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THE

BURY FOOTBALL CLUB

COMPANY LIMITED

ANNUAL REPORT

AND

ACCOUNTS

1986

THE BURY FOOTBALL CLUB COMPANY LIMITED

DIRECTORS, NOTICE OF MEETING

PRESIDENT:	Major G.B. Horridge Esq. T.D.
CHAIRMAN:	T. Robinson Esq.
VICE CHAIRMAN:	Canon J.R. Smith M.A.
DIRECTORS:	C.H. Eaves Esq. F.C.A. R. Jacks Esq. A. Metcalfe Esq. I.J. Pickup Esq. LL.B. J. Smith Esq.
SECRETARY:	J. Heap Esq.
REGISTERED OFFICE:	Gigg Lane, Bury.
AUDITORS:	Metcalfe & Co., Chartered Accountants, 10 St. Marys Place, Bury.

NOTICE IS HEREBY GIVEN that the EIGHTY NINTH ANNUAL GENERAL MEETING of the Company will be held on ~~Wednesday~~ THURSDAY 24th September, 1986 in the Bury F.C. Social Club, Gigg Lane, Bury at 7.30 p.m. for the following purposes.

1. To receive and adopt the Directors' Report and Accounts of the Company for the year ended 30th June, 1986.
2. To elect Directors.
3. To re-appoint Metcalfe & Co as auditors to the Company and to authorise the directors to fix the remuneration of the auditors.
4. To transact any other ordinary business of the Company.

By order of the Board
J. Heap
Company Secretary
13th August, 1986
Gigg Lane, Bury.

A member entitled to attend and vote at the Annual General Meeting may appoint a proxy, who need not be a member of the Company, to attend and vote in his stead. The instrument appointing such a proxy must be deposited at the registered office of the Company not less than 48 hours before the time of the meeting.

THE BURY FOOTBALL CLUB COMPANY LIMITED

REPORT OF THE CHAIRMAN - MR. T. ROBINSON

NEW MAJORITY SHARE HOLDER

During the course of the financial year Mr. C.H. Eaves F.C.A. acquired a majority of the existing shares. Directors and major shareholders agreed to this move and transferred parts of their holdings to Mr. Eaves. This was done in the awareness of the difficulties experienced by your club in attracting the necessary finance to ensure continued growth and success. This move has been followed by cash injections into the club which has enabled your board to pursue a policy of advancement for the future.

PROGRESS ON THE FIELD

The past season has been one of consolidation in the 3rd Division coupled with splendid runs in the F.A. Cup and Milk Cup, reaching the 5th Round of the F.A. Cup and eventually losing at home to Watford in a replay after obtaining an encouraging draw at Watford. In the Milk Cup we had the memorable draw against Manchester City, the home leg of which was played at Old Trafford, and although the team performed extremely well over the tie, we were unable to progress further in the competition. The squad of players which has now been put together by your management team augurs well for the future.

FINANCE

The accounts show a small profit after donations. The income from gate receipts has shown a substantial increase due to the cup runs but disappointment must be expressed at the revenue from League gates. Note must be given to the fact that income from F.L. and F.A. distributions will be substantially reduced in the coming year because of new legislation introduced by the full members of the League.

The Social Club has shown satisfactory results and again has been a substantial contributor to the income of the club. Reference must also be made to the income generated through sponsorship and advertising which again shows an increase. During the close season, Mr. Neville Neville has been appointed as Commercial Executive to build upon firm foundations of existing sponsorship and advertising. Mr. Neville, who is a local man, has vast experience in this area and his appointment is further emphasising the aims of your directors to make your club more financially viable. I should like to thank all sponsors and advertisers for their support, which is of major significance to the well-being of the club.

The increasing cost of running a football club, as shown in these accounts, means that the direction of the board for advancement will require backing by all concerned both on and off the field. In this respect your board are recommending a consolidation of the issued shares and a further issue of shares to raise £50,000 of capital. Details of these proposals accompany this report.

DONATIONS

The Centenary Year was very sucessful and raised in excess of £31,000. The year culminated in a Centenary Dinner at the Town Hall. Thanks must go to Murray Birnie and his hardworking committee plus all who supported them in the year. This donation meant that we were in a position to carry out the ground improvements required.

