

ARSENAL FOOTBALL
CLUB LTD.

STATEMENT OF ACCOUNTS

AND

ANNUAL REPORT

1974/75

ARSENAL FOOTBALL CLUB LIMITED

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NOTICE IS HEREBY GIVEN that the SIXTY-FIFTH ANNUAL GENERAL MEETING of the shareholders of Arsenal Football Club Limited will be held at the registered office of the Company, Arsenal Stadium, Highbury, London N5 1BU, on Friday, 21st November, 1975, at 4 p.m. precisely when the following ordinary business will be transacted, viz.:

To receive the Directors' Report and Statement of Accounts and the Auditors' Report thereon for the year ended 31st May, 1975, to elect Directors and to transact any other ordinary business of the meeting.

And the following special business, viz.:—

To consider and, if thought fit, pass the following Resolution as a Special Resolution, notice to move such Resolution having been given by Mr. Edward R. Footring, viz.:—

SPECIAL RESOLUTION

That the Articles of Association of the Company be varied by the deletion of Article 126.

Dated this 29th day of October, 1975.

By Order of the Board.

K. J. FRIAR,
Secretary.

Registered Office:

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

Notes.—(1) A member of the Company who is entitled to attend and vote may appoint a proxy to attend and vote instead of him and a proxy need not be a member of the Company.

(2) Article 126 of the Articles of Association of the Company reads:—

“ 126. A shareholder may have issued to him a season ticket or tickets subject to a deduction of 5 per cent. from the amount charged to non-shareholders. Tickets so issued must not be sold and the privilege granted under this clause shall be restricted to such holder and in case of transference or death to such member of his family as shall become the registered holder of the shares. The privilege cannot be sold or granted to any other transferee.

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ARSENAL FOOTBALL CLUB LIMITED

Directors:

D. J. C. H. HILL-WOOD, Esq., M.C. (*Chairman*)
Sir GUY BRACEWELL SMITH, Bt., M.B.E., M.A.
Sir ROBERT BELLINGER, G.B.E., D.Sc.
S. C. McINTYRE, Esq., M.B.E., F.C.I.S.
P. D. HILL-WOOD, Esq.
The Reverend NÖEL F. BONE, T.D.
A. WOOD, Esq.

General Manager:

W. R. WALL

Secretary:

K. J. FRIAR

Manager:

B. MEE

Auditors:

Messrs. HOPE, AGAR & CO.

Chartered Accountants

Epworth House, 25/35 City Road, London EC1Y 1AR

Registered Office:

ARSENAL STADIUM
Avenell Road, Highbury, London N5 1BU

REPORT OF THE DIRECTORS

The Directors have pleasure in submitting their Sixty-fifth Annual Report to the Members together with the audited Accounts for the year ended 31st May, 1975.

We are happy to report that in January, 1975, Mr. Anthony Wood accepted our invitation to join the Board and we feel certain that his past experience in the Sporting World will be a valuable asset.

Our First team results were disappointing in comparison with earlier seasons and in finishing at the wrong end of the League table, the desire to regain our position at the top has only been strengthened. As we said last year many young players have been introduced into our sides and I am sure you will agree that there are now several fine prospects among our staff awaiting their opportunity to prove their undoubted ability.

The Reserve team playing in the 1st Division of the Football Combination finished in 5th position, having gained 50 points out of 40 games.

The South East Counties League side finished in 3rd position with 39 points from 30 games, the same as Tottenham who overtook us on goal average. Both the Reserve team and the South East Counties League side are composed mainly of youngsters and we are happy to see that our youth policy appears once again to be bearing fruit.

Further details of these records can be found elsewhere in this Report.

Turning to the Accounts, it will be seen that net gate receipts were increased by £21,029 due to an increase in our admission charges since the average attendance showed a decrease on the previous season. For the first time we decided to depart from our policy of not advertising within the Stadium and the results of this are reflected in the Profits from Programmes, Handbooks and Ground Advertising which as you can see have increased by £30,615. Considering the severe economic difficulties which companies are experiencing we do feel that this has proved to be an extremely useful contribution to the Club's revenue.

Total expenditure for the year increased by £17,731 and considering the continuance of inflation we are satisfied that our costs have been contained at a reasonable overall level.

The net result of the above is an excess of Income over Expenditure of £1,053, which includes an excess of players' transfer fees received over fees paid of £46,774.

After provision for Corporation Tax the addition to unappropriated profit amounts to £803. Your Board do not recommend the payment of a dividend.

Under the provision of Article 94 of the Articles of Association Mr. A. Wood retires from the Board and, being eligible, offers himself for re-election.

In accordance with the provisions of Article 90 of the Articles of Association Sir Robert Bellinger and Mr. S. C. McIntyre retire by rotation and, being eligible, offer themselves for re-election.

The Auditors, Messrs. Hope Agar & Co., have agreed to continue their appointment for the current year.

Signed on behalf of the Board.

