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THE LIVERPOOL FOOTBALL CLUB

and

ATHLETIC GROUNDS CO. LTD.

Annual Report

and

Accounts

Year Ended 4th May, 1979

THE
LIVERPOOL FOOTBALL CLUB
AND
ATHLETIC GROUNDS CO. LTD.

NOTICE IS HEREBY GIVEN that the EIGHTY-SEVENTH ANNUAL GENERAL MEETING of the Company will be held at THE ST. GEORGES HOTEL, ST. JOHN'S PRECINCT, LIME STREET, LIVERPOOL, on FRIDAY, the 27th day of JULY, 1979, at 7 p.m., when the following ordinary business will be transacted:-

1. To receive and consider the Report of the Directors and Statement of Accounts and Balance Sheet of the Company for the year ended 4th May, 1979, with the Auditors' Report thereon.
2. To authorise the payment of a Dividend.
3. To elect Directors.
4. To reappoint and fix the remuneration of the Auditors.
5. To transact any other business which may be transacted at an Ordinary General Meeting of the Company.

By Order of the Board,
P. B. ROBINSON,
General Secretary.

PROXIES

A member entitled to attend and vote may appoint a Proxy to attend and vote instead of him, and that Proxy need not also be a member.

19 Castle Street,
Liverpool, L2 4SY
8th June, 1979.

THE LIVERPOOL FOOTBALL CLUB AND ATHLETIC GROUNDS CO. LTD.

Directors:

J. W. SMITH, J.P. (Chairman)

H. CARTWRIGHT

S. C. REAKES, J.P.

C. J. HILL

J. T. CROSS

W. D. CORKISH, F.C.A.

S. T. MOSS, J.P., C.C.

General Secretary:

P. B. ROBINSON

Team Manager:

R. PAISLEY, O.B.E.

Auditors:

SIMON JUDE & WEST,
Chartered Accountants

Solicitors:

RUTHERFORDS

Bankers:

BARCLAYS BANK LTD.

Registrars and Registered Office:

SIMON JUDE & WEST,
Chartered Accountants
19 Castle Street, Liverpool L2 4SY

Directors' Report

Activities

The principal activities of the Company continue to be those of a Professional Football League Club.

State of Affairs

The state of the Company's affairs is as set out in the accounts on pages 5 to 10. These show a net profit for the year of £98,136 after tax (1978 £59,401).

The Directors recommend a dividend of 5%.

Fixed Assets

Information relating to the changes in fixed assets is given in note 3(c) to the accounts.

In the opinion of the Directors a comparison between market value of Freehold and Long Leasehold Land and Buildings is of no real significance in the context of the Company's operations.

In view of the specialized nature of the Stands and Furniture, the Directors are unable to say whether the market value of these Fixed Assets as a whole is materially different from the book value.

Exports

Souvenirs exported by the Company from the United Kingdom during the year amounted to £8,240 (1978 £5,376).

Donations

A charitable donation of £5,000 was made to the Duke of Edinburgh Award Scheme.

Directors

The following have served as directors during the year, and their interests in the share capital of the Company were as stated below:—

							Ordinary Shares (Number Held)	
							1979	1978
J. W. Smith, J.P.	...	...	...	...	...	...	995	943
H. Cartwright	...	...	...	...	...	...	40	60
S. C. Reakes, J.P.	...	...	...	...	...	...	291	271
C. J. Hill	...	...	...	...	...	...	426	426
<u>E. A. F. Sawyer</u>	...	...	...	...	...	...	278	278
J. T. Cross	...	...	...	...	...	...	295	295
W. D. Corkish, F.C.A.	...	...	...	...	...	...	110	110

Messrs. J. W. Smith and C. J. Hill retire by rotation at the Annual General Meeting and are eligible for re-election.

The Directors regret to report the death of Mr. E. A. F. Sawyer on 21st April, 1979, having served as a director for nineteen years.

Mr. S. T. Moss, J.P., C.C., has been co-opted to the Board of Directors since the last Annual General Meeting and a resolution will be proposed to confirm his appointment.

In accordance with the rules of the Football Association no fees or other emoluments are payable to the Directors.

Auditors

A resolution will be submitted to the Annual General Meeting proposing the re-appointment of Messrs. Simon Jude & West, Chartered Accountants, as auditors, and allowing the directors to fix their remuneration.

