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The
Everton
Football Club
Company Limited



Annual Report
and
Statement of Accounts
at 31 May 1979

THE
EVERTON FOOTBALL CLUB
COMPANY LIMITED

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the One hundredth 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 2nd day of August, 1979, at 7.00 p.m. to receive and consider the Report of the Directors, and the Accounts for the period ended 31st May, 1979, 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 Ordinary General Meeting of the Company.

The Transfer Books of the Company will be closed until 3rd August, 1979.

By Order of the Board.

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

3rd July, 1979.

**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.

This was the Centenary season of the Club, which was founded in 1878 as St. Domingo F.C. and we marked this milestone with publication of "Everton — the Official History", written by John Roberts; with a reception for shareholders which proved to be a warm and nostalgic evening attended by more than 700 people, including many famous names from the club's past; and with a special Christmas social event for all the staff of the club at which the Football Association, the Football League and leading north-west clubs were represented.

On the field, our Centenary season saw us maintain our position as one of the leading handful of clubs in the country — over the past two seasons only two First Division teams have won more League matches — but without any trophies to show for this overall consistency.

Once again the first half of the season produced excellent results; we moved into second place in Division I after only five matches, remained in that slot right through to the end of January, and in that period lost only one League match. However, we then faltered and, although we remained in the top four until the end of the season, it became apparent that Championship honours were not to be ours.

Our interest in three Cup competitions was also short lived. Back in Europe after three years' absence, we comfortably disposed of Finn Harps, of the Irish League, in the first round of the UEFA Cup, but let slip our chance to establish an unassailable lead at home to Dukla Prague in the second round and paid the penalty in the away leg. In the League Cup we went down at home in round four to the eventual winners, Nottingham Forest, and in the F.A. Cup we succumbed at the first hurdle to those redoubtable Cup fighters, Sunderland.

Happily, our final League placing of fourth gives us a UEFA Cup place again in the coming season and the chance to show we can stand comparison with the very best in European football.

Injuries were particularly troublesome during the past season. The Manager was deprived of the services of a number of key players for long periods and the selection of a balanced side was often a problem. The situation would have been worse, but for the dedication of the playing and coaching staff and the tremendous efforts of our physiotherapist, Jim McGregor, who had his busiest season since joining the club.

Mr. Lee has continued to be active in the transfer market, seeking all the time to strengthen the squad and achieve an effective blend of talents. Thus there were a number of movements of senior players both in the 1978 summer break, during the course of the season and again this summer. Mickey Walsh, from Blackpool, and Geoff Nulty, from Newcastle United, joined us prior to the start of the season and the same period saw the departure of Duncan McKenzie to Chelsea and Jim Pearson to Newcastle. At the end of August, Mick Buckley went to Sunderland and in September, former England International Colin Todd joined us from Derby County. In December, John Barton joined us from non-League Worcester City and then over the turn of the year we lost two Everton stalwarts, Roger Kenyon and Terry Darracott to the fast-developing U.S. soccer scene. In February, we signed Imre Varadi from Sheffield United and then in March, Brian Kidd from Manchester City and Peter Eastoe, from Queens Park Rangers, the latter in a deal which saw Mickey Walsh travelling in the other direction in exchange. That completed the season's transfer activity, but this year's summer break saw David Jones depart to Coventry City, John Bailey arrived from Blackburn Rovers, Martin Hodge from Plymouth Argyle, and Eamon O'Keefe from non-League Mossley.

A notable departure from the coaching staff was Steve Burtenshaw. He carried the good wishes of everyone at Goodison Park to the very difficult task of managing QPR, but unhappily his tenure there did not last out the season.

Full International honours were gained during the season by Bob Latchford (England), George Wood (Scotland) and Mickey Walsh (Ireland), and Billy Wright played for the England Under-21 side.

Attendance at Goodison Park were very good until our form deteriorated in the second half of the season. This meant that the average gate of 35,100 was down on the previous season, but it was still the fifth best in the First Division.

Our trading operations again showed a very substantial improvement and an overall increase in income of £316,127 over the previous year, reflecting the higher admission charges and increased contributions from related football activities. This enabled us to cover our higher expenses and the net expenditure of £381,632 on transfer fees, after utilising the reserve of £250,000 which we created for this purpose last year. The net result was a small profit of £2,988 for the year.

We are beginning the year with a small bank balance, but it is important to note that we have now developed our predictable sources of income to a level which will ensure that further substantial sums will be available for player purchases.

Towards the end of the financial year, and at a time when season ticket sales were in full swing, we had to handle the unexpectedly high increase in the rate of VAT. We held our prices at the pre-VAT rise rate for ten days after the official date of the increase and we know this was appreciated by season ticket holders.

During the year, our Commercial Department expanded its activities still further and, for example, match sponsorship is now a regular feature appreciated by both the sponsors and ourselves.

