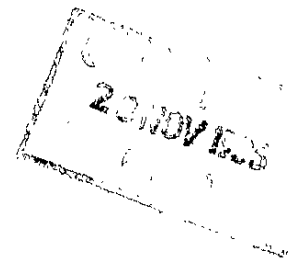


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**The
Everton
Football Club
Company Limited**



Annual Report
and
Statement of Accounts
at 31st May 1985



THE
EVERTON FOOTBALL CLUB
COMPANY LIMITED

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the one hundred & sixth 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 15th day of August, 1985, at 7.00 p.m. to receive and consider the Report of the Directors, and the Accounts for the Year ended 31st May, 1985, 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 16th August, 1985.

By Order of the Board.

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

23rd July, 1985.

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

Secretary and Registered Office

J. Greenwood,
Goodison Park, Liverpool L4 4EL

Manager

H. Kendall

Bankers

Trustee Savings Bank

Auditors

Rogers, Bowler & Co.

THE
EVERTON FOOTBALL CLUB
COMPANY LIMITED

CHAIRMAN'S REPORT

I have pleasure in submitting the Annual Report and Accounts.

I am delighted to report on the most successful season in the history of the Club.

The highlights were obviously winning the Canon League Trophy, our first European Trophy—the Cup Winners Cup, and winning the Charity Shield.

Yet another visit to Wembley for the F.A. Cup Final provided a further memorable occasion, although this time we were not able to bring the Trophy back to Goodison.

The League season was one of almost unblemished success. We were in first position in the League for 27 weeks, finished 13 points clear of Liverpool who were in 2nd place and scored the highest number of goals in the 1st Division.

This was Howard Kendall's fourth year as Manager and he, plus all his staff, are to be congratulated on the magnificent achievements of the season.

Pursuing the Club's policy of continuing to strengthen the playing staff, we were again involved in considerable activity in the transfer market. We signed Pat Van den Hauwe, Ian Atkins, Paul Wilkinson and Bobby Mimms, and transferred out of the Club—Alan Irvine, Ian Bishop, Stuart Rimmer, Terry Curran, Darren Hughes, John Morrissey and Jim Arnold.

Unfortunately, we also lost the services of Mark Higgins, who had to retire completely from football due to a serious injury. We wish Mark every success for the future.

At the time of compiling this Report, we have just signed Gary Lineker from Leicester, and I am sure that all fans and staff alike will wish him continued success with Everton.

We are also sad to see the departure of Andy Gray to Aston Villa. Andy played a major role in our success of last season and we wish him well with his new club.

The recent tragic incidents at Bradford and Brussels have cast a dark shadow over the whole of football.

It is my fervent hope that all officials and agencies within the game, plus our political leaders will combine

together to attack the root causes of the problem, not merely suggest cosmetic solutions, which will have no effect whatsoever and may even be counter-productive.

The performance of our players during the season resulted in a heartening increase in the recognition for international honours.

Kevin Ratcliffe continued as Captain of Wales joined by Neville Southall and Pat Van den Hauwe.

Four new England Caps were achieved by Peter Reid, Trevor Steven, Gary Stevens and Paul Bracewell.

Andy Gray and Graeme Sharp were selected for Scotland and Kevin Sheedy appeared again for Eire.

Paul Wilkinson and Bobby Mimms, our new signings, also played for the England under 21 team. In addition, two of our young players—Rob Wakenshaw and Derek Walsh were selected for the England and Scottish Youth Squads respectively.

Our Manager, Howard Kendall, received the highest accolade within the game—namely Bells Manager of the Year Award, and richly deserved.

Neville Southall, who had an outstanding season, was named Sportsman's Player of the Year, with Peter Reid as runner-up.

Peter Reid was named Player of the Year by his fellow professionals.

Our backroom staff, who produce the Club programme, were also voted the Programme of the Year Award.

Our heartiest congratulations to them all.

The success of last season was reflected both in attendances and associated revenue.

Total attendances at Goodison Park were 948,569 compared with 564,463 the previous Season. The average League attendance was up from 19,290 to 31,983 (an increase of 66%).