Close Company

In the opinion of the Directors, the Company is not a close Company under the provisions of the Income and Corporation Taxes Act 1970.

By Order of the Board,
P. B. ROBINSON,
General Secretary.

Statement by the Chairman

The Minutes of the 1978 Annual General Meeting are included on pages 11 and 12 and separate propositions will be made that these and the Chairman's Statement be taken as read.

The Accounts will be dealt with as in previous years.

I am sure you will agree that last year was one of the most successful years we have had in our history. Not only did we win the First Division Championship for the eleventh occasion, which is a record, but we have established ourselves as probably the most successful, and, indeed, the most respected Club in the world. We have become more renowned than any club since the Football League was established in 1888. Last season we achieved an all time record of sixty-eight points, together with the lowest number of goals scored against us (sixteen). Our Central League side won the Championship for the ninth time in the last eleven years, whilst our "A" and "B" teams were runners-up and fourth in their respective competitions.

The above record of achievements is due to the dedication of our Team Manager, Mr. Bob Paisley, who completed forty years with us, and it was fortuitous that his anniversary fell on the 8th May, the day when we won the League Championship playing against Aston Villa. He also received the distinction of being voted the Manager of the Year. This award is, of course, sponsored by Bells Whisky. To Tom Saunders, our Youth Development Officer, Joe Fagan, who is now the Assistant to the Manager, and Ronnie Moran, now our Chief Coach, Roy Evans, John Bennisson, Reuben Bennett and Chief Scout, Geoff Twentyman, I extend my congratulations for the high degree of professionalism they have shown on our behalf.

It is also my particular pleasure to thank our General Secretary, Peter Robinson, who once again has confirmed himself as the most efficient official this Club has ever had in its long history and our high standing, both at home and overseas, is largely due to his great ability and experience in dealing with people at all levels of the game.

Unhappily, our achievements have been overshadowed by the passing of our late Chairman of the Finance Committee, Eric Sawyer, whose immense contribution to our affairs will never be forgotten. The measure of his foresight and financial ability can only be judged against the background of the success we have had since he joined the Board in 1960, and his loss will be felt for many years to come.

With regard to my comments in last year's Statement regarding Kemlyn Road and Skerries Road, I only wish to report that we have not received at the present time confirmation of Planning Approval for the development of that side of our ground, which I am sure will eventually be in the interests of this Club and of the City.

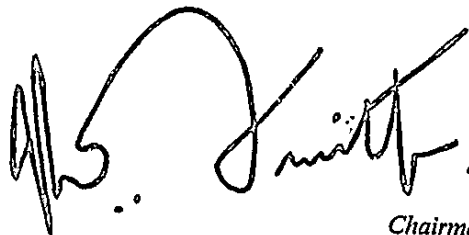
Once again, many of our players received honours at international level and to Ray Clemence, Kenny Dalglish, Alan Hansen, Steve Heighway, Emlyn Hughes, Joey Jones, Ray Kennedy, Terry McDermott, Frank McGarvey, Phil Neal, Graeme Souness and Phil Thompson I would like to offer congratulations on their achievements.

The Player of the Year Award was again given by the Football Writers' Association to a Liverpool player, and to Kenny Dalglish I extend hearty congratulations. This follows a similar Award to Ian Callaghan in 1974, Kevin Keegan in 1976 and Emlyn Hughes in 1977.

As many Shareholders already know, we have established the Duke of Edinburgh's Award Scheme on Merseyside at Anfield, and this involvement is proceeding in a highly satisfactory manner and not only embraces our apprentices but also the Social Services and the Probation Service, together with commercial and industrial enterprises on Merseyside.

During the year we were very pleased to be involved with the Liverpool Schools' Football Association in an endeavour to encourage young people to participate in football. Our Scheme will eventually take in the whole of Merseyside, and I am sure that young people need to be assisted in our activities because the future of our game depends on their involvement with us.

To all the staff at Anfield and also to my fellow Directors I should like to take the opportunity of thanking them for their very loyal support, without which this Club of ours would not be as successful as it is.



Chairman.

