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THE LIVERPOOL FOOTBALL CLUB
and
ATHLETIC GROUNDS CO. LTD.

Annual Report
and
Accounts

Year Ended 6th May, 1977



We certify that this is a
true copy of the Directors' Report
and the accounts of The Liverpool
Football Club and Athletic
Grounds Co. Ltd. for the year
ended 6th May 1944

HB

Smith

DIRECTOR

P. B. Robinson

SECRETARY

INDISTINCT ORIGINAL

THE
LIVERPOOL FOOTBALL CLUB
AND
ATHLETIC GROUNDS CO. LTD.

NOTICE IS HEREBY GIVEN that the EIGHTY-FIFTH ANNUAL GENERAL MEETING of the Company will be held at THE HOLIDAY INN, LIVERPOOL, on FRIDAY, the 29th day of JULY, 1977, 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 6th May, 1977, with the Auditors' Report thereon.
2. To authorise the payment of a Dividend.
3. To elect Directors.
4. To 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,
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.

11/13 Victoria Street,
Liverpool, L2 5QW
6th July, 1977.

THE LIVERPOOL FOOTBALL CLUB AND ATHLETIC GROUNDS CO. LTD.

Directors:

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

J. T. CROSS (Vice-Chairman)

H. CARTWRIGHT

S. C. REAKES, J.P.

C. J. HILL

E. A. F. SAWYER

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

General Secretary:

P. B. ROBINSON

Registered Office:

11-13 Victoria Street, Liverpool L2 5QW

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 £54,329 after tax (1976 £29,732).

The Directors recommend the payment of a dividend at 5%.

Fixed Assets

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

In the opinion of the Directors a comparison between market value and book 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 £962.

Directors

The following have served as Directors for the whole of the year, and their interests in the Capital of the Company were as stated below. These interests were all held beneficially.

							Ordinary Shares (Number Held)	
							1977	1976
Mr. J. W. Smith, J.P.	...	...	...	...	...	...	943	318
Mr. J. T. Cross	...	...	...	...	...	...	295	195
Mr. H. Cartwright	...	...	...	...	...	...	60	60
Mr. S. C. Reakes, J.P.	...	...	...	...	...	...	271	163
Mr. C. J. Hill	...	...	...	...	...	...	426	426
Mr. E. A. F. Sawyer	...	...	...	...	...	...	278	178
Mr. W. D. Corkish, F.C.A.	...	...	...	...	...	...	110	10

Mr. E. A. F. Sawyer and Mr. J. T. Cross retire by rotation at the next Annual General Meeting, and are eligible for re-election.

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

Auditors

The Auditors Messrs. Simon Jude & West are willing to continue in office.

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,

Secretary.

6th July, 1977.

Statement by the Chairman

The Minutes of the 1976 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 all agree that last season was, without doubt, the most successful one in our history. The achievement in winning the highest honour at Club level in Europe—the European Cup Championship—together with our tenth First Division Championship success, constitutes a wonderful record of which we can be very proud. I believe that we have made a notable contribution, not only to British Football, but also at European level.

For the second time in two seasons our Manager, Mr. Bob Paisley, was voted the Manager of the Year and to him and to Emlyn Hughes, our Captain, who was made Player of the Year by the Football Writers' Association, and all the team, the Board join me in sincere congratulations on this outstanding season.

In the international sphere, honours were bestowed on our Captain, Ray Clemence, Steve Heighway, John Toshack, Phil Neal, Ray Kennedy, Kevin Keegan, Joey Jones and Phil Thompson, and I congratulate them all on their achievements.

For the eighth time in the last nine years our Central League side won the Championship, and our thanks go to Roy Evans and his team for yet another highly successful season.

Teams of the calibre of Liverpool could not function at the high standards which we set for ourselves without the dedication and understanding of such men as Tom Saunders, our Youth Development Officer, Joe Fagan, Ronnie Moran, John Benninson, Reuben Bennett and Chief Scout, Geoff Twentyman, and to all of them I extend my sincere congratulations for their great efforts during last season.

Peter Robinson was made our General Secretary during the year and I am greatly indebted to him for his magnificent contribution to the overall running of our Club.

We are very sorry that Kevin Keegan has left the Club and I should like to take this opportunity of thanking him for his services to us, and to wish him every success in the future.