Lifeline has proved to be a major contributor of donations, increasing from £9,000 in its first period of operation to £36,000 in the year; our thanks go to the Lifeline Committee for their efforts.

The Development Association donations have slightly increased during the year and the decline of 1984/85 has been halted. Our thanks also must be extended to the Development Association for their work.

The future growth of fund-raising donations is essential to the development and continued existence of our football club, and we must not underestimate the value of the hard work put in by all concerned.

THE GROUND

Restrictions imposed on the club through the implementation of the Safety at Sportsgrounds Act has not only meant substantial expenses on bringing the ground up to an acceptable safety standard but the ongoing expenditure that will be required will mean that finance will have to be made available for future improvements. The difficulties experienced through the setting of an 8,000 capacity crowd (even after major works) means that key games will continue to be all ticket and attractive cup matches will have to be taken away from Gigg Lane. With this in mind your directors are actively considering a total refurbishment of the main stand. This, when rebuilt in a non-combustible material will enable us to open the ground to a much larger capacity. Much work has been done on facilities under the stand which is necessary to encourage not only sponsors but the managerial and playing staff. The board have given a commitment to the Fundraising Committee that monies raised in the coming financial year will be allocated to floodlight improvement or renewal.

DIRECTORS

Mr. C.H. Eaves has joined the board and his expertise, guidance and support will greatly assist the development of your club.

Mrs. A. (Millie) Allen resigned her position as a director, but will continue her lifelong commitment to the club and become an Honorary Life Member. Mrs. Allen's contribution to the well being of Bury Football Club cannot be over-stated and her support to myself, always with the club at heart, has been an example to follow.

It is with sadness I have to report the death of Mr. G. (Jock) Black. Jock's association with both football and Bury has been long and fruitful. Both his contribution to the Manchester F.A. and our club won him much respect and many friends.

Major G. Horridge was presented during the season with a long service award by the Football Association and I offer him our congratulations.

THE BURY FOOTBALL CLUB COMPANY LIMITED

REPORT OF THE CHAIRMAN - MR. T. ROBINSON

FUTURE PROSPECTS

The continued aim of your board is for progression up the Football League

To this end we feel that stability of the management team is of prime importance and your board have negotiated 3 year extensions to the contracts of Mr. Martin Dobson, the manager, and Mr. Frank Casper, the chief coach. The policy of the board on the playing side is, as far as possible, for a mix of youth and experience and funds have been made available for this coming season for transfer fees. The club is continuing its use of the Y.T.S. schemes and these players together with our senior squad will continue playing in Division 1 of the Lancashire League.

Our policy off the field is to upgrade the Gigg Lane ground and facilities. The future prospects of the club are always dependent on outside sources and legislation, but your board, within set perameters, will ensure that all that is possible will be done to make your club successful.

GENERAL THANKS

On behalf of the board and yourselves, I would like to make reference to the sterling work done by John Heap, the secretary, Martin Dobson and his management team and all concerned with fund-raising within the club and outside the club. A special reference this year must be made to Alan Bennet and the stewards for all their co-operation in implementing new rules and regulations. Outside the club thanks should be given to the continued assistance, advice and guidance shown by the Police, Fire Brigade, and Council during this difficult year regarding the ground, and to the invaluable guidance given by Michael Pooler and Howard Chamberlain in connection with the ground and stands.

The final thanks must go to all our supporters who have carried the Bury Flag with dignity to all home and away games and for them to remember "they are the club" we are its servants.

T. ROBINSON

CHAIRMAN

13th August, 1986

THE BURY FOOTBALL CLUB COMPANY LIMITED

DIRECTORS' REPORT

The directors present their 89th annual report and the audited accounts for the year ended 30th June, 1986.

BUSINESS REVIEW

The principal activity of the company is that of a professional Football League Club. There has been no significant change in this activity during the year.

	Year Ended 30th June, 1986	Period 16th May, 1984 to 30th June, 1985
	£	£
Turnover	404,276	321,796
Loss on ordinary activities before taxation	(93,399)	(116,138)
Taxation	-	-
	(93,399)	(116,138)
Donations	96,527	44,353
Profit/(Loss) for the financial period	3,128	(71,785)

Analysis of the turnover is given in note 2 to the accounts.

