



The
Everton
Football Club
Company Limited

Annual Report
and
Statement of Accounts
at 31 May 1974

THE
EVERTON FOOTBALL CLUB
COMPANY LIMITED

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NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Ninety-fifth Annual General Meeting of the Company will be held at the offices of The Everton Football Club Company Limited, Goodison Park, Liverpool L4 4EL, on Thursday the 1st day of August, 1974, at 7.00 p.m. to receive and consider the Report of the Directors, and the Accounts for the period ended 31st May, 1974, to elect Directors, to fix the remuneration of the Auditors for the ensuing year, to consider and, if thought fit, pass the Resolution shown below as a Special Resolution and to transact any other business which may be transacted at the Ordinary General Meeting of the Company.

The Transfer Books of the Company will be closed until 2nd August, 1974.

By Order of the Board.

C. D. HASSELL, Secretary,
Goodison Park, Liverpool L4 4EL.
4th July, 1974.

Resolution

That the Memorandum of Association be altered in manner following that is to say that there shall be added to Clause 3 (j) after the words "hold shares in" the following :-

'to lend and advance money or give credit to; to guarantee and give guarantees or indemnities for the payment of money or the performance of contracts or obligations by; to secure or undertake in any way the repayment of money lent or advanced to or the liabilities incurred by; and otherwise to assist'

Directors

A. W. Waterworth, J.P., Chairman
John Moores, C.B.E., Vice-Chairman
J. C. Sharp
N. W. Coffey
G. A. Watts
J. P. Hacking
T. H. W. Scott

Secretary and Registered Office

C. D. Hassell,
Goodison Park, Liverpool L4 4EL

Manager

W. L. Bingham

Bankers

Midland Bank Limited

Auditors

Rogers, Bowler & Co.

Admission on Presentation of Annual Report

Notice is also given that a Member of the Company entitled to attend and vote at the above Annual General Meeting is entitled to appoint a proxy to attend and vote instead of him, and that the proxy need not be a member of the Company. Proxies must be lodged at the Registered Office of the Company, not less than 48 hours before the time of the Meeting.

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EVERTON FOOTBALL CLUB COMPANY LIMITED

CHAIRMAN'S REPORT

I have much pleasure in presenting the Report and Accounts. The season under review was marked by a steady improvement in the team's performance and though we all recognise that this is but the beginning of our campaign to re-establish Everton as the premier club in English football, we can congratulate Mr. Bingham and the team on the progress which has been achieved to date. There is still a long way to go before we fulfil our ambition but throughout the season the team showed a determination and enthusiasm which is encouraging. Morale and team spirit have improved immeasurably and this allied to modern coaching techniques has proved one of the most important factors in the team's improvement. We intend to develop these qualities and the natural skills of our players so that an Everton team is created of which we can all be proud.

Whilst it is a fact that the long term strength of a club is dependent upon the quality of its Reserves and of its Youth team, it is equally true that no team can be revitalised quickly without sensible recourse to the transfer market. In September we purchased David Clements, the very experienced Irish International, from Sheffield Wednesday and in February, Bob Latchford joined us from Birmingham City. Both these players have already justified the decision to bring them to Goodison and I am confident that they will play a crucial role in the revival of Everton. At the end of May Jim Pearson, the Scottish Under 23 International, was signed from St. Johnstone — he has the ability to develop into a very exciting player.

The decision to part with Howard Kendall, our popular and successful club captain, was not an easy one. We would much rather have retained both him and Arthur Styles and paid cash for Bob Latchford. This however was not possible. Football clubs differ from commercial companies to the extent that success, not profits,

is the criterion of achievement. It is consequently almost impossible to secure really outstanding players of established reputations, without parting with other good players in exchange. During the season we accepted offers for Joe Harper from Hibernian, for Jimmy Husband from Luton and for Henry Newton from Derby County. Despite expenditure on transfers of approximately half a million pounds we made a net surplus of £123,900 on such deals and have transferred £100,000 to the Transfer Fee Reserve.

