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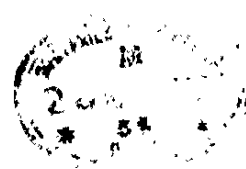


The  
**Everton**  
Football Club  
Company Limited

This is the copy referred to in the annexed Certificate 'B'.

*J. L. M. L. L.*  
*Secretary*

Annual Report  
and  
Statement of Accounts  
at 31 May 1980



THE  
**EVERTON FOOTBALL CLUB**  
COMPANY LIMITED

**NOTICE OF MEETING**

NOTICE IS HEREBY GIVEN that the One hundred & first 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 14th day of August, 1980, at 7.00 p.m. to receive and consider the Report of the Directors, and the Accounts for the period ended 31st May, 1980, to elect Directors, to appoint Auditors for the ensuing year, and to fix their remuneration, and to transact any other business which may be transacted at the Annual General Meeting of the Company.

The Transfer Books of the Company will be closed until 15th August, 1980.

By Order of the Board.

J. GREENWOOD, Secretary,  
Goodison Park, Liverpool L4 4EL.

18th July, 1980.

**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.*

**Directors**

P. D. Carter, Chairman  
T. H. W. Scott, Vice-Chairman  
G. A. Watts  
A. W. Waterworth, J.P.  
K. M. Tamlin  
J. Search  
D. A. B. Newton

**Secretary and Registered Office**

J. Greenwood,  
Goodison Park, Liverpool L4 4EL

**Manager**

G. F. Lee

**Bankers**

Midland Bank Limited

**Auditors**

Rogers, Bowler & Co.

THE  
**EVERTON FOOTBALL CLUB**  
COMPANY LIMITED

## CHAIRMAN'S REPORT

I have much pleasure in submitting the Annual Report and Accounts.

They are the official record of what was a difficult and disappointing year for the club, but I have been heartened by the many messages of support and encouragement received from shareholders and supporters.

I concluded my last report with the statement that our aim in the 1979/80 season would be nothing less than to win the League Championship and much was made of this by the media. In the event, far from even challenging for the title, we struggled to avoid relegation from the First Division, our worst performance since 1950/51, and the only bright spot in a most difficult season was provided by our F.A. Cup run, which saw us fall one step short of Wembley and only after a semi-final replay. This was clearly not good enough and I will return to the subject of the need to strengthen our competitiveness later in this report.

In the light of events the boldness of my comment last year may seem perplexing, but I did state that the Championship was our "aim" (as it should be for every club in the First Division). I still believe that, at the time the words were written, we appeared likely to have the resources to enable us to challenge for the Championship.

The fact that we fell so far short of that aim was due to several factors. The first was the very unsettled atmosphere in the first team squad in the early part of the season. Several senior players were unhappy with their lot and this not only deprived us of their services on the field, but served to disrupt the harmony which is so necessary if all players are to give of their best.

At the time the Manager stated that if players were unhappy and not prepared to give one hundred per cent effort at all times it was better they should go. The Board fully supported him in that attitude and in his call for full commitment.

The situation was eventually resolved with several departures and arrivals. But players need time to settle in a new club and integrate with the existing squad and we came to our UEFA Cup involvement without having put together a convincing series of results and we were eliminated by Feyenoord, of the Netherlands, in the second leg of the first round.

In the League Cup our 4-1 win over Aston Villa in the third round promised much, but then we succumbed to Third Division Grimsby Town in the fourth round.

Our League form throughout the season remained inconsistent and by the time the F.A. Cup came round our position in the First Division was giving real cause for concern. In the Cup we were favoured by home games against sides from lower Divisions right up to the sixth round and then, happily, we produced our best performance of the season to beat Ipswich Town decisively at Goodison Park. At that moment, and with the further good fortune of drawing the one

remaining Second Division club in the semi-final, a Wembley appearance seemed attainable. However, the dominance we achieved in the first halves of both games against West Ham United was not translated into goals and we were eventually beaten in the replay at Leeds.

The remainder of a sadly disappointing season was nail-biting for fans and staff alike as we struggled to pick up the points which enabled us to avoid relegation.

Although on paper we had a strong squad, injuries were again significant. John Barton, who had played so well at full-back in his first season with the Club, broke his leg at Coventry on October 6 and was out for the rest of the season; Mark Higgins broke his ankle on December 29 and was similarly lost to us for the remainder of the campaign; and Trevor Ross, Andy King and Garry Stanley all had spells on the sidelines when we could least afford it. Most cruel of all, Geoff Nulty had his career as a player ended by a severe knee injury sustained in the home game with Liverpool on March 1. Happily, Geoff is now embarking on a new role with the club as personal assistant to the Manager.

