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SOUTHAMPTON FOOTBALL CLUB LIMITED

40

EIGHTY-NINTH

Report of the Directors

and

Statement of Accounts

FOR THE TWELVE MONTHS ENDED

31st May, 1986

53301/228

Southampton Football Club Limited

44

REPORT OF THE DIRECTORS AND STATEMENT OF ACCOUNTS

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ƆF MEETING

ꞏS HEREBY GIVEN that the EIGHTY-NINTH ANNUAL GENERAL of Shareholders of the Company will be held at The Dell, Milton Road, ton, on Friday, 17th October, 1986, at 2.30 in the afternoon.

ꞏive the Directors' Report and Statement of Accounts

ꞏt Directors

oint Auditors and fix their remuneration

ısact any other Ordinary Business

By Order of the Board
B. TRUSCOTT
Secretary

ad
ꞁton
'86

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

struments appointing a proxy, to be effective, must be lodged at the Registed Office of the Company at least forty-eight hours before the appointed ne of the Meeting.

Vice-President	**E. C. Chaplin**
Directors	**A. A. Woodford (Chairman)**
	J. Corbett
	Lt.-Col. Sir George Meyrick, 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**
Team Manager	**C. Nicholl**
Marketing Manager	**B. Britten**
Bankers	**Barclays Bank Plc, Southampton City Branch**
Solicitors	**Messrs. Woodford & Ackroyd, Southampton**
Auditors	**Messrs. Burnett, Swayne & Co., Chartered Accountants, Southampton**

ɔrs for the year ended 31st May, 1986

their Report and the Audited Accounts of the Group for the year ended

fit and Loss 31st May	1986 £	1985 £
g on 1st Team Matches after Expenses and Shares to he Football League and ation	1,149,683	1,281,612
nent earnings from Sponsorship, sing, Programmes, etc.	175,712	228,144
n Catering, Television,	72,293	109,774
d from Supporting Organisations	162,688	100,604
llocated	48,000	782,000
eivable	500	—
f Tangible Fixed Assets	15,132	—
	1,624,008	2,502,134
ers and coaches wages, hing of Junior Teams, relating to direct team costs	1,018,512	1,257,068
es, of Salaries, Occupancy	379,455	389,533
dministrative costs	449,800	620,125
hing on fees payable	12,728	4,941
preciation	—	4,055
	1,860,495	2,275,722
the year of the Company	(236,487)	226,412
Subsidiary Companies	(85,038)	120,829
Adjustment	(321,525)	347,241

ity

a Football Club, participating in Division One of the Football League, other p Competitions.

Report of the Directors for the year ended 31st May 1986 (continued)

3 Directors

(a)

At 31st May	Shareholdings 1986	1985
F. G. L. Askham	2,900	2,900
E. T. Bates	1,000	1,000
B. G. W. Bowyer	2,500	2,500
J. Corbett	6,490	6,490
Lt.-Col. Sir George Meyrick	2,490	2,490
A. A. Woodford	2,400	2,400

(b) The Directors retiring are F. G. L. Askham and B. G. W. Bowyer, who be 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 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 wi put to the Members at the Annual General Meeting.

The Dell
Milton Road
Southampton
August 1986

By Order of the Board
B. TRUSCOTT
Secretary

ers of Southampton Football Club Limited

ges 7 to 17 in accordance with approved audit-

have been prepared under the historical cost
ition of land and buildings, give a true and fair
npany and the Group at 31st May, 1986, and of
of funds of the Group for the year then ended,
1985.

BURNETT, SWAYNE & CO.
Chartered Accountants

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

	Note	1986 £	1985 £
Turnover		1,771,454	2,848,835
Cost of Sales		767,029	1,039,628
Gross Profit		1,004,425	1,809,207
Administration Costs		1,363,425	1,669,496
		(359,000)	139,711
Other Operating Income		71,211	84,046
Operating (Loss)/Profit	2	(287,789)	223,757
Interest Payable	3	76,070	70,231
(Loss)/Profit on Ordinary activities before Taxation		(363,859)	153,526
Taxation	5	(3,356)	21,802
(Loss)/Profit on Ordinary activities after Taxation		(360,503)	131,724
Extraordinary Items	6	38,978	215,517
(Loss)/Profit for the year – retained		(321,525)	347,241
Attributable to			
Holding Company		(236,487)	226,412
Subsidiary Companies		(85,038)	120,829