DIVIDEND

The directors recommend that no dividend be paid.

DIRECTORS

The directors who have served during the year and the'ɪ ..erests in the shares of the company are as follows:-

	30th June, 1986			1st July, 1985		
	Ord.	Pref.	Pre-Pref.	Ord.	Pref.	Pre-Pref.
T. Robinson	-	-	1,500	9,948	600	1,500
J.R. Smith	65	-	1,772	65	-	772
C.H. Eaves	54,546	8,382	13,796	-	-	-
R. Jacks	70	-	1,500	70	-	1,500
A. Metcalfe	30	-	750	30	-	750
I.J. Pickup	-	-	1,500	9,882	630	1,500
J. Smith	60	-	2,500	60	-	2,500
Mrs. A. Allen	-	-	-	28,716	7,152	-

Mrs. A. Allen resigned as a director on 14th February, 1986.
Mr. C.H. Eaves was appointed as a director on 14th February, 1986, and offers himself for re-election.

Messrs. T. Robinson, R. Jacks and J. Smith retire from the Board by rotation and, being eligible, offer themselves for re-election.

THE BURY FOOTBALL CLUB COMPANY LIMITED

DIRECTORS' REPORT

AUDITORS

In accordance with section 384 of the Companies Act 1985, a resolution for the re-appointment of Metcalfe & Co. as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD

T. ROBINSON.

CHAIRMAN.

13th August, 1986

THE BURY FOOTBALL CLUB COMPANY LIMITED

YEAR ENDED 30TH JUNE, 1986

REPORT OF THE AUDITORS TO THE MEMBERS OF

THE BURY FOOTBALL CLUB COMPANY LIMITED

We have audited the accounts on pages 9 to 16 in accordance with approved Auditing Standards.

As stated in the accounting policies, set out on page 12, freehold land and buildings are valued on an alternative use basis rather than the current use basis. The continuation of the company's activities is dependent upon the continued support of the major shareholder.

Subject to the foregoing, in our opinion the accounts, which have been prepared on the basis of the accounting policies set out on page 12, give a true and fair view of the state of affairs of the company at 30th June, 1986, and of the profit and source and application of funds for the year to that date and comply with the Companies Act 1985.

METCALFE & CO.

Chartered Accountants

10 St. Mary's Place,
BURY. BL9 ODZ.

13th August, 1986

THE BURY FOOTBALL CLUB COMPANY LIMITED

PROFIT AND LOSS ACCOUNT: YEAR ENDED 30TH JUNE, 1986

	Note	1986 £	Period 16th May, 1984 to th June, 1985 £
TURNOVER	2	404,276	321,796
PLAYERS AND STAFF COSTS	3	(331,925)	(305,195)
MATCH & GROUND EXPENSES		(79,091)	(55,866)
ADMINISTRATION EXPENSES		(58,314)	(45,048)
INTEREST PAYABLE		(28,345)	(31,825)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	4	(93,399)	(116,138)
TAXATION	5	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(93,399)	(116,138)
DONATIONS	6	96,527	44,353
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		3,128	(71,785)
ACCUMULATED LOSSES BROUGHT FORWARD		(182,927)	(111,142)
ACCUMULATED LOSSES CARRIED FORWARD		(179,799)	(182,927)

The notes on pages 12 to 16 form part of these accounts.

THE BURY FOOTBALL CLUB COMPANY LIMITED

BALANCE SHEET: AS AT 30TH JUNE, 1986

	NOTE	1986 £	1986 £	1985 £	1985 £
FIXED ASSETS					
Tangible Assets	7		337,201		340,627
CURRENT ASSETS					
Stocks	8	2,994		3,698	
Debtors	9	12,527		31,450	
Cash at Bank and in hand		13,322		8,539	
		28,843		43,687	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	10	(49,374)		(224,853)	
NET CURRENT LIABILITIES			(20,531)		(181,166)
TOTAL ASSETS LESS CURRENT LIABILITIES			316.570		159,461
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	11		(235,951)		(95,101)
NET ASSETS			80,719		64,360
CAPITAL AND RESERVES					
Share Capital	13		150,000		115,398
Profit and Loss Account			(179,799)		(182,927)
Revaluation Reserve	14		110,518		131,889
			80,719		64,360

