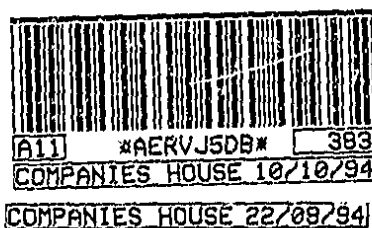
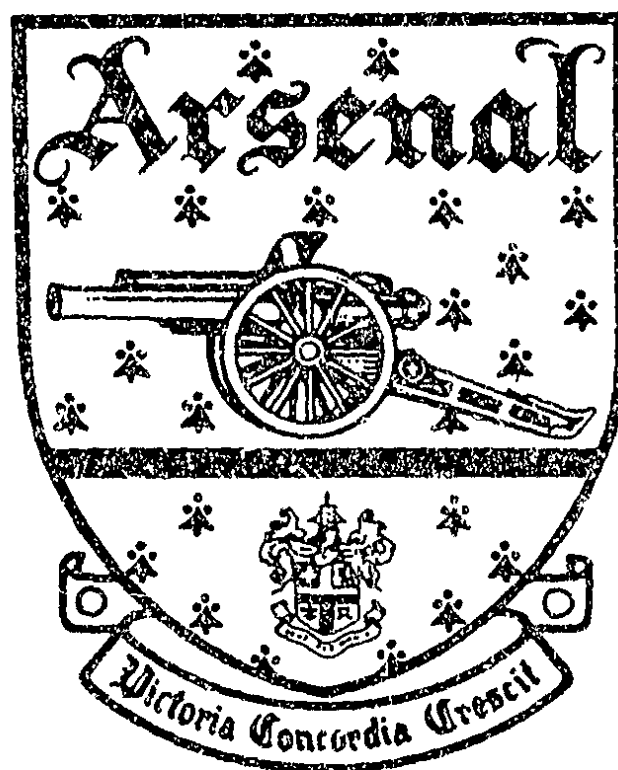


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THE ARSENAL FOOTBALL CLUB PLC

NOTICE IS HEREBY GIVEN that the Eighty Fourth Annual General Meeting of the shareholders of The Arsenal Football Club plc will be held at the Arsenal Stadium, Avenell Road, Highbury, London N5 1BU on Thursday 25th August, 1994 at 12 noon precisely when the following ordinary business will be transacted, viz.:

1. To receive the Directors' Report and Statement of Accounts and the Auditors' Report thereon for the year ended 31st May, 1994.
2. To re-elect Directors.
3. To re-appoint the Auditors and to authorise the Directors to fix their remuneration.
4. To transact any other ordinary business of the meeting.

Dated this
14th day of July, 1994

By Order of the Board,
K.J. FRIAR,
Secretary.



Registered Office:
Arsenal Stadium,
Avenell Road,
Highbury,
London N5 1BU.

Note: A member of the Company who is entitled to attend and vote may appoint another person (whether a member or not) as his proxy to attend and vote instead of him.

A form of proxy is enclosed with this annual report for the use of members who are unable to attend the meeting and should be deposited at the Registered Office of the Company not less than 48 hours before the time of the meeting.

Admission to the meeting will be upon production of an admission card only and any person attending as a proxy (whether a member of not) must produce the admission card.

THE ARSENAL FOOTBALL CLUB PLC

Directors

P.D. HILL-WOOD, Esq. (*Chairman*)
D.B. DEIN, Esq. (*Vice Chairman*)
Sir ROBERT BELLINGER, G.B.E., D.Sc.
SIR ROGER GIBBS
C.E.B.L. CARR, Esq.
R.C.L. CARR, Esq.
D.D. FISZMAN, Esq.
K.J. FRIAR, Esq. (Managing)

Secretary

K.J. FRIAR

Manager

G. GRAHAM

Auditors

KIDSONS IMPEY

Chartered Accountants and Registered Auditors
Spectrum House, 20-26 Cursitor Street, London EC4A 1HY

Registrars

CI REGISTRARS LIMITED

Victoria Street, Luton
Bedfordshire LU1 2PZ

Registered Office

ARSENAL STADIUM
Avenell Road, Highbury, London N5 1BU

CHAIRMAN'S STATEMENT

The Directors have pleasure in submitting their 84th Annual Report to the Members together with the Audited Accounts for the year ended 31st May 1994.

