

MANCHESTER CITY
FOOTBALL CLUB P.L.C.

Report and
Accounts

1992

97
19 NOV 1992
HOUSE



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Manchester City Football Club plc**Notice of Meeting**

NOTICE IS HEREBY GIVEN that the ninety-eighth Annual General Meeting of the Company will be held on Friday 30th October, 1992 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. To re-elect C.B. Muir as a Director of the Company.
To re-elect I.L.G. Niven as a Director of the Company.
5. To re-appoint Boardmans as Auditors.
6. To authorise the Directors to fix the remuneration of the Auditors.
7. Any other business.

By Order of the Board
J.B. HALFORD, Secretary.
25th. September 1992.

Notes to the Agenda

1. 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 election to the office of Director, stating the name and address of the person who offers himself, or is proposed as a candidate.
2. 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, F.B.I.I.
C.B. MUIR, O.B.E.
A.G. THOMAS
G.J. DOYLE
W.A. MILES
B. TURNBULL
J. GREIBACH

SECRETARY

J.B. HALFORD

GENERAL MANAGER

J. FRIZZELL

MANAGER

P. REID

Registered Office

Maine Road, Moss Side, Manchester M14 7WN

Bankers

THE ROYAL BANK OF SCOTLAND plc

Auditors

BOARDMANS
Chartered Accountants

Solicitors

FOX BROOKS MARSHALL

Chairman's Report

I am pleased to report a trading profit of £870,271 and a net expenditure on players' transfer fees of £237,844. Turnover for the year was up to £8,973,928. Our estimate of the current value of our playing staff would be in excess of £20 million and this would, in effect, value the net assets of the Company at approximately £23 million.

The average league attendance for the 1991/2 Season was 27,688, again one of the highest in the country and our finishing league position was fifth. I would like to take this opportunity to thank our supporters for their wonderful backing. Let us hope that we can build on this platform and make the first year of the Premier League a memorable one. The new league is up and running and I can assure you that it will be a big success.

The rebuilding of the Platt Lane Stand is well under way and, on completion, it will be one of the finest in the country. Our training complex, like the Stadium itself, is being constantly updated and now provides one of the best community centres and training areas in sport in Britain.

In the next year, we must turn our attentions to the final phase of our redevelopment, being the Kippax Street Stand and when this is completed, Maine Road will be an all-seater stadium as required by the Taylor Report. The funding of this will require continued financial growth to cope with this further major development and on the commercial side of the club, I am delighted that the revenue from our commercial activities has once again surpassed all previous records.

The Club's association with Brother, our major sponsor, goes from strength to strength and it remains our policy to develop and extend our relationships with the business community as a whole. In particular, I must also thank Umbro, our kit sponsors, for their continued commitment and financial support for Manchester City and, once again, we are grateful for the generous associations of such companies as Tom Garner Motors and the Greenalls Group.

Our telephone information services, Clubcall and Ticketcall, ensure that our fans can be kept up-to-date with all the latest news from Maine Road, while many businesses took advantage of the facilities for client entertainment or advertising at the Stadium.

The provision of 48 executive boxes, each with their own viewing balcony in the new Platt Lane Stand will add further to the excellent facilities for corporate hospitality at Maine Road and will guarantee an additional source of income for the Club for many years to come.

Despite the present difficult economic climate, I am confident that we have established a hard core of commercial activities which can contribute significantly to the financing of our continuing development programme and we will be tireless in seeking out further opportunities for growth in these vital areas. Without being in anyway complacent, I believe the accounts for the year ended May 1992, reflect a healthy position which has only been possible with the support of everyone connected with the Club. May I thank all our supporters, staff and players for their continued efforts and may I also thank my colleagues for their loyal backing. With very best wishes to everyone who contributes to the welfare of Manchester City Football Club.

P.J. SWALES,
Chairman

P.J. Swales

Report of the Directors 1992

The Directors submit their report and the audited accounts for the year ended 31st May, 1992.

1. *Principal Activity and Review of the Business.*

The principal activity of the Company is that of a professional Football League Club. A review of the business and future developments are included in the Chairman's report.