The income from our main footballing activities improved by approximately 65%. This produced a profit of £1,000,313 before transfer fees.

Donations from various development funds and income from other activities (less interest payable) provided a profit of £495,737. However, the net transfer position showed a loss of £657,875 and after transferring a further £500,000 to the transfer fee reserves the total profit for the year was £338,175.

The second year of the T.V. contract, which included 10 'live' League matches, was again successful. These matches, thanks to everyone involved, were an extremely good advert for football.

The European games in which we participated brought a new dimension to Goodison Park, culminating in the splendid Final in Rotterdam. The Team and fans alike can be justly proud of their reputation.

The Club continues to promote the Blues Family Club, and last season produced the largest increase in membership to date.

It is our firm intention to further develop this aspect of family participation.

We recently announced, for the coming season a new sponsorship agreement with NEC. We welcome them to Goodison Park, and trust that our relationship will be mutually beneficial.

I would also like to thank most sincerely our previous sponsors 'Hafnia' and their M.D. in particular, Mr. Ole Toft, for their magnificent support during the 'not so good years'. I am sure that they felt that our recent success was more than adequate compensation.

During the close season we are installing a new enclosure for invalid chairs, which we trust will be of considerable help to our fans who use it.

In compiling this Report, it gives me particular pleasure to look back on a season, which produced so many tangible signs of success, whilst promising so much more for the future.

I wish to acknowledge the continued support from my fellow Directors, the officers and staff of the Club, and many other people who gave willingly of their time to help Everton.

Last season was an exciting but demanding time, and I wish to place on record my personal appreciation to everyone with Everton for their unstinting help and encouragement.

Our supporters continue to be the envy of most other Clubs, in particular our enthusiastic band of away supporters, who gave such visual and vocal encouragement, irrespective of the time of year or weather conditions.

Finally, on looking back over last season, I think we can all feel tremendous pride in the Club's achievements. However, this must only be considered as the start of a new era.

I cannot improve on Howard Kendall's comment to the press on the day we clinched the Championship 'If you return in five year's time and we have been battling for honours every year, then we can consider ourselves successful'.

I am sure that we are all looking forward with keen anticipation to the new season. I trust that the disasters of last season will re-awaken the desire of all people associated with football to re-establish all of those basic human values which enable society to remain strong, and people to live in harmony.

PHILIP CARTER

15th July, 1985

THE
EVERTON FOOTBALL CLUB
COMPANY LIMITED

REPORT OF THE DIRECTORS

Principal activity

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

Review of business

A summary of the period's trading is given on page 7 of the Accounts.

The profit for the year is £338,175 after expenditure of £657,875 on players' transfers together with a further sum of £500,000 placed to the transfer fee reserve. This represents a net charge of £1,157,875 on transfer fees in the financial year and we were able to strengthen our playing staff to this extent as a result of our continuing success both in the Canon League and the European and F.A. Cup Competitions.

Following the disastrous fire at Bradford City together with Liverpool F.C. we established an appeal fund for the dependents with a donation of £10,000.

The Directors consider the state of the company's affairs at the year end to be satisfactory.

Dividend

The Directors do not recommend the payment of a dividend.

Directors

The directors in office in the year and their beneficial interests in the issued ordinary share capital were as follows:

	1st June 1984	31st May 1985
	£	£
Mr. P. D. Carter, C.B.E.	73	75
Mr. T. H. W. Scott	3	3
Mr. G. A. Watts	3	3
Mr. A. W. Waterworth	3	3
Mr. K. M. Tamlin	7	8
Mr. J. Search, G.M.	3	3
Mr. D. A. B. Newton	3	3

In accordance with the Articles of Association Messrs. J. Search and D. A. B. Newton retire by rotation and, being eligible, offer themselves for re-election. Nominations have been received on behalf of Messrs. S. C. Masterson and P. L. Parry.

Fixed assets

Full details of the changes to the Fixed Assets are shown in the Notes to the Accounts.