Emulating last season's unique feat of winning both the FA Cup and Coca Cola Cup was always going to be difficult, but with a good start to the season our expectations were again high.

George Graham and the players were not to disappoint us and their achievement in winning the European Cup Winners Cup versus Parma AC in Copenhagen, against all odds, was magnificent, keeping us all on the edge of our seats until the final whistle.

More than 10,000 supporters travelled to Denmark, virtually without incident. We have received numerous letters of praise from organisations such as airlines and ferry companies and from individuals, and we are delighted that the good behaviour of our supporters was universally recognised. We thank them all.

Our Youth Team won the FA Youth Cup beating Millwall over two legs and again great credit is due to the youngsters and of course to their Manager, Pat Rice. The future of the Club depends heavily on its youth policy and it is gratifying to see such positive results from the efforts of all those involved.

The Club was honoured in February when HRH The Duke of Kent officially commemorated the opening of the North Bank Stand, although it was completed and open in time for the beginning of the season.

The new stand has proved to be an enormous success with a very high occupancy rate and is certainly among the finest stands in Europe. This could not have been achieved without the support of our Bondholders, the Bank of Scotland and indeed the Football Trust and to them all we do offer a very special word of thanks.

The re-development of the Stadium is now virtually complete. During this close season, the South East Corner of the ground was totally re-designed. A new Gunners Shop has been constructed in Avenell Road and the entrance to the Executive Box areas has been re-built.

New and greatly increased facilities for the disabled have been introduced along with special toilet facilities and associated concession refreshment areas.

Additional facilities have also been added to the South Stand Concourse. Lastly, the 'trainers dug-out' which was originally constructed in the 1930's has been replaced by a more modern structure which will now comply with the standard required by both UEFA and the FA Premier League.

The Club's policy is to continue improving spectator facilities and ensure that our supporters are able to enjoy their football in safety and comfort.

CHAIRMAN'S STATEMENT (continued)

In May we announced the association with our new kit sponsors Nike (UK) Ltd. who will be our kit suppliers for the next four years. We would like to place on record our gratitude to Adidas, our previous kit sponsors. Their support has been both valued and appreciated.

During the year, Anders Limpar left us to join Everton and Neil Heaney moved to Southampton and in wishing them well in their new careers we would thank them for their contribution to the Club's continued success.

Swedish International Stefan Schwarz has been signed from Benfica and joins us following a successful World Cup campaign.

Our Manager, George Graham, was made a Freeman of the London Borough of Islington earlier this year, a great honour both for him and of course the Club.

Our colleague Roger Gibbs received a Knighthood in the New Years Honours List and we feel sure that the shareholders would wish to join the Board in offering to Sir Roger their sincere congratulations.

Our groundsman, Steve Braddock, won the 'Regional Groundsman of the Year' award, a very well deserved recognition of his efforts in producing what is possibly the best pitch in the FA Premiership.

The success of the team is reflected in the year's Accounts which saw not only a substantial increase in turnover, up 40% from £15.3 million to £21.4 million but also a substantial increase in retained profit from £1.7 million to £4.03 million.

On the last occasion that the Club reached the Final of the European Cup Winners Cup, which was unfortunately lost to Valencia on penalties, turnover was £2.5 million with retained profits of £260,000.

In his report for that year, 1979/80, my late father mentioned the rising levels of expenditure, particularly of staff costs and Stadium maintenance. It seems that nothing changes other than adding a few noughts.

Finally, on behalf of the Board I would like to pay tribute to our dedicated staff both on and off the field whose contribution to another successful season has been immense.

Peter Hill-Wood
CHAIRMAN

THE ARSENAL FOOTBALL CLUB PLC

DIRECTORS' REPORT

31st May 1994

The directors present their annual report and the audited financial statements of the company for the year ended 31st May 1994.

PRINCIPAL ACTIVITIES

The principal activity of the company is that of a professional football club and the related commercial activities.

PROFITS AND DIVIDENDS

The results for the year are set out on page 7 and are reviewed in the Chairman's Statement.