These factors meant that for most of the season we rarely fielded the same side for more than two consecutive games and changes in personnel also meant changes in tactics which were not conducive to the best level of understanding among the players.

There was considerable movement among senior players during this year. At the beginning of the season we sold Martin Dobson to Burnley and Mike Pejlic to Aston Villa. In October Dave Thomas moved to Wolves and Colin Todd to Birmingham, and the following month Pat Heard went to Aston Villa and Neil Robinson to Swansea City. In the New Year Ross Jack went to Norwich City and then there was no further departure until the sale, in May, of Brian Kidd to Bolton.

There were three signings in September: Garry Stanley from Chelsea, Asa Hartford from Nottingham Forest and Brian Quinn from Larne; John Gidman (at £650,000 our record signing) came from Aston Villa in November, Gary Megson from Plymouth Argyle in March and Graeme Sharp from Dumbarton in April. At the end of June we signed Jim McDonagh from Bolton Wanderers.

International Honours were gained by Asa Hartford who played twice for Scotland, and Billy Wright who played for the England Under 21 side on three occasions.

We have to face the fact that on last season's performance we have still not got a strong enough squad to compete successfully for the top honours at home and in Europe. However, I will state again that the Board will find the extra resources in order to build a first class squad capable of winning the highest awards. The level of our activity in the transfer market last season is indicated by the fact that we paid out a total of £2,165,000 and recouped £1,547,000 from sales.

However, we have to accept that the players of the highest ability and commitment are not readily available; there is no shop full of top class players waiting to be bought, however high the fees offered.

The top men have to be persuaded to move and the funds found to enable us to deal in the ridiculously inflated transfer market which the game has experienced over the past two seasons. The Board will not mortgage the future stability of the Club by paying transfer fees which are out of proportion to the general finances within soccer. We will therefore support all efforts to bring transfer fees under control. Everton has to be a viable economic unit and to get new players of higher calibre other players will inevitably have to be sold. The development of talent among our own junior players is also important and the success of our Under 19 team in the Groningen Tournament, at the end of the season, was most pleasing. They had five wins and a draw, won the tournament and picked up three trophies: winners, most goals and an award for Mark Ward as the tournament's outstanding player. These are the young men on whom Everton's future will develop and we are delighted with the promise they show.

Another area where control is the operative word is that of discipline on the field. Our record last season was deplorable and the Manager and squad have been told that when they represent Everton, both off and on the field, the highest standards of behaviour and sportsmanship are expected of them. As a club we are right behind the Football League and referees in tackling this problem which is detrimental to the image, and therefore the popular appeal, of this great game. In this respect we fully support the proposal for a 10-yard rule for dissent, as operates successfully in the two rugby football codes.

We were delighted that at the Football League's extraordinary general meeting the rest of the clubs backed us over shirt advertising and TV coverage; this has got to come. Shirt advertising has an enormous potential in this country and is just one of the ways in which more money can be brought into the game.

But football alone cannot pay its way; there is no way we can obtain sufficient income through the turnstiles to run the club, maintain and improve the facilities and make money available for the purchase of players. The associated revenue-producing activities we have developed are absolutely vital and we will continue to pursue them vigorously and successfully.

The accounts clearly demonstrate this fact. Our income was slightly better than in the previous year, due partly to increased admission prices and our F.A. Cup run. However, we made a loss on our main activities because of the net outlay on transfer fees of £623,472, and only the donations from the various development funds and income from other activities enabled us to finish the year with a small overall profit of £31,195.

All donations received from the development associations up to May 31st 1979 were applied in reduction of the cost of the Goodison Road stand and carrying out other improvements. The stand and other works are now paid for and we can in future, bring these valuable donations into our revenue account.

Not altogether surprisingly in a season in which we produced very few good performances, attendances at Goodison Park were disappointing, the average gate dropping by nearly 20 per cent to 28,714.

After the very heavy expenditure of the previous two years as a result of the Safety of Sports Grounds legislation, only lesser works were carried out on the fabric of Goodison Park, but these brought our total expenditure under the Act to £394,000, of which only £120,000 has been recovered in grants. During the close season a £70,000 soil heating system has been installed beneath the pitch. We have never lost many games to bad weather, but one cancellation a season is a costly matter and even this rare occurrence should now be a thing of the past.

In the wake of last season's results you may think it unwise of me to make any predictions about what we hope to achieve in the 1980-81 season. However, it is essential that we all remain positive and enthusiastic, so I emphatically assure shareholders and supporters that the directors will spare no effort in the search for the kind of success Everton has known in the past and is capable of achieving in the future. Our primary target, as always, must be to strive for no less than to win the Championship of the Football League.

