

*Signed.*

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Southampton Football Club Limited

EIGHTY-SIXTH

Report of the Directors and  
STATEMENT OF ACCOUNTS

FOR THE YEAR ENDED

31st July 1983



# **Southampton Football Club Limited**

## **REPORT OF THE DIRECTORS AND STATEMENT OF ACCOUNTS**

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# Southampton Football Club Limited

## NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the EIGHTY-SIXTH ANNUAL GENERAL MEETING of Shareholders of the Company will be held at The Dell, Milton Road, Southampton, on Thursday, 24th November, 1983, at 2.30 in the afternoon.

- 1 To receive the Directors' Report and Statement of Accounts
- 2 To elect Directors
- 3 To appoint Auditors' and fix their remuneration
- 4 To transact any other Ordinary Business

The Dell  
Milton Road  
Southampton  
October, 1983

By Order of the Board  
B. TRUSCOTT  
Secretary

**Note** A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote in his stead. A proxy need not also be a Member.

Instruments appointing a proxy, to be effective, must be lodged at the Registered Office of the Company at least forty-eight hours before the appointed time of the Meeting.



## **Southampton Football Club Limited**

**Vice-President**            **E. C. Chaplin**

**Directors**                **A. A. Woodford (Chairman)**

**J. Corbett**

**Lt.-Col. Sir George Mayrick, Bart, M.C.**

**B. G. W. Bowyer, T.D.**

**F. G. L. Askham, F.C.A.**

**E. T. Bates**

**Secretary**                **B. Truscott**

**Registered Office**        **The Dell, Milton Road, Southampton**

**Manager**                 **L. McMenemy**

**Commercial Manager**    **M. Price**

**Bankers**                 **Barclays Bank plc, Southampton Branch**

**Solicitors**               **Messrs. Woodford & Ackroyd, Southampton**

**Auditors**                **Messrs. Burnett, Swayne & Co.,  
Chartered Accountants, Southampton**

# Southampton Football Club Limited

## Report of the Directors for the year ended 31st July 1983

The Directors submit their Report and the Audited Accounts of the Group for the year ended 31st July, 1983.

### 1 Statement of Profit and Loss

for the year ended 31st July	1983 £	1982 £
<b>Income</b>		
The Surplus arising on 1st Team Matches after charging Match Expenses and shares to Visiting Clubs, the Football League and Football Association	1,119,507	1,171,771
Commercial Department earnings from Ground Advertising, Programmes, etc.	81,006	121,027
Other Income from Catering, Television, Sponsorship, Interest, etc.	153,728	164,744
Donations received from Supporting Organisations less expenses allocated	311,960	259,956
Transfer Fees receivable	387,437	260,000
Grant 'Safety in Sports Grounds'	—	108,532
	<u>2,053,638</u>	<u>2,086,030</u>
<b>Expenditure</b>		
The Cost of players and coaches wages, Insurance, running of Senior Teams, other expenses relating to direct team costs	1,034,577	1,051,324
Overhead Expenses, of Salaries, Occupancy and all other administrative costs	345,317	410,037
Transfer Fees payable	617,300	782,508
Provision for Depreciation	10,092	10,099
	<u>2,007,286</u>	<u>2,253,968</u>
<b>Profit/(Loss) for Year of the Company</b>	46,352	(167,938)
<b>(Losses)/Profit of Subsidiary Companies</b>	(18,431)	59
<b>Group Reserve Adjustment</b>	<u>27,921</u>	<u>(167,879)</u>

### 2 Principal Activity

The Company is a Football Club, participating in Division One of the Football League, other Leagues and Cup Competitions.

# Southampton Football Club Limited

## Report of the Directors for the year ended 31st July 1983 (cont.)

- 3 Directors**
- |                             | Shareholdings |      |
|-----------------------------|---------------|------|
| (a) At 31st July            | 1982          | 1983 |
| F. G. L. Askham             | 245           | 245  |
| E. T. Bates                 | 100           | 100  |
| B. G. W. Bowyer             | 250           | 250  |
| J. Corbett                  | 400           | 649  |
| Lt.-Col. Sir George Meyrick | 249           | 249  |
| A. A. Woodford              | 240           | 240  |
- (b) The Directors retiring are B. G. W. Bowyer and F. G. L. Askham, who being eligible offer themselves for re-election.
- 4 The state of the Company's affairs is considered satisfactory.**
- 5 Donations Received**  
The Board gratefully acknowledges the continued support received from all the Supporters' Organisations.
- 6 Fixed Assets**  
The changes during the year are set out in Note 7.
- 7 Auditors**  
A resolution to re-appoint Messrs. Burnett, Swayne & Co., as Auditors will be put to the Members at the Annual General Meeting.