The directors do not recommend the payment of a dividend.

DIRECTORS AND DIRECTORS' SHAREHOLDINGS

The directors of the company at 31st May 1994, all of whom served throughout the year, together with details of their interests in the company's share capital, are set out below:-

	Ordinary Shares of £1 each	
	At 31st May 1994	At 31st May 1993
P.D. Hill-Wood	448	448
D.B. Dein	21,656	23,816
Sir Robert Bellinger, G.B.E., D.Sc.	712	712
Sir Roger Gibbs	200	200
C.E.B.L. Carr	4,120	4,392
R.C.L. Carr	10,257	10,264
K.J. Friar	200	199
D.D. Fiszman	10,709	10,287

Of the above interests in shares, Mr. D.B. Dein and Mr. D.D. Fiszman have an interest in the same 7,840 shares.

In accordance with the provisions of Article 90 of the Articles of Association Sir Roger Gibbs and R.C.L. Carr retire by rotation and, being eligible, offer themselves for re-election.

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year, the company made donations for charitable purposes amounting to £5,180 (1993-£8,513).

FIXED ASSETS

The movements in fixed assets during the year are set out in the notes to the financial statements.

The directors are of the opinion that the market value of the company's land and buildings is greater than book value.

THE ARSENAL FOOTBALL CLUB PLC

DIRECTORS' REPORT (continued)

31st May 1994

PLAYERS

In accordance with previous practice and the accounting policy adopted for transfer fees as set out in the notes to the financial statements, no value is included in the balance sheet in respect of players. The directors acknowledge that this treatment is extremely conservative, in view of the significant potential transfer value of the playing staff. Nevertheless, the directors consider it inappropriate at the present time to place a value on this particular asset.

DIRECTORS' RESPONSIBILITIES

We are required under company law to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company, and of the profit or loss of the company for that period.

In preparing these accounts we are required to:

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- state whether accounting standards have been followed, and give details of any departures; and
- prepare the accounts on a going concern basis unless in our view the company will be unable to continue in business.

We are also responsible for:

- keeping proper accounting records;
- safeguarding the company's assets; and
- taking reasonable steps for the prevention and detection of fraud.

AUDITORS

Kidsons Impey have agreed to offer themselves for re-election as auditors of the company.

By order of the board

K.J. Friar

Secretary

Registered Office:

Arsenal Stadium,
Avenell Road,
Highbury,
London N5 1BU.

14th July 1994



THE ARSENAL FOOTBALL CLUB PLC
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MAY 1994

	Note	1994	1993
TURNOVER		£	£
Costs and overheads less other income	2	21,471,680	15,341,689
PROFIT ON ORDINARY ACTIVITIES BEFORE TRANSFER FEES	3	<u>(14,951,737)</u>	<u>(12,804,538)</u>
Transfer fees payable		6,519,943	2,537,151
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(889,588)</u>	<u>(54,259)</u>
Taxation	6	5,630,355	2,482,892
PROFIT AFTER TAXATION RETAINED FOR THE FINANCIAL YEAR	14	<u>(1,596,226)</u>	<u>(750,000)</u>
		<u>4,034,129</u>	<u>1,732,892</u>

All trading resulted from continuing operations.

There are no recognised gains and losses other than profit after taxation retained for the financial year.

The notes on pages 10 to 16 form part of these financial statements.

THE ARSENAL FOOTBALL CLUB PLC

BALANCE SHEET 31st MAY 1994

	Note	1994	1993
		£	£
FIXED ASSETS			
Tangible assets	7	28,478,922	18,982,931
CURRENT ASSETS			
Stocks.....	8	243,137	252,619
Debtors	9	3,537,964	3,733,665
Cash at bank and in hand		<u>5,826,491</u>	<u>4,004,804</u>
		9,607,592	7,991,088
CREDITORS			
Amounts falling due within one year	10	<u>(9,863,457)</u>	<u>(8,755,491)</u>
NET CURRENT LIABILITIES		<u>(255,865)</u>	<u>(764,403)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES.....		28,223,057	18,218,528
CREDITORS			
Amounts falling due after more than one year	11	<u>(17,893,500)</u>	<u>(11,923,100)</u>
NET ASSETS.....		<u>10,329,557</u>	<u>6,295,428</u>
CAPITAL AND RESERVES			
Called up share capital.....	13	56,000	56,000
Share premium account.....	14	237,201	237,201
Building reserve.....	14	846,000	846,000
Profit and loss account	14	<u>9,190,356</u>	<u>5,156,227</u>
SHAREHOLDERS' FUNDS		<u>10,329,557</u>	<u>6,295,428</u>

The financial statements on pages 7 to 16 were approved by the board of directors on 14th July 1994.

