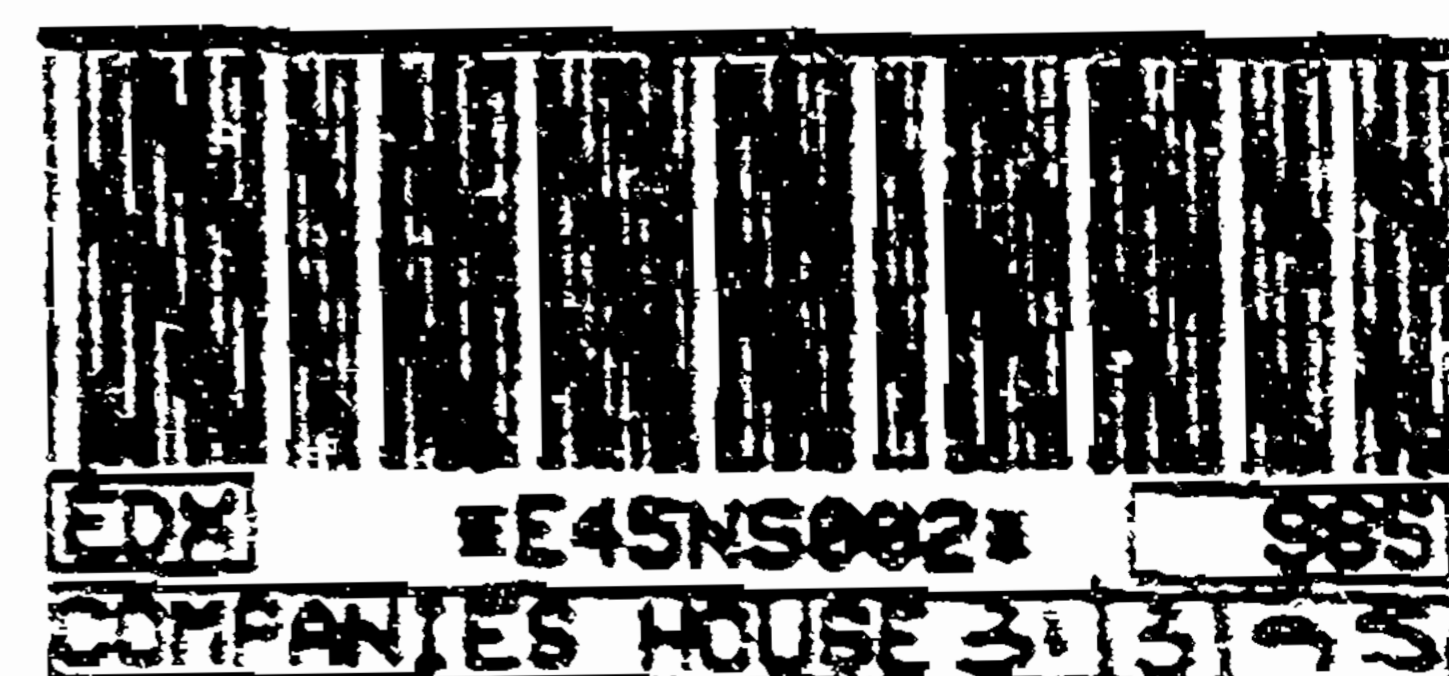


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Directors and Advisors

Directors	P.R. Johnson (Chairman) Sir Desmond H. Pitcher DL (Deputy Chairman) B.C. Finch R.J. Hughes Sir Philip Carter CBE Dr D. M. Marsh K.M. Tamlin D.A.B. Newton W. Kenwright A.J.L. Abercromby The Rt. Hon. C.J. Suenson Taylor
Secretary & Chief Executive	J. Greenwood
Registered Office	Goodison Park Liverpool L4 4EL
Auditors	Rogers Bowler & Co. Chartered Accountants 56 Hamilton Street Birkenhead L41 5HZ
Bankers	T.S.B. Bank plc 31 Castle Street Liverpool L2 4XT
Financial Advisors	N M Rothschild & Sons Ltd. Trinity Court 16 John Dalton Street Manchester M2 6HY
Solicitors	Cuff Roberts 100 Old Hall Street Liverpool L3 9TD



Notice of Annual General Meeting

Notice is hereby given that the one hundred and fifteenth Annual General Meeting of The Everton Football Club Co. Ltd. (The Company) will be held at Goodison Park, Liverpool L4 4EL on Thursday 10th November 1994 at 7p.m. for the purposes of considering the following business:

- 1) To receive the Directors' Report and Accounts for the year ended 31st May 1994.
- 2) To elect Directors.
- 3) To appoint Auditors for the ensuing year, and authorise the Directors to fix their remuneration.
- 4) 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 the 9th November 1994.