2. *Results and Dividends*

The trading profit for the year amounted to £632,427. 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 financial year or on appointment were as set out below:-

	Ordinary Shares		'A' Ordinary Non Voting Shares	
	1992	1991	1992	1991
P.J. Swales	226,850	226,850	2,500	2,500
I.L.G. Niven	31,004	31,004	300	300
C.B. Muir	457	957	2,000	2,000
M.T. Horwich	8,850	8,850	500	500
W.C. Adams	7,670	8,170	1,250	1,250
A.G. Thomas	150	150	-	-
G.J. Doyle	15	15	-	-
F. Pye	1,062	1,062	-	-
W.A. Miles	10,345	10,345	250	250
B. Turnbull	10	10	250	250
J. Greibach	10	10	-	-

C.B. Muir and I.L.G. Niven retire and being eligible offer themselves for re-election.

Mr. M.T. Horwich resigned as a director on 6th August, 1992.

Mr. W.C. Adams resigned as a director on 9th July, 1992.

4. *Fixed Assets*

The changes in fixed assets during the year are summarised in note 6 to the accounts on page 13.

5. *Auditors*

The auditors, Boardmans, have expressed their willingness to continue in office and a resolution for their re-appointment will be submitted at the Annual General Meeting.

By Order of the Board

J. B. HALFORD

Secretary.

25th September, 1992

J.B. Halford

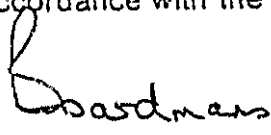
Manchester City Football Club plc

Report of the Auditors

To the Members of Manchester City Football Club plc

We have audited the Financial Statements on pages 7 to 17 in accordance with auditing standards.

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


BOARDMANS,
Registered Auditors
Chartered Accountants
Hale, Cheshire,
25th September, 1992

Profit and Loss Account

Year Ended 31st May, 1992

	NOTES	£	1992 £	£	1991 £
TURNOVER	2		• 3,973,928		6,468,670
Administrative Expenses	3 (a)	1,562,593		1,318,026	
Staff Costs	3 (b)	3,173,049		2,476,073	
Transfer fees expenditure		3,315,594		1,954,645	
Payments to other Clubs, Leagues and Associations		134,691		167,188	
			8,185,927		5,915,932
OPERATING PROFIT	3		788,001		552,738
Donations from Development Association			207,080		152,242
			995,081		704,980
Interest Payable	4		362,654		496,089
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			632,427		208,891
Tax on Profit on ordinary activities	5		—		—
PROFIT FOR THE FINANCIAL YEAR			£632,427		£208,891

Manchester City Football Club plc

Balance Sheet

As at 31st May, 1992

	NOTES	£	1992	£	£	1991	£
FIXED ASSETS							
Tangible Assets	6			9,349,739			8,450,225
CURRENT ASSETS							
Investments	7	1,000			1,000		
Stock	8	3,300			3,000		
Debtors	9	813,937			562,974		
Cash in Hand		7,830			4,449		
			826,067			571,423	
CREDITORS							
Amounts falling due within one year	10	(6,339,465)			(5,717,641)		
NET CURRENT LIABILITIES				(5,513,398)			(5,146,218)
TOTAL ASSETS LESS CURRENT LIABILITIES				3,836,341			3,304,007
CREDITORS							
Amounts falling due after more than one year	11			(1,057,363)			(1,157,558)
				£2,778,978			£2,146,449
Financed by:							
Called up Share Capital	12			778,866			778,815
Share Premium	13			50,341			50,290
Calls on Shares forfeited				23			23
Revaluation Reserve	14			4,489,710			4,489,710
Profit and Loss Account	15			(2,539,962)			(3,172,389)
				£2,778,978			£2,146,449

These Financial Statements were approved by the directors on 25th September 1992.

P.J. Swales
A.G. Thomas

DIRECTORS

J. B. Halford,
SECRETARY

Cash Flow Statement

Year Ended 31st May 1992

	1992 £	1991 £
NET CASH INFLOW FROM OPERATING ACTIVITIES		240,174
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest Paid	(362,654)	(496,089)
Interest Received	—	—
Net Cash Outflow from returns on investments and servicing of finance		(496,089)
TAXATION		
UK Corporation Tax	—	—
INVESTING ACTIVITIES		
Purchase of Fixed Assets	(948,216)	(724,217)
Sale of Fixed Assets	—	11,000
Net Cash Outflow from investing activities		(713,217)
NET CASH OUTFLOW BEFORE FINANCING	538,307	(969,132)
FINANCING		
Loan Capital Repaid	(255,389)	(114,017)
New Short Term Loans	145,000	74,195
Issue of Shares	102	—
	(110,287)	(39,822)
Movement in cash and cash equivalents	£428,020	£(1,008,954)