Our past traditions and our excellent present day facilities make us one of the leading clubs in Europe, but they do not in themselves convey any right to success in the League or any other competition. This has to be earned by the efforts of people — players, management, staff and directors — and it can be greatly assisted by the support from the stands and the terraces. The directors, understanding supporters' feelings of disenchantment at our recent record, pledge that no effort will be spared in the coming season and urge everyone to continue to give the players the strong vocal support so necessary when the going is rough.

PHILIP CARTER  
Chairman

4th July, 1980

**THE  
EVERTON FOOTBALL CLUB  
COMPANY LIMITED**

**REPORT OF THE DIRECTORS**

The profit for the year to 31st May, 1980 amounted to £31,195. The Directors do not recommend the payment of a dividend.

**Directors**

At no time during the last financial year has:

1. Any Director of the Company had directly or indirectly any material interest in any Contract with the Company of significance in relation to the Company's business requiring disclosure under Section 16 (1) (c) of the Companies Act, 1967.
2. The Company been a party to any arrangement to enable Directors of the Company to acquire benefits by means of the acquisition of stock in the Company or any other Body Corporate.

The amount of Stock in the Company in which the Directors at the end of the Financial Year were then interested, according to the register kept by the Company for the purposes of Section 27 of the Companies Act 1967 are shown below. No other interests of these Directors in Stock of the Company were recorded in the register at that date.

	1st June 1979	31st May 1980
	£	£
Mr. P. D. Carter	23	26
Mr. T. H. W. Scott	3	3
Mr. G. A. Watts	3	3
Mr. A. W. Waterworth, J.P.	3	3
Mr. K. M. Tamlin	3	3
Mr. J. Search	3	3
Mr. D. A. B. Newton	3	3

The following Members of the Board of Directors retire in accordance with the Company's Articles and, being eligible, offer themselves for re-election:

Mr. P. D. Carter  
Mr. T. H. W. Scott  
Mr. K. M. Tamlin

Nominations have been received on behalf of:

Mr. S. C. Masterson  
Mr. P. L. Parry, J.P.

**Principal activity**

The principal activity of your Company continues to be that of a Professional Football League Club.

**Fixed assets**

Full details of the changes to the Fixed Assets are shown in Notes on the Accounts. In view of the specialised use of the Freehold Land and Buildings at Goodison Park, the Directors are unable to give an indication of the difference between market and book value. It is considered that the market value exceeds the value included in the Balance Sheet.

**Charitable and political contributions**

There were no charitable or political contributions made during the year.

**Auditors**

Messrs Rogers, Bowler & Co. have intimated their willingness to continue as Auditors of the Company if re-elected.

P. D. CARTER,  
Chairman

4th July, 1980.

THE  
**EVERTON FOOTBALL CLUB**  
 COMPANY LIMITED

**PROFIT AND LOSS ACCOUNT**  
**for the year ended 31 May 1980**

	1980 £	1979 £
<b>Income</b>		
Gate receipts and income from related footballing activities	1,326,661	1,290,606
Trading and other income	577,100	339,773
	<u>£1,903,761</u>	<u>£1,630,379</u>
<b>Expenditure</b>		
Salaries, wages and other payroll costs	964,743	795,954
Transfer fees (net), including reserve (Note 4)	623,472	381,632
Training, travel, match and other expenses	266,027	221,876
Ground expenses and maintenance	95,122	68,971
Utilities	116,082	100,346
Depreciation	28,100	22,045
Auditors' remuneration	4,000	4,000
Other administrative expenses	33,995	33,403
	<u>£2,131,541</u>	<u>£1,628,227</u>
<b>Balance Carried Forward</b>	<u>(£227,780)</u>	<u>£2,152</u>

THE  
**EVERTON FOOTBALL CLUB**  
 COMPANY LIMITED

**PROFIT AND LOSS ACCOUNT**  
**for the year ended 31 May 1980**

	1980 £	1979 £
<b>Balance Brought Forward</b>	(227,780)	2,152
<i>Add:</i> Interest received	10,053	7,562
Donations received (Note 3)	274,769	—
	<hr/> 57,042	<hr/> 9,714
<i>Deduct:</i> Interest paid	(25,847)	(6,726)
	<hr/> 31,195	<hr/> 2,988
Taxation (Note 4)	—	—
<b>Profit after taxation transferred to Reserves</b>	<hr/> £31,195	<hr/> £2,988



