

THE LIVERPOOL FOOTBALL CLUB
AND ATHLETIC GROUNDS PLC

ACCOUNTS

year ended

6th MAY 1983



THE LIVERPOOL FOOTBALL CLUB AND ATHLETIC GROUNDS PLC

DIRECTORS

J. W. Smith, CBE, JP, DL
H. Cartwright
S. C. Reakes, JP
C. J. Hill
J. T. Cross
W. D. Corkish, FCA
S. T. Moss, JP, CC
P. B. Robinson

SECRETARY

P. B. Robinson

REGISTERED OFFICE

19 Castle Street, Liverpool, L2.4SY

AUDITORS

Simon Jude & West, Chartered Accountants,
Liverpool

BANKERS

Barclays Bank PLC

THE LIVERPOOL FOOTBALL CLUB AND ATHLETIC GROUNDS PLC

DIRECTORS' REPORT

1. ACTIVITIES

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

2. STATE OF AFFAIRS

The state of the Group's affairs is as set out in the Accounts on pages 4 to 12. These show a net profit for the year of £50,751 after tax (1982 - loss of £191,136). The Directors do not recommend payment of a dividend.

3. FIXED ASSETS

Information relating to the changes in fixed assets is given in Note 3(d) to the Accounts. In the opinion of the Directors a comparison between cost and market value of Freehold and Long Leasehold Land and Buildings is of no real significance in the context of the Group's operations. In view of the specialized nature of the Stands, Fixtures 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.

4. EXPORTS

Souvenirs exported by the Group from the United Kingdom during the year amounted to £15,812 (1982 £9,456).

5. DONATIONS

A charitable donation of £4,000 was made to the Duke of Edinburgh Merseyside Award Scheme.

6. 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)	
	1983	1982
J. W. Smith, CBE, DL, JP	1,009	1,009
H. Cartwright	40	40
S. C. Reakes, JP	291	291
C. J. Hill	400	420
J. T. Cross	411	411
W. D. Corkish, FCA	110	110
S. T. Moss, JP, CC	105	97
P. B. Robinson	20	20

No change in any of these interests has been notified to the Company by 28th July 1983.

Messrs. C. J. Hill and S. T. Moss retire by rotation and, being eligible, offer themselves for re-election.

Mr. P. B. Robinson resigned as Director on 23rd March 1983. Mr. R. Paisley was appointed Director on 1st July 1983 to fill a vacancy and, in accordance with the Articles of Association, his appointment is subject to confirmation.

THE LIVERPOOL FOOTBALL CLUB AND ATHLETIC GROUNDS PLC

DIRECTORS' REPORT

7. 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.

8. CLOSE COMPANY

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

BY ORDER OF THE BOARD

P. B. ROBINSON
Chief Executive/General Secretary

28th July 1983

AUDITORS' REPORT

to the Members of

THE LIVERPOOL FOOTBALL CLUB AND ATHLETIC GROUNDS PLC

We have audited the Accounts on pages 4 to 12 in accordance with Approved Auditing Standards.

Transfer fees are taken into account as and when they are received and we concur with this policy. With this explanation in our opinion the financial statements, which have been prepared under the historical cost convention, give a true and fair view of the affairs of the Company and of the Group at 6th May 1983 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 1981 so far as the provisions apply to these Accounts.

