

COMPANY REGISTRATION NUMBER: 06233875

Leeds United Football Club Limited

Consolidated Financial Statements

**For the period ended
30 June 2021**

Leeds United Football Club Limited

Financial Statements

Period from 1 August 2020 to 30 June 2021

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Leeds United Football Club Limited

Officers and Professional Advisers

The board of directors

A Radrizzani
A Kinnear
P V Marathe
S P Lowy
M Marinelli
S Mencucci

Registered office

Elland Road
Leeds
LS11 0ES

Auditor

Gibson Booth
Chartered Accountants & Statutory Auditors
New Court
Abbey Road North
Shepley
Huddersfield
HD8 8BJ

Bankers

Barclays Bank plc
69 Albion Street
Leeds
LS1 5AA

Solicitors

McCormicks Solicitors
Wharfedale House
35-37 East Parade
Harrogate
HG1 5LQ

Leeds United Football Club Limited

Strategic Report

Period from 1 August 2020 to 30 June 2021

Business review and principal activities

The principal activity of the company during the period was that of professional football club and associated activities.

Following promotion to the Premier League and Marcelo Bielsa committed to his third season in charge, Leeds United invested significantly in the summer transfer window bringing Spanish internationals Rodrigo Moreno and Diego Llorente to Elland Road as well as Brazilian Raphinha and Robin Koch who has represented Germany. In total, 10 players made appearances at full international level and 17 players from the Academy were called up to represent their national teams at various age groups illustrating both how the first team squad has evolved to be comprised of truly world class talent whilst the Academy promises a pipeline of world class potential for many years to come.

From a commercial perspective the Whites announced record breaking sponsorship revenues partnering with Adidas, SBOTOP, JD Sport and Hisense. The club once again collaborated with NEO Studios and Amazon to release a second series of the popular documentary 'Take Us Home: Leeds United' which built the Club's global profile. This growing international appeal was reflected in digital media with Leeds United's social media reach and engagement growing faster than any other football Club in the world. However, supporters were unable to attend games due to the pandemic which resulted in significant losses in matchday revenue from ticketing, concessions and hospitality as well as an adverse impact on other stadium events and on our conference and banqueting business.

The Club used promotion to the Premier League to invest several million pounds in Elland Road to ensure that the ground was brought up to Premier League standards. Similarly Marcelo Bielsa oversaw another summer of training ground improvements to ensure that Thorp Arch continues to be an elite training facility.

Principal risks and uncertainties

The primary risk facing the group remains the divisional status of the Club's first team due to the impact on key revenue streams, however we remain confident that we have built a commercial model to fund a technical set-up which can ensure Premier League retention.

The risks of COVID on the revenue streams remains present but have been mitigated by the improving macro-health environment which has successfully sustained multiple mass participation events and the Premier League's COVID protocols which have proven to keep players safe and maintain the integrity of the fixture list safeguarding broadcast revenues.

The departure of UK from the European Union has the potential to pose risk to the current access to European footballing talent, however the directors are encouraged by the progress of the discussions between the Premier League and the Government which suggest this risk will be successfully mitigated.

Key performance indicators

The performance of the team is monitored by publicly available league tables. In addition, the playing operations are managed by squad value growth and player trading metrics.

The commercial operations of the group are monitored against detailed budgets and competitive benchmarking to assess the business progression and comparative performance. The group successfully operated within the EPL's Profit and Sustainability regulations.

The group saw an increase in turnover from £54.2m to £171m. Merchandise sales were a key area of success growing by 32.5% from £15.4m to £20.4m. Other commercial revenue stream comprising mainly sponsorship, advertising and other events increased by 0.4% to £15m. Ticketing was down by 83.3% from £11.4m to £1.9m due to all but one game being played behind closed doors.

The strong commercial results in the Club's first season in the Premier League illustrate the potential of Leeds United being the only Club in the United Kingdom's third biggest city. This should prove a structural competitive advantage that can be leveraged to secure Premier League status over the long term.

Section 172 Companies Act 2006 statement

Section 172 (1) of the Companies Act 2006 requires the directors of a company to act in the way they each consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard to matters including:

- (a) The likely consequences of any decision in the long term,
- (b) The interests of the company's employees,
- (c) The need to foster the company's business relationships with suppliers, customers and others,
- (d) The impact of the company's operations on the community and the environment,
- (e) The desirability of the company to maintain a reputation for high standards of business conduct, and
- (f) The need to act fairly between the members of the company

With respect to this the Board meets regularly to discuss the ongoing strategic direction of the club with specific focus on;

Long term consequences

- Evolving the Group EFL business model to a Premier League business model by building the Leeds United brand globally to create revenue streams in partnerships, digital and merchandising that make the Club less dependant on matchday income.
- Developing talent through our youth academy through optimising scouting and coaching whilst creating pathways to the First Team that can build a long term technical and financial competitive advantages.
- Utilising the stadium to its full advantage through other mass sporting and music events plus leveraging our reputation as one of Yorkshire's leading conferencing and banqueting venues remains a core strategy despite the adverse impact this fiscal of the nationwide covid restrictions
- Working alongside the Leeds United Foundation to promote improve health and well being of all members of the community, both in the city of Leeds and beyond.
- The Group's adherence to UEFA and Premier League Financial Fair Play rules ensures sustainable, responsible and transparent spending.

The interest of employees

- The health and safety of our employees is a primary focus and ensuring that each employee, to the extent that they are able, is fully able to work remotely has been successfully implemented.
- The working environment is important to the directors both from a health and safety perspective and a holistic one. The Group has dedicated members of staff to ensure that all employees remain physically and emotionally safe and well.
- Policies are in place and significant training is undertaken to ensure that the Group has a fair and robust recruitment process and that a culture of equality and diversity is maintained.
- There is an ongoing review process to ensure that the gender pay gap is addressed and that equal pay is applied fairly and consistently.