THE LIVERPOOL FOOTBALL CLUB AND ATHLETIC GROUNDS COMPANY LIMITED

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 4th MAY, 1979

	Notes	1979		1978	
	1	£	£	£	£
INCOME					
Gate Receipts			2,078,581		2,119,440
Other Income			285,594		209,630
			<hr/>		<hr/>
			2,364,175		2,329,070
<i>Deduct:</i>					
Paid to Visiting Clubs and Net Payments to Football League, Football Association, etc.			309,586		282,994
			<hr/>		<hr/>
			2,054,589		2,046,076
 EXPENDITURE					
Wages, Salaries, National Insurance and Pension Contri- butions	2 (b)	919,311		773,945	
Transfer Fees		491,296		327,474	
Training Requisites and Medical Expenses		20,012		27,567	
Travelling Expenses		164,871		185,268	
Repairs, Renewals and Ground Expenses	2 (a)	130,545		264,828	
Gate Expenses		77,288		90,905	
Referees' and Linesmen's Fees and Expenses		4,940		5,656	
Office Expenses, Telephone, Printing, Stationery and Adver- tising		41,020		32,271	
Rates, Light, Heat, Water and Insurance		80,077		73,739	
General Charges		39,993		39,169	
Audit Charges		1,500		1,000	
Legal and Professional Charges		12,065		4,981	
		<hr/>	1,982,918	<hr/>	1,826,803
 Excess of Income over Expenditure			<hr/>	<hr/>	<hr/>
			£71,671		£219,273

The notes on pages 8 to 10 form part of these accounts.

THE LIVERPOOL FOOTBALL CLUB AND ATHLETIC GROUNDS COMPANY LIMITED

GENERAL PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 4th MAY, 1979

							1979		1978	
							Notes	£	£	£
Excess of Income over Expenditure	...	...	...	...	...	...		71,671		219,273
Income from Properties	...	...	...	...	...	...		(12,085)		(1,998)
Income from Loans	...	...	...	...	...	...		45		73
Interest on Bank Deposit	...	...	...	...	...	...		106,034		55,305
								<hr/>	165,665	<hr/>
Depreciation										272,653
Stands and Equipment	...	...	...	...	...	...		10,000		10,000
Motor Cars	...	...	...	...	...	...		6,305		3,753
Less: Overprovision on Disposal	...	...	...	...	...	...		(4,422)		(201)
									11,883	13,552
								<hr/>		<hr/>
								153,782		259,101
Corporation Tax	...	...	...	...	...	...	3 (b)	55,646		199,700
								<hr/>		<hr/>
Profit after Taxation	...	...	...	...	...	...		98,136		59,401
Proposed Dividend at 5%	...	...	...	...	...	...		600		600
								<hr/>		<hr/>
								£97,536		£58,801
								<hr/>		<hr/>
Statement of Retained Profit										
Amount brought forward	...	...	...	...	...	...		370,438		311,637
Profit for the year		97,536		58,801
								<hr/>		<hr/>
								£467,974		£370,438
								<hr/>		<hr/>

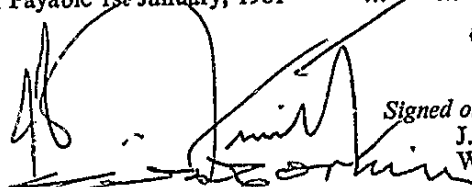
The notes on pages 8 to 10 form part of these accounts.

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THE LIVERPOOL FOOTBALL CLUB AND ATHLETIC GROUNDS COMPANY LIMITED

BALANCE SHEET AT 4th MAY, 1979

	Notes	£ 1979	£ 1978
Net Assets Employed:			
Fixed Assets		833,531	818,411
Current Assets			
Stock of Souvenirs		30,470	16,427
Debtors		72,435	92,187
Bank Balances and Cash		1,015,567	825,260
		<u>£1,118,472</u>	<u>£933,874</u>
Current Liabilities			
Creditors		379,768	335,070
Taxation	3 (a)	203,983	176,625
Unclaimed Dividends		1,237	1,237
Proposed Dividend		600	600
		<u>£585,588</u>	<u>£513,532</u>
		532,884	420,342
		<u>£1,366,415</u>	<u>£1,238,753</u>
Financed as follows:			
Share Capital	3 (d)	12,000	12,000
Reserves	3 (e)	1,201,415	1,027,053
		<u>1,213,415</u>	<u>1,039,053</u>
Shareholders Funds		153,000	199,700
Corporation Tax Payable 1st January, 1981	3 (b)	<u>£1,366,415</u>	<u>£1,238,753</u>



Signed on behalf of the Board
J. W. SMITH, Chairman
W. D. CORKISH, Director

The notes on pages 8 to 10 form part of these accounts.