Simon Jude & West

SIMON JUDE & WEST
Chartered Accountants

Liverpool
28th July 1983

THE LIVERPOOL FOOTBALL CLUB AND ATHLETIC GROUNDS PLC

GROUP PROFIT & LOSS ACCOUNT
for the year ended 6th May 1983

	<u>Notes</u>	<u>1983</u> £	<u>1982</u> £
TURNOVER	1		
Gate Receipts		3,053,645	2,973,621
Less paid to Visiting Clubs and Net Payments to Football League, Football Association, etc.		<u>516,836</u>	<u>391,443</u>
Other Sources		<u>2,536,809</u> <u>786,926</u>	<u>2,582,178</u> <u>679,437</u>
		<u>£ 3,323,735</u>	<u>£ 3,261,615</u>
GROUP OPERATING (LOSS)	2	(74,345)	(249,992)
Amount written off freehold buildings on demolition		<u>(4,814)</u>	<u>(22,101)</u>
Investment Income		<u>(79,159)</u> <u>168,694</u>	<u>(272,093)</u> <u>83,557</u>
PROFIT/(LOSS) BEFORE TAXATION		<u>89,535</u>	<u>(188,536)</u>
Taxation	3(a)	<u>38,784</u>	<u>(2,600)</u>
GROUP PROFIT/(LOSS) AFTER TAXATION (of which £37,641 was dealt with in the Accounts of the Parent Company)		<u>£ 50,751</u>	<u>£(191,136)</u>
STATEMENT OF RETAINED PROFITS			
Amount brought forward		287,106	490,464
Less Amount capitalised by Special Resolutions dated 26th August 1981		<u>-</u>	<u>(48,000)</u>
Amount transferred from Reserve	2(e)	<u>287,106</u> <u>600,000</u>	<u>442,464</u> <u>36,378</u>
Profit/(Loss) for the year		<u>887,106</u> <u>50,751</u>	<u>478,842</u> <u>(191,136)</u>
Less proposed Dividend		<u>937,857</u> <u>-</u>	<u>287,706</u> <u>600</u>
Group Retained Profits at 6th May 1983		<u>£ 937,857</u>	<u>£ 287,106</u>

The Notes on pages 9 to 12 form part of these Accounts

THE LIVERPOOL FOOTBALL CLUB AND ATHLETIC GROUNDS PLC -

GROUP BALANCE SHEET
at 6th May 1983

	<u>Notes</u>	<u>£</u>	<u>1983</u> <u>£</u>	<u>£</u>	<u>1982</u> <u>£</u>
NET ASSETS EMPLOYED					
FIXED ASSETS	3(d)		1,249,734		1,057,771
MARKETABLE SECURITIES	6		-		121,644
CURRENT ASSETS					
Stock of Souvenirs		36,688		30,392	
Debtors		288,835		259,291	
Bank Balances and Cash		842,538		367,714	
Corporation Tax repayable	3(a)	2,060		32,351	
		<u>1,170,121</u>		<u>689,748</u>	
		-----		-----	
CURRENT LIABILITIES					
Creditors		1,258,907		647,879	
Short Term Loan		24,353		135,000	
Unclaimed Dividends		1,675		1,515	
Proposed Dividend		-		600	
		<u>1,284,935</u>		<u>784,994</u>	
		-----		-----	
NET CURRENT (LIABILITIES)			(114,814)		(95,246)
			£ 1,134,920		£ 1,084,169
			=====		=====

Financed as Follows:-

Share Capital	3(b)	60,000	60,000
Reserves	3(c)	<u>1,074,920</u>	<u>1,024,169</u>
SHAREHOLDERS' FUNDS		£ 1,134,920	£ 1,084,169
		=====	=====

W. W. SMITH

W. D. CORKISH

DIRECTORS

The Notes on pages 9 to 12 form part of these Accounts

THE LIVERPOOL FOOTBALL CLUB AND ATHLETIC GROUNDS PLC

BALANCE SHEET
at 6th May 1983

	£	£	1983 £	1982 £
NET ASSETS EMPLOYED				
FIXED ASSETS				
Freehold : Leasehold Land			32,252	32,252
New and Old Stands			843,741	663,631
Motor Vehicles			19,347	28,222
			895,340	724,105
INVESTMENT IN SUBSIDIARIES			200	200
GROUP INDEBTEDNESS			380,234	394,574
CURRENT ASSETS				
Debtors		286,628		252,230
Cash and Bank - General	(150,651)			(57,343)
Treasurers	960,000			400,000
Catering	5,856			9,743
Travel	3,151			2,186
Dividend	225			65
Cash	1,000			1,000
		819,581		355,651
Corporation Tax repayable		15,298		30,514
		1,121,507		638,395
CURRENT LIABILITIES				
Creditors	1,230,162			630,804
Unclaimed Dividend	1,675			1,515
Proposed Dividend	-			600
		1,231,837		632,919
Net Current (Liabilities)/Assets			(110,330)	5,476
			£ 1,165,444	£ 1,124,355
Financed as Follows:-				
SHARE CAPITAL			60,000	60,000
RESERVES				
Retained Profit			968,381	327,292
Transfer Fees Reserve			-	300,000
Safety of Sports Ground Reserve			120,000	120,000
Capital Reserve			17,063	17,063
Building Reserve			-	300,000
			£ 1,165,444	£ 1,124,355