The Dell  
Milton Road  
Southampton  
October, 1983

By Order of the Board  
B. TRUSCOTT  
Secretary

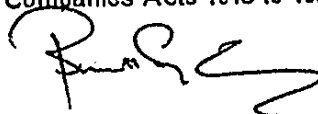
## **Southampton Football Club Limited**

### **Report of the Auditors to the Members of Southampton Football Club Ltd.**

We have audited the Accounts on pages 6 to 15 in accordance with approved auditing standards.

In our opinion the Accounts, which have been prepared under the historical cost convention as modified by the revaluation of land and buildings, give a true and fair view of the state of affairs of the Company and the Group at 31st July 1983, and of the profit and source and application of funds of the Group for the year then ended, and comply with the Companies Acts 1948 to 1981.

Southampton  
October, 1983



BURNETT, SWAYNE & CO.  
*Chartered Accountants*

**Southampton Football Club Limited**  
and its subsidiaries

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
for the year ended 31st July

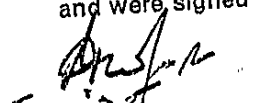
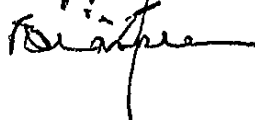
	Note	1983 £	1982 £
<b>Turnover</b>	1(c)	2,065,707	2,542,138
<b>Cost of Sales</b>		192,962	372,748
<b>Gross Profit</b>		1,872,745	2,169,390
<b>Administration Costs</b>		2,085,885	2,636,931
		(213,140)	(467,541)
<b>Other Operating Income</b>		18,320	144,288
<b>Operating (Loss)</b>	2	(194,820)	(323,253)
<b>Interest Payable</b>	3	70,062	86,488
<b>(Loss) on Ordinary activities before Taxation</b>		(264,882)	(409,741)
<b>Taxation</b>	5	6,830	547
<b>(Loss) on Ordinary activities after Taxation</b>		(271,712)	(410,288)
<b>Minority Interest</b>		354	1,049
		(271,358)	(409,239)
<b>Extraordinary Items</b>	6	299,279	241,360
<b>Profit/(Loss) for the year - retained</b>		27,921	(167,879)
<b>Attributable to</b>			
Holding Company		46,352	(167,938)
Subsidiary Companies		(18,431)	59

**Southampton Football Club Limited**  
and its subsidiaries

**CONSOLIDATED BALANCE SHEET**  
as at 31st July

	Note	1983 £	1982 £
<b>Fixed Assets</b>			
Tangible Assets	7(a)	1,603,900	1,146,062
<b>Investments</b>	8	119,438	109,633
<b>Current Assets</b>			
Stock		64,934	109,963
Debtors	10	117,061	355,314
Cash and Bank Balances		334,453	438,134
		<u>516,448</u>	<u>903,411</u>
<b>Current Liabilities</b>			
Creditors due within one year	11	1,193,044	1,606,453
		<u>(676,596)</u>	<u>(703,042)</u>
<b>Net Current Liabilities</b>			
		<u>1,046,742</u>	<u>552,653</u>
<b>Total Assets less Current Liabilities</b>			
Creditors due after more than one year	11	(500,000)	(500,000)
<b>Minority Interest</b>		<u>(1)</u>	<u>(355)</u>
		<u>546,741</u>	<u>52,298</u>
<b>Capital and Reserves</b>			
Called Up Share Capital	12	6,000	6,000
Reserves	13	540,741	46,298
		<u>546,741</u>	<u>52,298</u>

The Accounts on pages 6 to 15 were approved by the Board of Directors on 6th October, 1983, and were signed on its behalf by:

 A. A. WOODFORD  
 F. G. L. ASKHAM

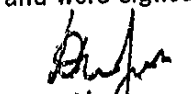
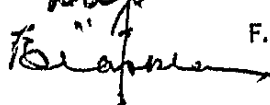
} Directors