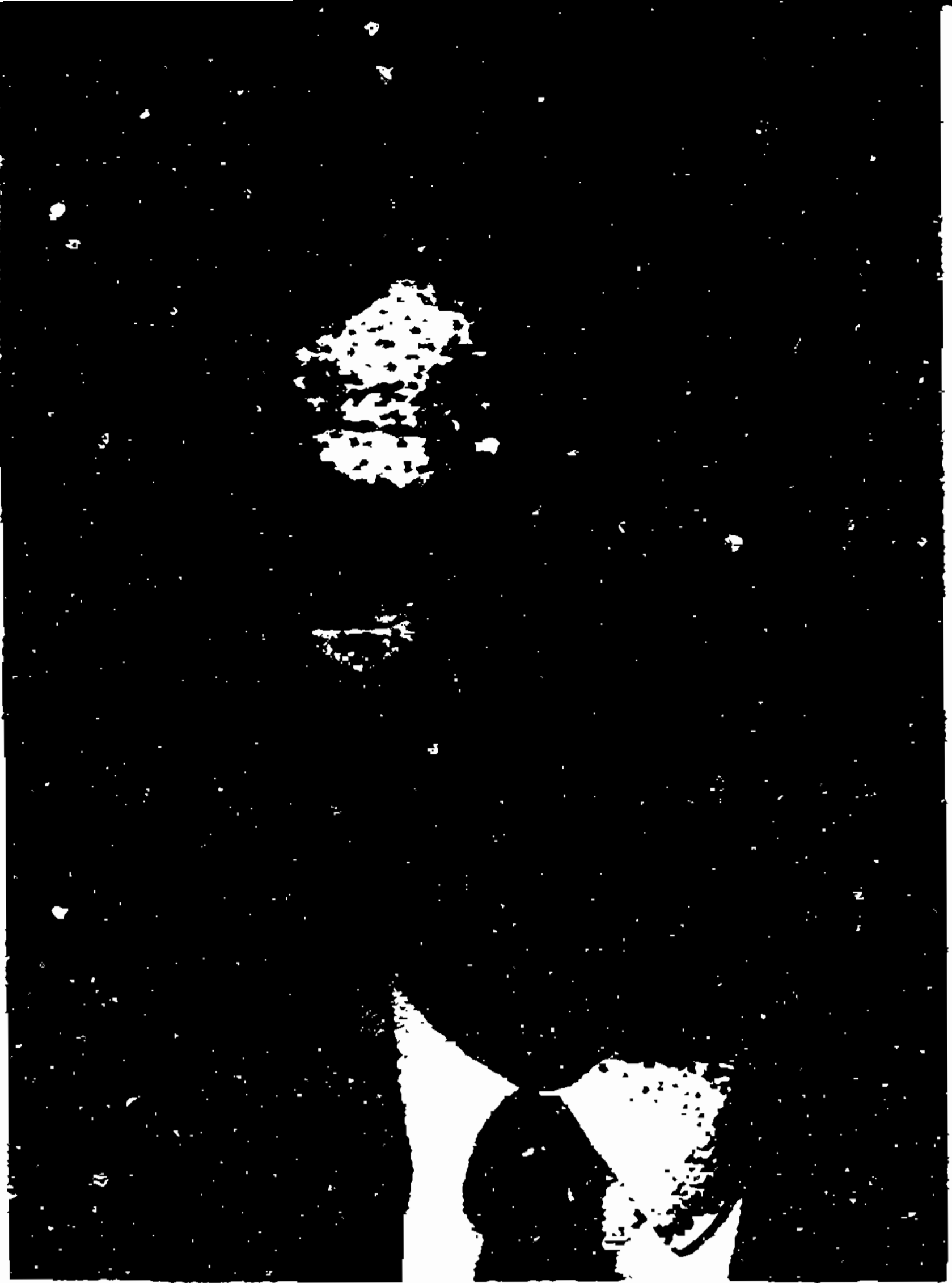
By order of the board

J. Greenwood
Secretary
Goodison Park
Liverpool
L4 4EL

18th October 1994

Notes

- 1) A member entitled to attend and vote at the above meeting may appoint one or more proxies to attend, and on a poll, to vote in his/her place. A proxy need not be a member of the Company.
- 2) To be valid, a duly executed instrument of proxy must be lodged at the Registered Office of the Company at least 48 hours before the time appointed for holding the meeting.
- 3) Admission to the Meeting will be on presentation of this Annual Report.



Chairman's Report

The year under review was a very traumatic one in the long and distinguished history of Everton Football Club.

Having determined at the last Annual General Meeting the need to introduce additional capital to ensure the future of the Club, the Directors were involved in long, and at times, complex discussions with the major shareholder in order to gain approval for an increase in the issued Share Capital. This only reached a satisfactory conclusion on 26th July 1994 when I was delighted to receive the overwhelming support of the Shareholders to my offer to underwrite the new share issue, and in my subsequent election to the Board and elevation to Chairman.

The playing results for the year were a major disappointment. Having been dismissed from the Coca Cola Cup in the 4th round by Manchester United, there followed the upheaval of the resignation of Mr. Howard Kendall as Manager in early December. Mike Walker was appointed in early January, just in time to witness our demise from the F.A. Cup at the hands of Bolton Wanderers. Mr. Walker was unable to check the slide in league results, which led to the memorable last match of the season against Wimbledon, when the team recovered from a 0-2 deficit to win 3-2 and preserve our 40 year record in the First Division/Premier League.

In spite of the unacceptable playing record, average League attendances for the season were 22,882, which showed an increase of 12% over the previous year.

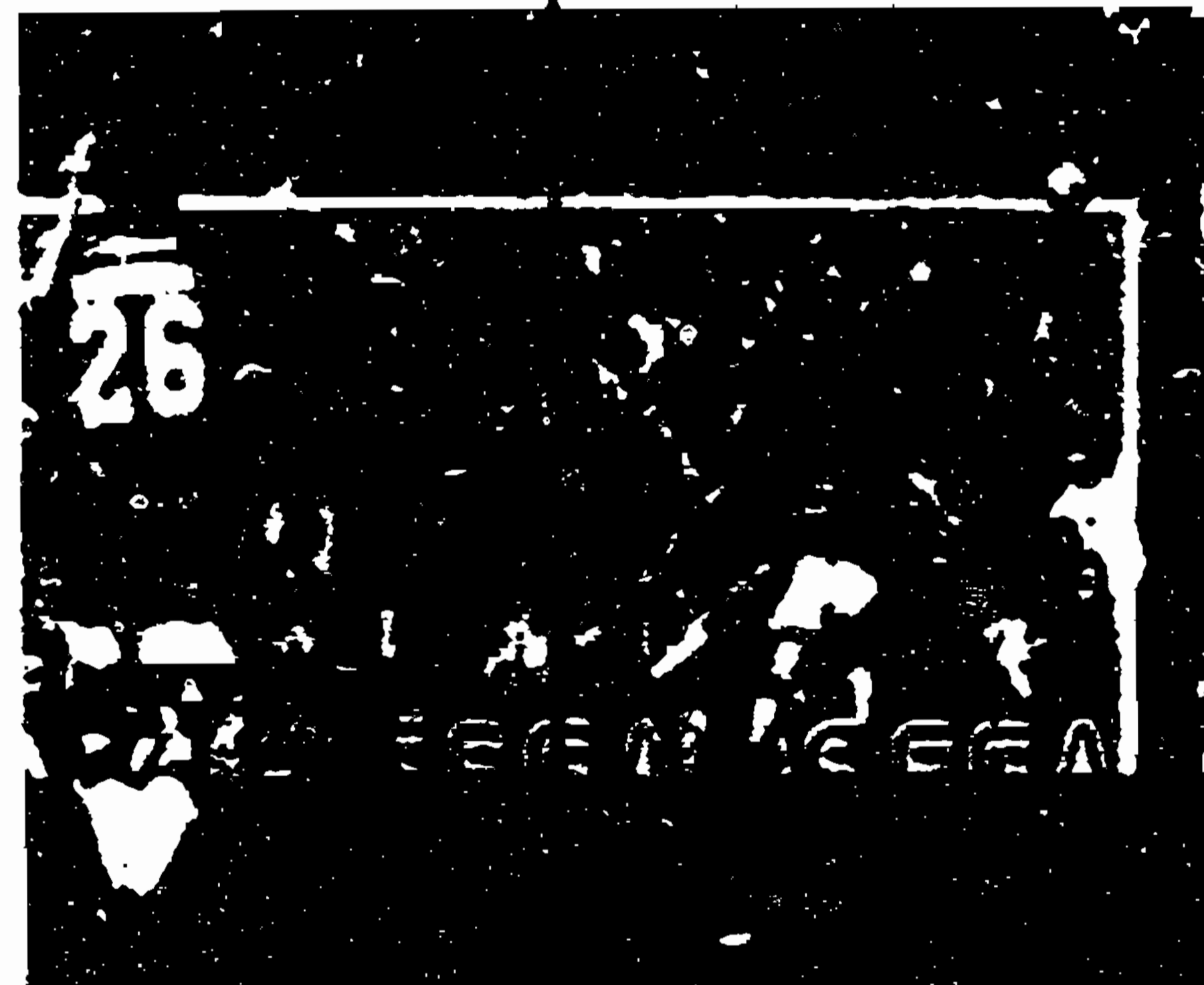
Following their promotion to Division One of the Pontin's League, our relatively inexperienced Reserve Team had a difficult time. However they improved dramatically over the last few weeks of the season to retain their status, and I am pleased to report the improvement has continued into the current season.

In the Lancashire League the 'A' and 'B' teams finished in third and fourth positions respectively.

Since the last report, the following players have joined the Club - Graham Stuart, Brett Angel, Gary Rowett, Anders Limpar, Joe Parkinson, Vinny Samways, Daniel Amokachi and David Burrows. Outgoing transfers have been Peter Beagrie, Mark Ward, Predrag Radosavljevic, Robert Warzycha, Billy Kenny and Tony Cottee.