THE LIVERPOOL FOOTBALL CLUB AND ATHLETIC GROUNDS PLC

GROUP SOURCE AND APPLICATION OF FUNDS
for the year ended 6th May 1983

	£	<u>1983</u> £	<u>1982</u> £
SOURCES			
Profit/(Loss) before Taxation		89,535	(188,536)
Adjustments for items not involving movement of funds:			
Depreciation	18,875		19,334
Deficit on disposal of Fixed Assets	4,814		21,675
Profit on Sale of Capital Investments	(8,356)		-
		<u>15,333</u>	<u>41,009</u>
		104,868	(147,527)
Funds from Other Sources:			
Corporation Tax Repaid		-	33,068
Short Term Loan		-	135,000
Sales Proceeds of Fixed Assets		-	6,600
Proceeds from Sale of Capital Investments		<u>130,000</u>	-
		£ 234,868	£ 27,141
		<u>=====</u>	<u>=====</u>
APPLICATIONS			
Purchase of Investments		-	121,644
Corporation Tax Paid		8,493	-
Dividends Paid		440	497
Purchase of Fixed Assets		215,652	70,350
Short Term Loan repaid		<u>110,647</u>	-
		335,232	192,491
WORKING CAPITAL REQUIREMENT			
Increase in Stock	6,296		2,241
Increase in Debtors	29,544		10,457
(Increase) in Creditors	<u>(611,028)</u>		<u>(214,624)</u>
Net Source		(575,188)	(201,926)
Increase in Net Liquid Funds		<u>474,824</u>	<u>36,576</u>
		£ 234,868	£ 27,141
		<u>=====</u>	<u>=====</u>

The Notes on pages 9 to 12 form part of these Accounts

THE LIVERPOOL FOOTBALL CLUB AND ATHLETIC GROUNDS PLC

NOTES TO THE ACCOUNTS
for the year ended 6th May 1983

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, Travel Receipts, and Property Rents.

Stock

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

Depreciation

No depreciation is provided on Freehold and Long Leasehold Land and Buildings. In the opinion of the Directors this is not material.

Transfer Fees

Credit is taken in the Accounts only for amounts actually received during the financial year (Note 5).

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(c)).

Financial Year

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

2. PROFIT & LOSS ACCOUNT

(a) Operating Loss is stated after charging or (crediting):

	<u>1983</u>	<u>1982</u>
	£	£
Depreciation (Note 3(d))	18,875	19,334
Auditors' Remuneration	3,950	2,500
Directors' Remuneration	21,267	Nil
Surplus on Sale of Fixed Assets	<u>Nil</u>	<u>(426)</u>
(b) Highest Paid Director	<u>21,267</u>	<u>Nil</u>

(c) The outcome of the Club's activities "On the Field" is as follows:

	<u>1983</u>	<u>1982</u>
	£	£
Gate Receipts Retained	2,536,809	2,582,178
Principal Related Expenses	<u>2,892,797</u>	<u>3,023,839</u>
Loss	<u>£(355,988)</u>	<u>£(441,661)</u>

THE LIVERPOOL FOOTBALL CLUB AND ATHLETIC GROUNDS PLC

NOTES TO THE ACCOUNTS
for the year ended 6th May 1983

2. PROFIT & LOSS ACCOUNT

(c) - continued

The Principal Related Expenses shown as a percentage of Gate Receipts are as follows:

	%	<u>1983</u>	%	<u>1982</u>
	%	£		£
Players' and Management Wages and Related Payments	54	1,375,347	60	1,556,938
Transfer Fees (net)	22	576,389	22	558,993
Travelling and Subsistence	6	170,079	10	267,079
Training and Match Expenses	5	143,141	5	126,786
Ground Maintenance and Expenses including a provision for close season expenditure of £160,000 (1982 £54,315)	18	462,443	14	365,994
Gate Expenses	6	<u>165,398</u>	6	<u>148,049</u>
		<u>£ 2,892,797</u>		<u>£ 3,023,839</u>

(d) Employees' Remuneration:

Number of Employees whose emoluments were within the scale -

	<u>1983</u>	<u>1982</u>
£30,001 - £35,000	1	2
£35,001 - £40,000	0	1
£40,001 - £45,000	0	2
£45,001 - £50,000	2	4
£50,001 - £55,000	1	1
£55,001 - £60,000	3	2
£60,001 - £65,000	1	1
£65,001 - £70,000	3	2
£70,001 - £75,000	2	1
£80,001 - £85,000	2	0

(e) The Transfer Fee Reserve of £300,000 and the Building Reserve of £300,000 have been transferred to retained profits, as the Directors feel adequate provisions are made in the Club's Accounts.