# Southampton Football Club Limited

## BALANCE SHEET as at 31st July

	Note	1983 £	1982 £
<b>Fixed Assets</b>			
Tangible Assets	7(b)	36,684	98,380
<b>Investments in Subsidiaries</b>	9	758,600	682,809
<b>Current Assets</b>			
Debtors	10	109,970	306,388
Cash and Bank Balances		274,126	402,312
		<u>384,096</u>	<u>708,700</u>
<b>Current Liabilities</b>			
Creditors due within one year	11	1,132,393	1,437,650
<b>Net Current Liabilities</b>		<u>(748,297)</u>	<u>(728,950)</u>
<b>Net Assets</b>		<u>46,987</u>	<u>52,239</u>
<b>Capital and Reserves</b>			
Called Up Share Capital	12	6,000	6,000
Reserves	13	40,987	46,239
		<u>46,987</u>	<u>52,239</u>

The Accounts on pages 6 to 15 were approved by the Board of Directors on 6th October, 1983, and were signed on its behalf by:



 A. A. WOODFORD  
 F. G. L. ASKHAM

} Directors

# Southampton Football Club Limited

and its subsidiaries

## NOTES TO THE ACCOUNTS

for the year ended 31st July, 1983

### 1 Accounting Policies

(a) *Basis of Accounting*

The Financial Statements are prepared under the historical cost convention as modified by the revaluation of Freehold Land and Buildings.

(b) *Basis of Consolidation*

The Consolidated Financial Statements include the Company and its Subsidiaries. The results of its related Companies have not been included within these Accounts, as they are not material in the context of the overall group.

(c) *Turnover*

Turnover is the total amount receivable in the ordinary course of business excluding Value Added Tax.

(d) *Depreciation*

Depreciation has been provided where considered necessary at rates calculated to write down the Assets over their anticipated useful lives. The principal rates are:—

2% Land and Buildings                      10% Equipment

(e) *Stocks*

Stocks are stated at the lower of cost and net realisable value.

### 2 Operating Loss

Operating loss on ordinary activities before taxation and interest payable is stated after charging:

	1983	1982
	£	£
Depreciation	34,492	38,909
Auditors' Remuneration	4,000	4,200
and crediting:		
Income from unlisted investments	5,529	1,824
Interest from Bank Deposits	6,317	28,261
Rents Received	6,474	4,671
Grants "Safety in Sports Grounds"	—	108,532
Legacy Received	—	1,000
	<u>18,320</u>	<u>144,288</u>

### 3 Interest Payable

	£	£
Bank Overdrafts	6,798	31,809
Bank Loan repayable after more than five years	63,264	54,679
	<u>70,062</u>	<u>86,488</u>

# Southampton Football Club Limited

and its subsidiaries

## NOTES TO THE ACCOUNTS

for the year ended 31st July, 1983 (continued)

### 4 Directors and Employees

#### Directors:

In accordance with Rule 43 of the Football Association and Article 13 of the Company's Articles of Association, the Directors received no remuneration during the year.

A. A. Woodford is interested in the supply of professional services to the Group by his professional practice.

#### Staff Costs:

	£
Wages and Salaries	794,961
Social Security Costs	49,060
Pension Contributions	60,968
	<u>904,989</u>

The number of employees of the holding company whose emoluments were within the range.

£	1983	1982
30,001 to 35,000	1	2
35,001 to 40,000	2	3
45,001 to 50,000	2	—
50,001 to 55,000	—	1
65,001 to 70,000	—	1
85,001 to 90,000	1	—
105,001 to 110,000	—	2
115,001 to 120,000	1	—

The average weekly numbers of employees employed by the Group during the year was 74. (1982: 103).

### 5 Taxation

The taxation charge for the year is made up as follows:

	1983	1982
	£	£
Corporation Tax at 38% on the results for year	5,171	—
Taxation attributable to franked investment income	1,659	547
	<u>6,830</u>	<u>547</u>

# Southampton Football Club Limited

and its subsidiaries

## NOTES TO THE ACCOUNTS

for the year ended 31st July, 1983 (continued)

### 6 Extraordinary Items

	1983 £	1982 £
Profit on Disposal of Fixed Assets	8,000	—
Formation Expenses	(4,471)	(18,596)
Amount written off investments	(16,210)	—
Donations	311,960	259,956
	<u>299,279</u>	<u>241,360</u>

### 7(a) Tangible Fixed Assets - The Group

	1983		1982	
	At Cost or Valuation £	Deprecia- tion £	At Cost or Valuation £	Deprecia- tion £
<i>Land and Buildings</i>				
At 31st July, 1982	1,125,000	17,060	1,025,295	101,573
Revaluation	431,038	(35,484)	95,460	(101,573)
Grant Received	—	—	(90,338)	—
Additions	24,212	—	94,583	—
Charge	—	18,424	—	17,060
At 31st July, 1983	<u>1,580,250</u>	—	<u>1,125,000</u>	<u>17,060</u>
Net Book Value	<u>1,580,250</u>		<u>1,107,940</u>	

The Company's Land and Buildings were revalued on 7th July, 1983, by Messrs. Morris Dibben on the basis of open market value for existing use.