Note	1986 £	1985 £
7(a)	1,594,620	1,506,290
8	131,056	273,178
	48,333	39,099
10	201,920	163,775
	156,480	579,066
	406,733	781,940
11	587,078	635,594
	(180,345)	146,346
	1,545,331	1,925,814
11	(552,042)	(611,000)
	993,289	1,314,814
12	46,570	46,570
13	946,719	1,268,244
	993,289	1,314,814

ar

proved by the Board of Directors on 21st August, 1986,

} *Directors*

BALANCE SHEET
as at 31st May

	Note	1986 £	1985 £
Fixed Assets			
Tangible Assets	7(b)	58,254	21,506
Investments	8	—	6,101
Investments in Subsidiaries	9	751,000	751,000
Current Assets			
Stock		44,561	34,610
Debtors	10	208,494	166,360
Cash and Bank Balances		26,663	448,409
		279,718	649,379
Current Liabilities			
Creditors due within one year	11	500,811	594,380
Net Current Assets/(Liabilities)		(221,093)	54,999
Total Assets less Current Liabilities		588,161	833,606
Creditors due after more than one year		(102,042)	(111,000)
		486,119	722,606
Capital and Reserves			
Called Up Share Capital	12	46,570	46,570
Reserves	13	439,549	676,036
		486,119	722,606

The Accounts on pages 7 to 17 were approved by the Board of Directors on 21st August, 1986, and were signed on its behalf by:

A. A. WOODFORD
F. G. L. ASKHAM } *Directors*

repared under the historical cost convention as
ehold Land and Buildings.

ements include the Company and its Subsidiaries.
ies have not been included within these Accounts,
ntext of the overall group.

eivable in the ordinary course of business excluding

d where considered necessary at rates calculated
eir anticipated useful lives. The principal rates are:
nt 20% Motor Vehicles

f cost and net realisable value.

s before taxation and interest payable is stated after

	1986	1985
	£	£
	12,857	5,115
	4,450	4,600
	12,268	11,005
	55,883	70,121
	3,060	2,920
	71,211	84,046
	5,464	204
han five years	70,606	70,027
	76,070	70,231

NOTES TO THE ACCOUNTS
for the year ended **31st May, 1986** (continued)

4 Directors and Employees

Directors:
In accordance with Rule 41 of the Football Association and Article 13 of the Company's Articles of Association, the Directors received no remuneration during the year.

F. G. L. Askham and A. A. Woodford are interested in the supply of professional services to the Group by their professional practices.

	1986	1985
	£	£
Staff Costs:		
Wages and Salaries	792,110	1,073,202
Social Security Costs	78,746	55,112
Pension Contributions	63,770	105,844
	934,626	1,234,158

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

£	£	1986	1985
30,001 to	35,000	4	5
35,001 to	40,000	1	1
40,001 to	45,000	1	—
45,001 to	50,000	2	1
50,001 to	55,000	—	2
55,001 to	60,000	1	—
125,001 to	130,000	—	1
145,001 to	150,000	1	—
185,001 to	190,000	—	1

The average weekly number of employees including trainees, employed by the Group during the year was 67.

5 Taxation

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

	1986	1985
	£	£
Corporation Tax at 30% on the results for the year	—	17,424
Taxation attributable to franked investment income	1,653	2,154
Prior year adjustment	(5,009)	2,224
	(3,356)	21,802

nued)

	1986	1985
	£	£
	—	76,554
	—	17,995
ts	18,440	59,414
ments	(142,150)	(39,050)
	162,688	100,604
	38,978	215,517

Group

	Land and Buildings	Equipment	Motor Vehicles	Total
	£	£	£	£
1985	1,484,087	89,460	—	1,573,547
	51,721	17,807	31,659	101,187
	—	(3,980)	—	(3,980)
1986	1,535,808	103,287	31,659	1,670,754
	—	67,257	—	67,257
	—	6,528	6,329	12,857
	—	(3,980)	—	(3,980)
	—	69,805	6,329	76,134
986	1,535,808	33,482	25,330	1,594,620

ings were revalued in 1983 by a professional firm of basis of open market value for existing use. In the opinion no changes in the circumstances of their use, and accord- provided.