I am pleased to report that in compliance with the Safety of Sports Grounds Act, work will be completed by the start of next season and this should result in our obtaining a certificate from the Merseyside County Council fairly soon.

Our Directors have once again given me a great deal of support during the year, and I should like to thank them for their assistance.

A handwritten signature in black ink, appearing to read 'J. Smith', with a large, sweeping flourish above the name.

Chairman

THE LIVERPOOL FOOTBALL CLUB AND ATHLETIC GROUNDS COMPANY LIMITED

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 6th MAY, 1977

	Notes	1977 £	1976 £
INCOME			
Gate Receipts		1,508,173	1,123,245
Catering, Programmes, Souvenirs and Hire Charges ...		110,264	51,193
		<hr/>	<hr/>
		1,618,437	1,174,438
<i>Deduct:</i>			
Paid to Visiting Clubs and Net Payments to Football League, Football Association, etc.		282,751	157,177
		<hr/>	<hr/>
		1,335,686	1,017,261
EXPENDITURE			
Wages, Salaries, National Insurance and Pension Contributions	2 (b)	575,939	488,408
Transfer Fees		190,743	63,522
Training Requisites and Medical Expenses		15,220	20,779
Travelling Expenses		113,177	96,015
Ground Expenses		9,851	5,023
Gate Expenses		66,850	54,505
Referees' and Linesmen's Fees and Expenses		3,014	5,501
Office Expenses, Telephone, Printing, Stationery and Advertising		23,373	19,837
Rates, Light, Heat, Water and Insurance		65,348	53,869
General Charges		17,772	16,583
Audit Charges		900	700
Legal and Professional Charges		4,949	3,769
Repairs, Renewals, Maintenance and Alterations	2 (a)	187,604	130,483
		<hr/>	<hr/>
		1,274,740	958,994
Excess of Income over Expenditure		<hr/>	<hr/>
		£60,946	£58,267

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 6th MAY, 1977

						1977		1976	
						£	£	£	£
Excess of Income over Expenditure	...	...	...	...	Notes	60,946		58,267	
Income from Properties	...	...	...	...		178		(501)	
Income from Loans	...	...	...	...		109		141	
Interest on Bank Deposit	...	...	...	...		64,965		57,409	
						<u> </u>	126,198	<u> </u>	115,316
Depreciation					3 (c)				
Stands and Equipment	...	...	...	...		10,000		10,000	
Motor Cars	...	...	...	...		2,271		1,505	
Less Overprovision on Vehicles sold	...	...	...	...		(737)		(1,321)	
						<u> </u>	11,534	<u> </u>	10,184
							114,664		105,132
Corporation Tax on Current Profits at 52% (1976 52%)	...						72,620		75,400
							<u> </u>	<u> </u>	
Profit after Taxation	...	...	...	...		42,044		29,732	
Extraordinary Item	...	...	...	...	2 (c)	12,285		—	
						<u> </u>		<u> </u>	
							54,329		29,732
Proposed Dividend at 5%	...	...	...	...			600		600
							<u> </u>	<u> </u>	
							£53,729		£29,132
							<u> </u>	<u> </u>	
Statement of Retained Profit									
Amount brought forward	...	...	...	...		364,270		335,138	
Profit for the year	...	...	...	...		53,729		29,132	
						<u> </u>		<u> </u>	
							417,999		364,270
Taxation Adjustments					2 (d)				
Prior Year	...	...	...	...		(43,974)		—	
Provision Related to Safety of Sports Grounds Commitments						(62,388)		—	
						<u> </u>		<u> </u>	
							£311,637		£364,270
							<u> </u>	<u> </u>	