The interest of other stakeholders

- Fans; Leeds United is built on it's supporter base and every decision made by the Club has supporters at its core. We are proud of our flourishing Supporters Advisory Board and our growing number of international supporters clubs which meet regularly with members of the board to shape the direction of the Club and discuss key issues affecting fans
- Partners; our table of commercial partners continues to grow and are key to building the financial sustainability of the club and facilitating the growth of the fan base
- Suppliers; we view are suppliers as partners and ensure they not only deliver competitive value to the business but also share our core values

The Community

- The associated charity of Leeds United, the Leeds United Foundation is inspired by the community, 'marching on together' to support health, wellbeing, education and sports participation for all. The Foundation uses the power of Leeds United to support and inspire those who live in our community.
- The mission of the Foundation is delivered through a range of activities including health and social education in primary and secondary schools, community volunteering, sports participation for everyone, enabling young people to make Positive Choices™ about their lives. The Foundation is an "all age" charity and works with more senior community members through its Dementia Café and Veterans Club.
- The pandemic was a catalyst for the Foundation to increase the depth and breadth of its activities engaging with over 20,000 beneficiaries in the most challenging of years delivering its services through 24 different programmes. 3700 hours' worth of wellbeing interventions and activity were delivered supporting a variety of individuals that faced challenges with Mental Health, Weight Management and Physical Activity Levels during the pandemic.
- The Foundation delivered Personal Social Health & Economic education programmes for 8000 pupils in 63 of Leeds's primary schools additionally supporting 72 primary PE teachers with continuous professional development. Leadership, careers, and anti-social behaviour reduction curricula activities operated in partnership with 28 secondary schools across West Yorkshire.
- Over 2500 secondary school pupils benefited from the virtual Positive Choices programme in conjunction with the Police Violence Reduction Unit. Partnerships with the Premier League, Leeds City Council and the Police and Crime Commissioner see the delivery of "drop in" sport sessions, 365 days a year working to reduce crime, gang affiliation and community disorder amongst the young people of the City.

Leeds United Football Club Limited

Strategic Report (continued)

Period from 1 August 2020 to 30 June 2021

- Women's & Girls football development is delivered within the Foundation from Wildcats juniors girls' grassroots sessions through four City Region development centres and a 250-player shadow squad weekly skills programme building to our Tier One Plus Regional Talent Centre - the academy for female footballers up to 16.
- In Partnership with the Amnesty International Football Welcomes campaign and the Safer Communities team the Foundation delivered over 50 football sessions for asylum seekers in Leeds and with FA Community Shield fund support is operating a tournament in season 21/22 for this group. This work is supplemented by a Leading the Way Programme facilitating recruitment and development with employment support for 15 coaches from minority groups.
- Club and Foundation staff partnered with local charities during the lockdown periods supporting the distribution of over 2500 food parcels and donations to those most in need. Additionally, during the commencement of the national Covid vaccination programme Leeds United colleagues offered 548 volunteer hours a week to the NHS Leeds Elland Road vaccination centre.

High standards

- The Group live by the Club's value of Family, Pride, Ambition, Graft and Innovation which are summed up in Billy Bremner's mantra 'Side Before Self'. These principles are designed to ensure the highest standards of strategy development and executional excellence.
- The Group is committed to paying the right amount of tax, in the right place and on a timely basis in accordance with tax laws.
- The Group is committed to ensuring there is a transparency in our business and in our approach to tackling modern slavery within both our business and our supply chains.

Act fairly between members

- The Board contains a mixture of representation from the two majority shareholders combined with the Chief Executive Officer and an independent Non Executive Director.

This report was approved by the board of directors on 28/21/2022 and signed on behalf of the board by:



A Kinnear
Director

Registered office:
Elland Road
Leeds
LS11 0ES

Leeds United Football Club Limited

Directors' Report

Period from 1 August 2020 to 30 June 2021

The directors present their report and the financial statements of the group for the period ended 30 June 2021.

Directors

The directors who served the company during the period were as follows:

A Radrizzani	
A Kinnear	
P V Marathe	
S P Lowy	(Appointed 7 June 2021)
M Marinelli	(Appointed 7 June 2021)
S Mencucci	(Appointed 7 June 2021)
A Tegner	(Resigned 7 June 2021)

Dividends

The directors do not recommend the payment of a dividend.

Greenhouse gas emissions and energy consumption

For the purposes of the Companies (Directors' Report), the group is a large and is required to report on its UK energy use and the associated greenhouse gas emissions.

Emissions in tonnes

	2020-21
Electricity	£
Gas	1,100
Transport fuels	1,004
	58
Gross annual total	<u>2,162</u>

Total consumption in kWh 10,662,702

Emissions in tonnes

	2020-21
Per £000,000 of revenue	£
Per number of employees	13
	5

Method of Calculation for Emissions

Our energy data has been calculated by energy consultants using the information taken from our detailed monthly consumption statements.

Principle measures taken to increase energy efficiency

The Group continue to proactively to limit its impact on the environment and reduce its carbon footprint. A new environmental sustainability strategy in partnership Football For Future is under development and simultaneously Leeds United will promote the Leeds Climate Commissions ambition to make the city of Leeds net zero by 2030. Our environmental initiatives have continued to build on the progress of recent years, specifically;

- Energy efficiency. Building Management Systems across all our facilities help optimise energy usage, the Club has commenced a programme of works to transition to more efficient LED lighting and Elland Road's underfloor heating has been replaced with a more efficient system.
- Single-Use Plastics; reusable cups have been introduced at Elland Road saving over 350,000 single use plastic cups per season. Simultaneously single use plastic bottles have been eliminated throughout our staff areas and training ground and replaced with water bottle refill stations.
- Waste Management; Less than 5% of all Club waste is sent to landfill.
- Low-Carbon Food. Locally sourced and vegetarian options are now available in General Admission concourses and in hospitality areas.
- Biodiversity; A biodiversity area with bug hotels has been established at Elland Road.

Employment of disabled persons

Applications for employment by disabled persons are always fully considered. In event of members of staff becoming disabled, every opportunity is made to ensure their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Leeds United Football Club Limited

Directors' Report (continued)

Period from 1 August 2020 to 30 June 2021

Employee involvement

The company's employment policies are designed to attract, retain and motivate the best people. The company involves employees at all levels of the organisation through a broad base of regular communication, meetings and briefing sessions to understand current performance and communicate future developments.

Employee engagement

The health and safety of our employees is a primary focus and ensuring that each employee, to the extent that they are able, is fully able to work remotely has been successfully implemented. The working environment is important to the directors both from a health and safety perspective and a holistic one. The club has dedicated members of staff to ensure that all employees remain physically and emotionally safe and well.

Policies are in place and significant training is undertaken to ensure that the club has a fair and robust recruitment process and that a culture of equality and diversity is maintained. There is an ongoing review process to ensure that the gender pay gap is addressed and that equal pay is applied fairly and consistently.

Financial instruments

The company's financial instruments comprise of borrowings such as secured and unsecured loans and advanced receipts in respect of the ordinary activities of the club, cash and liquid resources, finance leases and various other items such as trade debtors and trade creditors that also arise directly from its operations.

Financial risk management and exposure to risk

In order to minimise financial risk, the directors of the company have taken the decision not to engage in trades of a speculative nature. At the year end the company had no foreign currency exposure. Other risks and uncertainties may arise dependent on the performance of the football team.