At International level, Neville Southall and Barry Hone appeared regularly for Wales. Matt Jackson gained further England U21 honours and a number of our young players including Jonathan O'Connor, Graham Allen, John O'Toole, Michael Branch, Gavin McCann and Richard Moore were selected for England squads. During the current season David Unsworth has been a regular selection for the England U21 UEFA Championship games.

Income from gate receipts and football related activities increased by £901,478 over the previous year, with trading and other income remaining static. Overall expenditure increased by £586,826, bank interest was reduced by £156,742, resulting in a profit before transfer fees of £773,172. Net expenditure of £1,228,212 on transfer fees resulted in the reported loss of £455,040.



The memorable goal.



The donations received from the various Goodison Park Promotions lotteries showed a welcome improvement from £4,779 to £41,079. As a result of the National Lottery, increased competition does continue to place a question mark against the future of these schemes.

NEC continue to be our major sponsors. The relationship is now one of the longest running in football, and we are very appreciative of their continuing magnificent support and co-operation. Umbro remain our kit sponsors and suppliers, and we look forward to extending our relationship with them in the future.

On 17th September 1994 the Rt. Hon. David Hunt MP, together with representatives from The Football Trust, opened the new Park End Stand, which is a splendid development and ensures that Goodison Park continues to be one of the major football stadia in the U.K. We are very grateful to The Football Trust for their financial assistance, which has ensured that all Clubs are able to undertake schemes of this nature and continue the improvements to grounds, which have been a welcome development over recent years. We will be continuing to invest in the coming years, both to improve facilities for our supporters and to generate additional income from corporate hospitality and similar sources.

Looking to the future, I am determined that everything possible should be done to ensure the future of Everton Football Club, not only as a leading contender for honours in the domestic game, but as a major power in European football. This will obviously take time, but I have made my intentions clear by the injection of £10M capital, which has enabled the Manager to purchase new players at the net cost of £5.6M to date, with a view to improving the quality of the squad. As and when top quality players become available, I intend that Everton Football Club should be in a position to compete for them.

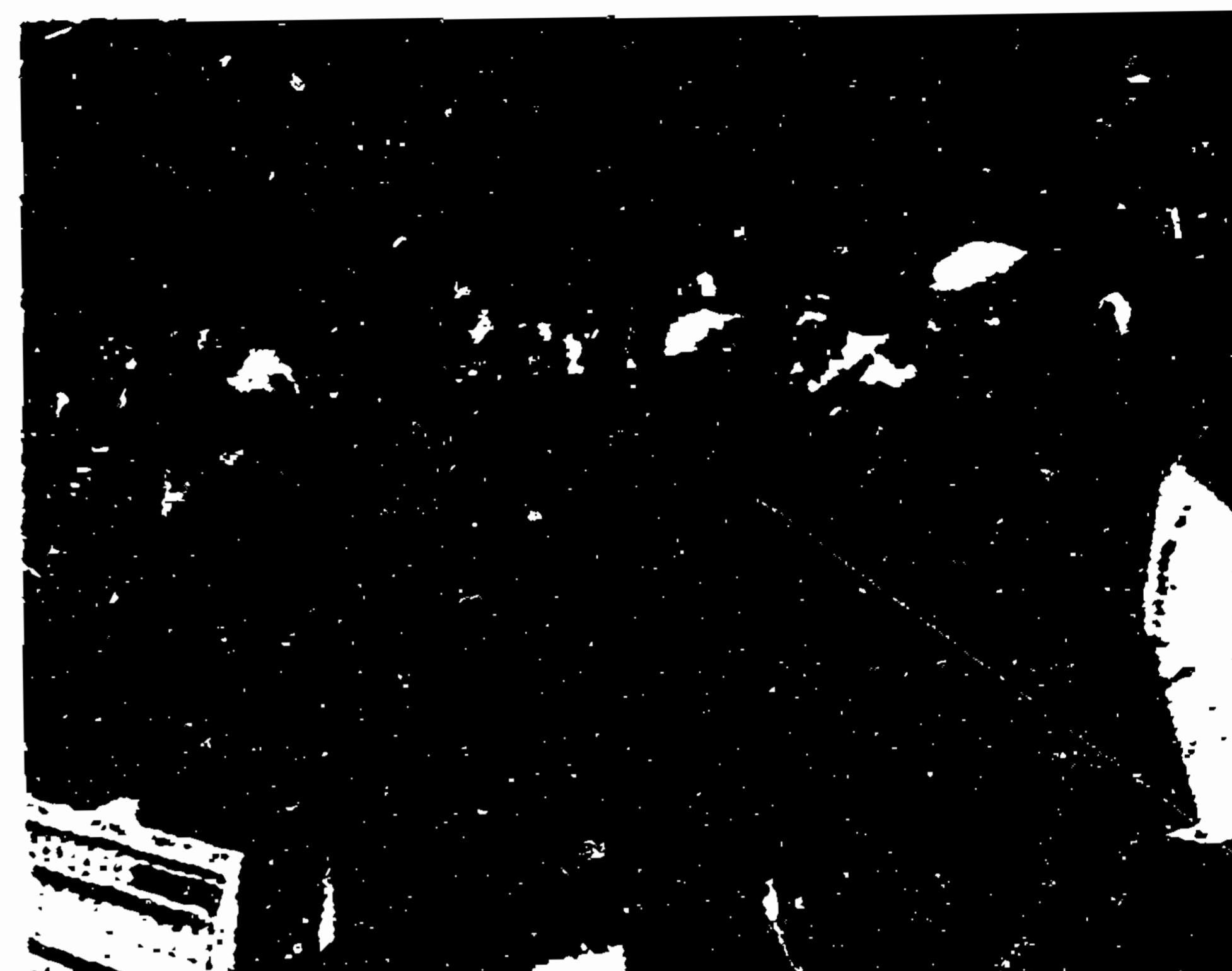
To this end, I intend to fully develop the commercial side of the Club, which together with a successful team on the field will ensure that revenues are generated to enable us to progress towards the ultimate success, which the board, staff, players and supporters are all seeking.

It is also my intention to concentrate additional resources on the development of young players. The recent success of David Unsworth both in our own first team, and with the England Under 21 team has given a great deal of pleasure to all of us. It is always something special when a youngster who has been with the Club from his schooldays breaks through. The Club do have an exciting squad of youngsters and we must ensure they are given every opportunity to fulfil their promise.