7(b) Tangible Fixed Assets – The Company

	Land and Buildings	Equipment	Motor Vehicles	Total
	£	£	£	£
Cost				
Cost at 1st June, 1985	—	47,580	—	47,580
Additions	—	17,807	31,659	49,466
Disposals	—	(3,980)	—	(3,980)
Cost at 31st May, 1986	—	61,407	31,659	93,066
Depreciation				
Depreciation at 1st June, 1985	—	26,074	—	26,074
Charge for year	—	6,389	6,329	12,718
Disposals	—	(3,980)	—	(3,980)
Depreciation at 31st May, 1986	—	28,483	6,329	34,812
Net Book Value at 31st May, 1986	—	32,924	25,330	58,254

8 Investments

	1986	1985
	£	£
Quoted Investments	51,946	77,032
Other Investments	79,050	196,101
Related Companies	60	45
	131,056	273,178

The Market Value of the Quoted Investments at 31st May, 1986, amounted to £112,425.

	Shares	Loans
	£	£
Related Companies:		
Balance at 1st June, 1985	45	—
Additions	516	2,750
Disposals	(51)	—
	510	2,750
Less: Provision	(450)	(2,750)
Balance at 31st May, 1986	60	—

The Related Companies are:	Country of Incorporation	Proportion of Shares held
Soccerscope Limited	England	45%
Solent Stars (1985) Limited	England	46%

The results of these related Companies have not been included within these accounts as they are not material in context of the overall group.

:ontinued)

	Total	Shares	Loans
	£	£	£
roup	196,101	1	196,100
	29,400	16,000	13,400
	(7,501)	(1)	(7,500)
	218,000	16,000	202,000
	1,050	1,050	—
	(140,000)	—	(140,000)
	79,050	17,050	62,000
:ompany	6,101	1	6,100
	1,400	—	1,400
	(7,501)	(1)	(7,500)
	—	—	—

wing Subsidiary Companies carrying on business in the

	Percentage of Ordinary Share Capital Held	1986 £	1985 £
ings Ltd.	100%	750,000	750,000
l.	100%	1,000	1,000
		751,000	751,000

	1986 Group £	1986 Company £	1985 Group £	1985 Company £
	149,431	149,431	112,743	112,743
	16,661	16,000	143	—
	11,031	8,848	1,311	829
	—	9,418	—	3,210
	1,700	1,700	23,251	23,251
	178,823	185,397	137,448	140,033
.r:	23,097	23,097	26,327	26,327
	201,920	208,494	163,775	166,360

NOTES TO THE ACCOUNTS
for the year ended **31st May, 1986** (continued)

11 Creditors

	1986 Group £	1986 Company £	1985 Group £	1985 Company £
Due within one year:				
Bank Overdraft	123,417	123,417	58,839	58,839
Trade Creditors	238,417	226,851	341,751	329,665
Other	23,084	—	22,678	—
Taxation and Social Security	31,967	30,542	45,660	43,460
Accruals and Deferred Income	110,310	102,770	147,560	140,380
Corporation Tax	221	—	19,106	—
Group Company balances	—	7,569	—	22,036
Hire Purchase Indebtedness	9,662	9,662	—	—
Bank Loan Repayment	50,000	—	—	—
	587,078	500,811	635,594	594,380
Due after more than one year:				
Trade Creditors	90,000	90,000	111,000	111,000
Bank Loan -- Secured	450,000	—	500,000	—
Hire Purchase Indebtedness	12,042	12,042	—	—
	552,042	102,042	611,000	111,000

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 $2\frac{1}{2}\%$ p.a. over the Bank's Base Rate.

12 Share Capital

	1986 £	1985 £
Authorised – Ordinary Shares of £1 each	60,000	60,000
Issued and Fully Paid – Ordinary Shares of £1 each	46,570	46,570

13 Reserves

	Revaluation Reserve £	Distributable Reserves £	Total £
The Company:			
At 1st June, 1985	110,916	565,120	676,036
Retained Loss for the year	—	(236,487)	(236,487)
At 31st May, 1986	110,916	328,633	439,549
The Group:			
At 1st June, 1985	566,899	701,345	1,268,244
Retained Loss for the year	—	(321,525)	(321,525)
At 31st May, 1986	566,899	379,820	946,719

d)

any potential Corporation Tax Liability which might
nd and Buildings and the proceeds were not to be

£25,000 (1985: £105,000) to other Clubs in respect of
ınt upon the number of first team and international

ıntees between Southampton Football Club Limited
ngs Limited, given to Barclays Bank Plc., to secure
).

of £20,000 given to Barclays Bank Plc., to secure the
npany.