Cash flow

The company continues to ensure that cash flows are closely monitored on a daily basis and reviews its overall financial requirements on an annual basis. This policy will be maintained for the foreseeable future.

Qualifying indemnity provision

The Company has granted an indemnity to its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

Disclosure of information in the strategic report

Details about future developments are included in the strategic report.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, 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 are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Leeds United Football Club Limited

Directors' Report (*continued*)


Period from 1 August 2020 to 30 June 2021

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

This report was approved by the board of directors on 28/2/2022 and signed on behalf of the board by:


A Kinnear
Director

Registered office:
Elland Road
Leeds
LS11 0ES

Leeds United Football Club Limited

Independent Auditor's Report to the Members of Leeds United Football Club Limited

Period from 1 August 2020 to 30 June 2021

Opinion

We have audited the financial statements of Leeds United Football Club Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 30 June 2021 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2021 and of the group's profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Independent Auditor's Report to the Members of Leeds United Football Club Limited (continued)

Period from 1 August 2020 to 30 June 2021

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements, and determined that the principal risks were related to management bias through manipulation of accounting estimates or posting inappropriate journal entries. Audit procedures performed by the engagement team included:

- discussions with management including consideration of known or suspected instances of non-compliance with laws, regulation and fraud;
- challenging assumptions and judgements made by management in their significant accounting estimates;
- testing of non-purchase and sales ledger bank transactions;
- testing the appropriateness of journal entries;
- testing of purchase invoice authorisations.

Because of the inherent limitations of an audit, there is a risk that we will fail to detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

Leeds United Football Club Limited

Independent Auditor's Report to the Members of Leeds United Football Club Limited *(continued)*

Period from 1 August 2020 to 30 June 2021

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

AJR Russell

Alistair Russell FCA (Senior Statutory Auditor)

For and on behalf of
Gibson Booth
Chartered Accountants & Statutory Auditors
New Court
Abbey Road North
Shepley
Huddersfield
HD8 8BJ

113122

Leeds United Football Club Limited

Consolidated Statement of Comprehensive Income

Period from 1 August 2020 to 30 June 2021

	Note	Period from 1 Aug 20 to 30 Jun 21 £	Period from 1 Jul 19 to 31 Jul 20 £
Turnover	4	171,027,740	54,183,980
Cost of sales		(14,654,409)	(13,885,858)
Gross profit		<u>156,373,331</u>	<u>40,298,122</u>
Administrative expenses		(151,985,475)	(108,398,516)
Other operating income		1,137,677	3,528,322
Operating profit/(loss)	5	<u>5,525,533</u>	<u>(64,572,072)</u>
(Loss)/gain on disposal of players' registrations		(1,439,614)	10,128,024
Waived loans		21,300,000	–
Television and broadcasting rebate	9	–	(7,000,000)
Interest receivable and similar income	10	5,282,136	1,057,510
Interest payable and similar expenses	11	(4,748,146)	(2,035,446)
Profit/(loss) before taxation		<u>25,919,909</u>	<u>(62,421,984)</u>
Tax on profit/(loss)	12	–	–
Profit/(loss) for the financial period and total comprehensive income		<u><u>25,919,909</u></u>	<u><u>(62,421,984)</u></u>

All the activities of the group are from continuing operations.

The notes on pages 17 to 31 form part of these financial statements.

Leeds United Football Club Limited

Consolidated Statement of Financial Position

30 June 2021

	Note	30 Jun 21 £	31 Jul 20 £
Fixed assets			
Intangible assets	13	121,036,174	60,455,497
Tangible assets	14	22,356,373	15,158,419
		<u>143,392,547</u>	<u>75,613,916</u>
Current assets			
Stocks			
Debtors: due within one year	16	8,152,524	1,783,295
Debtors: due after more than one year	17	11,481,738	17,191,480
Cash at bank and in hand	17	4,688,026	1,425,000
		<u>29,115,809</u>	<u>31,670,725</u>
		53,438,097	52,070,500
Creditors: amounts falling due within one year	18	(145,322,514)	(158,515,736)
Net current liabilities		<u>(91,884,417)</u>	<u>(106,445,236)</u>
Total assets less current liabilities		51,508,130	(30,831,320)
Creditors: amounts falling due after more than one year	19	(64,183,624)	(38,570,579)
Net liabilities		<u>(12,675,494)</u>	<u>(69,401,899)</u>
Capital and reserves			
Called up share capital	24	52,936,741	43,834,908
Share premium account	25	27,704,663	6,000,000
Unrealised profit reserve	25	3,393,109	1,051,416
Profit and loss account	25	(96,710,007)	(120,288,223)
Shareholders deficit		<u>(12,675,494)</u>	<u>(69,401,899)</u>

These financial statements were approved by the board of directors and authorised for issue on 28/2/2022 and are signed on behalf of the board by:



A Kinnear
Director

Company registration number: 06233875

The notes on pages 17 to 31 form part of these financial statements.

Leeds United Football Club Limited

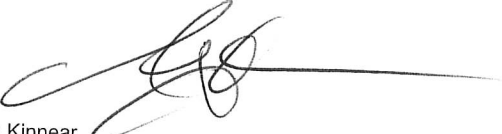
Company Statement of Financial Position

30 June 2021

	Note	30 Jun 21 £	31 Jul 20 £
Fixed assets			
Intangible assets	13	121,036,174	60,503,314
Tangible assets	14	21,378,690	14,120,369
Investments	15	3	3
		<u>142,414,867</u>	<u>74,623,686</u>
Current assets			
Stocks	16	8,126,724	1,741,623
Debtors: due within one year	17	11,504,941	16,498,725
Debtors: due after more than one year	17	4,688,026	1,425,000
Cash at bank and in hand		28,832,872	31,592,447
		<u>53,152,563</u>	<u>51,257,795</u>
Creditors: amounts falling due within one year	18	(147,893,092)	(160,826,749)
Net current liabilities		<u>(94,740,529)</u>	<u>(109,568,954)</u>
Total assets less current liabilities		47,674,338	(34,945,268)
Creditors: amounts falling due after more than one year	19	(64,173,865)	(38,564,591)
Net liabilities		<u>(16,499,527)</u>	<u>(73,509,859)</u>
Capital and reserves			
Called up share capital	24	52,936,741	43,834,908
Share premium account	25	27,704,663	6,000,000
Unrealised profit reserve	25	3,393,109	1,051,416
Profit and loss account	25	(100,534,040)	(124,396,183)
Shareholders deficit		<u>(16,499,527)</u>	<u>(73,509,859)</u>

The profit for the financial period of the parent company was £26,203,836 (2020: £63,071,179 loss).