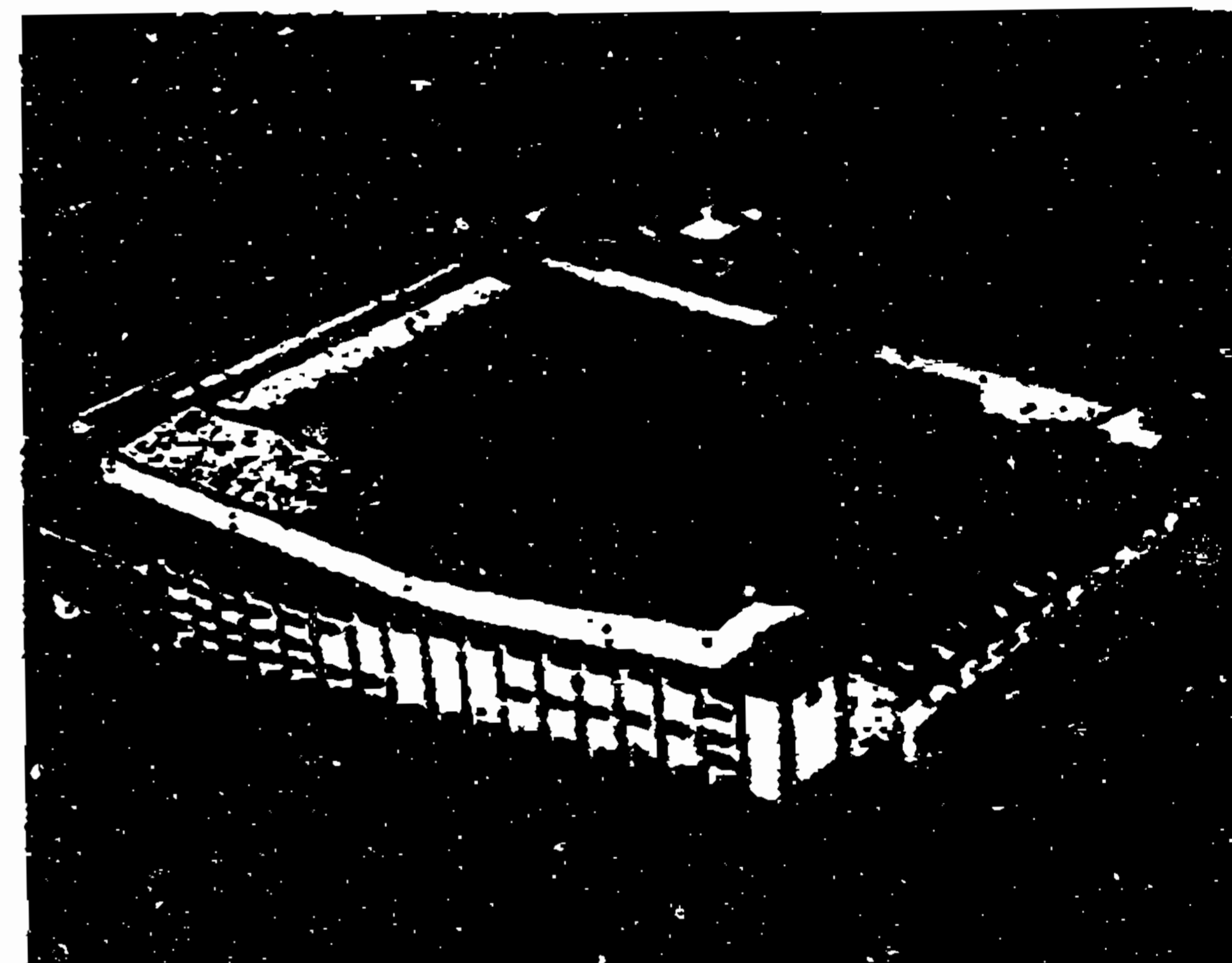
Finally may I take this opportunity to thank the chief executive Jim Greenwood, who retires at the end of the year, the board, manager, players and all members of staff for their support.

Peter Johnson

18th October 1994



The official opening of the Park End Stand with the Rt. Hon. David Hunt M.B.E., M.P.



The new Park End Stand completes Goodison Park.



Directors' Report

Principal Activity

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

Review of Business

The results of the period's trading are shown on page 10 of the Accounts.

The net loss for the year is £455,040

A review of the activities of the Company and future developments are set out in the Chairman's Report.

Fixed Assets

Information relating to changes in the fixed assets is given in Note 2 to the Accounts.

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 ordinary share capital were as follows:-

	31st May 1993	31st May 1994
Dr. D.M. Marsh	11	11
Sir Desmond Pitcher DL	13	13
Mr. K.M. Tamlin	17	17
Sir Philip Carter CBE	103	103
Mr. D.A.B. Newton	5	5
Mr. W. Kenwright	25	25

In addition Mr. A.W. Waterworth held office as a Director until his retirement from the Board on the 25th November 1993.

Mr. P.R. Johnson, Mr. A.J.L. Abercromby, The Rt. Hon. C.J. Suenson Taylor, Mr. B.C. Finch and Mr. R.J. Hughes were appointed to the Board on July 26th 1994.

In accordance with the Articles of Association Dr. D.M. Marsh, Mr. D.A.B. Newton, Mr. B.C. Finch and Mr. R.J. Hughes retire by rotation, and being eligible offer themselves for re-election. Nominations have been received on behalf of Mr. J. Mass and Mr. K.B. Nolan.

The Board of Directors, in accordance with the Articles of Association, have determined the maximum number of Directors at the present time should remain at eleven.

Statement of Directors' Responsibilities in Relation to Financial Statements

Company law requires the Directors to prepare financial statements 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 those financial statements, the Directors are required to:



- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- comply with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors confirm that the financial statements comply with the above requirements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Post Balance Sheet Events

On July 26th 1994 at an Extraordinary General Meeting of the Company, the authorised share capital was increased from 2,500 stock units of £1.00 each to 5,000 stock units of £1.00 each by the creation of an additional 2,500 new stock units of £1.00 each ranking 'pari passu' in all respects with the existing ordinary stock units.

Since the year end the Company has undertaken a successful rights issue, in order to provide additional working capital.

The issue has raised the sum of £10M before expenses.

Net expenditure on new players since the year end has totalled £5,637,500.

At the Extraordinary General Meeting of the Company held on July 26th 1994, Mr. P.R. Johnson, Mr. A.J.L. Abercromby and the Rt. Hon. C.J. Suenson Taylor were elected to the Board of Directors and the Directors were authorised to determine the maximum number of Board Members from time to time.

At a Board Meeting on July 26th 1994 Mr. B.C. Finch and Mr. R.J. Hughes were co-opted as additional Directors and the Board determined that the maximum number of Directors at that time should be eleven.

The current shareholdings of the Directors appointed since the year end are as below:-

Mr. P.R. Johnson	2,498
Mr. A.J.L. Abercromby	3
The Rt. Hon. C.J. Suenson Taylor	91
Mr B.C. Finch	3
Mr. R.J. Hughes	3

Auditors

The Auditors, Messrs. Rogers Bowler & Co. will be proposed for re-appointment in accordance with Section 384 of the Companies Act 1985.

By order of the Board

J. Greenwood

Secretary

18th October 1994.

Dr. D.N. Marsh, Director.



**Minutes of the 114th Annual General Meeting of
The Everton Football Club Company Limited held at Goodison
Park, Liverpool, on Thursday, 12th August 1993, at 7.00p.m.**

Present: Dr. D.M. Marsh (in the chair), Mr. A.W. Waterworth,
Mr. K.M. Tamlin, Sir Philip Carter C.B.E.,
Mr. D.A.B. Newton, Mr. W. Kenwright (Directors),
Mr. J. Greenwood (Secretary & Chief Executive),
Mr. H. Kendall (Manager),
and Mr P.B. Bowler (representing Rogers, Bowler & Co),
together with 220 stockholders.

Apologies

Apologies were recorded from Sir Desmond Pitcher, D.L., Mr. W.M. Barton, Mr. John Moores, The Right Honourable Lord Lyell and Mr. Harold Murphy.

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 the members of the Press in attendance should be allowed to remain throughout the meeting.