Notes to the Cash Flow Statement

Year Ended 31st May 1992

1. Reconciliation of operating profit to net cash inflow from operating activities

	1992	1991
	£	£
Operating Profit	788,001	552,738
Depreciation	48,702	30,607
Stocks	(307)	1489
Debtors	(250,963)	15,306
Creditors	1,056,657	1510,230
Donation from Development Association	207,080	152,242
Net Cash inflow from operating activities	<u>£1,849,177</u>	<u>£240,174</u>

2. Analysis of changes in cash and cash equivalents during the year.

	£	£
Balance at 1st June 1991	(2,661,158)	(1,652,204)
Movement in the year	<u>428,020</u>	<u>(1,008,954)</u>
Balance at 31st May 1992	<u>£(2,233,138)</u>	<u>£(2,661,158)</u>

3. Analysis of the balances of cash and cash equivalents as shown in the Balance Sheet

	£	£
Cash at Bank and in hand	7,830	4,449
Short term investments	1,000	1,000
Bank Overdrafts	<u>(2,241,968)</u>	<u>(2,666,607)</u>
	<u>£(2,233,138)</u>	<u>£(2,661,158)</u>

Notes to the Accounts 1992

ACCOUNTING POLICIES

1. These financial statements have been prepared in accordance with applicable accountancy standards under the historical cost convention as modified by the revaluation of certain tangible fixed assets.

(a) TURNOVER

Turnover represents amounts receivable by the Company, excluding value added tax, for goods and services supplied.

(b) TANGIBLE ASSETS AND DEPRECIATION

Tangible assets are shown at their original cost to the Company with the exception of Freehold land and buildings at Mure Road, which are shown at their 1979 valuation with subsequent additions included at cost.

It is the company's policy to maintain its freehold buildings to a high standard in order to protect and develop its trade. Therefore, the property maintains a residual disposal value in excess of its book value and accordingly no provision for depreciation is made. Depreciation has been charged on other assets in the following way:

Fixtures and Fittings & Computer Equipment	10% reducing balance and 25% straight line.
Motor Vehicles	25% reducing balance and straight line.

These rates are designed to write off the assets over their estimated useful lives.

(c) TRANSFER FEES

Transfer fees receivable and payable have been written off during the year to the Profit and Loss Account. Net expenditure £237,844 (1991 - £927,845)

(d) STOCK

Stock is valued at the lower of cost and net realisable value.

(e) DEFERRED TAXATION

There is no deferred taxation liability due to losses incurred in prior years.

Manchester City Football Club plc

Notes to the Accounts 1992

2. TURNOVER

Gate Receipts
Related Activities
Transfer Fees receivable

1992	1991
£	£
3,154,397	2,845,487
2,741,781	2,596,383
3,077,750	1,026,800
<u>£8,973,928</u>	<u>£6,468,670</u>

3. OPERATING PROFIT

Operating profit is stated after charging:-
(a) Administrative Expenses
General Overheads
Cost of Sales
Depreciation
Auditors Remuneration
Vehicle Leasing and hire
Directors remuneration

1992	1991
£	£
1,221,921	1,005,092
259,664	259,221
46,702	30,607
3,000	2,800
22,326	20,306
6,980	—
<u>1,562,593</u>	<u>1,318,026</u>

(b) Staff Costs

Staff costs during the year amounted to:-

Wages and Salaries
Social Security Costs
Pension Costs

1992	1991
£	£
2,888,318	2,269,283
270,881	193,770
13,850	13,020
<u>£3,173,049</u>	<u>£2,476,073</u>

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

Office and Management
Playing Staff
Other

1992	1991
Number of Employees	
38	30
42	49
18	18
<u>98</u>	<u>97</u>

Notes to the Accounts 1992

4. INTEREST PAYABLE

	1992 £	1991 £
Bank Overdrafts	307,150	414,317
Building Loan	41,375	66,948
Mortgage Interest	7,684	4,903
Hire Purchase Interest	6,445	6,656
Other Interest	—	3,185
	<u>£362,654</u>	<u>£496,089</u>

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1992 £NIL	1991 £NIL
Corporation Tax on results of the year		