These financial statements were approved by the board of directors and authorised for issue on 28/2/2022, and are signed on behalf of the board by:



A Kinnear
Director

Company registration number: 06233875

The notes on pages 17 to 31 form part of these financial statements.

Leeds United Football Club Limited

Consolidated Statement of Changes in Equity

Period from 1 August 2020 to 30 June 2021

	Called up share capital £	Share premium account £	Unrealised profit reserve £	Profit and loss account £	Total £
At 1 July 2019	43,834,908	6,000,000	1,663,441	(58,478,264)	(6,979,915)
Loss for the period				(62,421,984)	(62,421,984)
Other comprehensive income for the period:					
Revaluation of financial liability to fair value	–	–	1,057,510	(1,057,510)	–
Notional interest charged on financial liability	–	–	(1,669,535)	1,669,535	–
Total comprehensive income for the period	–	–	(612,025)	(61,809,959)	(62,421,984)
At 31 July 2020	43,834,908	6,000,000	1,051,416	(120,288,223)	(69,401,899)
Profit for the period				25,919,909	25,919,909
Other comprehensive income for the period:					
Revaluation of financial liability to fair value	–	–	5,282,136	(5,282,136)	–
Notional interest charged on financial liability	–	–	(2,940,443)	2,940,443	–
Total comprehensive income for the period	–	–	2,341,693	23,578,216	25,919,909
Issue of shares	9,101,833	21,704,663	–	–	30,806,496
Total investments by and distributions to owners	9,101,833	21,704,663	–	–	30,806,496
At 30 June 2021	<u>52,936,741</u>	<u>27,704,663</u>	<u>3,393,109</u>	<u>(96,710,007)</u>	<u>(12,675,494)</u>

The notes on pages 17 to 31 form part of these financial statements.

Leeds United Football Club Limited

Company Statement of Changes in Equity

Period from 1 August 2020 to 30 June 2021

	Called up share capital £	Share premium account £	Unrealised profit reserve £	Profit and loss account £	Total £
At 1 July 2019	43,834,908	6,000,000	1,663,441	(61,937,029)	(10,438,680)
Loss for the period				(63,071,179)	(63,071,179)
Other comprehensive income for the period:					
Revaluation of financial liability to fair value	–	–	1,057,510	(1,057,510)	–
Notional interest charged on financial liability	–	–	(1,669,535)	1,669,535	–
Total comprehensive income for the period	–	–	(612,025)	(62,459,154)	(63,071,179)
At 31 July 2020	43,834,908	6,000,000	1,051,416	(124,396,183)	(73,509,859)
Profit for the period				26,203,836	26,203,836
Other comprehensive income for the period:					
Revaluation of financial liability to fair value	–	–	5,282,136	(5,282,136)	–
Notional interest charged on financial liability	–	–	(2,940,443)	2,940,443	–
Total comprehensive income for the period	–	–	2,341,693	23,862,143	26,203,836
Issue of shares	9,101,833	21,704,663	–	–	30,806,496
Total investments by and distributions to owners	9,101,833	21,704,663	–	–	30,806,496
At 30 June 2021	<u>52,936,741</u>	<u>27,704,663</u>	<u>3,393,109</u>	<u>(100,534,040)</u>	<u>(16,499,527)</u>

The notes on pages 17 to 31 form part of these financial statements.

Leeds United Football Club Limited

Consolidated Statement of Cash Flows

Period from 1 August 2020 to 30 June 2021

	30 Jun 21 £	31 Jul 20 £
Cash flows from operating activities		
Profit/(loss) for the financial period	25,919,909	(62,421,984)
<i>Adjustments for:</i>		
Depreciation of tangible assets	2,624,068	2,529,774
Amortisation of intangible assets	37,894,229	10,188,160
Impairment of intangible assets	–	1,242,045
Gain on disposal of players' registrations	1,426,439	(10,128,024)
Waived loans	(21,300,000)	–
Television and broadcasting rebate	–	7,000,000
Interest receivable and similar income	–	(1,057,510)
Interest payable and similar expenses	4,748,146	2,035,446
Accrued (income)/expenses	(11,875,061)	27,507,045
<i>Changes in:</i>		
Stocks	(6,369,229)	1,198,751
Trade and other debtors	(3,790,628)	(3,631,116)
Trade and other creditors	(29,240,692)	45,607,827
Cash generated from operations	<u>37,181</u>	<u>20,070,414</u>
Interest paid	(3,715,644)	(861,532)
Net cash (used in)/from operating activities	<u>(3,678,463)</u>	<u>19,208,882</u>
Cash flows from investing activities		
Purchase of tangible assets	(9,109,919)	(2,229,607)
Purchase of intangible assets	(62,743,943)	(11,012,172)
Proceeds from sale of intangible assets	3,228,070	23,040,254
Net cash (used in)/from investing activities	<u>(68,625,792)</u>	<u>9,798,475</u>
Cash flows from financing activities		
Proceeds from issue of ordinary shares	23,000,000	–
Proceeds from borrowings	43,000,000	–
Repayments of borrowings	(14,010,000)	(1,492,250)
Proceeds from loans from group undertakings	–	5,314,328
Repayments of loans from group undertakings	(1,831,583)	–
Payments of finance lease liabilities	(409,078)	(559,991)
Proceeds from related parties	20,000,000	–
Net cash from financing activities	<u>69,749,339</u>	<u>3,262,087</u>
Net (decrease)/increase in cash and cash equivalents	<u>(2,554,916)</u>	<u>32,269,444</u>
Cash and cash equivalents at beginning of period	31,670,725	(598,719)
Cash and cash equivalents at end of period	<u>29,115,809</u>	<u>31,670,725</u>

The notes on pages 17 to 31 form part of these financial statements.

Leeds United Football Club Limited

Notes to the Financial Statements

Period from 1 August 2020 to 30 June 2021

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Elland Road, Leeds, LS11 0ES. The nature of the company's operations and principal activities are that of a professional football club and all associated activities. The period end was shortened by one month to 30 June 2021 to run in line with the English Premier League season, the accounting period was previously extended due to the COVID-19 pandemic.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial liabilities measured at fair value. The financial statements are prepared in sterling, which is the functional currency of the entity. The significant accounting policies consistently applied in the preparation of these financial statements are set out below.

Going concern

At 30 June 2021 the group had net liabilities of £12,675,494 (2020: £69,401,899) and net current liabilities of £96,572,443 (2020: £107,870,236) (after adjusting for debtors due after more than one year). The directors have prepared and reviewed forecasts and, as part of their assessment of the going concern status of the group, they have received written confirmation from Aser Group Holding Pte Limited confirming that they will continue to financially support the group in order that it meets debts as they fall due during the next twelve months and also stating that amounts payable will not be called in for a period of no less than twelve months from approval of the financial statements. As a result, the directors consider that it is appropriate to prepare the accounts on the going concern basis.