The notes on pages 12 to 16 form part of these accounts

These accounts were approved by the board of directors on 13th August, 1986

T. ROBINSON) T. Robinson X
) DIRECTORS
C.H. EAVES) C.H. Eaves X

THE BURY FOOTBALL CLUB COMPANY LIMITED

SOURCE AND APPLICATION OF FUNDS STATEMENT: YEAR ENDED 30TH JUNE, 1986

	1986 £	1986 £	Period 14th May, 1984 to 30th June, 1985 £	Period 14th May, 1984 to 30th June, 1985 £
SOURCE OF FUNDS				
Loss on ordinary activities before taxation		(93,399)		(116,138)
Adjustment for items not involving the movement of funds				
Depreciation		9,782		6,403
Funds absorbed by operations		(83,617)		(109,735)
Funds from other sources				
Donations received	96,527		44,353	
Share Capital	34,602		23,398	
Loan advance	-		40,000	
Directors loan	150,000		-	
Ground safety grants	65,516	346,645	-	109,751
		263,028		16
APPLICATION OF FUNDS				
Purchase of fixed assets	(93,243)		(10,753)	
Loan repayments	(12,342)	(105,585)	(3,960)	(14,713)
CHANGE IN WORKING CAPITAL		157,443		(14,697)
COMPONENTS OF CHANGE IN WORKING CAPITAL				
Stocks		(704)		(1,151)
Debtors		(18,923)		(17,083)
Creditors		9,670		698
Movement in net liquid funds				
Bank overdraft and cash in hand		167,400		2,839
		157,443		(14,697)

THE BURY FOOTBALL CLUB COMPANY LIMITED

NOTES TO THE ACCOUNTS: YEAR ENDED 30TH JUNE, 1986

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's accounts.

(a) Basis of accounting

The accounts are prepared under the historical cost accounting rules, supplemented by a directors valuation of freehold land and buildings on an alternative use basis.

(b) Going concern basis

The accounts have been prepared on a going concern basis on the assurance that the major shareholder will continue to support the company and not request repayment of his loan.

(c) Turnover

Turnover represents the total amount received by the company except for transfer fees which are dealt with on a receivable/payable basis.

(d) Donations

Donations are dealt with on a received basis.

(e) Depreciation

Freehold land is not depreciated. Depreciation is calculated so as to write off the valuation of buildings and the cost of other fixed assets over their estimated useful lives by annual instalments as follows:-

Buildings	25 years
Fixtures and equipment	5 years
Motor Vehicles	4 years

(f) Stocks

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

2. TURNOVER

	Year Ended 30th June, 1986 £	Period 16th May 1984 to 30th June 1985 £
Gate receipts	189,661	153,878
F.L. & F.A. distributions	91,697	96,937
Advertising, sponsorship, catering programmes & sundries	35,097	26,143
Social Club	16,550	18,500
Executive club	9,471	14,358
Transfer fees (net)	61,800	1,400
Ground safety grants	-	10,580
	404,276	321,796

Included in gate receipts is an amount of £6,280 in respect of advance season ticket sales (1985 £10,704).

THE BURY FOOTBALL CLUB COMPANY LIMITED

NOTES TO THE ACCOUNTS: YEAR ENDED 30TH JUNE, 1986

3. PLAYERS AND STAFF COSTS

The average number of persons employed by the company during the year was as follows:-

	Year Ended 30th June, 1986	Period 16th May, 1984 to 30th June, 1985
Playing, training and coaching staff	22	21
Administrative and ground maintenance staff	5	5
	27	26

The aggregate payroll costs of these persons were as follows:-

	Year Ended 30th June, 1986 £	Period 16th May, 1984 to 30th June, 1985 £
Wages and salaries	296,416	271,081
Social security costs	27,190	25,886
Pension costs	8,319	8,228
	331,925	305,195

4. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Loss on ordinary activities before taxation is stated after the following:-

	Year Ended 30th June, 1986 £	Period 16th May, 1984 to 30th June, 1985 £
Depreciation	9,782	6,403
Directors' remuneration	-	-
Auditors' remuneration	750	650
Deposit account interest	(295)	(789)
Bank interest	18,561	23,174
Loan interest	9,784	8.651

5. TAXATION

There is no liability to corporation tax on the results for the year due to the availability of losses brought forward.