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

THE LIVERPOOL FOOTBALL CLUB AND ATHLETIC GROUNDS COMPANY LIMITED

BALANCE SHEET AT 6th MAY, 1977

	Notes	1977 £	1976 £
Net Assets Employed:			
Fixed Assets	3(c)	644,013	651,094
Current Assets			
Stock of Souvenirs		6,469	1,428
Debtors		81,829	39,086
Bank Balances and Cash		632,215	583,318
		<u>£720,513</u>	<u>£623,832</u>
Current Liabilities			
Creditors		246,412	181,388
Taxation	3(a)	103,174	86,677
Unclaimed Dividends		1,199	1,150
Proposed Dividend		600	600
		<u>£351,385</u>	<u>£269,815</u>
Net Current Assets		369,128	354,017
		<u>£1,013,141</u>	<u>£1,005,111</u>
Financed as follows:			
Share Capital	3(d)	12,000	12,000
Reserves	3(e)	865,078	917,711
Shareholders Funds		877,078	929,711
Corporation Tax Payable 1st January, 1979	3(b)	136,063	75,400
		<u>£1,013,141</u>	<u>£1,005,111</u>

Signed on behalf of the Board

J. W. SMITH, *Chairman*

E. A. F. SAWYER, *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.

With this explanation, 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 6th May, 1977 and of the profit and source and application of funds for the year ended on that date and comply with the Companies Acts of 1948 and 1967.

11/13 Victoria Street,
Liverpool L2 5QW.
22nd June, 1977.

SIMON JUDE & WEST,
Chartered Accountants.

NOTES TO THE ACCOUNTS

1. Statement of Accounting Policies

Turnover

Turnover represents the income from Gate Receipts and Away Matches (including television coverage fees received), Catering sales, Programme sales, Programme advertising, Hire Charges, Royalties and Souvenir sales, net of Value Added Tax.

Stock

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

Depreciation

No depreciation is provided on Freehold and Long Leasehold Land.

The Freehold Dwelling has been fully depreciated.

Motor Vehicles are depreciated annually at 20% of cost.

A fixed amount of £10,000 per annum is written off the cost of Stands, Fixtures and Furniture.

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 (2a))

Financial Year

The annual accounts are made up to the Friday immediately preceding the first Saturday in May and, this year, results in an account of 53 weeks.

2. Profit and Loss Account

	1977 £	1976 £
(a) <i>Repairs, Renewals, Maintenance and Alterations £187,604 includes:</i>		
Provision for expenditure in the close season	10,000	3,560
Commitments in connection with the Safety of Sports Grounds Act, 1975 ...	119,978	53,412
(b) <i>Employees' Remuneration:</i>		
Number of employees whose emoluments were within the scale:	1977	1976
£10,001—£12,500	6	6
£12,501—£15,000	5	6
£15,001—£17,500	2	2
£17,501—£20,000	1	1
(c) <i>Extraordinary Item</i>		
Sale of Freehold Dwellings	12,285	—
The above item is stated net of related taxation amounting to £1,055.		
(d) <i>Taxation Adjustments</i>		
(i) Prior Year adjustment relates to underprovisions of Corporation Tax at 52% on:		
Expenditure incurred on Ground Safety in previous year		27,774
Transfer fee receipts related to previous year		16,200
		<u>£43,974</u>
(ii) Tax related to Safety of Sports Grounds Commitments		<u>£62,388</u>

NOTES ON ACCOUNTS—Continued

3. Balance Sheet										1977 £	1976 £
(a) <i>Taxation currently payable:</i>											
Underprovision of Corporation tax in previous year at 52% ...										27,774	—
Corporation tax payable 1st January, 1978 at 52% (1976 52%) ...										75,400	86,677
										<u>£103,174</u>	<u>£86,677</u>
(b) <i>Future Taxation:</i>											
Tax attributable to current profits at 52% (1976 52%) ...										72,620	75,400
Tax related to Safety of Sports Grounds Commitments ...										62,388	—
Tax on Sale of Chargeable Assets ...										1,055	—
										<u>£136,063</u>	<u>£75,400</u>
(c) <i>Fixed Assets</i>											
<i>Cost</i>				Land and Buildings		Freehold	Long Leasehold	Dwellings	Stands, Fixtures and Furniture	Motor Vehicles	Total
				Freehold	Leasehold	£	£	£	£	£	£
At 1st May, 1976 ...				29,397	2,855	11,186	782,227	7,525	833,190		
Additions ...				—	—	—	—	7,229	7,229		
				29,397	2,855	11,186	782,227	14,754	840,419		
Disposals ...				—	—	9,706	—	3,397	13,103		
At 6th May, 1977 ...				29,397	2,855	1,480	782,227	11,357	827,316		
<i>Aggregate Depreciation</i>				£	£	£	£	£	£	£	£
At 1st May, 1976 ...				—	—	11,186	168,276	2,184	182,096		
Charge ...				—	—	—	10,000	2,272	12,272		
				—	—	11,186	178,726	4,456	194,368		
Disposals ...				—	—	9,706	—	1,359	11,065		
At 6th May, 1977 ...				—	—	1,480	178,726	3,097	183,303		
Net Book Value											
At 1st May, 1976 ...				29,397	2,855	—	613,501	5,341	651,094		
Net Book Value											
At 6th May, 1977 ...				29,397	2,855	—	603,501	8,260	644,013		
(d) <i>Share Capital:</i>											
						Authorised		Issued and Fully Paid			
						1977	1976	1977	1976		
						£	£	£	£		
Share of £1 each ...						15,000	15,000	12,000	12,000		
(e) <i>Reserves:</i>											
Retained Profits ...										311,637	364,270
Capital Reserve ...										17,063	17,063
Building Reserve ...										300,000	300,000
Transfer Fees Reserve ...										200,000	200,000
Repairs Reserve ...										36,378	36,378
										<u>£865,078</u>	<u>£917,711</u>