On behalf of the board

P.D. HILL-WOOD }

D.B. DEIN }

Directors

The notes on pages 10 to 16 form part of these financial statements.

THE ARSENAL FOOTBALL CLUB PLC

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MAY 1994

	1994	1993
	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES.....	6,600,632	2,944,130
CASH OUTFLOW IN RESPECT OF TRANSFERS		
Payments for purchase of players.....	(3,628,333)	(3,648,500)
Receipts from sale of players.....	<u>1,682,287</u>	<u>3,269,449</u>
RETURNS ON INVESTMENT AND SERVICING OF FINANCE	(1,946,046)	(379,051)
Interest received	213,073	65,702
TAXATION		
Corporation tax paid.....	(112,226)	-
INVESTING ACTIVITIES		
Payments to acquire tangible fixed assets.....	(7,618,646)	(6,979,396)
Receipts from sale of freehold property.....	-	171,402
Receipts from sale of plant and machinery.....	<u>9,500</u>	<u>10,600</u>
NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES	(7,609,146)	(6,797,394)
NET CASH (OUTFLOW) BEFORE FINANCING	(2,853,713)	(4,166,613)
FINANCING		
Debenture subscriptions.....	<u>4,675,400</u>	<u>5,193,450</u>
INCREASE IN CASH AND CASH EQUIVALENTS.....	<u><u>1,821,687</u></u>	<u><u>1,026,837</u></u>

See note 17 for further details.

The notes on pages 10 to 16 form part of these financial statements.

THE ARSENAL FOOTBALL CLUB PLC

NOTES ON FINANCIAL STATEMENTS - 31st MAY 1994

1. PRINCIPAL ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost accounting rules and in accordance with the applicable accounting standards, except as stated below.

TURNOVER

Turnover represents income from football and related activities.

DEPRECIATION

Depreciation is calculated to write off the cost of plant, equipment, motor vehicles and certain freehold improvements included in freehold property in equal annual instalments over their estimated useful lives at rates ranging from 7 to 25 per cent.

Leasehold properties are depreciated over the period of the leases in equal annual instalments. Statement of Standard Accounting Practice Number 12 requires that provision be made for depreciation of fixed assets having a finite useful life. However, it is company policy to maintain freehold property in such condition that its value is not diminished by the passage of time and the related maintenance expenditure is charged to the profit and loss account in the year it is incurred. Therefore any element of depreciation is considered to be immaterial and no provision is made.

STOCKS

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

TRANSFER FEES

Transfer fees are charged or credited to the profit and loss account in the year in which they are contracted.

SIGNING ON FEES

The terms of contract of the company's playing staff provide for the payment of signing on fees payable over the duration of the contract term. Signing on fees are charged to the profit and loss account at their due dates and are included within wages and salaries.

DEFERRED INCOME

Deferred income represents licence fees for executive boxes which are credited to the profit and loss account over the period of the licence and income from sponsorship agreements which is credited to the profit and loss account over the period of the agreement.

LEASES

Rentals payable under operating leases are charged to the profit and loss account in the period in which they fall due.

GRANTS

Grants received are matched with the related expenditure and the amount of the grant is deducted from the cost of the related asset. The directors believe that this is a fairer presentation of the facts than the accounting treatment recommended in Statement of Accounting Practice Number 4 (Revised).

PENSIONS

The company makes contributions on behalf of employees and directors to a number of independently controlled pension funds. Contributions are charged to the profit and loss account over the period to which they relate.

DEFERRED TAX

No provision has been made for deferred tax on the basis that the potential liability is not likely to crystallise in the foreseeable future. Details of the amount of deferred tax not provided are shown in note 12 of the financial statements.

