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**THE EVERTON FOOTBALL CLUB COMPANY LIMITED**



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**ANNUAL REPORT**

---

**AND**

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**STATEMENT OF ACCOUNTS**

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**AT 31st MAY, 1991**

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# THE EVERTON FOOTBALL CLUB COMPANY LIMITED

## NOTICE OF MEETING

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NOTICE IS HEREBY GIVEN that the one hundred & twelfth Annual General Meeting of the Company will be held at the offices of The Everton Football Club Company Limited, Goodison Park, Liverpool L4 4EL, on Thursday the 15th Day of August, 1991, at 7.00 p.m. to receive and consider the Report of the Directors, and the Accounts for the Year ended 31st May, 1991, to elect Directors, to appoint Auditors for the ensuing year, and to fix their remuneration, and 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 16th August, 1991.

By Order of the Board.

J. GREENWOOD, Secretary,  
Goodison Park, Liverpool L4 4EL.

11th July, 1991

### Admission on Presentation of Annual Report

Notice is also given that a Member of the Company entitled to attend and vote at the above Annual General Meeting is entitled to appoint a proxy to attend and vote instead of him, and that the proxy need not be a member of the Company.

*Proxies must be lodged at the Registered Office of the Company, not less than 48 hours before the time of the Meeting.*

### Directors

Sir Philip D. Carter C.B.E., Chairman  
D. H. Pitcher, Deputy Chairman  
A. W. Waterworth  
K. M. Tamlin  
J. A. B. Newton  
D. M. Marsh  
W. Kenwright

### Secretary and Registered Office

J. Greenwood,  
Goodison Park, Liverpool L4 4EL

### Manager

H. Kendall

### Bankers

TSB Bank plc

### Auditors

Rogers, Bowler & Co.

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# THE EVERTON FOOTBALL CLUB COMPANY LIMITED

## CHAIRMAN'S REPORT

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I have pleasure in submitting the Financial Report and Accounts.

We were all delighted to welcome back Howard Kendall as our Manager — he was re-appointed on the 6th November, 1990.

The season started very badly; in the first half we played 19 games, won 4, drew 6 and lost 9, but in the second half we played 19, won 9, drew 6 and lost 4.

It was also significant that prior to Howard rejoining us we only achieved 2 points from 5 away games, but during the remainder of the season we collected 17 points from the remaining 14 away games.

Our participation in the three Cup Competitions was varied. Although we lost to Sheffield United in the 3rd Round of the Rumbelows Cup, we made progress to the 5th Round of the F.A. Cup for the second year, this time losing to West Ham United. This was after two magnificent replays against Liverpool in the 4th Round. I am sure all fans will never forget the stirring 4-4 result at Goodison on Wednesday 20th February 1991. We made a welcome return to Wembley in the Zenith Data Systems Cup Final, but unfortunately lost 4-1 to Crystal Palace after extra time.

The Manager and Board acknowledge that a considerable amount of further strengthening is required to the first team squad. The Board has confidence in Howard Kendall and is providing financial backing for him in his quest for additional players.

In the Pontin's League we finished fifth, and the A Team finished a creditable third in the Lancashire Football League.

Since his re-appointment as Manager, Howard Kendall has re-organised his backroom staff, and we were very

pleased to welcome Colin Harvey as First Team Coach. This move re-establishes the successful management partnership of the mid 80's. Jimmy Gabriel was appointed Reserve Team Coach and Ray Hall, Youth Development Officer. Jim Barron was appointed Youth Team Coach but has since left to take up a position with Aston Villa. Brian Greenhalgh became Chief Scout and Jim Martin occupies the new post of Kit Manager.

During last year we were again involved in the transfer market buying Andy Hinchcliffe, Mike Milligan, Robert Warzycha and Gerry Peyton.

Players transferred out were Mike Stowell, Neil Poynton and Mike Milligan.

We were extremely sorry to lose the services of Norman Whiteside due to a serious injury. He had to retire from football completely and we wish him well in his future career.