REPORT OF THE AUDITORS TO THE MEMBERS OF THE LIVERPOOL FOOTBALL CLUB AND ATHLETIC GROUNDS COMPANY LIMITED

We have examined the accounts set out on pages 5 to 10 which have been prepared under the Historical Cost Convention.

Transfer fees received are taken into account as and when they are received and we concur with this Policy. In our opinion, the accounts under the accounting convention stated above give a true and fair view of the state of affairs of the Company for the year ended 4th May, 1979, and of the profit and source and application of funds for the year ended on that date and comply with the Companies Acts 1948 to 1976.

19 Castle Street
Liverpool L2 4SY
15th June, 1979.

SIMON JUDE & WEST,
Chartered Accountants.



NOTES TO THE ACCOUNTS

1. Statement of Accounting Policies

Turnover

Turnover is stated net of Value Added Tax and comprises the income from Gate Receipts and Away Matches (including television coverage fees), Catering Sales, Programme Sales, Programme Advertising, Hire Charges, Royalties, Souvenir Sales, Sponsorship and Travel Receipts.

Stock

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

Depreciation

No depreciation is provided on Freehold and Long Leasehold Land.

Transfer Fees

Credit is taken in the accounts only for amounts actually received during the financial year (Note 3 (f)).

Clothing Stores

Expenditure on clothing and equipment is written off in the year in which it is incurred.

Close Season Expenditure

Provision is made in the accounts for work to be carried out in the close season after the end of the financial year, which, in the opinion of the Directors, is attributable to wear and tear during the playing season (Note 2(a)).

Financial Year

The accounts are made up to the Friday immediately preceding the first Saturday in May.

2. Profit and Loss Account

(a) Repairs, Renewals and Ground Expenses £130,545 (1978 £264,828) includes:

	1979	1978
	£	£
Provision for expenditure in close season	51,567	21,400
Commitments in connection with Safety of Sports Grounds Act, 1975 ...	27,952	148,762

(b) Employee's Remuneration:

Number of Employees whose emoluments were within the scale:	1979	1978
	£	£
£10,001—£12,500	5	4
£12,501—£15,000	1	4
£15,001—£17,500	3	3
£17,501—£20,000	2	6
£20,001—£22,500	5	3
£22,501—£25,000	2	1
£25,001—£27,500	2	2
£27,501—£30,000	2	—
£30,001—£32,500	—	—
£32,501—£35,000	1	—

NOTES TO THE ACCOUNTS—Continued

3. Balance Sheet

(a) *Taxation currently payable:*

				1979	1978
				£	£
Under provision of Corporation Tax in previous year at 52%	...	...	...	4,283	40,562
Corporation Tax payable 1st January, 1980 at 52% (1978 52%)	...	...	...	199,700	136,063
				<u>£203,983</u>	<u>£176,625</u>

(b) *Future taxation:*

Tax attributable to current profits at 52% (1978 52%)	...	...	...	£153,000	£199,700
Overprovisions of Corporation Tax in previous years at 52%...	...	...	...	(97,354)	—
				<u>£55,646</u>	<u>£199,700</u>

(c) <i>Fixed Assets</i>					Land and Buildings	Freehold	Stands, Fixtures and Furniture	Motor Vehicles	Total
					Short Leasehold	Long Leasehold	Dwellings		
<i>Cost</i>					£	£	£	£	£
At 5th May, 1978	...	...	...	...	29,397	2,855	181,435	782,227	1,014,670
Additions	...	...	...	...	—	—	13,761	—	39,495
					<u>29,397</u>	<u>2,855</u>	<u>195,196</u>	<u>782,227</u>	<u>1,054,165</u>
Disposals	...	...	...	...	—	—	1,480	—	14,443
At 4th May, 1979	...	...	...	...	<u>29,397</u>	<u>2,855</u>	<u>193,716</u>	<u>782,227</u>	<u>1,039,722</u>
<i>Depreciation</i>					£	£	£	£	£
At 5th May, 1978	...	...	...	...	—	—	1,480	188,726	196,259
Charge	...	...	...	...	—	—	—	10,000	16,305
					<u>—</u>	<u>—</u>	<u>1,480</u>	<u>198,726</u>	<u>212,564</u>
Disposals	...	...	...	...	—	—	1,480	—	6,373
At 4th May, 1979	...	...	...	...	<u>—</u>	<u>—</u>	<u>—</u>	<u>198,726</u>	<u>206,191</u>
<i>Net Book Value</i>									
At 5th May, 1978	...	...	...	...	<u>29,397</u>	<u>2,855</u>	<u>179,955</u>	<u>593,501</u>	<u>818,411</u>
Net Book Value									
At 4th May, 1979	...	...	...	...	<u>29,397</u>	<u>2,855</u>	<u>193,716</u>	<u>583,501</u>	<u>833,531</u>