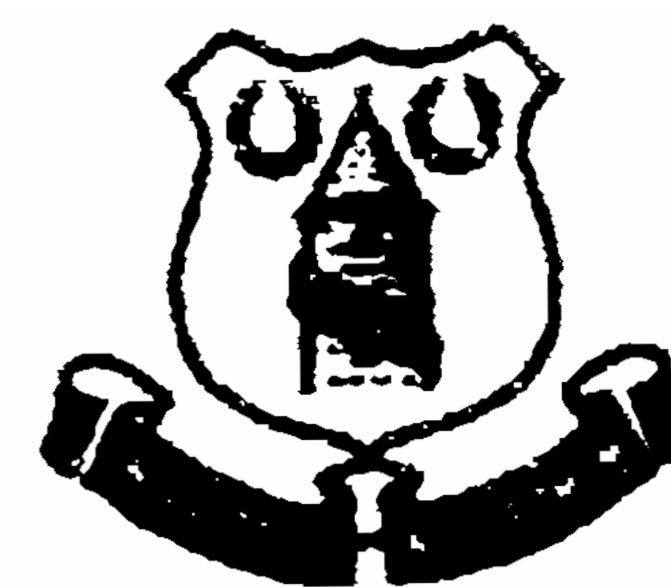
Minutes of the 113th A.G.M.

It was agreed that the Minutes of the 113th Annual General Meeting, circulated with the Annual Report and Accounts, should be taken as read. Mrs. E. Jones proposed that the Minutes should be approved and signed as a correct record. Mr. R.E.D. Edwards seconded and the proposal was carried.

Chairman's Report

It was agreed that the Chairman's Report, circulated with the Annual Report and Accounts, should be taken as read. The Chairman reiterated the recommendation of the Board that additional capital should be introduced into the Company in order to ensure the future of the club and emphasised that the Company's bankers, whilst continuing their support, shared the view that additional funding should not be raised by increasing bank debts but that other routes of increasing stockholders' funding should be explored. The Chairman emphasised that no changes could be made without the support and consent of the stockholders and that there would be full consultation and informal discussions in order to reach a consensus before proposals were formulated to put before an Extraordinary General Meeting.

The Chairman reported that the Board had been holding discussions with representatives of Sir John Moores, the major stockholder, to ascertain their reaction to various suggestions, but no meaningful conclusions had yet been reached. He then invited Miss Teresa Hamilton Sugden, a trustee of Sir John Moores, to read a statement to the meeting on behalf of Sir John, as follows:-



"Sir John Moores C.B.E., has been a loyal supporter of the Club for many years and it is his wish that his support should continue. In the present circumstances Sir John would be willing to work with the Board in the consideration of any of the proposals regarding a further injection of capital into the Club."

Mr. A.G. Hirst pointed out the effect any increase in capital was likely to have on existing stockholders and the Chairman pointed out that any reduction in the value of stock would also be experienced by the Directors, who nevertheless were of the opinion that this was a necessary step in order to ensure the future prosperity of the Club.

A number of stockholders raised questions and expressed concern over the current Youth Policy, the playing record over the past three seasons and recent dealings in the transfer market, which were answered by the Chairman.

Directors' Report and Accounts

It was agreed the Directors' and Auditors' Reports should be taken as read.

Mr. A.W. Waterworth proposed that the Directors' Report and Accounts should be adopted. Mr. G.E. Brookes seconded the proposal.

After the Chairman had answered various questions relating to the new Park End Stand and other financial items the proposal was carried.

Dividend

Sir Philip Carter proposed that no dividend should be paid. Mr. D.L. Parry seconded and the proposal was carried.

Appointment of Auditors

Mr. K.M. Tamlin proposed that Messrs. Rogers, Bowler and Co. should be re-appointed as Auditors for the ensuing year and their remuneration should be left for the Directors to decide. Mr F. Peacock seconded and the proposal was carried.

Election of Directors

The Chairman reported that the two retiring Directors, Sir Desmond Pitcher and Mr. A.W. Waterworth, were both eligible and seeking re-election. The nominations received in respect of Mr. G.H.E. Birch and Mr. P.L. Parry, had been withdrawn.

At the request of a number of stockholders the Chairman agreed that the proposals for the re-election of the two Directors should be voted on separately and the voting would be by a poll. Messrs. P.B. Bowler, G.H.E. Birch and A.G. Hirst were appointed as tellers. The Chairman formally proposed the re-election of Sir Desmond Pitcher and Mr. A.W. Waterworth for a further three years and this was seconded by Mr. M.J. Madden.

Following the poll, Mr. P.B. Bowler reported the results as follows:-

Sir Desmond Pitcher. In favour 228, against 212, abstentions 1,065.

Mr. A.W. Waterworth. In favour 499, against 100, abstentions 867.

The Chairman declared Sir Desmond Pitcher and Mr. A.W. Waterworth re-elected as Directors for a further three year term.

Mr. Waterworth thanked the meeting on behalf of Sir Desmond Pitcher and himself.

Vote of Thanks

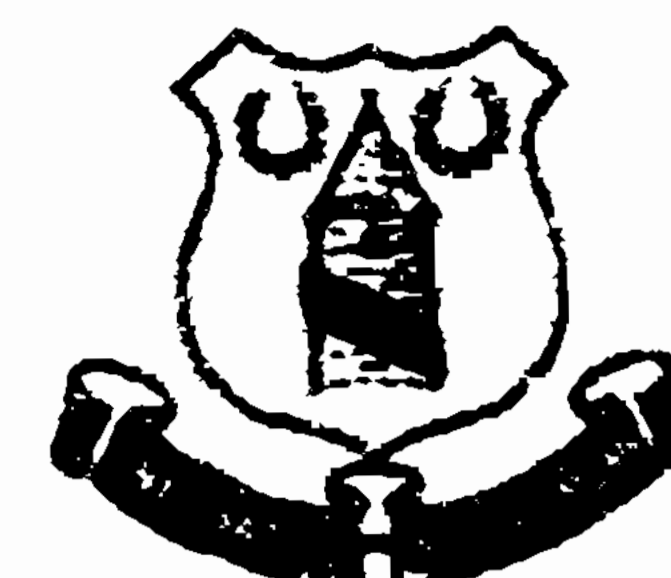
The meeting closed with a vote of thanks to the Directors and Management, proposed by Mr. P.L. Parry and seconded by Mr. A.M. James.



Profit and Loss Account for the year ended 31st May 1994

	Notes	1994 £	1993 £
Income			
Gate receipts and income from related footballing activities		6,721,342	5,819,864
Trading and other income		2,162,861	2,173,867
		<u>8,884,203</u>	<u>7,993,731</u>
Expenditure			
Cost of goods for resale		719,259	748,763
Staff costs	9	4,977,646	4,518,839
Training, travel, match and other expenses		754,932	711,304
Ground expenses and maintenance		180,648	383,430
Utilities		409,908	418,589
Depreciation		123,028	121,865
Other operating expenses		629,260	486,715
		<u>7,794,681</u>	<u>7,389,505</u>
Balance before transfer fees		1,089,522	654,226
Add: Transfer fees receivable		2,575,000	2,325,000
Deduct: Transfer fees, compensation etc payable		(3,803,212)	(1,617,866)
Operating Loss (1993: Profit)	10	(138,690)	1,351,360
Add: Interest receivable		6,333	9,745
Deduct: Interest payable	11	(227,698)	(384,440)
Deduct: Non-recurring expenses	12	(131,650)	-
Loss on Ordinary Activities Before Taxation (1993: Profit)		<u>(491,705)</u>	<u>986,665</u>
Taxation re ordinary activities	13	(4,414)	-
Loss on Ordinary Activities After Taxation (1993: Profit)		<u>(496,119)</u>	<u>986,665</u>
Add: Donations receivable	14	41,079	4,779
Loss Transferred to Reserves (1993: Profit)	7	<u>(455,040)</u>	<u>991,444</u>

The company's income and expenditure all relate to continuing operations. The company has no recognised gains or losses other than the above loss for the year.