### International Honours

<i>Wales</i>	N. Southall, K. Ratcliffe
<i>Scotland</i>	S. McCall, P. Nevin
<i>Eire</i>	K. Sheedy
<i>Poland</i>	R. Warzycha
<i>England : 121</i>	J. Ebbrell (Captain)
<i>Wales U21</i>	M. Ebdon

The re-admission of English Clubs into European Competitions was most welcome and in particular we must congratulate Manchester United for their fine performance in winning the European Cup Winners Cup. The greater the success by English teams in Europe, the sooner the number of places available to this Country will increase. We all look forward to the opportunities, which these European Competitions offer to the successful Clubs in the English League.

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# THE EVERTON FOOTBALL CLUB COMPANY LIMITED

## REPORT OF THE DIRECTORS

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### Principal activity

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

### Review of business

The results of the period's trading are given on page 7 of the accounts.

The net loss for the year is £620,213 after the transfer of £500,000 from the Transfer Fee Reserve.

Since the end of the financial year, two players have been transferred out and one player transferred in, with a net profit to the Company of £766,000. The Directors are currently involved in other transfer negotiations with the objective of strengthening the team in order to compete for major honours, in the forthcoming season.

The loss on "football activities" is £255,821, compared with £536,468 last year. Profit from donations and other commercial activities increased only marginally from £9,089 to £964,854 with donations from Goodison Park Promotions falling from £113,573 to £58,938. During the coming year Goodison Park Promotions intend to revamp their Lottery schemes with a view to reversing the present decline in profits.

The Directors consider the state of the Company's affairs at the year end to be satisfactory.

### 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 issued ordinary share capital were as follows:

	31st May 1990	31st May 1991
	£	£
Sir Philip D. Carter C.B.E.	93	99
Mr. D. H. Pitcher	8	13
Mr. A. W. Waterworth	7	7
Mr. K. M. Tamlin	15	16
Mr. D. A. B. Newton	3	5
Dr. D. M. Marsh	7	10
Mr. W. Kenwright	3	7

In accordance with the Articles of Association Mr. D. A. B. Newton and Dr. D. M. Marsh retire by rotation and, being eligible, offer themselves for re-election. Nominations have been received on behalf of Messrs. G. H. E. Birch, and P. L. Parry.

### Fixed assets

Full details of the changes to the Fixed Assets are shown in the Notes to the Accounts.

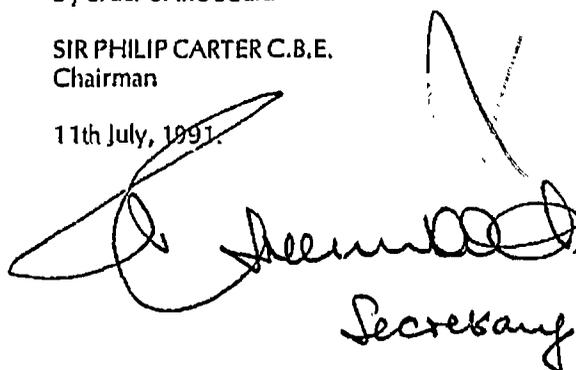
### Auditors

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

SIR PHILIP CARTER C.B.E.  
Chairman

11th July, 1991.



Secretary

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## THE EVERTON FOOTBALL CLUB COMPANY LIMITED

### *CHAIRMAN'S REPORT continued*

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Our average League attendances were once again down on the previous year to 25,027, a reduction of 4.7%.

Income from our main football activities increased from £4,244,366 to £5,127,143, resulting in an improvement in our deficit on "football activities". The loss for this year was £255,821 compared with £536,468 in 1990.

Income from our other activities showed an increase from £1,798,278 to £1,988,687 in spite of disappointing figures for donations from Goodison Park Promotions, which fell from £113,573 in the previous year to £58,938.

Compensation payments and transfer fees during the year showed a net cost of £1,829,246, compared with £497,416 and after taking into account the reserve of £500,000 created last year, the net loss for the year is £620,213.