<i>Equipment</i>				
At 31st July, 1982	127,427	89,305	114,780	66,677
Subsidiary Acquired	—	—	17,854	7,960
Additions	1,596	—	1,976	—
Charge	—	16,062	—	21,849
	<u>129,023</u>	<u>105,373</u>	<u>134,610</u>	<u>96,486</u>
Disposals	72	72	7,183	7,181
At 31st July, 1983	<u>128,951</u>	<u>105,301</u>	<u>127,427</u>	<u>89,305</u>
Net Book Value	<u>23,650</u>		<u>38,122</u>	
<b>Tangible Fixed Assets -</b>				
<b>Net Book Value</b>	<u>1,603,900</u>		<u>1,146,062</u>	

# Southampton Football Club Limited

and its subsidiaries

## NOTES TO THE ACCOUNTS

for the year ended 31st July, 1983 (continued)

### 7(b) Tangible Fixed Assets - The Company

	1983		1982	
	At Cost or Valuation	Deprecia- tion	At Cost or Valuation	Deprecia- tion
	£	£	£	£
<i>Land and Buildings</i>				
At 31st July, 1982	69,104	—	1,025,295	101,573
Revaluation	(51,604)	—	95,460	(101,573)
Additions	—	—	69,104	—
	17,500	—	1,189,859	—
Transfer to Subsidiary	—	—	1,120,755	—
At 31st July, 1983	17,500	—	69,104	—
Net Book Value	17,500	—	69,104	—
<i>Equipment</i>				
At 31st July, 1982	70,159	40,883	77,342	37,965
Charge	—	10,092	—	10,099
	70,159	50,975	77,342	48,064
Disposals	72	72	7,183	7,181
At 31st July, 1983	70,087	50,903	70,159	40,883
Net Book Value	19,184	—	29,276	—
<b>Tangible Fixed Assets - Net Book Value</b>	<b>36,684</b>		<b>98,380</b>	
<b>8 Investments</b>				
Unlisted Investments			1983	1982
Associated Companies			£	£
			56,603	57,603
			62,835	52,030
			119,438	109,633

The Principal Associated Companies are:—

1. Flag Investments Limited, is an investment Company registered in Guernsey, of which the Group owns 41%.
2. Soccerscope Limited, is a Company which runs Coaching Courses and Football Camps for School children of which the group owns 45%.

The results of these Associated Companies have not been included within these Accounts, as they are not material in context of the overall Group. All the Investments of the Group are "unlisted" and have in the opinion of the Directors a value equivalent to book value.

# Southampton Football Club Limited

and its subsidiaries

## NOTES TO THE ACCOUNTS

for the year ended 31st July, 1983 (continued)

### 9 Subsidiary Companies

The Company has the following Subsidiary Companies carrying on business in the United Kingdom.

	Percentage of Ordinary Share Capital Held	1983 £	1982 £
Southampton Leisure Holdings Ltd.	100	750,000	750,000
Saints Supporters Club Ltd.	100	1,000	1,000
		<u>751,000</u>	<u>751,000</u>
		7,600	(68,191)
Loan Account with Subsidiaries		<u>758,600</u>	<u>682,809</u>

### 10 Debtors

Amounts falling due within one year:

Trade Debtors  
Other Debtors

Amounts falling due after one year:  
Loans

	1983		1982	
	Group £	Company £	Group £	Company £
	61,889	59,373	273,609	244,399
	13,926	9,351	27,523	7,807
	<u>75,815</u>	<u>68,724</u>	<u>301,132</u>	<u>252,206</u>
	41,246	41,246	54,182	54,182
	<u>117,061</u>	<u>109,970</u>	<u>355,314</u>	<u>306,388</u>

### 11 Creditors

Due within one year:

Bank Overdraft  
Trade Creditors  
Other Creditors  
Accruals and Deferred Income  
Corporation Tax

Due after more than one year:  
Bank Loan Secured

	1983		1982	
	Group	Company	Group	Company
	2,908	—	2,106	—
	272,940	245,661	262,769	184,821
	158,344	140,051	290,926	268,036
	753,681	746,681	1,050,652	984,793
	5,171	—	—	—
	<u>1,193,044</u>	<u>1,132,393</u>	<u>1,606,453</u>	<u>1,437,650</u>
	500,000	—	500,000	—

A secured loan has been made by Barclays Bank plc., to Southampton Leisure Holdings Limited. Capital repayments commence in 1986. The loan is repayable in equal instalments by 31st July, 1995. Interest is at 2½% p.a. over the Bank's Base Rate.