As always, the condition of Goodison Park continued to receive the closest attention from the board; a first class ground only stays that way by a continual process of renovation and improvement. During the year we spent a further £131,157 under the Safety of Sports Grounds legislation, bringing the total now expended under this Act to £369,971, of which only £120,000 has been recovered by way of grants. We feel that the Trust set up to assist clubs should bear more of this cost and will continue to press for additional grants for Everton. Supporters will notice alterations at the Park end, where the part of the enclosure with wooden flooring has been walled off, but thanks to improvements elsewhere the ground capacity is very little reduced. Less apparent, but extremely valuable is the sprinkler water system installed during the close season work on the pitch.

One of the great strengths of our club is the strong continuity in boardroom matters; changes of director are comparatively rare and the tradition is one of long and devoted service. This kind of dedication was epitomised by Mr. Jack Sharp, who died on 3rd March. Mr. Sharp was a director of the club for no less than thirty-three years and was Chairman during a period in which we were Cup Finalists in 1968 and League Champions in 1969/70. His devotion to Everton was absolute and we have much to remember him for with pride and gratitude.

To fill the vacancy created by Mr. Sharp's death Mr. David Newton, a shareholder and worker for the club for many years, was co-opted to the Board.

During the course of the year many people work conscientiously for the good of the club and it is a great pleasure to be able to record formally my appreciation of their efforts. I have received the strongest backing at all times from my fellow directors and officials of the club.

Our supporters maintained their reputation for enthusiastic encouragement and good behaviour and their vocal presence, particularly on away grounds, was of great value to the team. They also responded well to strong pleas, made by the directors and the players, to cut out obscene chants. Sadly, they are heard on many grounds today. At Goodison Park we want to eliminate them. The players find these chants extremely distasteful and they can only deter the kind of family support we are working hard to develop at Everton.

In conclusion, I have to admit that we had hoped very much to crown our Centenary season with the winning of a major trophy, but it was not to be. To spend an entire season never out of the top four places in what is universally regarded as the toughest national League in the World is encouraging, but not success in the terms in which we understand the word at Everton. Our aim in the 1979-80 season will be nothing less than to win the League Championship and the manager and playing and coaching staffs will be given every possible backing and encouragement by the directors to achieve this target.

P. D. CARTER
Chairman

3rd July, 1979.

THE
EVERTON FOOTBALL CLUB
COMPANY LIMITED

REPORT OF THE DIRECTORS

The profit for the year to 31st May, 1979 amounted to £2,988. 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 1978 | 31st May 1979 |
|----------------------------|------------------|------------------|
| | £ | £ |
| Mr. P. D. Carter | 3 | 23 |
| 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. J. Search
Mr. D. A. B. Newton

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

3rd July, 1979.

THE
EVERTON FOOTBALL CLUB
 COMPANY LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31 May 1979

| | 1979 £ | 1978 £ |
|--|-------------------|-------------------|
| Income | | |
| Gate receipts and income from related footballing activities | 1,268,182 | 1,025,348 |
| Trading and other income | 339,773 | 266,480 |
| | <u>£1,607,955</u> | <u>£1,291,828</u> |
| Expenditure | | |
| Salaries, wages and other payroll costs | 795,954 | 678,571 |
| Transfer fees (net), after reserve movements (Note 4) | 381,632 | 292,168 |
| Training, travel, match and other expenses | 199,452 | 154,548 |
| Ground expenses and maintenance | 68,971 | 51,983 |
| Utilities | 100,346 | 88,737 |
| Depreciation | 22,045 | 10,020 |
| Auditors' remuneration | 4,000 | 3,200 |
| Other administrative expenses | 33,403 | 27,303 |
| | <u>£1,605,803</u> | <u>£1,306,530</u> |
| Balance Carried Forward | <u>£2,152</u> | <u>£(14,702)</u> |

THE
EVERTON FOOTBALL CLUB
 COMPANY LIMITED

PROFIT AND LOSS ACCOUNT
 for the year ended 31 May 1979

| | 1979 £ | 1978 £ |
|--|--------------|-------------|
| Balance Brought Forward | 2,152 | (14,702) |
| <i>Add:</i> Interest received | 7,562 | 16,639 |
| | <hr/> 9,714 | <hr/> 1,937 |
| <i>Deduct:</i> Interest paid | (6,726) | (1,753) |
| | <hr/> 2,988 | <hr/> 184 |
| Taxation (Note 3) | — | — |
| Profit after taxation transferred to Reserves | <hr/> £2,988 | <hr/> £184 |