The implementation by Everton F.C. of the recommendations within the Taylor Report are now well advanced and for the start of the coming season Goodison Street Terrace will be completely seated. This will reduce our overall capacity to 38,500 of which 36,400 will be seats. The regular development and planning of Goodison Park stadium over many years has placed Everton F.C. well in advance of many other First Division Clubs regarding the ultimate objective of achieving an all-seater stadium.

Plans have been produced for the re-development of the Park End with a new two tier cantilever stand seating 6,000, which would result in Everton F.C. having one of the few all seater stadia in the U.K. with a capacity in excess of 40,000.

Additional improvements which are under construction during the close season are (1) The relaying of the playing surface and (2) The re-construction of the Ticket Office and Development Office Complex to provide a considerably improved service to supporters. We see the Dial A Seat Service being expanded considerably, which will make it very much easier for supporters to secure a seat.

NEC, our Shirt Sponsor, continue to give the Club full support and they have extended their sponsorship for a further year.

Discussions on the F.A. Premier League continue, and we are confident that the lead given by the F.A. for the restructuring of football into the next century will be of benefit to fans, clubs and players. We at Everton look forward to being one of the major participants in such a re-organisation.

I would like to place on record my thanks for the help and support I have received during the year from members of the Board and Chief Executive Jim Greenwood and his staff. We wish Howard Kendall, his staff and players every success for the season ahead, and we look forward with confidence to the future.

**SIR PHILIP CARTER C.B.E.**  
Chairman

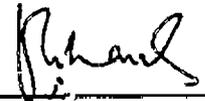
11th July, 1991

This is to certify that this is a true copy of the Balance Sheet handed to Member's of the Company at the Annual General Meeting held on 15th August 1991.

**THE EVERTON FOOTBALL CLUB COMPANY LIMITED**

**BALANCE SHEET AS AT 31st MAY 1991**

Director



	Notes	1991		1990	
		£	£	£	£
<b>Fixed Assets</b>					
Tangible assets	2		7,024,073		4,800,872
<b>Current Assets</b>					
Stocks	3	84,733		56,190	
Debtors	4	865,071		865,363	
Cash at bank and in hand		11,568		104,314	
			<u>961,372</u>		<u>1,025,867</u>
<b>Creditors: amounts falling due within one year</b>	5	<u>3,178,716</u>		<u>1,509,675</u>	
<b>Net Current Liabilities</b>			<u>(2,217,344)</u>		<u>(483,808)</u>
<b>Total Assets less Current Liabilities</b>			<u>4,806,729</u>		<u>4,317,064</u>
<b>Creditors: amounts falling due after more than one year</b>			<u>—</u>		<u>(15,450)</u>
<b>Net Assets</b>			<u>4,806,729</u>		<u>4,301,614</u>
<i>Representing</i>					
<b>Capital and Reserves</b>					
Called up share capital	6		2,500		2,500
Revaluation reserve	7		4,541,669		2,916,341
Other reserves	7		—		500,000
Profit and loss account	7		262,560		882,773
			<u>4,806,729</u>		<u>4,301,614</u>

*Signed on behalf of the Board,  
who approved the accounts on 11th July, 1991*

SIR PHILIP CARTER C.B.E }  
D. H. PITCHER } *Directors*

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**THE EVERTON FOOTBALL CLUB COMPANY LIMITED****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MAY 1991**