D. J. C. H. HILL-WOOD,
Chairman.

LONDON, N.5.

29th October, 1975.

ARSENAL FOOTBALL CLUB LIMITED

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st MAY, 1975

<i>Note</i>	1975		1974	
	£	£	£	£
FOOTBALL INCOME				
		528,728		507,699
		9,954		8,557
		31,939		1,324
		6,243		5,773
		46,774		80,127
		<u>623,638</u>		<u>603,480</u>
1 TURNOVER				
EXPENDITURE				
		413,160	364,769	
		31,107	25,872	
		132,366	163,655	
		1,108	687	
		45,101	53,425	
1		18,954	15,636	
		1,000	1,021	
		<u>642,796</u>	<u>625,065</u>	
		(19,158)	(21,585)	
2 OTHER INCOME		20,211	21,233	
		1,053	(352)	
3 TAXATION		250	3,329	
		803	(3,681)	
4 PROPOSED DIVIDEND			292	
		£803	(£3,973)	
ADDITION (REDUCTION) TO UNAPPROPRIATED PROFITS				

ARSENAL FOOTBALL CLUB LIMITED

BALANCE SHEET AS AT 31st MAY, 1975

					1975		1974	
Note					£	£	£	£
8	FIXED ASSETS	...	...	...		556,284		619,158
10	QUOTED INVESTMENT	...	...	...		—		15,000
						<u>556,284</u>		<u>634,158</u>
	CURRENT ASSETS							
1	Stock	...	...	...		12,691		9,794
	Debtors and Prepayments	...	...	...		142,304		56,008
11	Cash at Bank and in Hand	...	...	...		1,215		12,004
						<u>156,210</u>		<u>77,806</u>
	Less CURRENT LIABILITIES							
	Season Tickets 1975-76	...	...	...		28,614		54,188
	Creditors and Accrued Charges	...	...	...		202,798		145,550
	Unclaimed Dividends	...	...	...		1,007		977
	Corporation Tax	...	...	...		10,403		48,631
	Proposed Dividend	...	...	...		5,043		292
11	Bank Overdraft	...	...	...		<u>5,043</u>		<u>—</u>
						<u>247,865</u>		<u>249,638</u>
	NET CURRENT LIABILITIES					91,655		171,832
						<u>464,629</u>		<u>462,326</u>
	DEFERRED LIABILITY							
	Tax Equalisation	...	...	...		11,500		10,000
	TOTAL NET ASSETS					<u>£453,129</u>		<u>£452,326</u>
	FINANCED BY:—							
12	SHARE CAPITAL	...	...	...		5,849		5,849
13	RESERVES	...	...	...		447,280		446,477
						<u>£453,129</u>		<u>£452,326</u>

D. J. C. H. HILL-WOOD }
 G. BRACEWELL SMITH } Directors.

D. Hill-Wood

K. J. FRIAR, Secretary.

K. J. Friar

ARSENAL FOOTBALL CLUB LIMITED

NOTES FORMING PART OF THE ACCOUNTS

31st May, 1975

1. ACCOUNTING POLICIES

TURNOVER is computed as total net receipts from football activities including Transfers of Players.
 DEPRECIATION on all Fixed Assets other than Freehold Properties is calculated to write off cost during their expected normal lives by annual instalments at rates ranging from 10 per cent. to 20 per cent.
 No depreciation has been provided in the year under review on Freehold Properties.
 STOCKS are valued at the lower of cost and net realisable value.

2. OTHER INCOME

Other Income comprised:

	1975		1974	
	£	£	£	£
Rents Receivable (net)		2,148		1,602
Quoted Investment Income		33		788
Interest Receivable—Bank	7,988		8,444	
Other	7,592		8,099	
		<u>15,580</u>		<u>16,543</u>
Profits on Sale of Properties		2,450		2,300
		<u>£20,211</u>		<u>£21,233</u>

3. TAXATION

Corporation Tax on the profits of the year has been provided at 42 per cent.

	£	
Tax on profits of the year		2,275
Tax Equalisation		1,500
		<u>3,775</u>
Less overprovision in prior years		3,525
		<u>£250</u>

The Tax Equalisation represents tax allowances on Plant and Equipment received in advance of depreciation charges.

4. DIVIDEND

The Directors do not recommend the payment of a dividend. (1974: 7.462 per cent.)

5. REMUNERATION OF EMPLOYEES

The number of employees whose emoluments receivable were in excess of £10,000 for the year was:—

	1975	1974
£10,001—£12,500	10	3

6. DIRECTORS

The following Directors have served during the year and their beneficial and family interests in the shares of the Company were as stated against their respective names:—

	At 31.5.75	At 1.6.74
D. J. C. H. Hill-Wood, M.C.	511	511
Sir G. Bracewell Smith, Bt., M.B.E., M.A.	1,454	1,510
Sir Robert Bellinger, G.B.E., D.Sc.	92	95
S. C. McIntyre, M.B.E., F.C.I.S.	80	80
P. D. Hill-Wood	591	591
Rev. N. F. Bone, T.D.	298	305
A. Wood (appointed 10th January, 1975)	81	55

ARSENAL FOOTBALL CLUB LIMITED

NOTES FORMING PART OF THE ACCOUNTS--continued

31st May, 1975

7. DIRECTORS' EMOLUMENTS

In accordance with Article 86 of the Company's Articles of Association the Directors received no remuneration during the year (1974—Nil).