(d) <i>Share Capital:</i>					Authorised	Issued and Fully Paid
					1979	1978
Shares of £1 each	...	...	...	...	£	£
					<u>15,000</u>	<u>15,000</u>
					<u>12,000</u>	<u>12,000</u>

NOTES TO THE ACCOUNTS—Continued

	1979	1978
	£	£
(e) <i>Reserves:</i>		
Retained Profits	467,974	370,438
Capital Reserve	17,063	17,063
Building Reserve	300,000	300,000
Transfer Fees Reserve	300,000	300,000
Repairs Reserve	36,378	36,378
Safety of Sports Grounds Reserve	80,000	3,174
	<u>£1,201,415</u>	<u>£1,027,053</u>

The Safety of Sports Grounds Reserve is represented by capital grants received from the Football Grounds Improvement Trust. The revenue grant of £3,174 has now been set off against prior expenditure.

	1979	1978
	£	£
(f) <i>Commitment and Contingencies:</i>		
Deferred Receipts:		
Transfer Fees (See (1))	<u>£95,000</u>	<u>£39,000</u>

**STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 4th MAY, 1979**

	1979	1978
	£	£
Sources:		
Profit before Taxation	153,782	259,101
Adjustments for items not involving movements of funds:		
Depreciation	16,305	13,753
Surplus on disposal of Fixed Assets	(4,422)	(201)
Transfer to Transfer Fees Reserve	—	100,000
Transfer from Safety of Grounds Reserve... ..	(3,174)	—
	<u>162,491</u>	<u>372,653</u>
Funds from Other Sources:		
Football Grounds Improvements Trust	80,000	3,174
Sale Proceeds of Fixed Assets	12,492	1,400
	<u>£254,983</u>	<u>£377,227</u>
Applications:		
Taxation Paid	74,988	62,612
Dividends Paid	600	562
Purchase of Fixed Assets	39,495	189,350
	<u>115,083</u>	<u>252,524</u>
Working Capital Requirement:		
Increase in Stock	14,043	9,958
Decrease in Debtors	(19,752)	10,358
Increase in Creditors	(44,698)	(88,658)
Net Source	<u>(50,407)</u>	<u>(68,342)</u>
Increase in net liquid funds reflected by an increase in Bank Balances and Cash	190,307	193,045
	<u>£254,983</u>	<u>£377,227</u>

THE LIVERPOOL FOOTBALL CLUB AND ATHLETIC GROUNDS COMPANY LIMITED

86th Annual General Meeting of the Company held at
The Holiday Inn, Liverpool, on Friday, 28th July, 1978, at 7 p.m.

Present:

Mr. J. W. Smith, J.P. – *in the Chair*
Messrs. S. C. Reakes, J.P., C. J. Hill,
E. A. F. Sawyer and W. C. Corkish, F.C.A. – Directors
Mr. P. B. Robinson – General Secretary
Mr. R. Paisley, O.B.E. – Team Manager
Mr. J. E. Fischer F.C.A. – For the Auditors
and 135 Shareholders

Notice

The Notice convening the Meeting was taken as read.

Minutes

The Minutes of the 85th Annual General Meeting, having been circulated with the accounts, were taken as read, and were approved and signed.

Tribute to Stanley Dallow

The Chairman reported that Mr. Stanley Dallow had died on the 19th February. He had been connected with the Club's Financial Affairs for over 25 years and his advice had always been greatly appreciated.

Report of the Auditors

The report of the auditors on the Balance Sheet and Accounts dated 14 June 1978, was read by Mr. J. E. Fischer F.C.A., J.P.