NOTES ON ACCOUNTS—Continued

										1977	1976
										£	£
(f) <i>Commitments and Contingencies:</i>											
Future Capital Liabilities:											
Contracted for but not provided for in the accounts	...	...	...	...	...	...	...	...	...	119,258	119,458
Authorised by the Directors but not contracted for	...	...	...	...	...	...	...	...	...	83,972	—
										<u>203,230</u>	<u>119,458</u>
Deferred Receipts:											
Transfer Fees	...	...	...	...	...	...	...	...	...	<u>£50,000</u>	<u>48,000</u>
<hr/>											
STATEMENT OF SOURCE AND APPLICATION OF FUNDS											
FOR THE YEAR ENDED 6th MAY, 1977											
										1977	1976
										£	£
Sources:											
Profit before Taxation	...	...	...	...	...	...	...	...	...	114,664	105,132
Extraordinary Item before Taxation	...	...	...	...	...	...	...	...	...	13,340	—
										<u>128,004</u>	<u>105,132</u>
Adjustments for items not involving the movement of funds:											
Depreciation	...	...	...	...	...	...	...	...	...	12,271	11,505
Surplus on disposal of fixed assets	...	...	...	...	...	...	...	...	...	(737)	(1,321)
Transfer to Building reserve	...	...	...	...	...	...	...	...	...	—	35,000
										<u>11,534</u>	<u>45,184</u>
										<u>139,538</u>	<u>150,316</u>
Funds from Other Sources:											
Sale proceeds of fixed assets	...	...	...	...	...	...	...	...	...	2,775	2,450
										<u>£142,313</u>	<u>£152,766</u>
Application											
Taxation Paid	...	...	...	...	...	...	...	...	...	102,877	54,611
Dividends Paid	...	...	...	...	...	...	...	...	...	551	551
Capital Expenditure	...	...	...	...	...	...	...	...	...	7,229	4,128
Working Capital Requirement											
Increase in Stock	...	...	...	...	...	...	...	...	...	5,041	1,428
Increase in Debtors	...	...	...	...	...	...	...	...	...	42,743	19,490
Increase in Creditors	...	...	...	...	...	...	...	...	...	(65,025)	(107,360)
										<u>(17,241)</u>	<u>(86,442)</u>
Increase in net liquid funds reflected by an increase in Bank Balances and Cash										<u>48,897</u>	<u>179,918</u>
										<u>£142,313</u>	<u>£152,766</u>

THE LIVERPOOL FOOTBALL CLUB AND ATHLETIC GROUNDS COMPANY LIMITED

84th Annual General Meeting of the Company held at
The Holiday Inn, Liverpool, on Friday, 23rd July, 1976 at 7 p.m.

Present:

Mr. J. W. Smith, J.P. – *In the Chair*
Messrs. J. T. Cross, H. Cartwright,
S. C. Reakes, J.P., C. J. Hill,
E. A. F. Sawyer and W. D. Corkish, F.C.A. – *Directors*
Mr. P. B. Robinson – *Secretary*
Mr. R. Paisley – *Manager*
Mr. S. Dallow, F.C.A. – *For the Auditors*
and 130 Shareholders

Mr. T. V. Williams

Before proceeding with the business of the meeting, the Chairman referred to the outstanding services that the late Mr. T. V. Williams had given to the Liverpool Football Club and to the game of football, and the meeting stood in silence as a token of respect.