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	Notes	1991 £	1990 £
<b>Income</b>			
Gate receipts and income from related footballing activities		5,127,143	4,244,366
Trading and other income		1,929,749	1,684,705
		<u>7,056,892</u>	<u>5,929,071</u>
<b>Expenditure</b>			
Cost of goods for resale		717,509	632,515
Staff costs	8	3,973,338	3,209,037
Training, travel, match and other expenses		679,170	670,275
Ground expenses and maintenance		97,279	343,822
Utilities		363,815	368,134
Depreciation	2	154,490	121,123
Auditors' remuneration		6,000	6,000
Other operating expenses		366,051	313,405
		<u>6,357,652</u>	<u>5,664,311</u>
<b>Balance before transfer fees</b>		699,240	264,760
<i>Add:</i> Transfer fees receivable		612,548	3,214,484
<i>Deduct:</i> Transfer fees, compensation etc., payable		(2,441,794)	(3,711,900)
<b>Operating loss</b>		1,130,006	(232,656)
<i>Add:</i> Interest receivable		27,441	42,926
<i>Deduct:</i> Interest payable	9	(76,586)	(26,835)
<b>Loss on ordinary activities before taxation</b>		(1,179,151)	(216,565)
Taxation re ordinary activities	10	—	—
<b>Loss on ordinary activities after taxation</b>		(1,179,151)	(216,565)
<i>Add:</i> Donations receivable	11	58,938	113,573
Transfer from Transfer Fees Reserve	7	500,000	500,000
<i>Deduct:</i> Transfer to Transfer Fees Reserve	7	—	(500,000)
<b>Loss transferred to reserves</b>		<u>(620,213)</u>	<u>(102,992)</u>

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**THE EVERTON FOOTBALL CLUB COMPANY LIMITED**
**STATEMENT OF THE SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED 31st MAY 1991**


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	1991		1990	
	£	£	£	£
<b>Source of Funds</b>				
<i>Funds generated from operations:</i>				
Profit/(Loss) on ordinary activities before taxation		(1,179,151)		(216,565)
<i>Adjustment for items not using funds—</i>				
Depreciation		154,490		121,123
		<u>(1,024,661)</u>		<u>(95,442)</u>
<i>Funds from other sources:</i>				
Donations receivable		58,938		113,573
Sale of fixed assets		51,840		23,300
Grants from The Football Trust		295,860		62,893
Loan from brewery		68,000		—
		<u>(550,023)</u>		<u>104,324</u>
<b>Application of Funds</b>				
Purchase of fixed assets	1,100,063		193,964	
Repayment of loans	77,329		84,360	
		<u>1,177,392</u>		<u>278,324</u>
		(1,727,415)		(174,000)
<b>Movement in Working Capital</b>				
Decrease/(increase) in stocks	(28,543)		13,086	
Decrease/(increase) in debtors	292		1,194,919	
Increase/(decrease) in creditors	321,052		(939,257)	
		<u>292,801</u>		<u>268,748</u>
<b>Decrease in net liquid funds (1990: increase)</b>		<u>(1,434,614)</u>		<u>94,748</u>
<i>Comprising increase/(decreases) in:—</i>				
Bank balances		(1,436,384)		92,156
Cash in hand		1,770		1,792
		<u>(1,434,614)</u>		<u>94,748</u>

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**THE EVERTON FOOTBALL CLUB COMPANY LIMITED**

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MAY 1991**

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**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 accounting policies consistent with those adopted previously, and set out in the following notes where appropriate.

**2. Tangible Fixed Assets**

	Properties	Plant and equipment	Vehicles	Total
	£	£	£	£
<b>Cost or valuation</b>				
At 1st June 1990	4,436,426	643,550	276,897	5,356,873
Additions	792,245	98,485	209,333	1,100,063
Grants	(276,468)	(19,392)	—	(295,860)
Disposals	—	—	(35,663)	(95,663)
Revaluation adjustment	1,625,328	—	—	1,625,328
<b>At 31st May 1991</b>	<u>6,577,531</u>	<u>722,643</u>	<u>390,567</u>	<u>7,690,741</u>
<b>Cost</b>	77,531	722,643	390,567	1,190,741
Valuation in April 1991	6,500,000	—	—	6,500,000
	<u>6,577,531</u>	<u>722,643</u>	<u>390,567</u>	<u>7,690,741</u>
<b>Depreciation</b>				
At 1st June 1990	—	451,425	104,576	556,001
Provided during year	—	67,805	86,685	154,490
On disposals	—	—	(43,823)	(43,823)
<b>At 31st June 1991</b>	<u>—</u>	<u>519,230</u>	<u>147,438</u>	<u>666,668</u>
<b>Net book value</b>				
At 31st May 1991	<u>6,577,531</u>	<u>203,413</u>	<u>243,129</u>	<u>7,024,073</u>
At 31st May 1990	4,436,426	192,125	172,321	4,800,872