THE  
**EVERTON FOOTBALL CLUB**  
 COMPANY LIMITED

**BALANCE SHEET**  
 as at 31 May 1980

		1980		1979
	£	£	£	£
<b>Fixed Assets</b>				
Freehold properties, stands, equipment and motor vehicles, at cost, less amounts written off (Note 1)		575,541		476,656
<b>Current Assets</b>				
Stocks (Note 2)	23,164		22,109	
Sundry debtors	839,113		428,140	
Cash at bank	—		25,026	
Cash in hand	8,919		3,073	
		871,196		478,348
		<u>1,446,737</u>		<u>955,004</u>
<b>Less: Current Liabilities and Provisions</b>				
Bank overdraft (secured)	277,129		—	
Sundry creditors	869,210		685,801	
		1,146,339		685,801
<b>Net Assets</b>		<u>£300,398</u>		<u>£269,203</u>
<b>Financed by</b>				
<b>Capital and Reserves</b>				
Share capital (authorised and issued)				
2,500 £1 stock units, fully paid		2,500		2,500
Reserves (Note 5)		297,898		266,703
		<u>£300,398</u>		<u>£269,203</u>

*Signed on behalf of the Board*

P. D. CARTER }  
 G. A. WATTS } *Directors*

THE  
**EVERTON FOOTBALL CLUB**  
 COMPANY LIMITED

**STATEMENT OF THE SOURCE AND APPLICATION OF FUNDS**  
**for the year ended 31 May 1980**

	£	1980 £	£	1979 £
<b>Source of Funds</b>				
Profit before tax		31,195		2,988
Adjustment for items not using funds —				
Depreciation		28,100		22,045
Transfer to Transfer Fees Reserve		—		(250,000)
		<hr/>		<hr/>
Funds (deficit) from day-to-day operations		59,295		(224,967)
Movements in fixed assets		—		85,814
Grants from the Football Grounds		—		
Improvements Trust		—		120,000
		<hr/>		<hr/>
Total funds (deficit) from all sources		59,295		(19,153)
 <b>Application of Funds</b>				
Movements in fixed assets		126,985		—
		<hr/>		<hr/>
		(67,690)		(19,153)
 <b>Movements in working capital:</b>				
Increase (decrease) in stocks	1,055		14,047	
Increase (decrease) in debtors	410,973		165,321	
Decrease (increase) in creditors	(183,409)		(161,697)	
	<hr/>	228,619	<hr/>	17,671
 <b>Increase (decrease) in net liquid funds</b>		<hr/>		<hr/>
		£(296,309)		£(36,824)
 <b>Comprising:—</b>				
Bank and short term borrowings		(302,155)		(36,218)
Cash in hand		5,846		(606)
		<hr/>		<hr/>
		£(296,309)		£(36,824)

THE  
**EVERTON FOOTBALL CLUB**  
 COMPANY LIMITED

**NOTES ON THE ACCOUNTS**  
 for the year ended 31 May 1980

**1. Fixed Assets**

	Freehold properties	Stands, fixtures etc.	Safety works	Vehicles	Totals
<b>Cost or Valuation</b>	£	£	£	£	£
At 1st June 1979	57,330	304,134	249,971	20,080	631,515
Additions	—	85,104	24,065	18,881	128,050
Disposals	—	—	—	(2,577)	(2,577)
At 31st May 1980	57,330	389,238	274,036	36,384	756,988
<b>Depreciation</b>					
At 1st June 1979	27,720	117,282	2,901	6,956	154,859
Provided during year	—	14,623	5,453	8,024	28,100
On disposals	—	—	—	(1,512)	(1,512)
At 31st May 1980	27,720	131,905	8,354	13,468	181,447
<b>Net book value at 31st May 1980</b>	29,610	257,333	265,682	22,916	575,541

Expenditure under the heading of safety works was incurred in order to meet the requirements of the Safety of Sports Grounds Act 1975 and is reduced by grants received from the Football Grounds Improvement Trust in respect of this expenditure.

No depreciation is provided on land, buildings, stands and major fixtures and fittings incorporated therein other than safety works. Other fixed assets, including vehicles and safety works, are depreciated at various rates appropriate to the assets, ranging from 2% to 25%, calculated on the book value.

**2. Stocks**

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

**3. Donations**

Donations received from the various Everton Development Associations were deducted in previous years from the cost of the Goodison Road stand. As this has now been wholly covered, donations received in the current year have been credited to the Profit and Loss Account.

**4. Taxation**

There is no charge to Corporation Tax for the year.