NOTES ON FINANCIAL STATEMENTS - 31st MAY 1994 (continued)

2. TURNOVER	1994	1993
Turnover comprises the following:	£	£
Gate receipts	9,063,470	8,111,963
Broadcasting, advertising and other commercial activities	12,317,860	7,114,726
Prize money	90,350	115,000
	<u>21,471,680</u>	<u>15,341,689</u>
3. COSTS AND OVERHEADS LESS OTHER INCOME		
Employment costs.....	7,742,004	6,922,973
Depreciation.....	859,712	405,214
Other operating charges.....	6,563,094	5,393,867
Exceptional items - debenture issue costs	-	148,186
Interest receivable.....	(213,073)	(65,702)
	<u>14,951,737</u>	<u>12,804,538</u>
Other operating charges include:-		
(Profit)/loss on disposal of fixed assets	(9,500)	57,068
Auditors' remuneration - audit.....	19,000	19,500
- non-audit services	30,900	75,500
Operating lease payments - plant and machinery	25,698	7,698
- other.....	174,078	124,245
	<u>276,039</u>	<u>224,872</u>
4. DIRECTORS' EMOLUMENTS		
Management remuneration including pension contributions.....	276,039	224,872
Remuneration, excluding pension contributions, of the Chairman.....	-	-
Remuneration, excluding pension contributions, of the highest paid director.....	110,219	108,882
The number of other directors whose emoluments were within the following ranges was:		
£ Nil	Number 5	Number 5
£105,001 - £110,000	1	1

THE ARSENAL FOOTBALL CLUB PLC

NOTES ON FINANCIAL STATEMENTS - 31st MAY 1994 (continued)

5. EMPLOYEES

	1994 Number	1993 Number
The average number of persons employed by the company during the year was:		
Playing staff.....	52	51
Training staff.....	12	10
Administrative staff.....	54	55
Ground staff.....	10	11
	<u>128</u>	<u>127</u>
Staff costs:		
Wages and salaries.....	£ 6,786,188	£ 6,005,198
Social security costs.....	602,877	543,954
Other pension costs.....	352,939	373,821
	<u>7,742,004</u>	<u>6,922,973</u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

United Kingdom corporation tax based on the profit for the year at 33% (1993 - 33%).....	1,650,000	750,000
Overprovision in respect of prior years.....	(53,774)	-
	<u>1,596,226</u>	<u>750,000</u>

7. TANGIBLE FIXED ASSETS

	Freehold Properties £	Short Leasehold Properties £	Plant and Equipment £	Motor Vehicles £	Total £
Cost at 1st June 1993	17,699,433	7,539,396	2,021,352	153,008	20,579,189
Additions	7,269,795	5,379	3,080,529	-	10,355,703
Disposals	-	-	-	(54,000)	(54,000)
At 31st May 1994.....	<u>24,969,228</u>	<u>710,775</u>	<u>5,101,881</u>	<u>99,008</u>	<u>30,880,892</u>
Depreciation					
At 1st June 1993.....	250,200	197,814	1,043,378	104,866	1,596,258
Charge for year	348,998	76,214	418,180	16,320	859,712
Disposals	-	-	-	(54,000)	(54,000)
At 31st May 1994.....	<u>599,198</u>	<u>274,028</u>	<u>1,461,558</u>	<u>67,186</u>	<u>2,401,970</u>
Net Book Amount					
At 31st May 1994.....	<u>24,370,030</u>	<u>436,747</u>	<u>3,640,323</u>	<u>31,822</u>	<u>28,478,922</u>
At 31st May 1993.....	<u>17,449,233</u>	<u>507,582</u>	<u>977,974</u>	<u>48,142</u>	<u>18,982,931</u>

THE ARSENAL FOOTBALL CLUB PLC

NOTES ON FINANCIAL STATEMENTS - 31st MAY 1994 (continued)

7. TANGIBLE FIXED ASSETS (continued)

Grants received from The Football Trust during the year totalling £838,777 have been deducted from the cost of fixed assets in line with the company's accounting policy set out in note 1.