Most of the credit for the team's improved performance must go to Mr. Bingham who has made a significant impact upon the club during this, his first year as Manager of Everton. He enjoys the full confidence of the Board and I am certain that he has the attributes which will make him one of the outstanding Managers in English football. His coaching staff have worked enthusiastically and effectively throughout the season and I wish to acknowledge the club's appreciation of the efforts of Mr. Stewart Imlach and Mr. Ray Henderson who have coached the first and second teams respectively throughout the season. Mr. Ray Minshull, our Youth Development Officer, has continued to encourage some of the most outstanding young footballers in the country to join Everton and I congratulate him and Mr. Eric Harrison, the youth coach, on the success achieved by our younger players.

This year the club took part in a number of overseas matches. The first team played in France and Greece, whilst at the end of the season they took part, along with other English first division clubs, in an important Soccer Festival in Singapore and Malaysia. Our youth team played in two tournaments in Italy and finished their season playing in Holland. We believe that overseas experience is of value to the players and will help to equip them for the day when Everton is able to take part in the major European Competitions.

Though the Profit and Loss Account shows a more healthy position than last year this is entirely due to the surplus made upon transfers. Rising costs together with the additional burden of £69,359 paid to the government in V.A.T. make it very difficult indeed to break even on our football activities. To achieve this we need average attendances in excess of 35,000. A sound financial position is therefore more than ever dependent upon achieving success on the field.

A number of improvements have been effected during the year. A sauna bath has been installed at Bellefield for the benefit of players and plans are advanced to construct a small gymnasium to house the modern weight training apparatus which has been in use throughout the season. Despite the high standards already maintained at Goodison Park it is envisaged that proposed legislation concerning Safety at Sports Grounds will involve the Club in some additional expenditure.

Despite a 27% increase in rainfall during three winter months the pitch at Goodison survived quite well. This was largely due to the sand injection technique referred to in last year's Report. Similar treatment has already taken place at Goodison and Bellefield in preparation for next season and it is hoped that this will lead to further improvements in the conditions of the soil and turf.

Mr. Exall, who has done so much to develop the Promotional Activities at Everton over the past five years, left us at the end of the season to establish his own consultancy firm. The club has benefited immensely as a result of his efforts and we wish him well in his new venture. His place has been taken by Mr. Skinner who was formerly responsible for the Everton Development Association.

At the Annual General Meeting of the Football Association earlier this year, amendments were made to the rules which have the effect of allowing Clubs to operate their own Nursery Clubs

within the same competition. Whilst it is not our intention to enter into such arrangements at the present time, the Board are of the opinion that the Memorandum of Association should be altered to take account of this important change in the Football Association rules. The resolution set out on page three if approved would enable Everton to give a wide range of financial support or guarantees to another Club; being financially controlled by Everton, this Club would then become a Nursery Club within the definition of the Football Association and could be operated in conjunction with Everton to the advantage of both Clubs.

In this my first year as Chairman of Everton I would like to thank all those people whose enthusiasm and dedication are essential to the efficiency and well being of the club. I value greatly the help and encouragement which I have received from very many people connected with the club — from shareholders, club members, supporters and staff. My colleagues on the Board play a very active role in the administration of the club, they fulfil specific managerial responsibilities and their collective experience and advice is of great benefit to the club and of great assistance to me. I would like to thank Mr. Hacking, who is not seeking re-election to the Board, for the hard work and enthusiasm which he has always contributed to the affairs of the club. It is our intention to appoint him a Vice President in recognition of his services to Everton.

I am most grateful for the support given to me personally by the Directors and above all for the advice and encouragement given to me by my predecessor, Mr. John Moores, whose Littlewood Group of Companies continues to be of such immense assistance to the club. In football no one can guarantee success, but at Everton during the coming season we will do our best to deserve it.

ALAN W. WATERWORTH
Chairman

4th July, 1974.