	31.5.86	31.5.85
	£	£
	Nil	46,000
	Nil	Nil

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

	1986		1985
	£	£	£
(Loss)/Profit before Taxation		(363,859)	153,526
Adjustments for items not involving the movement of Funds:			
Depreciation	12,857		5,115
Profit on sale of tangible fixed assets	(500)		—
		12,357	5,115
		(351,502)	158,641
Funds generated from other sources			
'Safety in Sports Ground' Grant		—	90,000
Taxation Received		1,352	—
Sale of Tangible Fixed Assets		500	17,996
Sale of Investments		51,078	103,644
Donations		162,688	100,604
		(135,884)	470,885
Application of Funds			
Taxation Paid	24,314		31,819
Purchase of Tangible Fixed Assets	101,187		87,038
Purchase of Investments	32,666		273,810
		158,167	392,667
(Decrease)/Increase in Working Capital		(294,051)	78,213
Components of (Decrease)/Increase in Working Capital			
Stock		9,234	(24,887)
Debtors		30,712	(31,788)
Creditors		153,167	(184,783)
		193,113	(241,458)
Movement in Net Liquid Funds			
Cash and Bank Balances		(487,164)	319,676
		(294,051)	78,218

1 Division 3 Runners-up
2 Division 3 Champions

!8 Division 2 Third
!9 Division 2 Third
50 Division 2 Third

55 Division 3 Third
60 Division 3 Champions
66 Division 2 Runners-up

-78 Division 2 Runners-up
-84 Division 1 Runners-up

-98 Semi-Finalist
)-1900 Finalist
i-02 Finalist
7-08 Semi-Finalist

4-25 Semi-Finalist
6-27 Semi-Finalist
2-63 Semi-Finalist
'5-76 Winners
33-84 Semi-Finalist
35-86 Semi-Finalist

78-79 Finalist

74-75 Finalist

)56-57 Semi-Finalist
)66-67 Semi-Finalist
)78-79 Semi-Finalist

BALL GAME 28th NOVEMBER, 1885

AGUE 1920

STAFF 1986/87 SEASON

Assistant Team Manager	T. Barton	
Coaches – First Team	G. Horsfall	
Reserves	D. Rofe	
Youth	D. Merrington	
Physiotherapist	D. Taylor	
Youth Development Officer	B. Higgins	
Professionals	D. Armstrong	(England – Team Captain)
	S. Baker	
	M. Blake	(England Youth)
	K. Bond	(England Under 21)
	K. Brown	
	J. Case	(England Under 21)
	C. Clarke	(Northern Ireland)
	G. Cockerill	
	M. Dennis	(England Under 21)
	T. Flowers	(England Youth)
	G. Forrest	
	J. Gittens	
	I. Hamilton	
	N. Holmes	(Club Captain)
	J. Jordan	(Scotland)
	P. Kite	(England Youth)
	G. Lawrence	
	C. Maskell	
	S. Moran	(England Under 21)
	P. Parkinson	
	P. Shilton	(England)
	A. Townsend	
	D. Wallace	(England)
	M. Wright	(England)
Trainees	18 players	
Ground	G. Scurr	
	M. Bundy	
Administration	B. Fox	(Assistant Secretary)
	D. Ansell	
	S. Bailey	
	C. Dowsett	
	S. Gough	
	L. Wheeler	
Community Officer	A. Smith	
Marketing	K. Lawford	
	C. Smith	
Supporters Club	E. Scurr	(Manageress)

Southampton Football Club Limited

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the above-named Company will be held at The Dell, Milton Road, Southampton, on Friday, 17th October, 1986, at 3.30 in the afternoon, for the purpose of considering and if thought fit, passing the following Resolution as a SPECIAL RESOLUTION.

That:

1 (a) All the unissued Shares in the Capital of the Company be under the control of the Directors, and that the Directors may allot, grant options over, or otherwise deal with or dispose of any such Shares to such persons and generally on such terms and in such manner as they think fit; and

(b) The general authority conferred by the preceding paragraph shall expire on the fifth anniversary of the passing of this Resolution unless varied or revoked or renewed by the Company in General Meeting.

Dated this 21st August, 1986

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.