6. DONATIONS

	Year Ended 30th June, 1986 £	Period 16th May, 1984 to 30th June, 1985 £
Lifeline	37,500	9,000
Development association	27,658	27,285
Fund raising	31,369	8,068
	96,527	44,353

THE BURY FOOTBALL CLUB COMPANY LIMITED

NOTES TO THE ACCOUNTS: YEAR ENDED 30TH JUNE, 1986

7. FIXED ASSETS

	Freehold Land and Buildings £	Fixtures and Equipment £	Motor Vehicles £	Total £
COST OR VALUATION				
At 30th June, 1985				
Directors' valuation	325,000	-	-	325,000
At cost	-	56,214	9,634	65,848
Additions	86,887	473	5,883	93,243
Grants received	(65,516)	-	-	(65,516)
Transfer to revaluation reserve	(21,371)	-	-	(21,371)
At 30th June, 1986	325,000	56,687	15,517	397,204
DEPRECIATION				
At 30th June, 1985	-	42,477	7,744	50,221
Charge for year	3,600	2,842	3,340	9,782
At 30th June, 1986	3,600	45,319	11,084	60,003
NET BOOK VALUE				
At 30th June, 1986	321,400	11,368	4,433	337,201
At 30th June, 1985	325,000	13,737	1,890	340,627

The directors' valuation of freehold land and buildings is analysed as follows:-

	£
Land	235,000
Buildings	90,000
	325,000

The amount of freehold land and buildings, included at directors' valuation, determined according to the historical cost accounting rules, is as follows:-

	1986 £	1985 £
Cost	183,738	162,367
Depreciation	51,606	44,256
Net Book Value	132,132	118,111

THE BURY FOOTBALL CLUB COMPANY LIMITED

NOTES TO THE ACCOUNTS: YEAR ENDED 30TH JUNE, 1986

8. STOCKS

	1986 £	1985 £
Goods held for resale	2,994	3,690

9. DEBTORS

	1986 £	1985 £
Transfer fees	-	20,000
Prepayments	12,527	11,450
	12,527	31,450

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1986 £	1985 £
Bank Overdraft	-	162,617
Trade creditors	26,177	36,723
Accruals	7,595	5,247
Hire purchase creditors	1,596	1,881
Loans (note 12)	10,400	10,400
Taxation and social security creditors	3,606	7,985
	49,374	224,853

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1986 £	1985 £
Major shareholder's loan	150,000	-
Loans (note 12)	82,759	95,101
Hire purchase creditors	3,192	-
	235,951	95,101

The major shareholder's loan is interest free and no dates or terms of repayment have been fixed.

THE BURY FOOTBALL CLUB COMPANY LIMITED

NOTES TO THE ACCOUNTS: YEAR ENDED 30TH JUNE, 1986

12. LOANS

	1986	1985
	£	£
5% Mortgage loan, repayable at £167 per month	32,259	36,201
Metropolitan Borough of Bury 11½% loan, repayable at £700 per month	60,900	69,300
	93,159	105,501
Amounts due within one year (included in current liabilities)	(10,400)	(10,400)
	82,759	95,101
Instalments of loans not repayable within five years	41,159	53,501

13. SHARE CAPITAL

	1986	1985
	£	£
Authorised		
75,000 ordinary shares of £1 each	75,000	75,000
15,000 5% preference shares of £1 each	15,000	15,000
30,000 5¼ pre-preference shares of £2 each	60,000	60,000
	150,000	150,000
Allotted, called up and full paid		
75,000 ordinary shares of £1 each	75,000	75,000
15,000 5% preference shares of £1 each	15,000	15,000
30,000 5¼% pre-preference shares of £2 each	60,000	25,398
	150,000	115,398

14.. REVALUATION RESERVE

	1986
	£
At 30th June, 1985	131,889
Transfer from fixed assets	(21,371)
At 30th June, 1986	110,518