Report of the Directors and Balance Sheet and Accounts

It was agreed that the Report of the Directors and the Balance Sheet and Accounts for the year ended 5th May 1978, together with Chairman's Statement as printed to shareholders be taken as read.

The Chairman invited Mr. E. A. F. Sawyer, Chairman of the Finance Committee, to present the accounts. Mr. Sawyer said the playing season had extended to complete the League Championship Programme. In addition the 1977 F.A. Cup Final and 1977 European Cup Final were included in the accounts. The 1978 European Cup Final played on the 10th May 1978 was not included. The total number of matches played was 59 of which 30 games had been played away. The total number of Home attendances amounted to 1½ million, 56,500 less than the previous season; an average 44,000, a reduction of 4¼%.

Income was set out on page 5. Gate receipts had increased by £611,000 to £2,119,400, the total income had increased by only 6% over the previous year. The Expenditure of £1,826,803 was 89.29% of net income (93.34% last year). Transfer Fees included half a million pounds in respect of Kevin Keegan and £100,000 to reserve shown in note 2(b). The increase of £72,000 on travelling was accounted for by costs of travelling abroad. The large increase in repairs and renewals arose from the Club's obligations to conform with the Safety of Sports Ground Act requirements. After providing all expenses the excess of income over expenditure was £219,273 compared with £60,946.

In the Profit and Loss Account bank interest amounted to £55,305 compared with £64,965. After providing for depreciation the balance of profit before taxation was £259,101.

Corporation Tax on the current profits at 52% amounting to £199,700, and the proposed dividend of £600, were deducted from the profits, leaving £58,801 to be added to retained profits brought forward making a total of £370,438 now carried forward. In the balance sheet net assets had increased by £225,612 and this was largely reflected in the improvements in net current assets set out in the statement of Source and Application of funds.

The Chairman thanked Mr. Sawyer for his explanation of the accounts and formally moved the adoption of the Directors' Report and Accounts for the year ended 5th May 1978, and it was resolved:-

"THAT the Report of the Directors and the Balance Sheet and Accounts of the Company as audited for the year ended 5th May 1978, be and are hereby received, approved and adopted, and that a dividend of 5% as recommended by the Directors be declared and paid on the issued capital of the Company forthwith".

Auditors

Messrs. Simon Jude & West having intimated their willingness to continue in office, it was resolved:-

"THAT Messrs. Simon Jude & West be re-elected auditors for the current year and their remuneration be fixed by the Directors".

Election of Directors

The Chairman stated that Mr. Harold Cartwright was making a satisfactory recovery and sent his good wishes to the Meeting.

The retiring Directors were Mr. H. Cartwright and Mr. W. D. Corkish. Nominations had also been received for K. A. Broome, F. Griffiths J.P., P. Hamilton-Smith J.P., W. B. Liddell J.P., S. T. Moss J.P., C.C., G. H. Roberts, T. D. Smith and J. G. Walker, who all intimated that they did not wish to oppose the Directors retiring by rotation, and withdrew their nominations.

It was resolved:-

"THAT the two retiring Directors Mr. H. Cartwright and Mr. W. D. Corkish be re-elected and that their re-appointment be made the subject of a single resolution".

Manager

Mr. Paisley O.B.E., was invited to address the Meeting by the Chairman. He stated that last year he had said the season had been the best in the History of the Club but each year brings a fresh challenge. Winning the European Cup for the second successive season and being runners-up in the League Cup, he could not give the players enough credit for the efforts they had made. The reserves side were also runners up in the Central League whilst the A Team won the Lancashire League the B Team were runners up in the Second Division Lancashire League. Mr. Paisley said that he wished to thank all the non-playing Staff and the administration and the General Secretary Mr. P. B. Robinson.

A Vote of Thanks

A vote of thanks to the Chairman, Directors, Management, Players and Staff was proposed and carried with acclamation.

THE LIVERPOOL FOOTBALL CLUB

Achievements

First Division Champions

1900-01

1950-06

1921-22

1922-23

1946-47

1963-64

1965-66

1972-73

1975-76

1976-77

1978-79

Second Division Champions

1893-94

1895-96

1904-05

1961-62

F.A. Cup Winners

1964-65

1973-74

European Champion Clubs Cup Winners

1976-77

1977-78

U.E.F.A. Cup Winners

1972-73

1975-76