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EVERTON FOOTBALL CLUB
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INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 May 1974

	1974 £	1973 £
Income		
Gate receipts, after percentages to visitors, League and Associations	410,875	432,537
Profits from sub-lets, programmes, bars, property, etc.	88,448	63,054
	<u>499,323</u>	<u>495,591</u>
Expenditure		
Salaries, wages and other payroll costs	286,706	250,682
Transfer fees (net), less provision	(28,900)	91,600
Training, travel, match and other expenses	114,564	79,584
Ground expenses and maintenance	25,195	21,540
Utilities	46,018	39,257
Depreciation	5,428	6,276
Auditor's remuneration	1,000	750
Other administrative expenses	19,407	17,074
	<u>474,413</u>	<u>506,763</u>
Surplus (1973 Deficit) carried to Profit and Loss Account	<u>£24,910</u>	<u>£(11,172)</u>

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PROFIT AND LOSS ACCOUNT
 for the year ended 31 May 1974

		1974 £	1973 £
Surplus (1973 Deficit) from Income and Expenditure Account		24,910	(11,172)
Add: Interest received		11,906	1,352
		<hr/> 36,816	<hr/> (9,820)
Deduct: Interest paid		8,175	12,463
		<hr/> 28,641	<hr/> (22,283)
Taxation (Note 5)		—	—
Profit (1973 Loss) after taxation		<hr/> 28,641	<hr/> (22,283)
Retained profits brought forward from previous year	122,142		
Add: Prior year adjustment (Note 6)	7,002	129,144	144,425
Retained profits to date	<hr/>	<hr/> £157,785	<hr/> £122,142

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This is to certify that this is a true copy of the Balance Sheet presented to Members of the Company at the Annual General Meeting held on 1st August 1974

A.W. Waterworth

Director

C. J. Russell

Secretary

BALANCE SHEET
 as at 31 May 1974

Fixed Assets

Freehold land, buildings, equipment and motor vehicles, at cost, less amounts written off (Note 1)

1974	1973
£	£
727,116	707,708

Current Assets

Stocks (Note 2)	5,783
Sundry debtors	118,600
Cash at bank	20,249
Cash in hand	26,494

6,216
67,989
6,893
1,341
<u>898,192</u>

Less Current Liabilities and Provisions

Sundry creditors	172,448
Taxation	—
Loan	195,000
Provision for transfer fees	100,000

122,922
23,166
250,000
<u>467,448</u>
<u>£393,993</u>

Net Assets

£430,744

Financed by

Capital and Reserves

Share capital (authorised and issued)
 2,500 £1 stock units
 General reserve (Note 3)
 Profit and Loss Account

2,500
270,459
157,785
<u>£430,744</u>

2,500
269,351
122,142
<u>£393,993</u>

Signed on behalf of the Board

ALAN W. WATERWORTH
 G. A. WATTS

} Directors.

REPORT OF THE AUDITORS TO THE MEMBERS OF THE EVERTON FOOTBALL CLUB COMPANY LIMITED

In our opinion the annexed Balance Sheet, Profit and Loss Account, and Notes give a true and fair view of the state of the Company's affairs at 31st May, 1974 and of its Profit for the year ended on that date, and comply with the Companies Act 1948 and 1967.

Signed ROGERS, BOWLER & CO., Chartered Accountants, Liverpool.

24th June, 1974.

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NOTES ON THE ACCOUNTS
 for the year ended 31 May 1974

1. Fixed Assets	Freehold land and buildings	Stands, etc.	Vehicles	Totals
	£	£	£	£
Cost or valuation				
At 1st June, 1973	69,667	784,117	5,647	809,481
Additions (see below)	31,086	(8,118)	3,697	26,665
Disposals	—	—	(3,369)	(3,369)
At 31st May, 1974	100,753	725,999	5,975	882,727
Depreciation				
At 1st June, 1973	27,720	71,789	2,264	101,728
Provided during year	—	3,861	1,562	5,423
On disposals	—	—	(1,535)	(1,535)
At 31st May, 1974	27,720	75,600	2,291	105,611
Net book value at 31st May, 1974	73,033	650,399	3,684	727,116

Donations received from the various Everton development associations have been applied in reduction of the cost of stands, etc.

2. Stocks

Stocks consist of refreshments and souvenirs, and have been valued at the lower of cost or market value.

3. General Reserve

	£
Balance at 1st June, 1973	269,351
Add: Distribution from investment previously written off	1,108
Balance at 31st May, 1974	£270,459

4. Future capital expenditure

	1974	1973
Estimated amount contracted for but not provided for in these accounts	Nil	Nil
Amount authorised by the Directors but not yet contracted for	£19,550	Nil

5. Taxation

No taxation is due in respect of the profit for the year to date as it is covered by unrelieved losses and capital allowances brought forward from earlier years.