Auditors

The auditors, Messrs. Rogers, Bowler & Co., will be proposed for re-appointment in accordance with Section 14(1) of the Companies Act 1976.

By order of the Board

P. D. CARTER,
Chairman

15th July, 1985

THE
EVERTON FOOTBALL CLUB
 COMPANY LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31st May 1985

	Notes	1985 £	1984 £
Income			
Gate receipts and income from related footballing activities		3,718,288	2,249,486
Trading and other income		975,016	709,605
		<u>4,693,304</u>	<u>2,959,091</u>
Expenditure			
Cost of goods for resale		530,548	362,469
Staff costs	10	1,708,681	1,343,919
Training, travel, match and other expenses		473,229	336,027
Ground expenses and maintenance		133,787	90,371
Utilities		200,897	171,763
Depreciation	2	29,736	26,680
Auditors' remuneration		5,000	4,000
Other operating expenses		201,045	144,533
		<u>3,282,923</u>	<u>2,479,762</u>
Balance before transfer fees		1,410,381	479,329
Add: Transfer fees receivable		55,000	117,500
Deduct: Transfer fees, etc., payable		(712,875)	(1,024,125)
Balance after transfer fees		752,506	(427,296)
Add: Interest receivable		29,177	20,276
Deduct: Interest payable	11	(61,548)	(96,285)
Profit on ordinary activities before taxation (1984: Loss)		720,135	(503,305)
Taxation re ordinary activities	12	—	—
Profit on ordinary activities after taxation (1984: Loss)		720,135	(503,305)
Add: Donations receivable	13	118,040	127,879
Deduct: Transfer to (1984: from) Transfer Fees Reserve	9	(500,000)	200,000
Profit (1984: Loss) transferred to reserves		<u>£338,175</u>	<u>£(175,426)</u>

THE
EVERTON FOOTBALL CLUB
 COMPANY LIMITED

This is to certify that this is a true and correct copy of the balance sheet and accounts of the members of the company at the A.G.M. held on 15th April 1985.

..... *[Signature]* Director
 *[Signature]* Director

BALANCE SHEET
 as at 31st May 1985

	Notes	1985 £	1984 £
Fixed Assets			
Tangible assets	2	2,977,450	2,975,039
Current Assets			
Stocks	3	28,424	27,434
Debtors	4	532,637	475,378
Cash at bank and in hand		988,940	103,877
		<u>1,550,001</u>	<u>606,689</u>
Creditors: amounts falling due within one year	5	<u>(1,222,080)</u>	<u>(1,145,329)</u>
Net Current Assets (Liabilities)		<u>327,921</u>	<u>(538,640)</u>
Total Assets less Current Liabilities		<u>3,305,371</u>	<u>2,436,399</u>
Creditors: amounts falling due after more than one year	6, 7	<u>(380,164)</u>	<u>(405,134)</u>
Net Assets		<u>£2,925,207</u>	<u>£2,031,265</u>
Representing			
Capital and Reserves			
Called up share capital	8	2,500	2,500
Revaluation reserve	9	2,120,883	2,065,116
Other reserves	9	500,000	—
Profit and loss account	9	301,824	(36,351)
		<u>£2,925,207</u>	<u>£2,031,265</u>

Signed on behalf of the Board,
 who approved the accounts on 15th July, 1985

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

28.11.1985

THE
EVERTON FOOTBALL CLUB
 COMPANY LIMITED

STATEMENT OF THE SOURCE AND APPLICATION OF FUNDS
for the year ended 31st May 1985