Consolidation

The financial statements consolidate the financial statements of Leeds United Football Club Limited and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the period are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Financial instruments

A discount rate is applied to long term debts on which interest below market rates are charged to restate the balances to fair value. The discount rate has been selected with reference to the expected commercial rate for a loan with similar terms. The discount rate is reviewed annually and adjusted where necessary. The carrying amount of the financial instruments are included in note 23.

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty *(continued)*

Useful economic lives of intangible and tangible assets

The annual amortisation and depreciation charge for intangible and tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See notes 13 and 14 for the carrying amount of the intangible and tangible assets respectively, and note 3 for the amortisation and depreciation rates used for each class of assets.

Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Impairment of intangible and tangible fixed assets

The directors review the carrying amount of all intangible and tangible fixed assets at the year end and consider whether any impairment of these assets is required. See notes 13 and 14 for details of any impairments.

Revenue recognition

Turnover represents income receivable from football and related commercial activities, exclusive of VAT. Gate receipts and other match day revenue are recognised as the games are played. The club also receives central distributions from the Football League and a solidarity payment from the Premier League that are beyond the direct control of the officers of the club. These distributions are recognised evenly over the course of the financial year.

Revenue derived from season tickets is credited to income in the period to which it relates. Amounts received in advance are credited to deferred income in the balance sheet.

Sponsorship, advertising and similar commercial income is recognised over the duration of the respective contracts. Amounts received in advance are credited to deferred income in the balance sheet.

Facility fees received for live coverage or highlights are taken when earned.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the average exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

3. Accounting policies (continued)

Intangible assets - goodwill

Costs incurred whilst the Club was in administration in 2007/08 were capitalised as goodwill and are being amortised in equal instalments over 50 years based on the longevity of the club and the strength of the brand. Goodwill is reviewed annually to ensure that it is not impaired.

Goodwill has also arisen on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business. Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life which the directors consider to be 5 years.

Negative goodwill is also recognised where the net amount of identifiable assets, liabilities and provisions for contingent liabilities exceeds the cost of the business acquisition. The excess is being recognised in profit or loss in the period expected to benefit which the directors consider to be 5 years.

Intangible assets - player registrations

The costs associated with the acquisition of players' registrations are capitalised as intangible fixed assets and amortised, in equal annual instalments, over the period of the respective players' contract. The transfer fee levy refund received during the year is credited against additions to intangible assets. Players' registrations are written down for impairment when the carrying amount exceeds the amount recoverable through use or sale.

Intangible assets - trademarks

Expenditure on trademarks is capitalised in intangible fixed assets and amortised in equal annual instalments over 10 years.

Intangible assets - computer software

Expenditure on computer software is capitalised in intangible fixed assets and amortised in equal annual instalments over 2 to 7 years.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold land and buildings	-	5 - 34 years straight line
Alterations and improvements	-	2 - 20 years straight line
Fixtures and fittings	-	2 - 20 years straight line

Assets under the course of construction are not depreciated until they are brought into productive use.

Investments in subsidiary undertakings

Investments in subsidiary undertakings comprise the company's investment in shares and are stated at cost less any provision for impairment.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Leeds United Football Club Limited

Notes to the Financial Statements (continued)

Period from 1 August 2020 to 30 June 2021

3. Accounting policies (continued)

Leases

Assets under finance lease contracts are capitalised at their fair value on the inception of the lease and depreciated over their estimated useful life. Finance charges are allocated evenly over the period of the lease in proportion to the capital amount outstanding.

Operating lease rentals are charged to profit and loss in equal amounts over the term of the lease.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Pension costs

For defined contribution schemes the pension cost charged in the year represents contributions payable by the group to various pension schemes. For defined benefit schemes the expected cost of providing pensions, as calculated periodically by professionally qualified actuaries, is charged to the profit and loss account so as to spread the cost over the service lives of employees in such a way that the pension cost is a substantially level percentage of current and expected future pensionable payroll.

Signing-on fees

Signing-on fees represent a normal part of the employment cost of the player and as such are to be charged to the profit and loss account over the term of the contract, except in the circumstances of a player disposal. In that case, any remaining signing-on fees due are allocated in full against the profit on disposal of players' registrations in the year in which the player disposal is made.

4. Turnover

Turnover arises from:

	Period from 1 Aug 20 to 30 Jun 21	Period from 1 Jul 19 to 31 Jul 20
	£	£
Gate receipts	1,928,102	11,435,623
Television and broadcasting income	22,016,653	1,481,500
Merchandising income	20,369,022	15,364,697
Central distributions	110,813,728	7,191,511
Other commercial revenue	15,042,549	14,435,706
Catering income	380,638	3,999,313
Educational services	477,048	275,630
	<u>171,027,740</u>	<u>54,183,980</u>

The whole of the turnover is attributable to the principal activity of the group wholly undertaken in the United Kingdom.

Leeds United Football Club Limited

Notes to the Financial Statements (continued)

Period from 1 August 2020 to 30 June 2021

5. Operating profit

Operating profit or loss is stated after charging/crediting:

	Period from 1 Aug 20 to 30 Jun 21 £	Period from 1 Jul 19 to 31 Jul 20 £
Amortisation of intangible assets		
Depreciation of tangible assets	37,894,229	10,188,160
Impairment of intangible assets recognised in:	2,624,068	2,529,774
Administrative expenses		
Foreign exchange differences	–	1,242,045
Operating lease costs	(2,922,163)	59,857
Impairment of debt	(3,842,342)	2,633,851
Government grants	–	2,189,495
	<u>(1,137,677)</u>	<u>(1,027,107)</u>

In the previous period the group lost profits following the closure of the stadium and conferencing centres due to the COVID-19 pandemic. An insurance claim of £nil (2020: £2,500,000) in respect of these losses was accepted.

It is expected that throughout the eleven months ended 30 June 2021 the group will lose profits of £22,799,987 (2020: £8,518,706) directly due to the closure of the stadium and conferencing centres because of the COVID-19 pandemic.