3. BALANCE SHEET

(a) Taxation:

	<u>1983</u>	<u>1982</u>
	£	£
U.K. Corporation Tax -		
Repayments due for previous years	32,351	27,914
Tax Credits on Investment Income	<u>8,493</u>	<u>1,837</u>
	40,844	29,751
Based on Profits for the year	(19,713)	-
(Under)/Over-provisions in respect of prior years	<u>(19,071)</u>	<u>2,600</u>
	<u>£ 2,060</u>	<u>£ 32,351</u>

Corporation Tax has been provided on the adjusted Profits made within the Group and is calculated at 38%.

THE LIVERPOOL FOOTBALL CLUB AND ATHLETIC GROUNDS PLC

NOTES TO THE ACCOUNTS
for the year ended 6th May 1983

3. BALANCE SHEET (contd)

(b) Share Capital:

	<u>1983</u>	<u>1982</u>
	<u>£</u>	<u>£</u>
Authorised -		
15,000 Shares of £5 each	75,000	75,000
Issued and Fully Paid -		
12,000 Shares of £5 each	<u>60,000</u>	<u>60,000</u>

(c) Reserves:

	<u>Group</u>		<u>Parent</u>	
	<u>1983</u>	<u>1982</u>	<u>1983</u>	<u>1982</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Retained Profits	954,409	287,106	984,933	327,292
Transfer Fees Reserve	-	300,000	-	300,000
Safety of Sports Grounds Reserve	120,000	120,000	120,000	120,000
Capital Reserve	17,063	17,063	17,063	17,063
Building Reserve	-	300,000	-	300,000
	<u>£ 1,091,472</u>	<u>£ 1,024,169</u>	<u>£ 1,121,996</u>	<u>£ 1,064,355</u>

The Safety of Sports Grounds Reserve is represented by Grants received from the Football Grounds Improvements Trust.

(d) Fixed Assets (Group):

	<u>Land and Buildings</u>		<u>Stands,</u>	<u>Motor</u>	<u>Total</u>
	<u>Freehold</u>	<u>Long</u>	<u>Fixtures &</u>	<u>Vehicles</u>	
	<u>£</u>	<u>Leasehold</u>	<u>Furniture</u>	<u>£</u>	<u>£</u>
Cost -					
At 1st May 1982	363,063	2,855	892,358	46,674	1,304,950
Additions	25,542	-	190,110	-	215,652
	<u>388,605</u>	<u>2,855</u>	<u>1,082,468</u>	<u>46,674</u>	<u>1,520,602</u>
Disposals/Demolition	4,814	-	-	-	4,814
At 6th May 1983	<u>383,791</u>	<u>2,855</u>	<u>1,082,468</u>	<u>46,674</u>	<u>1,515,788</u>
Depreciation -					
At 1st May 1982	-	-	228,726	18,453	247,179
Charge	-	-	10,000	8,875	18,875
At 6th May 1983	<u>Nil</u>	<u>Nil</u>	<u>238,726</u>	<u>27,328</u>	<u>266,054</u>
Net Book Value at 6th May 1983	<u>383,791</u>	<u>2,855</u>	<u>843,742</u>	<u>19,346</u>	<u>£ 1,249,734</u>
Net Book Value at 1st May 1982	<u>363,063</u>	<u>2,855</u>	<u>663,632</u>	<u>28,221</u>	<u>£ 1,057,771</u>

All fixed assets, with the exception of Freehold Buildings, are held by the Holding Company resulting in a written down value of Fixed Assets in the Holding Company of £895,340 (1982 £724,105).

THE LIVERPOOL FOOTBALL CLUB AND ATHLETIC GROUNDS PLC

NOTES TO THE ACCOUNTS
for the year ended 6th May 1983

4. INVESTMENT IN SUBSIDIARY COMPANIES

	<u>1983</u>	<u>1982</u>
	<u>£</u>	<u>£</u>
Investments in wholly-owned Subsidiaries at cost:-		
LFC Properties Limited	100	100
LFC Leisure Limited	<u>100</u>	<u>100</u>
	£ 200	£ 200
	<u> </u>	<u> </u>

5. COMMITMENTS AND CONTINGENCIES

	<u>1983</u>	<u>1982</u>
	<u>£</u>	<u>£</u>
Deferred Receipts:		
Transfer Fees (see Note 1)	£ 435,500	£ 609,000
Capital Expenditure contracted but not included in these Accounts	<u>£ 200,000</u>	<u>£ 116,000</u>
Capital Expenditure authorised but not contracted	<u>£ Nil</u>	<u>£ 25,000</u>