At 31st May 1994 the company had the following capital commitments:-

	1994 £	1993 £
Authorised and contracted for.....	<u>435,000</u>	<u>5,569,000</u>
Authorised but not contracted for.....	<u>580,000</u>	<u>2,513,500</u>

8. STOCKS

Goods for resale.....	<u>243,137</u>	<u>252,619</u>
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9. DEBTORS

Trade debtors.....	930,275	544,619
Other debtors.....	2,351,438	2,830,392
Prepayments and accrued income	256,251	358,654
	<u>3,537,964</u>	<u>3,733,665</u>

Other debtors include £258,000 (1993 - £351,000) receivable in more than one year in respect of executive box licences being paid on an instalment basis.

10. CREDITORS: Amounts falling due within one year

Trade creditors	107,735	297,297
Corporation tax	2,153,000	669,000
Other tax and social security	1,405,341	306,213
Other creditors.....	715,545	3,068,396
Accruals and deferred income	5,481,836	4,414,585
	<u>9,863,457</u>	<u>8,755,491</u>

11. CREDITORS: Amounts falling due after more than one year

Debenture subscriptions.....	14,437,500	9,762,100
Other creditors.....	1,750,000	-
Deferred income	1,706,000	2,161,000
	<u>17,893,500</u>	<u>11,923,100</u>

The debenture subscriptions have been applied in the redevelopment of the Highbury Stadium. Under the issue terms the debentures are repayable at par after 150 years.

THE ARSENAL FOOTBALL CLUB PLC

NOTES ON FINANCIAL STATEMENTS - 31st MAY 1994 (continued)

12. DEFERRED TAXATION	1994 £	1993 £
Unprovided deferred taxation		
Corporation tax deferred by accelerated capital allowances.....	<u>961,000</u>	<u>389,000</u>

13. CALLED UP SHARE CAPITAL AUTHORISED		
Ordinary shares of £1 each.....	<u>56,000</u>	<u>56,000</u>
ALLOTTED, ISSUED AND FULLY PAID		
Ordinary shares of £1 each.....	<u>56,000</u>	<u>56,000</u>

14. SHARE PREMIUM AND OTHER RESERVES

	Share Premium Account £	Building Reserve £	Profit and Loss Account £	Total £
Balance at 31st May 1993.....	237,201	846,000	5,156,227	6,239,428
Profit for the year.....	-	-	4,034,129	4,034,129
Balance at 31st May 1994.....	<u>237,201</u>	<u>846,000</u>	<u>9,190,356</u>	<u>10,273,557</u>

15. LEASING COMMITMENTS

Commitments due under operating leases for the period to 31st May 1995 are:-

	1994		1993	
	Land and Buildings £	Other £	Land and Buildings £	Other £
Leases expiring in:-				
One year.....	-	-	-	8,000
Two to five years.....	137,000	18,000	42,000	-
Over five years.....	<u>40,000</u>	<u>-</u>	<u>135,000</u>	<u>-</u>
	<u>177,000</u>	<u>18,000</u>	<u>177,000</u>	<u>8,000</u>

16. CONTINGENCIES

Under the conditions of a transfer agreement in respect of a player purchased in a previous year a further £50,000 will be payable should the player complete 50 First Team appearances. No provision has been made in these accounts for this amount as the directors do not believe that the applicable number of appearances will be achieved in the foreseeable future.

THE ARSENAL FOOTBALL CLUB PLC

NOTES ON FINANCIAL STATEMENTS - 31st MAY 1994 (continued)