6. Auditor's remuneration

	Period from 1 Aug 20 to 30 Jun 21 £	Period from 1 Jul 19 to 31 Jul 20 £
Fees payable for the audit of the financial statements	<u>19,500</u>	<u>19,500</u>
Fees payable to the company's auditor and its associates for other services:		
Audit-related assurance services	8,000	5,000
Taxation compliance services	10,000	8,650
Audit of subsidiaries	9,000	7,500
Other non-audit services	1,660	7,450
	<u>28,660</u>	<u>28,600</u>

7. Staff costs

The average number of persons employed by the group during the period, including the directors, amounted to:

	30 Jun 21 No.	31 Jul 20 No.
Full-time playing staff	53	51
Apprentices	24	23
Football team management	28	27
Management/administration	138	131
Casual match day staff	185	847
	<u>428</u>	<u>1,079</u>

The aggregate payroll costs incurred during the period, relating to the above, were:

	Period from 1 Aug 20 to 30 Jun 21 £	Period from 1 Jul 19 to 31 Jul 20 £
Wages and salaries	95,958,897	70,217,594
Social security costs	12,126,102	7,906,514
Other pension costs	167,680	166,348
	<u>108,252,679</u>	<u>78,290,456</u>

Leeds United Football Club Limited

Notes to the Financial Statements (continued)

Period from 1 August 2020 to 30 June 2021

7. Staff costs (continued)

Included in wages and salaries are redundancy and ex-gratia payments of £55,914 (2020: £1,833).

8. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	Period from 1 Aug 20 to 30 Jun 21 £	Period from 1 Jul 19 to 31 Jul 20 £
Remuneration	558,490	383,949
Company contributions to defined benefit pension plans	18,321	15,857
	<u>576,811</u>	<u>399,806</u>

The remuneration of the highest paid director in respect of qualifying services is £558,490 (2020: £383,989) for aggregate remuneration and £18,321 (2020: £15,857) for company contributions to defined contribution pension plans.

The number of directors who are accruing benefits under defined contribution pension schemes was one (2020 - one).

9. Television and broadcasting rebate

A rebate was provided for in the prior period in respect of the Premier League refunding subscribers for lost broadcastable games during the 19/20 season.

10. Interest receivable and similar income

	Period from 1 Aug 20 to 30 Jun 21 £	Period from 1 Jul 19 to 31 Jul 20 £
Interest receivable and similar income	5,282,136	1,057,510

This relates to the revaluation to fair value of the financial liability described in note 23.

11. Interest payable and similar expenses

	Period from 1 Aug 20 to 30 Jun 21 £	Period from 1 Jul 19 to 31 Jul 20 £
Interest on obligations under finance leases contracts	190,503	381,604
Other interest payable and similar charges	4,557,643	1,653,842
	<u>4,748,146</u>	<u>2,035,446</u>

Other interest payable and similar charges includes £2,940,443 (2020: £1,669,535) relating to the revaluation to fair value of the financial liability described in note 23.

Leeds United Football Club Limited

Notes to the Financial Statements (continued)

Period from 1 August 2020 to 30 June 2021

12. Tax on profit/(loss)

Reconciliation of tax income

The tax assessed on the profit/(loss) on ordinary activities for the period is lower than (2020: higher than) the standard rate of corporation tax in the UK of 19% (2020: 19%).

	Period from 1 Aug 20 to 30 Jun 21 £	Period from 1 Jul 19 to 31 Jul 20 £
Profit/(loss) on ordinary activities before taxation	25,919,909	(62,421,984)
Profit/(loss) on ordinary activities by rate of tax	4,978,729	(11,741,754)
Effect of expenses not deductible for tax purposes	28,710	15,807
Effect of capital allowances and depreciation	(76,121)	83,935
Unused tax losses	(4,912,797)	11,667,768
Other timing differences	(18,521)	(25,756)
Tax on profit/(loss)	—	—

Factors that may affect future tax income

The group has losses of approximately £135 million (2020: £164 million) to carry forward against future profits.

13. Intangible assets

Group	Goodwill £	Negative goodwill £	Trademarks £	Computer software £	Player registrations £	Total £
Cost						
At 1 Aug 2020	6,403,883	(717,255)	36,301	402,246	79,852,377	85,977,552
Additions	—	—	6,318	216,162	98,669,590	98,892,070
Disposals	—	—	—	—	(10,488,115)	(10,488,115)
At 30 Jun 2021	<u>6,403,883</u>	<u>(717,255)</u>	<u>42,619</u>	<u>618,408</u>	<u>168,033,852</u>	<u>174,381,507</u>
Amortisation						
At 1 Aug 2020	1,964,566	(669,438)	15,664	297,393	23,913,870	25,522,055
Charge for the period	109,959	(47,817)	2,839	35,296	37,793,952	37,894,229
Disposals	—	—	—	—	(10,070,951)	(10,070,951)
At 30 Jun 2021	<u>2,074,525</u>	<u>(717,255)</u>	<u>18,503</u>	<u>332,689</u>	<u>51,636,871</u>	<u>53,345,333</u>
Carrying amount						
At 30 Jun 2021	<u>4,329,358</u>	<u>—</u>	<u>24,116</u>	<u>285,719</u>	<u>116,396,981</u>	<u>121,036,174</u>
At 31 Jul 2020	4,439,317	(47,817)	20,637	104,853	55,938,507	60,455,497

Leeds United Football Club Limited

Notes to the Financial Statements (continued)

Period from 1 August 2020 to 30 June 2021

13. Intangible assets (continued)

Company	Goodwill £	Trademarks £	Computer software £	Player registrations £	Total £
Cost					
At 1 August 2020	5,984,321	36,301	402,246	79,852,377	86,275,245
Additions	–	6,318	216,162	98,669,590	98,892,070
Disposals	–	–	–	(10,488,115)	(10,488,115)
At 30 June 2021	<u>5,984,321</u>	<u>42,619</u>	<u>618,408</u>	<u>168,033,852</u>	<u>174,679,200</u>
Amortisation					
At 1 August 2020	1,545,004	15,664	297,393	23,913,870	25,771,931
Charge for the period	109,959	2,839	35,296	37,793,952	37,942,046
Disposals	–	–	–	(10,070,951)	(10,070,951)
At 30 June 2021	<u>1,654,963</u>	<u>18,503</u>	<u>332,689</u>	<u>51,636,871</u>	<u>53,643,026</u>
Carrying amount					
At 30 June 2021	<u>4,329,358</u>	<u>24,116</u>	<u>285,719</u>	<u>116,396,981</u>	<u>121,036,174</u>
At 31 July 2020	<u>4,439,317</u>	<u>20,637</u>	<u>104,853</u>	<u>55,938,507</u>	<u>60,503,314</u>

Included in intangible assets is negative goodwill with a carrying amount of £nil (2020: £47,817). This negative goodwill arose on the acquisition of Leeds United Media Limited. The negative goodwill all relates to non-monetary assets and is being amortised over a period of five years, being the period that the company is expected to benefit.

A total of £nil (2020: £1,242,045) has been charged to the profit and loss in respect of an impairment following a review of the First Team Squad.