6. FIXED ASSETS

Tangible Assets	Freehold Land and Buildings £	Fixtures, Equipment, Fittings £	Motor Vehicles £	Totals £
<i>(a) Cost/Valuation</i>				
At 1st June, 1991	8,262,716	535,577	51,596	8,849,889
Additions	814,528	133,688	—	948,216
At 31st May, 1992	<u>9,077,244</u>	<u>669,265</u>	<u>51,596</u>	<u>9,798,105</u>
<i>(b) Depreciation</i>				
At 1st June, 1991	—	373,395	26,269	399,664
Charges for the year	—	38,995	9,707	48,702
At 31st May, 1992	<u>—</u>	<u>412,390</u>	<u>35,976</u>	<u>448,366</u>
<i>(c) Net Book Value</i>				
At 31st May 1992	<u>£9,077,244</u>	<u>£256,875</u>	<u>£15,620</u>	<u>£9,349,739</u>
At 31st May, 1991	<u>£8,262,716</u>	<u>£162,182</u>	<u>£25,327</u>	<u>£8,450,225</u>

Capital Commitments

	1992 £	1991 £
Contracted for	4,465,000	133,893
Authorised but not contracted for	334,000	5,230,000

The net book value of fixed assets at 31st May, 1992 includes £43,999 (1991 - £59,996) in respect of assets on hire purchase.

Notes to the Accounts 1992

7. INVESTMENTS

1000 £1 shares in TSB Group Plc

The market value of the above investment as at 31st May, 1992 was £1,410

1992	1991
<u>£1,000</u>	<u>£1,000</u>

8. STOCK

Goods for resale

1992	1991
<u>£3,300</u>	<u>£3,000</u>

9. DEBTORS

Trade Debtors

Prepayments

Other Debtors

1992	1991
£	£
387,412	336,837
90,940	101,383
335,585	124,754
<u>£813,937</u>	<u>£562,974</u>

10. CREDITORS - Amounts falling due within one year

Building Loan Instalments

Mortgage Instalments

Bank Overdraft

Trade Creditors

Accruals

Hire Purchase Instalments

Taxation and Social Security Costs

Loans

Deferred Income

Unclaimed Dividends

1992	1991
£	£
104,000	104,000
6,000	6,000
2,241,968	2,666,607
1,566,500	1,021,145
224,086	226,857
18,597	27,393
356,629	329,636
30,777	35,482
1,790,228	1,299,641
680	680
<u>£6,339,465</u>	<u>£5,717,641</u>

The bank borrowings and mortgages are secured by charges on the land and premises at Maine Road and on the complex at Platt Lane

Notes to the Accounts 1992

11. CREDITORS - Amounts falling due after more than one year

	1992 £	1991 £
Building Loan	148,000	268,000
Mortgage Loans	184,074	190,074
Loans	708,931	661,221
Deferred Income	—	3,307
Hire Purchase instalments	16,358	34,956
	<u>£1,057,363</u>	<u>£1,157,558</u>

Building Loan
The building loan bears interest at 2.5% over base

1992 £	1991 £
252,000	372,000

Amounts repayable within five years

The current portion of the building loan amounting to £104,000 is shown in current liabilities (1991 - £104,000).

Mortgages

1992 £	1991 £
132,533	138,033

Mortgage secured on Social Club Premises is interest free.

The Mortgage secured on residential property bears interest at

Bank mortgage rate on

57,541	58,041
<u>£190,074</u>	<u>£196,074</u>

Amounts repayable within five years
Amounts repayable after five years

£	£
30,000	30,000
160,074	166,074
<u>£190,074</u>	<u>£196,074</u>

The current portion of the mortgage amounting to £6,000 is shown in current liabilities (1991 - £6,000)

Manchester City Football Club plc

Notes to the Accounts 1992

Loans

Amounts repayable within five years

1992	1991
£	£
<u>£739,708</u>	<u>£696,703</u>

The current portion of the loans amounting to £30,777 is shown in current liabilities (1991 - £35,482).

12. CALLED UP SHARE CAPITAL

Authorised

750,000 Ordinary Shares of £1 each

250,000 'A' Ordinary Non-Voting Shares of £1 each

1992	1991
£	£
750,000	750,000
250,000	250,000
<u>£1,000,000</u>	<u>£1,000,000</u>

