] page 12

5. **Auditors**
   The auditors, Boardman, Woolrich have expressed their willingness to continue in [office] and a resolution for their re-appointment will be submitted at the Annual General M[eeting]

By Order of the Board
J. B. HALFORD
Secretary.
30th September, 1988.

Manchester City Football Club p.l.c.

Report of the Auditors

To the Members of Manchester City Football Club p.l.c.

[illegible] pages 7 to 15 in accordance with approved auditing [illegible]

[illegible] which have been prepared under the historical cost [illegible] certain fixed assets) give a true and fair view of the [illegible] 31st May, 1988 and of the profit and source and application [illegible] and comply with the Companies Act 1985.

[illegible]

[illegible]

Profit and Loss Account

Year Ended 31st May, 1988

	Notes	1988 £	1988 £	1987 £	1987 £
TURNOVER	2		2,396,391		1,8[illegible]
Administrative Expenses	3(a)	594,861		511,318	
Staff costs	3(b)	981,105		866,[illegible]	
Transfer Fees – Net expenditure/(income)		245,667		376,[illegible]	
Payments to other Clubs, Leagues and Associations		315,231		[illegible]	
			2,136,864		1,[illegible]
OPERATING PROFIT	3		260,13[illegible]		[illegible]
Donations from Development Associations		145,317		31,[illegible]	
			145,317		91,[illegible]
			406,450		216,[illegible]
Interest Payable	4		240,891		343
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			1[illegible]		575
Tax on profit on ordinary activities	5				
PROFIT FOR THE FINANCIAL YEAR			£165,559		[illegible]

Balance Sheet

As at 31st May, 1988

	Notes	1988 £	1988 £	1987 £	1987 £
[illegible]	6		7,463,351		7,462,203
[illegible]		1,000		500	
[illegible]		5,450		6,848	
[illegible]		251,250		243,570	
[illegible]		2,455		2,708	
[illegible]		260,155		253,626	
[illegible]	8	(2,577,271)		(2,468,879)	
[illegible]			(2,317,116)		(2,215,253)
[illegible]			5,146,235		5,246,950
[illegible]	9		(1,428,272)		(1,809,060)
			£3,717,963		£3,437,890
[illegible]	10		378,493		714,000
[illegible]	11		50,024		
[illegible]			23		23
[illegible]	12		4,489,710		4,489,710
[illegible]	13		(1,600,264)		(1,765,843)
			£3,717,963		£3,437,890

[illegible]

P. J. Swales } DIRECTORS
A. G. Thomas }
[illegible] September 1988

J. B. Halford SECRETARY

Statement of Source and Application of Funds

Year Ended 31st May, 1988

	1988 £	1988 £	1987 £	1987 £
SOURCE OF FUNDS				
Profit before taxation		165,559		575,739
Adjustment for items not involving the movement of funds:				
Depreciation		11,375		12,631
Loss on sale of asset		–		1,900
		176,934		590,270
Funds from other sources				
Net proceeds from issue of shares		114,514		–
		291,448		590,270
APPLICATION OF FUNDS				
Purchase of Fixed Assets	12,523		29,124	
Mortgage Repayments	18,916		10,084	
(Increase)/Decrease in Deferred Income	(111,000)		65,870	
Bonding Loan Repayments	106,000		104,000	
Hire Purchase Repayments	198		3,534	
Repayment of Loans	155,256		65,270	
Repayment of City Bonds	26,600		21,050	
		208,493		298,982
INCREASE IN WORKING CAPITAL		£82,955		£291,288
Represented by				
Investments		500		500
Stock		(1,398)		1,766
Debtors		7,680		(100,025)
[illegible]		169,282		(182,801)
		176,064		(280,560)
Movement in Net Liquid Funds				
(Decrease)/Increase in Cash Balances		(93,109)		571,848
		£82,955		£291,288

Notes to the Accounts 1988

[illegible] historical cost convention

[illegible] Company excluding value added tax for goods and services

[illegible] DEPRECIATION

[illegible] the Company with the exception of Freehold land and buildings [illegible] valuation with subsequent additions included at cost

[illegible] substantial sums on improving and renovating Freehold buildings [illegible] Depreciation has been charged on other assets in the [illegible]