14. Tangible assets

Group	Leasehold land and buildings £	Alterations and improvements £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 August 2020	2,955,252	19,802,895	10,256,735	33,014,882
Additions	1,607,426	3,817,291	4,397,305	9,822,022
At 30 June 2021	<u>4,562,678</u>	<u>23,620,186</u>	<u>14,654,040</u>	<u>42,836,904</u>
Depreciation				
At 1 August 2020	1,278,178	9,982,950	6,595,335	17,856,463
Charge for the period	155,953	1,244,617	1,223,498	2,624,068
At 30 June 2021	<u>1,434,131</u>	<u>11,227,567</u>	<u>7,818,833</u>	<u>20,480,531</u>
Carrying amount				
At 30 June 2021	<u>3,128,547</u>	<u>12,392,619</u>	<u>6,835,207</u>	<u>22,356,373</u>
At 31 July 2020	<u>1,677,074</u>	<u>9,819,945</u>	<u>3,661,400</u>	<u>15,158,419</u>

Leeds United Football Club Limited

Notes to the Financial Statements (continued)

Period from 1 August 2020 to 30 June 2021

14. Tangible assets (continued)

Company	Leasehold land and buildings £	Alterations and improvements £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 August 2020				
Additions	2,115,922	18,312,869	8,767,339	29,196,130
	<u>1,607,426</u>	<u>3,817,292</u>	<u>4,321,389</u>	<u>9,746,107</u>
At 30 June 2021	<u>3,723,348</u>	<u>22,130,161</u>	<u>13,088,728</u>	<u>38,942,237</u>
Depreciation				
At 1 August 2020				
Charge for the period	791,740	9,079,379	5,204,642	15,075,761
	<u>120,625</u>	<u>1,184,678</u>	<u>1,182,483</u>	<u>2,487,786</u>
At 30 June 2021	<u>912,365</u>	<u>10,264,057</u>	<u>6,387,125</u>	<u>17,563,547</u>
Carrying amount				
At 30 June 2021	2,810,983	11,866,104	6,701,603	21,378,690
At 31 July 2020	<u>1,324,182</u>	<u>9,233,490</u>	<u>3,562,697</u>	<u>14,120,369</u>

The directors have reviewed the carrying amount of both the tangible and intangible assets and are satisfied that they are not impaired other than as described in note 13.

Finance leases contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases agreements:

Group	Fixtures, fittings and equipment £
At 30 June 2021	2,087,569
At 31 July 2020	<u>1,645,532</u>
Company	
At 30 June 2021	2,078,983
At 31 July 2020	<u>1,623,452</u>

15. Investments

The group has no investments.

Company	Shares in group undertakings £
Cost	
At 1 August 2020 and 30 June 2021	3
Impairment	
At 1 August 2020 and 30 June 2021	-
Carrying amount	
At 1 August 2020 and 30 June 2021	3
At 31 July 2020	<u>3</u>

Leeds United Football Club Limited

Notes to the Financial Statements (continued)

Period from 1 August 2020 to 30 June 2021

15. Investments (continued)

Details of the investments in which the parent company has an interest of 20% or more are as follows:

Subsidiary undertakings	Class of share	Percentage of shares held
Leeds United Conferencing and Events Limited	Ordinary	100
Leeds United Media Limited	Ordinary	100
Leeds United College Limited	Ordinary	100

The company owns the entire share capital of Leeds United Conference and Events Limited, Leeds United Media Limited and Leeds United College Limited, all of which have a registered office at New Court, Abbey Road North, Shepley, HD8 8BJ. Leeds United Conference and Events Limited has a principal activity of providing conferencing and events facilities, Leeds United Media Limited has a principal activity of providing digital media and online advertising and Leeds United College Limited has a principal activity of providing educational services.

16. Stocks

	Group		Company	
	30 Jun 21	31 Jul 20	30 Jun 21	31 Jul 20
	£	£	£	£
Goods held for resale	8,152,524	1,783,295	8,126,724	1,741,623

17. Debtors

Debtors falling due within one year are as follows:

	Group		Company	
	30 Jun 21	31 Jul 20	30 Jun 21	31 Jul 20
	£	£	£	£
Trade debtors	4,415,017	1,867,245	4,198,018	1,757,344
Amounts owed by group undertakings	–	–	302,829	285,112
Prepayments and accrued income	2,443,220	8,863,277	2,413,490	8,056,872
Transfer fee debtors	2,606,170	5,419,041	2,606,170	5,419,041
Other debtors	2,017,331	1,041,917	1,984,434	980,356
	<u>11,481,738</u>	<u>17,191,480</u>	<u>11,504,941</u>	<u>16,498,725</u>

Debtors falling due after one year are as follows:

	Group		Company	
	30 Jun 21	31 Jul 20	30 Jun 21	31 Jul 20
	£	£	£	£
Prepayments and accrued income	4,687,500	–	4,687,500	–
Transfer fee debtors	526	1,425,000	526	1,425,000
	<u>4,688,026</u>	<u>1,425,000</u>	<u>4,688,026</u>	<u>1,425,000</u>

Leeds United Football Club Limited

Notes to the Financial Statements (continued)

Period from 1 August 2020 to 30 June 2021

18. Creditors: amounts falling due within one year

	Group		Company	
	30 Jun 21 £	31 Jul 20 £	30 Jun 21 £	31 Jul 20 £
Other loans	33,981,630	3,979,570	33,981,630	3,979,570
Trade creditors	12,756,651	3,798,420	12,738,308	3,758,770
Amounts owed to group undertakings	–	17,338,073	2,859,244	20,214,653
Accruals and deferred income	39,747,827	52,988,183	39,559,403	52,620,378
Social security and other taxes	11,117,831	8,690,188	11,056,655	8,557,368
Obligations under finance leases contracts	273,352	332,531	265,825	325,004
Transfer fee creditors	46,471,086	29,875,265	46,471,086	29,875,265
Other creditors	974,137	41,513,506	960,941	41,495,741
	<u>145,322,514</u>	<u>158,515,736</u>	<u>147,893,092</u>	<u>160,826,749</u>

Included in accruals and deferred income are £17,576,493 (2020: £12,586,876) representing advance payment of tickets and sponsorship that would only become a liability of the company should it fail to fulfill all of its fixtures for future seasons.

Obligations under finance leases are secured on the related assets.

Other loans include an advance of £nil (2020: £2,000,000) secured on the related book debt.

The other loans of £33,981,630 (2020: £nil) are secured on the parachute payments of the 2021/22 season.