	1985		1984	
	£	£	£	£
Source of Funds				
Funds generated from operations:				
Profit (loss) on ordinary activities before taxation		720,135		(503,305)
Adjustment for items not using funds — Depreciation		29,736		26,680
		<u>749,871</u>		<u>(476,625)</u>
Funds from other sources:				
Donations receivable		118,040		127,879
Sale of fixed assets		2,400		—
Grants from The Football Grounds Improvements Trust		53,843		71,790
Term loan ex Trustee Savings Bank		—		500,000
		<u>924,154</u>		<u>223,044</u>
Application of Funds				
Purchase of fixed assets	32,623		12,035	
Repayment of loans	24,970		17,256	
	<u>57,593</u>		<u>29,291</u>	
		866,561		193,753
Movement in Working Capital				
Decrease/(increase) in stocks	(990)		(2,979)	
Decrease/(increase) in debtors	(57,259)		409,688	
Increase/(decrease) in creditors	76,751		279,969	
	<u>18,502</u>		<u>686,678</u>	
Increase in net liquid funds		<u>£885,063</u>		<u>£880,431</u>
Comprising increases/(decreases) in:—				
Bank current account balances		885,095		576,699
Cash in hand		(32)		3,032
		<u>£885,063</u>		<u>£880,431</u>

THE
EVERTON FOOTBALL CLUB
 COMPANY LIMITED

NOTES ON THE ACCOUNTS
for the year ended 31st May 1985

1. Accounting Basis and Policies

These accounts have been prepared on the historical cost basis of accounting as modified to include valuations of the Club's properties, and in accordance with accounting policies consistent with those adopted previously, and set out in the following notes where appropriate.

2. Tangible Fixed Assets

	Freehold properties	Plant and equipment	Vehicles	Total
	£	£	£	£
Cost or Valuation				
At 1st June 1984	2,895,000	250,494	25,879	3,171,373
Additions	—	17,783	16,764	34,547
Disposals	—	—	(11,323)	(11,323)
At 31st May 1985	2,895,000	268,277	31,320	3,194,597
Cost	—	268,277	31,320	299,597
Valuation in April 1983	2,895,000	—	—	2,895,000
	2,895,000	268,277	31,320	3,194,597
Depreciation				
At 1st June 1984	—	183,295	13,039	196,334
Provided during year	—	21,246	8,490	29,736
On disposals	—	—	(8,923)	(8,923)
At 31st May 1985	—	204,541	12,606	217,147
Net book value				
At 31st May 1985	2,895,000	63,736	18,714	2,977,450
At 31st May 1984	2,895,000	67,199	12,840	2,975,039

Grants of £53,843 were received in the year from The Football Grounds Improvements Trust and have been credited to the Revaluation Reserve, together with an adjustment of £1,924, as they related to work done prior to the revaluation of the company's properties in April 1983.

If the freehold properties had not been revalued in 1983 they would have been included at the following amounts on the basis previously appertaining:—

	1985	1984
	£	£
Cost	883,567	939,334
Aggregate depreciation	116,339	113,473
Net book Value	767,228	825,861

It is the Club's policy to maintain the value and extend the life of its properties by regular expenditure charged to revenue, and to revalue the properties every four years and adjust the book values accordingly. Having regard to this, depreciation is not provided on freehold properties as the directors are of the opinion, in the case of some properties, that their estimated residual value exceeds their book value, and in the case of other properties, that the sum involved would be immaterial. Depreciation on other fixed assets has been calculated at 25% on the book value.

3. Stocks

Stocks are valued at the lower of cost and net realisable value and comprise the following:—

	1985 £	1984 £
Refreshments and souvenirs	24,424	22,314
Maintenance stocks	4,000	5,120
	<u>£28,424</u>	<u>£27,434</u>

4. Debtors

	1985 £	1984 £
Trade debtors	451,294	406,400
Other debtors	58,045	44,949
Prepayments	23,298	24,029
	<u>£532,637</u>	<u>£475,378</u>

5. Creditors: amounts falling due within one year

	1985 £	1984 £
Trade creditors	464,744	554,387
Social security and other taxes	196,597	121,145
Other creditors	73,246	31,490
Accruals and deferred income	402,233	353,047
	<u>1,136,820</u>	<u>1,060,069</u>
Bank loan (see note 6)	84,360	84,360
Loan from brewery (see note 7)	900	900
	<u>£1,222,080</u>	<u>£1,145,329</u>

6. Bank loan

	1985 £	1984 £
(a) Falling due within one year: Bank loan — current portion	<u>84,360</u>	<u>84,360</u>
(b) Falling due after more than one year: Bank loan — repayable within five years	337,440	337,440
— repayable after five years	37,774	61,844
	<u>375,214</u>	<u>399,284</u>
Aggregate amounts	<u>£459,574</u>	<u>£483,644</u>

The bank loan is repayable, together with interest added at 2% over bank base rate, in equal monthly instalments over ten years to the 5th September 1993, and is secured by a fixed charge on the Club's freehold properties at Goodison Park and Bellefield.