The Club's properties are freehold, with the exception of certain minor residential properties which are long leasehold. The Club's premises at Goodison Park and Bellefield were revalued at £6,450,000 by Gerald Eve & Co., Chartered Surveyors, as at the 30th April 1991, on the basis of open market value for their existing use, and their book value adjusted accordingly, together with those of certain minor residential properties which were revalued by the Directors at their estimated market value. The surplus on revaluation amounting to £1,625,328 has been credited to reserves.

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:—

	1991	1990
	£	£
Cost	2,216,384	1,629,335
Aggregate depreciation	<u>137,851</u>	<u>131,410</u>
Net book value	<u>2,078,533</u>	<u>1,498,125</u>

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 freehold properties as the directors are of the opinion, in the case of some properties, that their estimated residual value exceeds their book value, and in the case of other properties, that the sum involved would be immaterial. Depreciation on other fixed assets has been calculated at 25% on the book value.

### 3. Stocks

Stocks are valued at the lower of cost and net realisable value and comprise the following:—

	1991	1990
	£	£
Refreshments and souvenirs	82,816	54,273
Maintenance stocks	<u>1,917</u>	<u>1,917</u>
	<u>84,733</u>	<u>56,190</u>

### 4. Debtors

Trade debtors	375,836	453,369
Other debtors	296,720	251,420
Prepayments and accrued income	<u>192,515</u>	<u>160,574</u>
	<u>865,071</u>	<u>865,363</u>

### 5. Creditors: amounts falling due within one year

Trade creditors	798,235	648,597
Social security and other taxes	159,270	133,762
Pension scheme premiums	536	9,414
Other creditors	13,980	5,877
Accruals and deferred income	<u>796,648</u>	<u>649,967</u>
	1,768,669	1,447,617
Bank overdraft	1,341,868	—
Bank loan	—	53,808
Loans from brewery	<u>68,179</u>	<u>8,250</u>
	<u>3,178,716</u>	<u>1,509,675</u>

	1991	1990
	£	£
<b>6. Called Up Share Capital</b>		
Authorised: 2,500 £1 stock units	2,500	2,500
Allocated, issued and fully paid: 2,500 £1 stock units	<u>2,500</u>	<u>2,500</u>
<b>7. Reserves</b>		
<i>Revaluation reserve</i>		
Balance at 1st June 1990	2,916,341	2,916,341
Adjustment on revaluation of properties	<u>1,625,328</u>	<u>—</u>
Balance at 31st May 1991	<u>4,541,669</u>	<u>2,916,341</u>
<i>Transfer fees reserve</i>		
Balance at 1st June 1990	500,000	500,000
Transferred to profit and loss account	(500,000)	(500,000)
Transferred from profit and loss account in respect of future expenditure authorised by the directors	<u>—</u>	<u>500,000</u>
Balance at 31st May 1991	<u>—</u>	<u>500,000</u>
<i>Profit and Loss Account</i>		
Balance at 1st June 1990	882,773	985,765
Loss for the year	<u>(620,213)</u>	<u>(102,992)</u>
Balance at 31st May 1991	<u>262,560</u>	<u>882,773</u>
<b>8. Particulars of Employees</b>		
The average weekly number of employees during the year was as follows:—		
Playing, training and management	47	47
Maintenance and administration	29	29
Catering and sales	<u>33</u>	<u>31</u>
	<u>109</u>	<u>107</u>
The aggregate payroll costs of the above persons were as follows:		
Wages and salaries	3,455,256	2,657,158
Social security costs	298,313	232,842
Other pension costs	<u>219,769</u>	<u>319,037</u>
	<u>3,973,338</u>	<u>3,209,037</u>

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

The directors received no emoluments from the company during the year.

	1991	1990
<b>9. Interest Payable</b>	£	£
On bank loans and overdrafts	76,586	25,440
On other loans	.....	1,395
	<u>76,586</u>	<u>26,835</u>

**10. Taxation**

No taxation arises on the results of the year.