Balance Sheet as at 31st May 1994

		1994		1993	
	Notes	£	£	£	£
Fixed Assets					
Tangible assets	2		8,633,266		7,444,510
Current Assets					
Stocks	3	68,105		80,896	
Debtors	4	1,776,093		1,609,722	
Cash at bank and in hand		<u>110,166</u>		<u>68,327</u>	
		1,954,364		1,758,945	
Creditors					
Amounts falling due within one year	5	<u>7,340,561</u>		<u>5,501,346</u>	
Net Current Liabilities			<u>(5,386,197)</u>		<u>(3,742,401)</u>
Total Assets Less Current Liabilities			<u><u>3,247,069</u></u>		<u><u>3,702,109</u></u>
Representing:					
Capital and Reserves					
Called up share capital	6		2,500		2,500
Revaluation reserve	7		4,527,325		4,527,325
Profit and loss account	7		<u>(1,282,756)</u>		<u>(827,716)</u>
	8		<u><u>3,247,069</u></u>		<u><u>3,702,109</u></u>

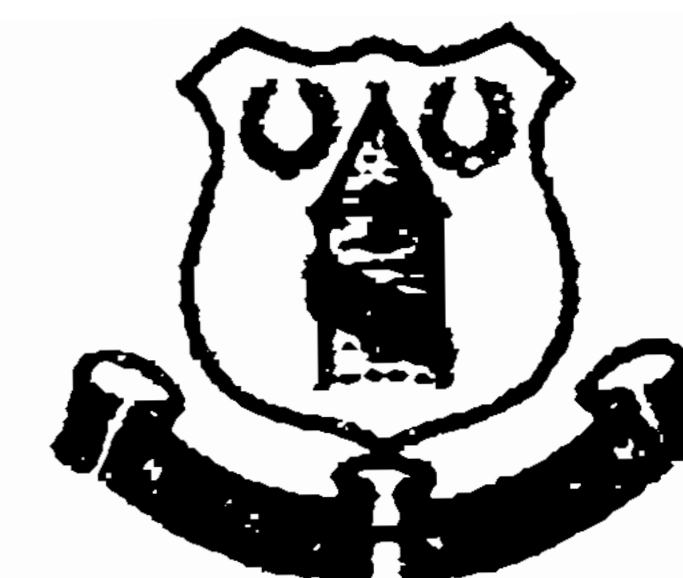
Signed on behalf of the Board,
who approved the accounts on 26th July 1994

Dr. D.M. Marsh
Sir Desmond H. Pitcher } Directors



Cash Flow Statement for the year ended 31st May 1994

Notes	1994		1993	
	£	£	£	£
Net Cash Inflow from Operating Activities	17(i)	1,065,062		293,850
Returns on investments and servicing of finance				
Interest received		6,333	9,745	
Interest paid		<u>(227,698)</u>	<u>(384,440)</u>	
Net cash outflow from returns on investments and servicing of finance		(221,365)		(374,695)
Taxation				
Tax refunded		5,322		-
Investing Activities				
Payments to acquire tangible fixed assets		(1,392,054)	(147,875)	
Grants from The Football Trust		-	32,521	
Receipts from sales of tangible fixed assets		<u>80,270</u>	<u>92,653</u>	
Net cash outflow from investing activities		<u>(1,311,784)</u>		<u>(22,701)</u>
Net Cash Outflow Before Financing		(462,765)		(103,546)
Financing				
Donations receivable		41,079	4,779	
Loans repaid		<u>(4,858)</u>	<u>(4,621)</u>	
Net cash inflow from financing		<u>36,221</u>		<u>158</u>
Decrease in cash and cash equivalents	17 (iii)	<u><u>(426,544)</u></u>		<u><u>(103,388)</u></u>



Notes to the Accounts for the year ended 31st May 1994

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 applicable U.K. accounting standards, and accounting policies consistent with those adopted previously. The main accounting policies are as follows:-

(i) Income

Income is stated exclusive of value added tax and gate receipts are included net of percentage payments to visiting clubs, The F.A. Premier League and The Football Association.

(ii) Fixed Assets and Depreciation

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 the Club's properties as the Directors are of the opinion that the sum involved would be immaterial. Depreciation on other fixed assets has been calculated at 25% on the book value.

(iii) Stocks

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

(iv) Transfer Fees

Transfer fees payable and receivable are dealt with in the profit and loss account in the year in which the transfer contract is signed.

(v) Signing-on Fees and Loyalty Bonuses

Signing-on fees and loyalty bonuses are charged on an accruals basis and those instalments due in the future on continued service are not provided for but are noted as contingent liabilities at Note 16.

(vi) Grants

Grants receivable from The Football Trust are deducted from the expenditure to which they relate.

(vii) Deferred Taxation

Deferred tax is provided at current rates in respect of the tax effect of all material timing differences, to the extent that it is probable that a liability or asset will crystallise in the foreseeable future.



Notes to the Accounts for the year ended 31st May 1994 (continued)

2. Tangible Fixed Assets

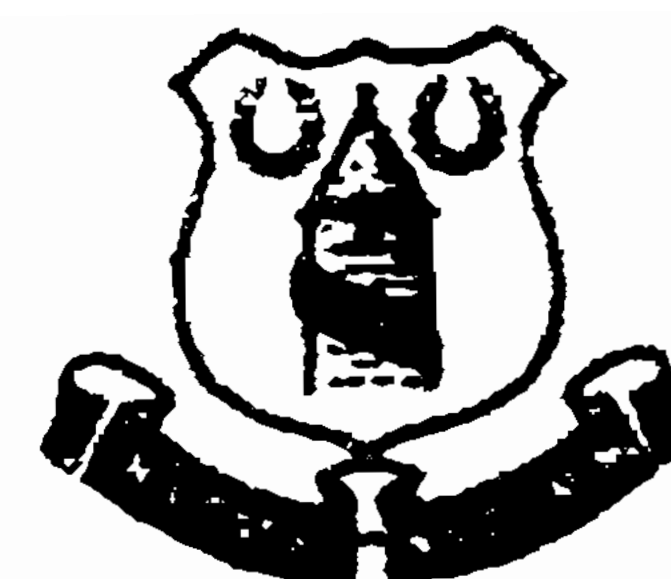
	Properties £	Plant & Equipment £	Vehicles £	Total £
Cost or valuation				
At 1st June 1993	7,106,111	790,375	318,413	8,214,899
Additions	1,199,215	79,309	113,530	1,392,054
Grants	-	-	-	-
Disposals	-	-	(180,199)	(180,199)
Revaluation adjustments	-	-	-	-
At 31st May 1994	<u>8,305,326</u>	<u>869,684</u>	<u>251,744</u>	<u>9,426,754</u>
Cost	1,821,326	869,684	251,744	2,942,754
Valuation in April 1991	6,484,000	-	-	6,484,000
	<u>8,305,326</u>	<u>869,684</u>	<u>251,744</u>	<u>9,426,754</u>
Depreciation				
At 1st June 1993	-	629,545	140,844	770,389
Provided during year	-	60,034	62,994	123,028
On disposals	-	-	(99,929)	(99,929)
At 31st May 1994	<u>-</u>	<u>689,579</u>	<u>103,909</u>	<u>793,488</u>
Net book value				
At 31st May 1994	<u>8,305,326</u>	<u>180,105</u>	<u>147,835</u>	<u>8,633,266</u>
At 31st May 1993	<u>7,106,111</u>	<u>160,830</u>	<u>177,569</u>	<u>7,444,510</u>

Expenditure of £1,173,766 incurred on the new Park End Stand up to 31st May 1994 is included above under properties. The total estimated cost of the stand is £2.6 million, in respect of which the club expects to receive grants of £1.5 million from The Football Trust.