[illegible]	[illegible] straight line
[illegible]	25% reducing balance

[illegible] estimated useful lives

[illegible] during the year to the Profit and Loss Account

[illegible]

	1988	1987
	£	£
[illegible]	1,848 [illegible]	1,440,[illegible]
[illegible]	548 [illegible]	437,[illegible]
	£2,396,[illegible]	£1,[illegible]

Notes to the Accounts 1988

3. OPERATING PROFIT

Operating profit is stated after charging:-

(a) Administrative Expenses

	1988	1987
	£	£
General Overheads	566,560	490,[illegible]7
Depreciation	11,375	12,631
Auditors Remuneration	2,200	2,100
Vehicle Leasing and Hire	14,726	6,300
	£594,861	£511,018

(b) Staff Costs

Staff Costs during the year amounted to:-

	1988	1987
	£	£
Wages and Salaries	901,151	789,768
Social Security Costs	79,954	76,895
	£981,105	£866,663

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

	1988	1987
	Number of Employees	
Office and Management	25	23
Playing Staff	38	36
Other	20	20
	83	79

Emoluments (excluding pension contributions) of employees earning more than £20,000 were as follows:-

	1988	1987
	Number of Employees	
£20,001 to £25,000	2	7
£25,001 to £30,000	4	1
£30,001 to £35,000	2	1
£35,001 to £40,000	1	0
£45,001 to £50,000	0	1

4. INTEREST PAYABLE

	1988	1987
	£	£
(a) Bank Overdrafts	163,5[illegible]	234,529
Building Loan	70,621	92,532
Mortgage Interest	6,641	9,000
Loan and other interest	—	3,468
Hire Purchase Interest	54	649
	£240,891	£349,779

Notes to the Accounts 1988

	1988 £M.	1987 £M.
[illegible]		

	Freehold Land and Buildings £	Fixtures and Fittings £	Motor Vehicles £
[illegible]	7 354 186	429 283	4 824
[illegible]	10 978	1,545	—
[illegible]	7 365 [illegible]	430 828	4 824
[illegible]	—	321 400	4 692
[illegible]	—	11 243	132
[illegible]	—	332 643	4 824
[illegible]	£7 365 165	£98,185	—
[illegible]	£7 364 186	£107,883	£132

	1988 £	1987 £
[illegible]	11,960	
[illegible]	64 500	

Notes to the Accounts 1988

7 DEBTORS

	1988 £	1987 £
Trade Debtors	104,477	95 [illegible]
Prepayments	90 340	101 556
Other Debtors	5[illegible] 433	46,72[illegible]
	£251 250	£243 570

8 CREDITORS — Amounts falling due within one year

	1988 £	1987 £
Building Loan Instalments	104 00[illegible]	104 00[illegible]
Mortgage Instalments	13 9[illegible]	12 9[illegible]
Bank Overdraft	1 212,065	1 119 81[illegible]
Trade Creditors	565 368	649 43[illegible]
Accruals	107,930	162 54[illegible]
Hire Purchase Instalments	—	19[illegible]
Taxation and Social Security Costs	159 100	189 70[illegible]
Loans	97 469	22 4[illegible]
Deferred Income	301,239	186 9[illegible]
Unclaimed Dividends	660	68[illegible]
City Bonds	14 900	19 25[illegible]
	£2 577 2[illegible]	£2 458 8[illegible]

The bank overdrafts are secured by charges on the land and premises at Maine Road and on the complex at Platt Lan[illegible]

9 CREDITORS — Amounts falling due after more than one year

	1988 £	1987 £
Building Loan	460 000	[illegible]
Mortgage secured [illegible] Club premises	161,778	[illegible]
City Bonds	43,300	[illegible]
Loans	749 959	[illegible]
Deferred Income	13,235	[illegible]
	£1,428,272	£1 809 0[illegible]

Building Loan

The Building loan bears interest at 2.5% over base

	1988 £	1987 £
Amounts repayable within five years	520 000	520,0[illegible]
Amounts repayable after five years	44 000	150 0[illegible]
	£564 000	£670,0[illegible]

The current portion of the building loan amounting to £104 000 is shown in current liabilities (1987 — £104,000)

Notes to the Accounts 1988

	1988 £	1987 £
	53,887	57,500
	50,007	56,000
	72,020	82,020
	£175,694	£194,610

	£	£
	69,582	69,582
	106,112	125,028
	£175,694	£194,610

[illegible] £13,316 is shown in current liabilities (1987 — £13,918)