	1985 £	1984 £
7. Loan from Brewery		
(a) Falling due within one year	900	900
(b) Falling due after more than one year:		
Repayable within five years	3,600	3,600
Repayable after five years	1,350	2,250
	<u>4,950</u>	<u>5,950</u>
Aggregate amounts	<u>£5,850</u>	<u>£6,750</u>

The loan is repayable in half-yearly instalments of £450 and bears interest at 5% per annum.

	1985 £	1984 £
8. Called Up Share Capital		
Authorised: 2,500 £1 stock units	2,500	2,500
Allotted, issued and fully paid: 2,500 £1 stock units	<u>2,500</u>	<u>2,500</u>

	1985 £	1984 £
9. Reserves		
Revaluation reserve		
Balance at 1st June 1984	2,065,116	2,000,644
Adjustments to surplus in earlier year as a result of receipts and payments arising in current year (see note 2)	55,767	64,472
Balance at 31st May 1985	<u>£2,120,883</u>	<u>£2,065,116</u>
Transfer fees reserves		
Balance at 1st June 1984	—	200,000
Transferred from profit and loss account in respect of future expenditure authorised by the directors	500,000	—
Transferred to profit and loss account	—	(200,000)
Balance at 31st May 1985	<u>£500,000</u>	<u>—</u>
Profit and Loss Account		
Balance at 1st June 1984	(36,351)	139,075
Profit for the year (1984: Loss)	338,175	(175,426)
Balance at 31st May 1985	<u>£301,824</u>	<u>£(36,351)</u>

10. Particulars of Employees

The average weekly number of employees (including directors) during the year was as follows:—

	1985 £	1984 £
Playing, training and management	45	46
Maintenance and administration	25	28
Catering and sales	35	35
	<u>105</u>	<u>109</u>

The aggregate payroll costs of the above persons were as follows:—

	1985	1984
	£	£
Wages and salaries	1,455,991	1,204,382
Social security costs	65,280	67,632
Other pension costs	187,430	71,905
	<u>£1,708,681</u>	<u>£1,343,919</u>

The number of employees whose emoluments exceeded £30,000 in the year, excluding pension contributions, was as follows:—

	1985	1984
Between £30,001 and £35,000	1	5
£35,001 and £40,000	5	6
£40,001 and £45,000	3	—
£45,001 and £50,000	6	—
£50,001 and £55,000	1	—
£55,001 and £60,000	1	—
£60,001 and £65,000	1	—
£65,001 and £70,000	1	1
	<u>19</u>	<u>12</u>

The directors received no emoluments from the company during the year.

11. Interest Payable	1985	1984
	£	£
On bank loans and overdrafts	61,222	95,914
On other loans	326	371
	<u>£61,548</u>	<u>£96,285</u>

12. Taxation

There is no charge to corporation tax for the year, due to relief for past losses.

In view of the continuing use of the freehold properties no provision is considered necessary in respect of the potential tax liability which might arise in the event of the disposal of the properties at the amounts at which they are included in these accounts, and in the opinion of the directors no useful purpose would be served in attempting to quantify it.

13. Donations Receivable

Donations receivable comprise amounts receivable from the various Everton development associations, reduced by expenses relating thereto.