The Club's properties are freehold, with the exception of certain minor residential properties which are long leasehold.

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

	1994 £	1993 £
Cost	3,958,523	2,759,308
Aggregate depreciation	156,876	150,662
Net book value	<u>3,801,647</u>	<u>2,608,646</u>



Notes to the Accounts for the year ended 31st May 1994 (continued)

	1994	1993
	£	£
3. Stocks		
Refreshments, souvenirs and goods for resale	66,188	78,980
Maintenance Stocks	1,916	1,916
	<u>68,104</u>	<u>80,896</u>
4. Debtors		
Trade Debtors	1,350,845	1,264,191
Other Debtors	258,975	171,047
Prepayments and accrued income	166,273	174,484
	<u>1,776,093</u>	<u>1,609,722</u>
5. Creditors: Amounts falling due within one year		
Trade creditors	2,053,324	426,197
Social security and other taxes	130,658	313,873
Pension scheme premiums	905	1,089
Other creditors	2,683	2,287
Accruals and deferred income	808,197	878,981
	<u>2,995,767</u>	<u>1,622,427</u>
Corporation tax	2,350	-
Bank overdraft	4,289,092	3,820,709
Loan from brewery	53,352	58,210
	<u>7,340,561</u>	<u>5,501,346</u>

The bank overdraft is secured on the Club's premises at Goodison Park and Bellefield. There is no fixed repayment date for the brewery loan and interest is not charged during the continuance of specified trading arrangements.

6. Called Up Share Capital	1994	1993
Authorised:	£	£
2,500 £1 stock units	<u>2,500</u>	<u>2,500</u>
Allotted, issued and fully paid:		
2,500 £1 stock units	<u>2,500</u>	<u>2,500</u>

Since the end of the financial year, a resolution has been passed to increase the authorised share capital of the Company to £5,000 and to give authority for the allotment of 2,500 shares of £1.00 each at £4,000 per share by way of a rights issue to existing stockholders.

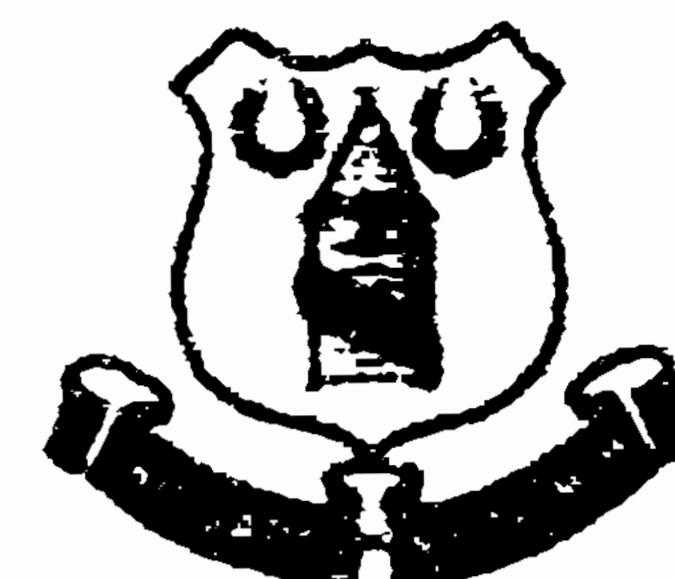


Notes to the Accounts for the year ended 31st May 1994 (continued)

	1994 £	1993 £
7. Reserves		
Revaluation reserve		
Balance at 1st June 1993	4,527,325	4,527,325
Adjustments in current year	-	-
Balance at 31st May 1994	<u>4,527,325</u>	<u>4,527,325</u>
Profit and loss account		
Balance 1st June 1993	(827,716)	(1,819,160)
Loss for the year (1993: Profit)	<u>(455,040)</u>	<u>991,444</u>
Balance at 31st May 1994	<u>(1,282,756)</u>	<u>(827,716)</u>
8. Reconciliation of Movements in Shareholders' Funds		
Loss for the year (1993: Profit)	(455,040)	991,444
Opening shareholders' funds at 1st June 1993	3,702,109	2,710,665
Closing shareholders' funds at 31st May 1994	<u>3,247,069</u>	<u>3,702,109</u>
9. Particulars of Employees		
	Number	Number
The average weekly number of employees during the year was as follows:		
Playing, training and management	54	48
Maintenance and administration	29	30
Catering and Sales	31	32
	<u>114</u>	<u>110</u>
	£	£
The aggregate payroll costs of the above persons were as follows:		
Wages and salaries	4,398,534	3,359,645
Social security costs	390,722	367,452
Other pension costs	188,390	291,742
	<u>4,977,646</u>	<u>4,518,839</u>

Other pension costs comprise contributions made by the Company in respect of the majority of its permanent employees to pension schemes which are independently administered by The Football League Limited, together with contributions made to individual pension contracts with insurance companies under agreements with certain employees. All pension arrangements are defined contribution schemes.

The Directors received no emoluments from the Company during the year.



Notes to the Accounts for the year ended 31st May 1994 (continued)

	1994	1993
	£	£
10. Operating Loss		
The operating loss is stated after charging:		
Auditor's remuneration	7,500	7,500
11. Interest Payable		
On bank loans and overdrafts	227,698	382,249
On other loans	-	2,191
	<u>227,698</u>	<u>384,440</u>

12. Non-Recurring Expenses

Non-recurring expenses comprise professional charges incurred in connection with the proposed capital restructuring of the Club.

13. Taxation

The charge for taxation comprises an underprovision in respect of a prior year.

No taxation arises on the results of the current year and losses are available for relief against future profits for taxation purposes.

In view of the continuing use of the freehold properties no provision is considered necessary in respect of the potential tax liability which may 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 it is impracticable and of no useful purpose to attempt to quantify it.

14. Donations Receivable

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

15. Future Capital Expenditure	1994	1993
Capital expenditure contracted for but not provided for in these accounts amounted to	£1.4m	Nil
Further capital expenditure authorised by the Directors on which orders had not been placed prior to the Balance Sheet date amounted to	Nil	Nil



Notes to the Accounts for the year ended 31st May 1994 (continued)

16. Contingent Liabilities

No provision is included in the accounts for transfer fees of £850,000 which are contingent upon future appearances of certain players, and signing-on fees and loyalty bonuses of £1,313,045 which will become due to certain players if they are still in the service of the Club on specific future dates.