<b>5. Reserves</b>	<b>1980</b>	<b>1979</b>
Transfer reserve	£	£
Balance at 1st June 1979	—	250,000
Transferred from Profit and Loss Account in respect of future expenditure authorised by the Directors	—	—
Transferred to Profit and Loss Account	—	(250,000)
Balance at 31st May 1980	—	—
General reserves		
Balance at 1st June 1979	266,703	263,715
Profit for the year	31,195	2,988
Balance at 31st May 1980	<u>£297,898</u>	<u>£266,703</u>
Total reserves	<u>£297,898</u>	<u>£266,703</u>
<b>6. Employees' Emoluments</b>		
The number of employees whose emoluments exceeded £20,000 in the year was as follows:—		
	1979/80	1978/79
Between £20,001 and £25,000	5	5
Between £25,001 and £30,000	4	—
Between £30,001 and £35,000	—	2
<b>7. Future Capital Expenditure</b>	<b>1980</b>	<b>1979</b>
Capital expenditure contracted for but not provided for in these accounts amounted to	£15,100	£23,881
Further expenditure authorised by the Directors on which orders had not been placed amounted to	£29,916	£6,000

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

In our opinion, the Accounts set out on pages 8 to 13, which have been prepared under the historical cost convention, give, on that basis, a true and fair view of the state of the Company's affairs at the 31st May 1980 and of its profit and source and application of funds for the year ended on that date, and comply with the Companies Acts 1948 and 1967

Signed ROGERS, BOWLER & CO., Chartered Accountants.

4th July, 1980

THE  
**EVERTON FOOTBALL CLUB**  
COMPANY LIMITED

MINUTES OF THE 100TH ANNUAL GENERAL MEETING HELD AT GOODISON PARK,  
LIVERPOOL, ON THURSDAY, 2nd AUGUST, 1979.

Present: Messrs. P. D. Carter (*in the Chair*), T. H. W. Scott, K. M. Tamlin, J. Search and D. A. B. Newton (*Directors*), G. F. Lee (*Manager*), J. Greenwood (*Secretary*) and P. B. Bowler (*representing Rogers, Bowler & Co., Auditors*), together with 102 Shareholders.

Apologies for absence were received from Messrs. G. A. Watts and A. W. Waterworth (*Directors*). The Chairman referred to the death during the past year of Mr. Jack Sharp and paid tribute to his long and valued service to the Club.

**NOTICE OF MEETING:**

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

**PRESS:**

It was agreed that the members of the Press should remain in attendance throughout the meeting.

**MINUTES:**

It was agreed that the Minutes of the 99th Annual General Meeting, having been circulated, should be taken as read. Mrs. E. Jones proposed that the Minutes be approved and signed as a correct record. This was seconded by Mr. R. E. D. Edwards and agreed unanimously.

**CHAIRMAN'S REPORT:**

It was agreed that the Chairman's Report to the Shareholders should be taken as read. The Chairman advised Shareholders of the up to date situation regarding Match Sponsorship and the new agreement to carry advertising on shirts whenever permissible during the coming season. The minutes of the Extra-Ordinary General Meeting held on 20th February, 1979 would be available for interested Shareholders following the meeting.

**DIRECTORS' REPORT AND ACCOUNTS**

It was agreed that the Directors' and Auditors' Reports should be taken as read. There were no questions on the Report and

Accounts and the Chairman formally proposed that they should be adopted. This was seconded by Mr. P. L. Parry and agreed unanimously.

**DIVIDEND:**

Mr. K. M. Tamlin proposed that no dividend should be paid. This was seconded by Mr. S. Willet and agreed unanimously.

**APPOINTMENT AND REMUNERATION OF AUDITORS:**

Mr. T. H. W. Scott proposed that Messrs. Rogers, Bowler & Co., should be appointed Auditors for the ensuing year and their remuneration should be left for the Directors to decide. Mr. J. Clayton seconded and the proposal was unanimously carried.

**ELECTION OF DIRECTORS:**

The Chairman announced that the two retiring Directors, Mr. J. Search and Mr. D. A. B. Newton were both eligible and offered themselves for re-election. The nominations in respect of Mr. P. L. Parry, J.P. and Mr. S. C. Masterson had been withdrawn. It was unanimously agreed to take a single resolution for the re-election of Messrs. Search and Newton for a further term of 3 years. This was proposed by the Chairman, seconded by Mr. F. Micklesfield and unanimously agreed.

Mr. Search and Mr. Newton expressed their thanks to the meeting.

**ANY OTHER BUSINESS:**

The Chairman answered a number of questions from Shareholders and the meeting closed with a vote of thanks to the Chairman, Directors and staff, proposed by Mr. G. Bailey and seconded by Mr. A. G. Hirst.