	1994 £	1993 £
17. CASH FLOW STATEMENT		
(a) Reconciliation of operating profit to net cash inflow from operating activities		
Operating profit.....	6,306,870	2,471,449
Depreciation	859,712	405,214
(Profit)/loss on fixed asset disposal	(9,500)	57,068
Decrease in stock.....	9,482	292,534
Decrease/(increase) in debtors.....	451,684	(1,640,531)
(Decrease)/increase in creditors (excluding exceptional items).....	(978,600)	1,374,380
(Decrease) in creditors (exceptional).....	(39,016)	(15,984)
Net cash inflow from operating activities	<u>6,600,632</u>	<u>2,944,130</u>
 Profit on ordinary activities before transfer fees.....	 6,519,943	 2,337,151
Interest receivable.....	(213,073)	(65,702)
 Operating profit.....	 <u>6,306,870</u>	 <u>2,471,449</u>
 (b) Analysis of changes in cash and cash equivalents during the year		
At 1st June 1993	4,004,804	2,977,967
Net cash inflow	<u>1,821,687</u>	<u>1,026,837</u>
 At 31st May 1994	 <u>5,826,491</u>	 <u>4,004,804</u>
 (c) Analysis of balances of cash and cash equivalents as shown in the balance sheet		
	1994 £	1993 £
Cash at bank and in hand.....	<u>5,826,491</u>	<u>4,004,804</u>
		Change in year £
		<u>1,821,687</u>

THE ARSENAL FOOTBALL CLUB PLC

NOTES ON FINANCIAL STATEMENTS - 31st MAY 1994 (continued)

17. CASH FLOW STATEMENT (continued)

(d) Analysis of changes in financing during the year

	Building Reserve £	Share capital (including premium) £	Debenture loan £	Total £
Balance at 31st May 1993.....	846,000	293,201	9,762,100	10,901,301
Cash inflow from financing...	-	-	4,675,400	4,675,400
Balance at 31st May 1994.....	<u>846,000</u>	<u>293,201</u>	<u>14,437,500</u>	<u>15,576,701</u>

	Building Reserve £	Share capital (including premium) £	Debenture loan £	Total £
Balance at 31st May 1992.....	846,000	293,201	4,568,650	5,707,851
Cash inflow from financing...	-	-	5,193,450	5,193,450
Balance at 31st May 1993.....	<u>846,000</u>	<u>293,201</u>	<u>9,762,100</u>	<u>10,901,301</u>

THE ARSENAL FOOTBALL CLUB PLC

AUDITORS' REPORT

31st May 1994

Auditors' report to the members of The Arsenal Football Club plc

We have audited the financial statements on pages 7 to 16 which have been prepared under the accounting policies set out on page 10.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 6 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

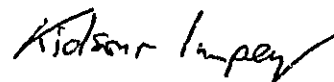
BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 31st May 1994 and of its profit for the year ended on that date and have been properly prepared in accordance with the Companies Act 1985.