8. FIXED ASSETS

	Value 1965	Cost at 1.6.74	Additions	Disposals	Deprecia- tion at 1.6.74	Charge for Year	Disposals	Written Down Value 31.5.75
	£	£	£	£	£	£	£	£
Freehold Properties ...	12,150	679,270	706	60,194	127,393	--	--	504,539
Plant, Fixtures and Fittings ...	--	18,744	8,289	--	11,820	3,158	--	12,055
Oil-fired Boiler ...	--	3,752	--	--	3,412	330	--	10
Emergency Lighting Plant ...	--	25,119	4,977	--	9,854	4,808	--	15,434
Floodlighting ...	--	11,309	--	--	4,483	1,131	--	5,695
Undersoil Heating ...	--	46,471	--	--	26,899	6,970	--	12,602
Motor Vehicles ...	--	9,932	3,237	2,102	3,728	2,232	842	5,949
	<u>£12,150</u>	<u>£794,597</u>	<u>£17,209</u>	<u>£62,296</u>	<u>£187,589</u>	<u>£18,629</u>	<u>£842</u>	<u>£556,284</u>

9. The Directors are of the opinion that the market value of the Company's Land and Buildings is considerably greater than book value but in view of the specialised nature of most of this asset, they are unable to fix a present-day value.

10. QUOTED INVESTMENT

5½ per cent. Conversion Stock 1974. Redeemed June 1974 (1974—£15,000).

11. Barclays Bank Limited hold a Debenture giving a charge on all Company Properties.

12. SHARE CAPITAL

	1975	1974
AUTHORISED		
7,000 Ordinary Shares of £1 each	<u>£7,000</u>	<u>£7,000</u>
ISSUED AND FULLY PAID		
5,839 Ordinary Shares of £1 each	<u>£5,839</u>	<u>£5,839</u>
Amounts paid on Shares forfeited	<u>£10</u>	<u>£10</u>

13. RESERVES

	Profit and Loss Account	Capital Reserve	Total
	£	£	£
Balance 1.6.74 ...	434,899	11,578	446,477
Addition to Unappropriated Profits for year	803	--	803
	<u>£435,702</u>	<u>£11,578</u>	<u>£447,280</u>

14. CAPITAL COMMITMENTS

There were Capital Commitments outstanding at 31st May, 1975, amounting to approximately £3,500 (1974—£4,500).

ARSENAL FOOTBALL CLUB LIMITED

REPORT OF THE AUDITORS

To the Members of Arsenal Football Club Limited

In our opinion the accounts set out on pages 4 to 7 comply with the Companies Acts 1948 and 1967 and give so far as concerns members of the Company a true and fair view of the state of affairs of the Company at 31st May, 1975, and of its profit for the year then ended.

HOPE, AGAR & CO.,
Chartered Accountants.

EPWORTH HOUSE,
25/35 CITY ROAD,
LONDON EC1Y 1AR
29th October, 1975.

PLAYING RECORD 1974-75

FIRST TEAM

Football League	
37 Points.	42 Matches. Position: 16th
F.A. Cup	
Round 3	v. York City (H) 1-1
Round 3 (Replay)	v. York City (A) 3-1
Round 4	v. Coventry City (A) 1-1
Round 4 (Replay)	v. Coventry City (H) 3-0
Round 5	v. Leicester City (H) 0-0
Round 5 (Replay)	v. Leicester City (A) 1-1
Round 5 (2nd Replay)	v. Leicester City (A) 1-0
Round 6	v. West Ham United (H) 0-2
Football League Cup	
Round 1	Exempt
Round 2	v. Leicester City (H) 1-1
Round 2 (Replay)	v. Leicester City (A) 1-2

SECOND TEAM

Football Combination
50 Points. 40 Matches. Position: 5th

THIRD TEAM

South East Counties League	
39 Points.	30 Matches. Position: 3rd
F.A. Youth Cup	
Round 1	Exempt
Round 2	v. Soham Town Rangers (A) 5-1
Round 3	v. Oxford United (H) 3-0
Round 4	v. West Bromwich Albion (H) 3-1
Round 5	v. Ipswich Town (A) 0-1
South East Counties League Cup	
Round 1	v. Millwall (A) 0-0
Round 1 (Replay)	v. Millwall (H) 5-0
Round 2	v. West Ham United (A) 1-2
Southern Junior Floodlit Cup	
Round 1	v. West Ham United (A) 2-0
Round 2	v. Ipswich Town (A) 0-3