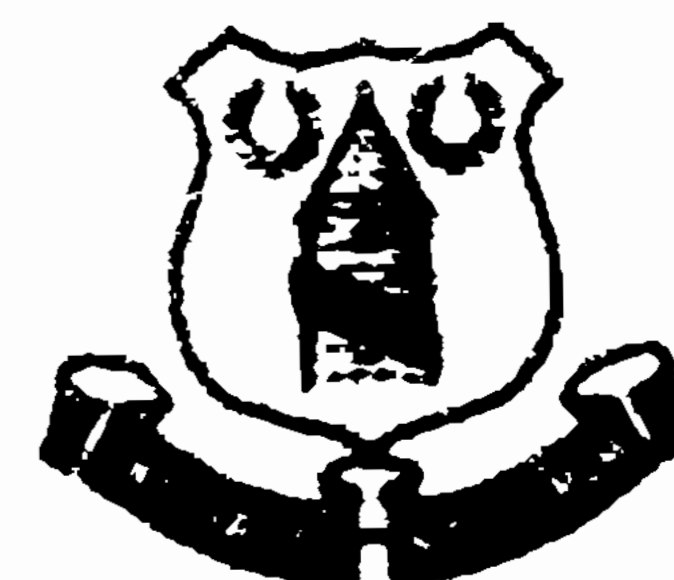
The Club, in common with other clubs in the Football Association Premier League, has been requested by the Inland Revenue to commission the preparation of a report, on tax sensitive issues. Contingent upon the outcome of such a report Everton may or may not face additional tax liabilities arising in respect of periods ended 31st May 1994.

17. Cash Flow Statement

	1994	1993
	£	£
(i) Reconciliation of operating profit to net cash inflow from operating activities:-		
Operating profit/(loss)	(270,340)	1,361,360
Depreciation charges	123,028	121,865
Decrease/(increase) in stocks	12,791	15,642
Increase in debtors	(173,757)	(289,485)
(Decrease)/Increase in creditors	1,373,340	(915,532)
Net cash inflow from operating activities	<u>1,065,062</u>	<u>293,850</u>

(ii) Analysis of changes in cash and cash equivalents during the year:-		
Balance at 1st June 1993	(3,752,382)	(3,648,994)
Net cash outflow	(426,544)	(103,388)
Balance at 31st May 1994	<u>(4,178,926)</u>	<u>(3,752,382)</u>

	1994	1993	Change in Year	Change in Year
	£	£	£	£
Cash at bank and in hand	110,166	68,327	41,839	57,322
Bank overdrafts	(4,289,092)	(3,820,709)	(468,383)	(160,710)
	<u>(4,178,926)</u>	<u>(3,752,382)</u>	<u>(426,544)</u>	<u>(103,388)</u>



Report of the Auditors to the Members of The Everton Football Club Company Limited

We have audited the financial statements on pages 10 to 18 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and on the basis of the accounting policies set out on page 13.

Respective Responsibilities of Directors and Auditors

As described on page 6 the Company's Directors are responsible for the preparation of the 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.

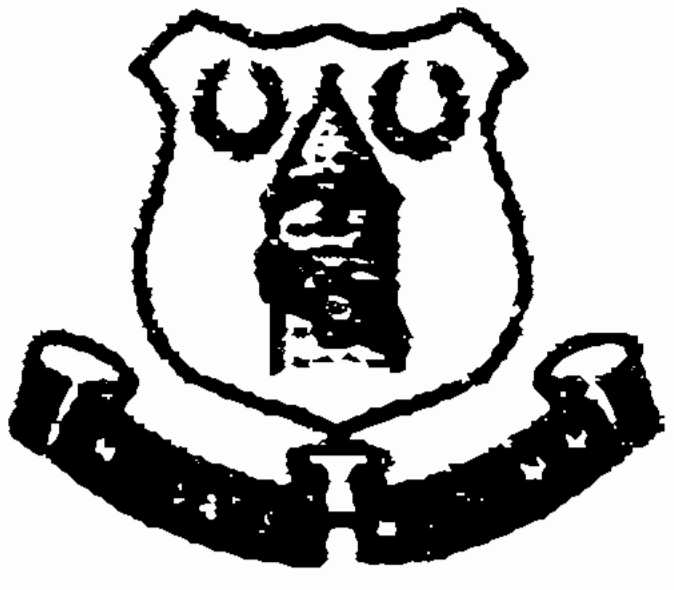
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

Rogers, Bowler & Co,
Chartered Accountants
and Registered Auditors
Birkenhead

18th October 1994



First team Results 1993-94

Date	Venue	Opponents	Result	Attendance	Points	Position
15 August	Away	Southampton	2-0	14,051	3	-
17 August	Home	Manchester City	1-0	26,036	6	-
21 August	Home	Sheffield United	4-2	24,169	9	1
25 August	Away	Newcastle United	0-1	34,833	9	4
28 August	Away	Arsenal	0-2	29,063	9	8
31 August	Home	Aston Villa	0-1	24,022	9	10
11 September	Away	Oldham Athletic	1-0	13,666	12	7
18 September	Home	Liverpool	2-0	38,157	15	4
22 September	Away	Lincoln City (CCC 2, 1st leg)	4-3	9,153	-	-
25 September	Home	Norwich City	1-5	20,531	15	8
3 October	Away	Tottenham Hotspur	2-3	27,487	15	10
6 October	Home	Lincoln City (CCC 2, 2nd leg)	4-2	8,375	-	-
16 October	Away	Swindon Town	1-1	14,414	16	12
23 October	Home	Manchester United	0-1	35,430	16	12
26 October	Home	Crystal Palace (CCC 3)	2-2	11,547	-	-
30 October	Away	Ipswich Town	2-0	15,076	19	11
6 November	Away	Coventry City	1-2	15,662	19	12
10 November	Away	Crystal Palace (CCC 3 Replay)	4-1	14,662	-	-
20 November	Home	Queens Park Rangers	0-3	17,089	19	13
23 November	Home	Leeds United	1-1	17,066	20	12
27 November	Away	Wimbledon	1-1	6,334	21	12
30 November	Home	Manchester United (CCC 4)	0-2	34,052	-	-
4 December	Home	Southampton	1-0	13,667	24	11
8 December	Away	Manchester City	0-1	20,513	24	13
11 December	Away	Sheffield United	0-0	15,135	25	13
18 December	Home	Newcastle United	0-2	25,189	25	15
27 December	Home	Sheffield Wednesday	0-2	16,777	25	16
29 December	Away	Blackburn Rovers	0-2	21,462	25	16
1 January	Home	West Ham United	0-1	19,579	25	16
3 January	Away	Chelsea	2-4	18,383	25	16
8 January	Away	Bolton Wanderers (FAC 3)	1-1	21,702	-	-
15 January	Home	Swindon Town	6-2	20,546	28	16
19 January	Home	Bolton Wand. (FAC 3 Replay)	2-3	34,642	-	-
22 January	Away	Manchester United	0-1	44,750	28	16
5 February	Home	Chelsea	4-2	18,821	31	15
12 February	Home	Ipswich Town	0-0	19,588	32	15
19 February	Home	Arsenal	1-1	19,891	33	15
5 March	Home	Oldham Athletic	2-1	18,837	36	14
13 March	Away	Liverpool	1-2	44,281	36	15
21 March	Away	Norwich City	0-3	16,432	36	15
26 March	Home	Tottenham Hotspur	0-1	23,580	36	17
30 March	Away	Aston Villa	0-0	36,044	37	16
2 April	Away	Sheffield Wednesday	1-5	24,096	37	17
4 April	Home	Blackburn Rovers	0-3	27,427	37	18
9 April	Away	West Ham United	1-0	20,243	40	17
16 April	Away	Queens Park Rangers	1-2	13,330	40	17
23 April	Home	Coventry City	0-0	23,217	41	18
30 April	Away	Leeds United	0-3	35,487	41	20
7 May	Home	Wimbledon	3-2	31,297	44	17

KEY: FAC = FA Cup CCC = Coca Cola Cup