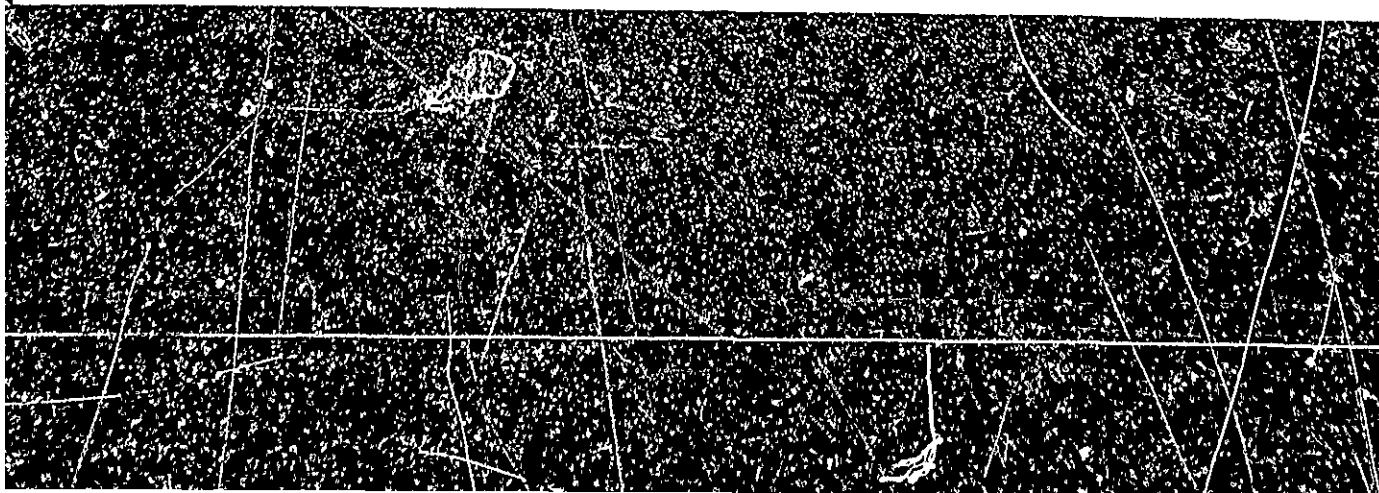
Kidoon Impey

Registered Auditors

Chartered Accountants

London

14th July 1994



THE ARSENAL FOOTBALL CLUB PLC

PLAYING RECORD SUMMARY - SEASON 1993-94

FIRST TEAM

HOME
AWAY

F.A. PREMIER LEAGUE

P	W	D	L	F	A	Pts.
21	10	8	3	24	15	38
21	8	9	4	29	13	33
42	18	17	7	53	28	71

Final Position: 4th

Round 3
Round 4
Round 4 (Replay)

F.A. CHALLENGE CUP

v MILLWALL	(A)	WON	1-0
v BOLTON WANDERERS	(A)	DREW	2-2
v BOLTON WANDERERS	(H)	LOST	1-3 A.E.T.

Round 2 (1st Leg)
Round 2 (2nd Leg)
Round 3
Round 3 (Replay)
Round 4

COCA COLA CUP

v HUDDERSFIELD TOWN	(A)	WON	5-0
v HUDDERSFIELD TOWN	(H)	DREW	1-1
v NORWICH CITY	(H)	DREW	1-1
v NORWICH CITY	(A)	WON	3-0
v ASTON VILLA	(H)	LOST	0-1

Round 1 (1st Leg)
Round 1 (2nd Leg)
Round 2 (1st Leg)
Round 2 (2nd Leg)
Q/F (1st Leg)
Q/F (2nd Leg)
S/F (1st Leg)
S/F (2nd Leg)
Final

EUROPEAN CUP WINNERS CUP

v ODENSE BOLDKLAB	(A)	WON	2-1
v ODENSE BOLDKLAB	(H)	DREW	1-1
v STANDARD LIEGE	(H)	WON	3-0
v STANDARD LIEGE	(A)	WON	7-0
v TORINO	(A)	DREW	0-0
v TORINO	(H)	WON	1-0
v PARIS ST. GERMAIN	(A)	DREW	1-1
v PARIS ST. GERMAIN	(H)	WON	1-0
v PARMA AC	(Copenhagen)	WON	1-0

RESERVE TEAM

HOME
AWAY

FOOTBALL COMBINATION

P	W	D	L	F	A	Pts.
19	8	1	10	41	40	25
19	5	5	9	26	36	20
38	13	6	19	67	76	45

Final Position: 15th

YOUTH TEAM

HOME
AWAY

SOUTH EAST COUNTIES LEAGUE

P	W	D	L	F	A	Pts.
15	4	5	6	27	24	13
15	11	2	2	39	18	24
30	15	7	8	66	42	37

Final Position: 7th

Round 2
Round 3
Round 3 (Replay)
Round 4
Q/F
S/F (1st Leg)
S/F (2nd Leg)
Final (1st Leg)
Final (2nd Leg)

F.A. YOUTH CUP

v COLCHESTER UNITED	(A)	WON	3-2
v BRENTFORD	(A)	DREW	1-1
v BRENTFORD	(H)	WON	3-1
v BURNLEY	(A)	WON	1-0
v STOKE CITY	(H)	WON	3-1
v BRADFORD CITY	(A)	WON	1-0
v BRADFORD CITY	(H)	WON	1-0
v MILLWALL	(A)	LOST	2-3
v MILLWALL	(H)	WON	3-0

Round 1
Round 1 (Replay)

SOUTH EAST COUNTIES LEAGUE CUP

v BRISTOL CITY	(H)	DREW	1-1
v BRISTOL CITY	(A)	LOST	2-3

Round 1
Round 2
Round 3

SOUTHERN JUNIOR FLOODLIT CUP

v IPSWICH TOWN	(H)	WON	2-1
v LUTON TOWN	(H)	WON	2-1
v BRIGHTON & HOVE ALBION	(A)	LOST	0-1