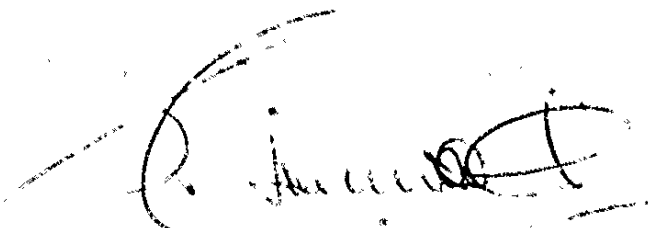
THE
EVERTON FOOTBALL CLUB
 COMPANY LIMITED

BALANCE SHEET
as at 31 May 1979

| Fixed Assets | 1979 | | 1978 | |
|---|-------------------|-----------------|-------------------|-----------------|
| Freehold properties, stands, equipment and motor vehicles, at cost, less amounts written off (Note 1) | £ | £ | £ | £ |
| | | 476,656 | | 694,971 |
| Current Assets | | | | |
| Stocks (Note 2) | 22,109 | | 8,062 | |
| Sundry debtors | 428,140 | | 272,363 | |
| Cash at bank | 25,026 | | 61,244 | |
| Cash in hand | 3,073 | | 3,679 | |
| | <u> </u> | 478,348 | <u> </u> | 345,348 |
| | | 955,004 | | 1,040,319 |
| Less: Current Liabilities and Provisions | | | | |
| Sundry creditors | | 685,801 | | 524,104 |
| Net Assets | | <u>£269,203</u> | | <u>£516,215</u> |
| Financed by | | | | |
| Capital and Reserves | | | | |
| Share capital (authorised and issued) | | | | |
| 2,500 £1 stock units, fully paid | | 2,500 | | 2,500 |
| Reserves (Note 4) | | 266,703 | | 513,715 |
| | | <u>£269,203</u> | | <u>£516,215</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 1979

| | £ | 1979 £ | £ | 1978 £ |
|--|-----------|-----------|-----------|-----------|
| Source of Funds | | | | |
| Profit before tax | | 2,988 | | 184 |
| Adjustment for items not using funds — | | | | |
| Depreciation | | 22,045 | | 10,020 |
| Transfer to Transfer Fees Reserve | | (250,000) | | 250,000 |
| | | <hr/> | | <hr/> |
| Funds (deficit) from day-to-day operations | | (224,967) | | 260,204 |
| Movements in fixed assets | | 85,814 | | — |
| Grants from the Football Grounds | | | | |
| Improvements Trust | | 120,000 | | — |
| | | <hr/> | | <hr/> |
| Total funds (deficit) from all sources | | 19,153 | | 260,204 |
| Application of Funds | | | | |
| Movements in fixed assets | | — | | 154,379 |
| | | <hr/> | | <hr/> |
| | | (19,153) | | 105,825 |
| Movements in working capital: | | | | |
| Increase (decrease) in stocks | 14,047 | | 3,199 | |
| Increase (decrease) in debtors | 165,321 | | (20,374) | |
| Decrease (increase) in creditors | (161,697) | | (255,814) | |
| | <hr/> | 17,671 | <hr/> | (272,989) |
| Increase (decrease) in net liquid Funds | | <hr/> | | <hr/> |
| | | £(36,824) | | £378,814 |
| Comprising:— | | | | |
| Bank and short term borrowings | | (36,218) | | 379,004 |
| Cash in hand | | (606) | | (190) |
| | | <hr/> | | <hr/> |
| | | £(36,824) | | £378,814 |

EVERTON FOOTBALL CLUB
COMPANY LIMITED

NOTES ON THE ACCOUNTS
for the year ended 31 May 1979

1. Fixed Assets

| | Freehold properties | Stands, fixtures etc. | Safety works | Vehicles | Totals |
|--|------------------------|-----------------------------|-----------------|----------|-----------|
| Cost or Valuation | £ | £ | £ | £ | £ |
| At 1st June 1978 | 88,416 | 495,357 | 238,814 | 13,584 | 836,171 |
| Additions (see below) | — | (186,288) | 131,157 | 9,753 | (45,378) |
| Grants | — | — | (120,000) | — | (120,000) |
| Disposals | (31,086) | (4,935) | — | (3,257) | (39,278) |
| At 31st May 1979 | 57,330 | 304,184 | 249,971 | 20,080 | 631,515 |
| Depreciation | | | | | |
| At 1st June 1978 | 27,720 | 109,041 | — | 4,439 | 141,200 |
| Provided during year | — | 8,921 | 2,901 | 4,374 | 16,196 |
| On disposals | — | (680) | — | (1,857) | (2,537) |
| At 31st May 1979 | 27,720 | 117,282 | 2,901 | 6,956 | 154,859 |
| Net book value at 31st May 1979 | 29,610 | 186,852 | 247,070 | 13,124 | 476,656 |

Donations received from the various Everton development associations have been applied in reduction of the cost of stands etc. in accordance with undertakings given between the Club and the associations.