6. Prior year adjustment

An overprovision made for taxation in earlier years has been added to the balance of retained profits brought forward.

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MINUTES OF THE 94th ANNUAL GENERAL MEETING HELD AT GOODISON PARK, LIVERPOOL ON
THURSDAY, 2nd AUGUST, 1973 AT 7.00 P.M.

Present: Messrs. J. Moores, C.B.E. (*In the Chair*), A. W. Waterworth (*Vice-Chairman*), J. C. Sharp, N. W. Coffey, G. A. Watts, J. P. Hacking and T. H. W. Scott (*Directors*), W. L. Bingham (*Manager*), C. D. Hassell (*Secretary*), K. M. Tamlin (*Solicitor*), P. Bowler (*Auditor*), together with 93 Shareholders.

NOTICE:

It was agreed that the notice convening the meeting be taken as read.

WELCOME:

The Chairman opened the meeting by introducing the new Manager, Mr. Billy Bingham, and the new Secretary, Mr. Chris Hassell.

MINUTES:

It was proposed by Mr. Bailey and duly seconded that for future years the minutes of the previous Annual General Meeting be included with the circulated Report and Accounts. The proposition was carried by 25 votes to 6.

PRESS:

The Chairman asked the meeting if it was their wish that the Press be admitted. This was agreed and therefore members of the Press were admitted.

CHAIRMAN'S REPORT:

The report having been previously circulated was agreed to be taken as read. There were no questions.

DIRECTORS' REPORT AND ACCOUNTS:

It was agreed that the Directors' Report and the Auditors' Report be taken as read. The Chairman then called upon Mr. Watts who proposed the adoption of the Accounts which showed a loss of £22,288. This was seconded by Mr. Balmforth and after a number of questions had been answered the proposition was put to the meeting and carried unanimously.

DIVIDEND:

It was proposed by Mr. Hacking and seconded by Mr. W. Davies that no dividend be paid. On being put to the meeting the resolution was carried unanimously.

AUDITORS:

It was proposed by Mr. Scott and seconded by Mr. Liggins that the remuneration of the Auditors for the ensuing year be left for the Directors to decide. This resolution was carried unanimously.

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ELECTION OF DIRECTORS:

The Chairman called upon Mr. Waterworth to take the Chair for this item. It was reported that Mr. John Moores C.B.E. and Mr. J. C. Sharp retired by rotation and being eligible offered themselves for re-election. The nomination in respect of Mr. K. Tamlin had been withdrawn.

Mr. Waterworth asked the meeting if they would accept a single resolution in respect of this item and it was agreed. Mr. Waterworth then proposed and Mr. Bailey seconded that Mr. John Moores C.B.E. and Mr. J. C. Sharp be elected for a further period of three years. On being put to the meeting the resolution was carried unanimously. Mr Moores and Mr. Sharp suitably thanked the members for their confidence and support.

MANAGER:

Mr. Moores then resumed the Chair and before calling upon Mr. Bingham for his report, placed on record his personal thanks and those of the Board to Mr. Harry Catterick for his efforts during the ten years he was Manager. The club had achieved considerable success and it was in no small way due to Mr. Catterick's skill and handling of the team. It was announced that Mr.

Catterick had now signed a new contract to stay with the club as Consultant. Mr. Bingham then addressed the meeting and said how pleased and proud he was to be back at Goodison. He was satisfied with the way the training had progressed and was hopeful for some good results on the pre-season tour to Sweden. The only casualty was Tommy Wright who was to have a cartilage operation. Mr Bingham also said that he was fully aware of the Everton tradition and that he would always favour the classical Everton style with its emphasis on skill. It would take a little time to assess the entire playing staff but improvements would be made as and when necessary. In answer to one specific question the Chairman emphasised that Mr. Bingham was in complete control of the team and that Mr. Catterick's position would not in any way affect Mr. Bingham's authority. There were a number of other questions and Mr. Bingham suitably replied.

ANY OTHER BUSINESS:

There were various other questions of a general nature and these were suitably answered.

There being no further business the meeting closed with a vote of thanks to the Chairman.

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NOTES