Issued

702,000 Ordinary Shares of £1 each

48,000 Ordinary Shares of £1 each - 25p paid

64,866 'A' Ordinary Non-Voting Shares of £1 each

£	£
702,000	702,000
12,000	12,000
64,866	64,815
<u>£778,866</u>	<u>£778,815</u>

Notes to the Accounts 1992

13 SHARE PREMIUM Premium arising from the issue of 'A' Ordinary Non-Voting shares net of costs of issue	1992 <u>£50,341</u>	1991 <u>£50,290</u>
14 REVALUATION RESERVE Arising on the 1979 revaluation of freehold land and buildings at Maine Road.	1992 <u>£4,489,710</u>	1991 <u>£4,489,710</u>
15 PROFIT AND LOSS ACCOUNT At 1st June 1991 Profit for the year At 31st May, 1992	1992 £ (3,172,389) 632,427 <u>£(2,539,962)</u>	1991 £ (3,381,280) 208,891 <u>£(3,172,389)</u>
16 CONTINGENT LIABILITIES There were no contingent liabilities as at 31st May, 1992 (1991 - nil).		
17 TAX STATUS The Company is considered to be a close company.		
18 FINANCIAL TRANSACTIONS WITH OFFICERS During the year, consultancy payments amounting to £50,000 (1991 - £40,000) were made to Peter J. Swales Limited, a company controlled by Mr. P.J. Swales.		

Manchester City Football Club plc

Minutes

MINUTES OF THE 97TH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS HELD AT THE MANCHESTER CITY FOOTBALL CLUB, MAINE ROAD, MANCHESTER ON FRIDAY, 1ST NOVEMBER, 1991 AT 12.00 NOON

Present

Mr. P.J. Swales, Chairman; Mr. F. Pye, Vice Chairman; Mr. I.L.G. Niven, Senior Director; Mr. C.B. Muir, Director; Mr. M.T. Horwich, Director; Mr. W.C. Adams, Director; Mr. A. Thomas, Director; Mr. G. Doyle, Director; Mr. W.A. Miles, Director.

Mr. J.B. Halford, Secretary; Mr. S. Conway, Auditor and Mr. C. Smith, Solicitor were also in attendance.

Notice

The Notice convening the meeting was read by the Secretary.

Minutes

Mr. H. Yeats proposed and Mr. Bagshaw seconded that the Minutes of the last Annual General Meeting held on 2nd November 1990 of which a copy had been sent to all registered Shareholders would be taken as read and signed by the Chairman as a true and correct record.

Auditors' Report

Mr. S. Conway read the Report on behalf of the Auditors

Accounts and Directors Report

The Chairman informed the Shareholders of the progress of the Company since the financial year end and said that within the next few weeks, the development of the Club's Ticket Office and Travel Office would commence which would be of increased benefit to our supporters in view of the extensive activities in this area of Club business.

The Chairman then answered questions relating to the accounts and received the congratulations of the Shareholders for the profitability of the Accounts for the year ending 31st May, 1991. It was proposed by Mr. B. Williams and seconded by Mr. N. Basso that the Accounts and Directors Report for this year ending be approved and adopted and this was declared unanimously.

Re-election of Directors

In accordance with the Articles of Association, three Directors retired in rotation and, being eligible, offered themselves for re-election.

Mr. F. Pye proposed by Mr. N. Basso and seconded by Mr. H. Collins.

Mr. G. Doyle proposed by Mr. J. Mendelson and seconded by Mr. E. Phillips.

Mr. W.A. Miles proposed by Mr. A. Connop and seconded by Mr. E. Jones.

This was declared carried by the Shareholders and the Chairman thanked the Shareholders on behalf of all the above Directors and thanked them for their continued support in the Board and his fellow members.

Re-appointment of the Auditors

It was proposed by Mr. E. Phillips and seconded by Mr. H. Collins that Boardmans be re-appointed Auditors of the Company and that they hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company. This was declared carried by the Shareholders.

Remuneration of the Auditors

Mr. R. Taylor proposed and Mr. H. Collins seconded that the Directors be authorised to fix the remuneration of the Auditors and this was declared carried by the Shareholders.

Minutes (continued)

Any Other Business

The following questions were asked by various Shareholders and the Chairman noted the queries and informed the Shareholders that the Board of Directors would explore improving these situations:-

1. Electronic Scoreboard.
2. Public Address System. An entirely new system will be installed in the Stadium following completion of the development of the Platt Lane Stand.
3. He informed the Shareholders that the demolition of the Platt Lane Stand would commence at the beginning of April 1992. During the month of June it was the intention to stage pop concerts and construction of the new stand would commence at the beginning of July and hopefully be completed by February 1993. This would include the installation of 48 Executive Boxes.

The Chairman thanked the Shareholders for their attendance and declared that Mr. P. Reid, Team Manager was now available to address the Shareholders and answer questions.

There being no further business, the Chairman declared the meeting closed.