In view of the continuing use of the freehold properties no provision is considered necessary in respect of the potential tax liability which might 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.

**11. Donations Receivable**

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

**12. Future Capital Expenditure**

Capital expenditure contracted for but not provided for in these accounts amounted to	£610,375	Nil
Further capital expenditure authorised by the directors on which orders had not been placed prior to the Balance Sheet date amounted to	£39,510	£432,350

**REPORT OF THE AUDITORS TO THE MEMBERS OF THE EVERTON FOOTBALL CLUB COMPANY LIMITED**

We have audited the accounts set out on pages 7 to 13 in accordance with Auditing Standards.

In our opinion, the accounts give a true and fair view of the state of the company's affairs at the 31st May 1991 and of its results and source and application of funds for the year ended on that date, and have been properly prepared in accordance with the Companies Act 1985.

ROGERS, BOWLER & CO., Chartered Accountants, Birkenhead.

11th July 1991

*Rogers, Bowler & Co*

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# THE EVERTON FOOTBALL CLUB COMPANY LIMITED

## MINUTES OF THE 111th ANNUAL GENERAL MEETING

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THE 111th ANNUAL GENERAL MEETING OF THE EVERTON FOOTBALL CLUB CO. LTD., HELD AT GOODISON PARK, LIVERPOOL ON THURSDAY 23rd AUGUST, 1990 AT 7.00 p.m.

Present: Messrs. P. D. Carter (*in the Chair*), K. M. Tamlin, D. A. B. Newton, D. H. Pitcher, D. M. Marsh, W. Kenwright (*Directors*), J. Greenwood (*Secretary*), J. C. Harvey (*Manager*) and P. B. Bowler (*representing Rogers, Bowler & Co.*) together with 152 Stockholders.

Apologies were recorded from Sir John Moores, C.B.E., Messrs. A. W. Waterworth, T. H. W. Scott, A. Nolan, A. Dowell and Mrs. L. Seed.

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

### MINUTES

It was agreed that the Minutes of the 110th Annual General Meeting, as circulated, should be taken as read. Mr. G. Beattie proposed the minutes be approved and signed as a correct record. Mrs. E. Jones seconded and the proposal was carried.

### CHAIRMAN'S REPORT

It was agreed that the Chairman's Report, circulated with the Annual Report, should be taken as read. Mr. Carter referred to the recent death of Mr. Joe Mercer and the meeting observed a short silence as a mark of appreciation. Details of the close season work in order to further implement recommendations of Lord Justice Taylor were announced by Mr. Carter.

### DIRECTORS' REPORT AND ACCOUNTS

It was agreed that the Directors' and Auditors' Reports, as circulated, should be taken as read. There were no questions relating to the Report and Accounts. Mr. K. M. Taralin formally proposed the adoption of the Reports and Accounts. Mr. R. E. D. Edwards seconded and the proposal was carried.

### DIVIDEND

Mr. D. A. B. Newton proposed that no dividend should be paid. Mr. K. Nolan seconded and the proposal was carried.

### APPOINTMENT OF AUDITORS

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

### ELECTION OF DIRECTORS

The Chairman reported that Messrs. A. W. Waterworth and D. H. Pitcher were the retiring Directors. Both were eligible and seeking re-election. Nominations received in respect of Mr. G. H. E. Birch and P. L. Parry had been withdrawn.

The meeting unanimously agreed to a single resolution to re-elect the two retiring Directors for a further 3 year period. The Chairman then formally proposed that Messrs. A. W. Waterworth and D. H. Pitcher should be re-elected as Directors for a 3 year term. Mr. P. L. Parry seconded and the proposal was carried.

Mr. D. H. Pitcher expressed thanks to the Stockholders on behalf of Mr. A. W. Waterworth and himself.

### VOTE OF THANKS

The meeting closed with a vote of thanks to the Directors and Management proposed by Mr. A. G. Hirst and seconded by Mr. J. Tushingham.