	1988 £	1987 £
	58,200	84,800
	—	
	£5[illegible],300	£94,800

[illegible] is shown in current liabilities (1987 — £19,260)

	1988 £	1987 £
	924,426	964,884
	[illegible]	38,000
	£947,426	£1,002,884

[illegible] is shown in current liabilities (1987 — £27,412)

	1988 £	1987 £
	750,000	[illegible]
	250,000	[illegible]
	£1,000,000	£1,000,000

	£	£
	702,000	702,[illegible]
	12,000	12[illegible]
	64,400	
	£778,400	£714,[illegible]

[illegible] by the shareholders which expired on 31st May 1988 [illegible] at a price of £2 each. The total consideration received [illegible]

Notes to the Accounts 1988

11 SHARE PREMIUM

	1988 £	1987 £
Premium arising from the issue of 64,120 'A' Ordinary Non-Voting shares [illegible] of costs of issue	£50,024	—

12 REVALUATION RESERVE

	1988 £	1987 £
Arising on the 1979 revaluation of freehold land and buildings at Maine Road	£4,489,710	£4,489,710

13 PROFIT AND LOSS ACCOUNT

	1988 £	1987 £
At 1st June, 1987	(1,765,843)	(2,341,582)
Surplus for the year	165,559	575,739
At 31st May, 1988	(1,600,284)	£(1,765,843)

14 CONTINGENT LIABILITIES
There were no contingent liabilities as at 31st May 1988 (1987 — £NIL)

15 TAX STATUS
The Company is considered to be a close company

16 APPROVAL OF ACCOUNTS
These accounts were approved by the Board of Directors on 30th September 1988

Minutes

MINUTES OF THE 93rd ANNUAL GENERAL MEETING OF THE SHAREHOLDERS HELD AT THE MANCHESTER CITY SOCIAL CLUB MAINE ROAD MANCHESTER ON FRIDAY 30th OCTOBER, 1987 AT 12 NOON.

Present
Mr P. J. Swales Chairman, Mr F. Pye Vice-Chairman, Mr [illegible] Niven, Director, Mr C. B. Muir, Director, Mr M. T. [illegible] Director, Mr W. C. Adams Director, Mr A. Thomas Director, Mr G. Dovie Director, Mr W. A. Miles, Director, Mr B. [illegible] Director.

Mr J. B. [illegible] Secretary, Mr S. Mac[illegible] Auditor and Mr G. Smith Solicitor were also in attendance.

Apologies
Mr [illegible] Director away on business
Mr S. S. Rose Vice-President

Notice
The Notice convening the Meeting was read by the Secretary.

Minutes
It was proposed by Mr [illegible] and seconded by Mr E. Broadbent and declared that the Minutes of the last Annual General Meeting [illegible] 24th October 1986, a copy of which was sent to registered Shareholders, would be taken [illegible] as a true and correct record.

Auditors Report
Mr [illegible] read the Report of the Auditors.

Accounts and Directors Report
[illegible] aspect of the accounts of which figures showed a [illegible] that the Company's current liabilities were [illegible] Shareholders that the Directors would continue their [illegible] It was proposed by Mr M. Marsden and seconded by Mr [illegible] Report for the year ended 31st May 1987 be approved and adopted. [illegible]

Election of Directors
[illegible] and being eligible offered themselves [illegible]
[illegible] and seconded by Mr D. [illegible]
[illegible] seconded by Mr S. [illegible]
[illegible] seconded by Mr T. [illegible]
[illegible] seconded by Mr W. Lee

Re-appointment of Auditors
[illegible] be re-appointed Auditors [illegible] of the next Annual General [illegible] Shareholders.

Remuneration of the Auditors
[illegible]

Any Other Business
[illegible] Manager Mr [illegible] that the matter had been [illegible] he did not feel [illegible] Mr Mac[illegible] [illegible]

[illegible] of the Shareholders.

Vote of Thanks
Mr [illegible] on the way he had [illegible] meeting.

The Chairman thanked the Shareholders [illegible] and declared that Mr [illegible] Manager would be available [illegible] Shareholders and to answer questions.

There being no further business the Chairman declared the Meeting closed.