# Southampton Football Club Limited

and its subsidiaries

## NOTES TO THE ACCOUNTS

for the year ended 31st July, 1983 (continued)

<b>12 Share Capital</b>	<i>Authorised</i>	<i>Issued and Fully Paid</i>
	£	£
Ordinary Shares of £1	<u>6,000</u>	<u>6,000</u>

<b>13 Reserves</b>	<i>Revaluation Reserve</i>	<i>Distributable Reserves</i>	<i>Total</i>
	£	£	£
The Company:			
At 1st August, 1982	95,460	(49,221)	46,239
Retained Profit for the year	—	46,352	46,352
Revaluation of Land and Buildings	(51,604)	—	(51,604)
	<u>43,856</u>	<u>(2,869)</u>	<u>40,987</u>
At 31st July, 1983			
The Group:			
At 1st August, 1982	95,460	(49,162)	46,298
Retained Profit for the year	—	27,921	27,921
Revaluation of Land and Buildings	431,038	35,484	466,522
	<u>526,498</u>	<u>14,243</u>	<u>540,741</u>
At 31st July, 1983			

<b>14 Contingent Liabilities</b>
<p>(i) No provision has been made for any potential Corporation Tax Liability which might arise if the Company sold its Land and Buildings and the proceeds were not to be invested in similar Assets.</p> <p>(ii) There is a liability to pay up to £20,000 (1982: £25,000) to another Club in respect of a player under Contract, dependent upon the number of first team appearances made.</p> <p>(iii) There are unlimited cross guarantees between Southampton Football Club Limited, and Southampton Leisure Holdings Limited, given to Barclays Bank plc., to secure the bank borrowing of the Group.</p>

<b>15 Capital Commitments</b>	31.7.83	31.7.82
	£	£
Contracted	Nil	Nil
Authorised but not Contracted	Nil	Nil

# Southampton Football Club Limited

and its subsidiaries

## STATEMENT OF SOURCE AND APPLICATION OF FUNDS for the year ended 31st July

	1983	1982
	£	£
<b>Loss before Taxation</b>	(264,882)	(409,741)
Adjustments for items not involving the Movement of Funds:		
Depreciation	34,492	38,909
	<u>(230,390)</u>	<u>(370,832)</u>
<b>Funds generated from other sources</b>		
Sale of Fixed Assets	8,000	—
Bank Loan	—	500,000
Donations	311,960	259,956
	<u>89,570</u>	<u>389,124</u>
<b>Application of Funds</b>		
Extraordinary Items – Formation Expenses	4,471	18,596
Taxation Paid	1,659	547
Purchase of Tangible Fixed Assets	25,808	14,709
Purchase of Investments	26,015	109,633
	<u>57,953</u>	<u>143,485</u>
<b>Working Capital – Increase</b>	<u>31,617</u>	<u>245,639</u>
<b>Components of Increase in Working Capital</b>		
Stock	(45,029)	103,747
Debtors	(238,253)	(80,132)
Creditors	419,382	158,108
	<u>136,100</u>	<u>181,723</u>
<b>Movement in Net Liquid Funds</b>		
Cash and Bank Balances	<u>(104,483)</u>	<u>63,916</u>
	<u>31,617</u>	<u>245,639</u>

## **Southampton Football Club Limited**

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the above-named Company will be held at 'The Dell', Milton Road, Southampton, Hants, on the 24th day of November, 1983, at 3.30 in the afternoon, for the purpose of considering and if thought fit, passing the following Resolution as a SPECIAL RESOLUTION:

That:

The Share Capital of the Company be increased from £6,000 divided into 6,000 Shares of £1 each to £60,000 by the creation of 54,000 Ordinary Shares of £1 each ranking in all respects pari passu with the 6,000 existing Ordinary Shares of £1 each in the Capital of the Company.

Dated this 2nd day of November, 1983.

By Order of the Board,

B. TRUSCOTT

*Secretary*

**Note:** A Member entitled to attend and vote at the above mentioned Meeting is entitled to appoint a proxy, to attend and vote instead of him. A proxy need not be a Member of the Company.