Notice of Meeting

The Notice convening the meeting was taken as read.

Minutes

The Minutes of the 83rd Annual General Meeting, having been circulated with the accounts, were taken as read, and were approved and signed.

Report of the Auditors

The report of the Auditors on the Balance Sheet and Accounts for the year ended 30th April, 1976, was read by Mr. S. Dallow, F.C.A.

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 30th April, 1976, together with the Chairman's statement as printed and issued 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 that during the year the first team had played 57 games compared with 52 in the previous year. 28 games had been played at Anfield, including 7 cup games, and 29 had been away games. Total attendances at the home games were 1,114,724, giving an average of 39,813 compared with 42,363 in the previous year, but receipts at £1,123,245 were an all time record. Payments to visiting clubs were approximately £32,000 more, at £157,177, and after allowing for these, the balance of income was £1,017,261. Expenses had increased and were equal to 94½% of income. The increase in wages was a direct result of the successful season as payments under contracts were based on success on the field, and the increase in travelling expenses was mainly due to travelling abroad. Provision had also been made for necessary remedial work to the Kop and work required to comply with the Safety of Sports Grounds Act. After providing for all expenses, the excess of income over expenditure was £58,267 compared with £47,435 in the previous year.

In the Profit and Loss Account, bank deposit interest amounted to £57,409, and after providing for depreciation the balance of profit before taxation was £105,132.

Corporation tax on the current profits, £75,400, and the proposed dividend, £600, were deducted from this profit leaving £29,132 to be added to retained profits brought forward making a total of £364,270 now carried forward. In the Balance Sheet net assets had increased by £64,132 and the substantial bank balance showed the financial strength of the Company.

The Chairman thanked Mr. Sawyer for his explanation of the Accounts and formally moved the adoption of the Directors' Report and the Accounts for the year ended 30th April, 1976, 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 30th April, 1976, be and they 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 the remuneration of the Auditors, Messrs. Simon Jude & West, for the current year, be fixed by the Directors."

Election of Directors

The retiring Directors offering themselves for re-election were Mr. S. C. Reakes and Mr. J. W. Smith.

Nominations had also been received for Mr. K. A. Broome, Mr. P. R. Dutton, Mr. S. Isenwater, Mr. W. B. Liddell, J.P., Mr. S. T. Moss, J.P., Mr. G. H. Roberts, Mr. T. D. Smith and Mr. 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. S. C. Reakes and Mr. J. W. Smith be re-elected and that their re-appointment be made the subject of a single resolution."

Manager

Mr. Paisley was invited to address the meeting by the Chairman. Mr. Paisley reminded members that at the previous Annual General Meeting he had expressed his disappointment at not being able to bring a major trophy to them. This year, apart from a major injury to Peter Cormack, the team had not been handicapped by injury problems and had succeeded in winning the Football League Championship for the ninth time, and the U.E.F.A. Cup for the second time. It was an outstanding achievement and great credit was due to the players for their consistent efforts.

Mr. Paisley thanked the Directors for their wise counsel and encouragement and paid tribute to the non-playing staff, Joe Fagan, Ronnie Moran and Tom Saunders who in the past season had been working seven days a week. He also thanked the Secretary, Mr. Peter Robinson, and Mr. Ken Addison of the Development Association, for their excellent co-operation. The pursuit of International Honours brought many problems, and credit was due to all concerned in achieving success. The Reserve Team had again won the Championship of the Central League and Roy Evans was congratulated on this continued success. The Club's Youth Policy had continued and more than 2,000 players had been vetted by Tom Saunders and his staff in the past season.

Looking to the immediate future, Mr. Paisley said that the target next season would be the European Cup.

Vote of Thanks

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

THE LIVERPOOL FOOTBALL CLUB

Achievements

First Division Champions

1900–01

1905–06

1921–22

1922–23

1946–47

1963–64

1965–66

1972–73

1975–76

1976–77

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

U.E.F.A. Cup Winners

1972–73

1975–76