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 receivable from the Football Grounds Improvement Trust in respect of this expenditure.

No depreciation is provided on land, buildings, stands and fixtures and fittings therein. Other fixed assets, including vehicles, 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. Taxation

There is no charge to Corporation Tax for the year.

| | | |
|---|----------------|----------------|
| 4. Reserves | 1979 | 1978 |
| Transfer reserve | £ | £ |
| Balance at 1st June 1978 | 250,000 | — |
| Transferred from Profit and Loss Account in respect of future expenditure authorised by the Directors | — | 250,000 |
| Transferred to Profit and Loss Account | (250,000) | — |
| Balance at 31st May 1979 | — | £250,000 |
| General reserves | | |
| Balance at 1st June 1978 | 263,715 | 263,531 |
| Profit (Loss) for the year | 2,988 | 184 |
| Balance at 31st May 1979 | £266,703 | £263,715 |
| Total reserves | £266,703 | £513,715 |
| 5. Employees' Emoluments | | |
| The number of employees whose emoluments exceeded £10,000 in the year was as follows:— | | |
| | 1978/79 | 1977/78 |
| Between £10,001 and £12,500 | 4 | 4 |
| Between £12,501 and £15,000 | 3 | 5 |
| Between £15,001 and £17,500 | 2 | 2 |
| Between £17,501 and £20,000 | 3 | 1 |
| Between £20,001 and £22,500 | 4 | 4 |
| Between £22,501 and £25,000 | 1 | 1 |
| Between £25,001 and £27,500 | — | 2 |
| Between £27,501 and £30,000 | — | — |
| Between £30,001 and £32,500 | 2 | — |
| 6. Future Capital Expenditure | 1979 | 1978 |
| Capital expenditure contracted for but not provided for in these accounts amounted to | £23,881 | £66,547 |
| Further expenditure authorised by the Directors on which orders had not been placed amounted to | £6,000 | £17,700 |

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 1979 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.

3rd July, 1979

**THE
EVERTON FOOTBALL CLUB
COMPANY LIMITED**

**MINUTES OF THE 99TH ANNUAL GENERAL MEETING HELD AT GOODISON PARK,
LIVERPOOL ON THURSDAY 4th AUGUST 1978 AT 7.00 P.M.**

Present: Messrs. T. H. W. Scott (*in the Chair*), P. D. Carter, J. C. Sharp, G. A. Watts, A. W. Waterworth, J.P. and K. M. Tamlin (*Directors*), G. F. Lee (*Manager*), J. Greenwood (*Secretary*), P. B. Bowler (*representing Rogers, Bowler & Co., Auditors*), together with 81 Shareholders.

An apology for absence was received from Mr. J. Search (*Director*).

NOTICE OF MEETING:

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

PRESS:

The Chairman reported that the Press were present and it was agreed they should remain in attendance.

MINUTES:

It was agreed that the minutes of the 98th Annual General Meeting, having been circulated, should be taken as read. Mr. W. McNaughton proposed that these be signed as a true record. This was seconded by Mr. W. Davies and agreed unanimously.

CHAIRMAN'S REPORT:

It was agreed that the Chairman's Report to the Shareholders should be taken as read. The Chairman referred briefly to the Centenary Celebrations and the arrangement of a Shareholders' Reception as part of the proceedings.

DIRECTORS' REPORT AND ACCOUNTS:

It was agreed that the Directors' Report and Accounts should be taken as read. After answering a Shareholder's question, Mr. G. A. Watts proposed that the Accounts should be adopted. This was seconded by Mr. E. D. Edwards and carried unanimously.

DIVIDEND:

Mr. J. C. Sharp proposed that no dividend should be paid. This was seconded by Mr. G. W. D. Beattie and carried unanimously.

**APPOINTMENT AND REMUNERATION
OF AUDITORS:**

Mr. P. D. Carter proposed that Messrs. Rogers, Bowler & Co., should be appointed as Auditors for the ensuing year and their remuneration should be left for the Directors to decide. This was seconded by Mrs. E. Jones and carried unanimously.

ELECTION OF DIRECTORS:

The Chairman reported that the two retiring Directors, Mr. G. A. Watts and Mr. A. W. Waterworth, J.P., were both eligible and offered themselves for re-election. The nominations received in respect of Mr. D. A. B. Newton and Mr. P. L. Parry, J.P., had been withdrawn. The meeting unanimously agreed to take a single resolution for the re-election of Messrs. Watts and Waterworth for a further term of 3 years. This was proposed by Mr. T. H. W. Scott, seconded by Mr. P. L. Parry, J.P., and carried unanimously.

ANY OTHER BUSINESS:

The Chairman answered a number of questions put by Shareholders and the Meeting closed with a vote of thanks to the Directors and Officials proposed by Mr. G. Bailey and seconded by Mr. F. Micklesfield.