14. Future Capital Expenditure

	1985	1984
	£	£
Capital expenditure contracted for but not provided for in these accounts amounted to	Nil	Nil
Further capital expenditure authorised by the directors on which orders had not been placed prior to the Balance Sheet date amounted to	17,000	Nil

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

We have audited the accounts set out on pages 7 to 13 in accordance with approved auditing standards. The accounts have been prepared under the historical cost convention as modified by the revaluation of certain properties and on the basis of the accounting policies set out in the notes on pages 10 to 13. The accounting policy of the company in respect of depreciation of properties does not comply with the Statement of Standard Accounting Practice No. 12. In our opinion, the accounts give, on the above basis, a true and fair view of the state of the company's affairs at the 31st May 1985 and of its profit and source and application of funds for the year ended on that date, and comply with the Companies Acts 1948 to 1981.

Signed: ROGERS, BOWLER & CO., Birkenhead Chartered Accountants.

15th July 1985

THE
EVERTON FOOTBALL CLUB
COMPANY LIMITED

MINUTES OF THE 105th ANNUAL GENERAL MEETING
OF THE EVERTON FOOTBALL CLUB CO. LTD., HELD AT GOODISON PARK, LIVERPOOL
ON THURSDAY, 23rd AUGUST 1984, AT 7 p.m.

Present: Messrs. P. D. Carter (*in the Chair*), T. H. W. Scott, G. A. Watts, A. W. Waterworth, K. M. Tamlin, J. Search and D. A. B. Newton (*Directors*), Mr. J. Greenwood (*Secretary*), Mr. H. Kendall (*Manager*), and Mr. P. B. Bowler (*representing Rogers, Bowler & Co.*), together with 111 Shareholders.

NOTICE CONVENING THE MEETING

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

ADMISSION OF THE PRESS

It was agreed that members of the press present should be permitted to remain in attendance throughout the Meeting.

MINUTES

It was agreed that the Minutes of the 104th Annual General Meeting, as circulated, should be taken as read. Mr. G. W. D. Beattie proposed that the Minutes be approved and signed as a correct record. Mrs. E. Jones seconded and the proposal was agreed unanimously.

CHAIRMAN'S REPORT

It was agreed that the Chairman's Report should be taken as read. Mr. Carter referred to the success in the Charity Shield final at Wembley on Saturday, 18th August, advised Shareholders of the appointment of Terry Darracott to the coaching staff and of the decision to allow young supporters to register as Junior Evertonians and qualify for a reduced admission price. Mr. Carter also expressed thanks to Hafnia Ltd., for their continued support with the Shirt Advertising Sponsorship.

DIRECTORS' REPORT AND ACCOUNTS

It was unanimously agreed that the Directors' and Auditors' Reports, as circulated, should be taken as read. Mr. Watts outlined the reasons for the new format of the Accounts.

There were no questions and Mr. Watts formally proposed the adoption of the Report and Accounts. Mr. R. F. Tennant seconded and the proposal was agreed unanimously.

DIVIDEND

Mr. A. W. Waterworth proposed that no dividend should be paid. Mr. R. E. D. Edwards seconded and the proposal was carried unanimously.

APPOINTMENT OF AUDITORS

Mr. K. M. Tamlin proposed that Messrs. Rogers, Bowler & Co., should be re-appointed as Auditors for the ensuing year and their remuneration should be left for the Directors to decide. Mr. K. B. Nolan seconded and the proposal was carried unanimously. Mr. Carter thanked the Auditors for their assistance in compiling the new format of Accounts.

ELECTION OF DIRECTORS

Mr. Carter reported that Messrs. G. A. Watts and A. W. Waterworth were the retiring Directors. They were eligible and offered themselves for re-election. Nominations received for Messrs. S. C. Masterson and P. L. Parry had been withdrawn.

The meeting unanimously agreed to a single resolution for the re-election of the 2 retiring Directors for a further term of 3 years each. This was proposed by Mr. P. D. Carter, seconded by Mr. D. Bushnell and carried unanimously. Mr. Watts expressed thanks to the meeting on behalf of Mr. Waterworth and himself.

VOTE OF THANKS

The meeting closed with a vote of thanks to the Chairman, Directors and officials proposed by Mr. P. L. Parry and seconded by Mr. G. Bailey.