19. Creditors: amounts falling due after more than one year

	Group		Company	
	30 Jun 21 £	31 Jul 20 £	30 Jun 21 £	31 Jul 20 £
Other loans	–	1,979,570	–	1,979,570
Amounts owed to group undertakings	–	13,599,994	–	13,599,994
Accruals and deferred income	4,865,295	3,500,000	4,865,295	3,500,000
Obligations under finance leases contracts	682,495	320,291	672,736	314,303
Transfer fee creditors	38,358,480	18,806,174	38,358,480	18,806,174
Pension	277,354	364,550	277,354	364,550
Amounts owed to related parties	20,000,000	–	20,000,000	–
	<u>64,183,624</u>	<u>38,570,579</u>	<u>64,173,865</u>	<u>38,564,591</u>

Obligations under finance leases are secured on related assets.

The amounts owed to related parties is listed on The International Stock Exchange, has repayment date of April 2026 and attracts interest of 6%.

20. Finance leases contracts

The total future minimum lease payments under finance leases contracts are as follows:

	Group		Company	
	30 Jun 21 £	31 Jul 20 £	30 Jun 21 £	31 Jul 20 £
Not later than 1 year	280,661	358,033	273,134	346,393
Later than 1 year and not later than 5 years	653,403	342,985	643,644	333,731
Later than 5 years	43,663	–	43,663	–
	<u>977,727</u>	<u>701,018</u>	<u>960,441</u>	<u>680,124</u>
Less: future finance charges	(21,880)	(48,196)	(21,880)	(40,817)
Present value of minimum lease payments	<u>955,847</u>	<u>652,822</u>	<u>938,561</u>	<u>639,307</u>

21. Employee benefits**Defined contribution schemes**

Certain professional footballing staff are members of the Football League Players Retirement Income Scheme, a non-contributory defined contribution scheme. In addition, the company operates a defined contribution scheme open to all other employees. Costs of all defined contribution schemes, totalling £147,263 (2020: £143,451), have been charged to the profit and loss account in the period.

Defined benefit scheme

Certain other professional footballing staff are members of the Football League Limited Pension and Life Assurance Scheme ("FLLPLAS"), a defined benefit scheme. Under section 28 of FRS 102 the FLLPLAS would be treated as a defined benefit multi-employer scheme. The assets of the scheme are held separately from those of the company, being invested with insurance companies. Sufficient information is not available for full disclosure.

Following a review of the Minimum Funding Requirement ("MFR") of the FLLPLAS, accrual of benefits of the final salary section of the scheme was suspended as at 31 August 1999. In light of the exceptional circumstances affecting the scheme, the trustees of the scheme commissioned an independent actuary's report on the MFR position and a substantial deficit was identified. Under the Pensions Act 1985, participating employers will be required to contribute to the deficiency. The latest actuarial valuation of the scheme was carried out as at 01 September 2020 and resulted in a charge to the profit and loss account of £237,897. The allocation of the deficit under this valuation is repayable at £8,251 per month effective from 1 September 2020.

22. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	Group		Company	
	30 Jun 21 £	31 Jul 20 £	30 Jun 21 £	31 Jul 20 £
Recognised in other operating income:				
Government grants recognised directly in income	<u>1,137,677</u>	<u>1,027,107</u>	<u>1,137,677</u>	<u>1,027,107</u>

23. Financial instruments

The carrying amount for each category of financial instrument is as follows:

Financial liabilities measured at fair value through profit or loss

	Group		Company	
	30 Jun 21 £	31 Jul 20 £	30 Jun 21 £	31 Jul 20 £
Financial liabilities measured at fair value through profit or loss	<u>58,545,829</u>	<u>19,911,945</u>	<u>58,545,829</u>	<u>19,911,945</u>

A financial liability of £Nil (2020: £3,959,140) relates to a loan below market rate provided by a former shareholder. The loan is recognised at the present value of future payments discounted at a market rate of interest for a similar debt instrument, deemed to be 7%. On promotion to the Premier League, the terms of the loan changed and the present value of the future payments was recalculated. In the period ended 31 July 2020 this resulted in an increase to the loan balance by £719,773 via interest payable and a transfer from the unrealised profit reserve. This financial liability was repaid in August and October 2020 in equal instalments.

A financial liability of £58,545,829 (2020: £15,952,805) relates to transfer fee creditors. The creditors are recognised at the present value of future payments discounted at a market rate of interest for a similar debt instrument, deemed to be 6%, resulting in a fair value adjustment of £5,282,136 (2020: £1,057,510). The deemed interest payable of £2,940,443 (2020: £590,162) is recognised in interest payable and transferred to the unrealised profit reserve. This financial liability is included in transfer fee creditors and is repayable in line with the transfer agreements.

Leeds United Football Club Limited

Notes to the Financial Statements (continued)

Period from 1 August 2020 to 30 June 2021

24. Called up share capital

Issued, called up and fully paid

	30 Jun 21		31 Jul 20	
	No.	£	No.	£
Ordinary A shares of £1 each	31,083,858	31,083,858	32,834,908	32,834,908
Ordinary B shares of £1 each	11,000,000	11,000,000	11,000,000	11,000,000
Ordinary A1 shares of £1 each	10,852,883	10,852,883	–	–
	<u>52,936,741</u>	<u>52,936,741</u>	<u>43,834,908</u>	<u>43,834,908</u>

On 20 November 2020 the club converted debt of £3,000,000 and \$5,000,000 into 4,059,079 ordinary shares at a price of £1.93 per share.

On 24 December 2020 the club also issued 5,042,754 new A1 shares at a price of £4.56 per share.

25. Reserves

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Unrealised profit reserve - This reserve records movements in the fair value of financial instruments.

Profit and loss account - This reserve records retained earnings and accumulated losses.

26. Analysis of changes in net debt

	At 1 Aug 2020	Cash flows	Other changes	At 30 Jun 2021
	£	£	£	£
Cash at bank and in hand	31,670,725	(2,554,916)	–	29,115,809
Debt due within one year	(21,650,174)	(41,966,699)	29,361,891	(34,254,982)
Debt due after one year	(15,899,855)	15,217,360	–	(682,495)
	<u>(5,879,304)</u>	<u>(29,304,255)</u>	<u>29,361,891</u>	<u>(5,821,668)</u>

27. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	30 Jun 21	31 Jul 20	30 Jun 21	31 Jul 20
	£	£	£	£
Not later than 1 year	2,498,583	2,860,335	2,498,583	2,860,335
Later than 1 year and not later than 5 years	8,791,068	10,517,514	8,791,068	10,517,514
Later than 5 years	16,751,247	18,111,979	16,751,247	18,111,979
	<u>28,040,898</u>	<u>31,489,828</u>	<u>28,040,898</u>	<u>31,489,828</u>

28. Contingencies

Under the terms of the financial provisions relating to transfer of player registrations, future payments of up to £5,876,000 (2020: £18,462,800) may be payable dependent on the club's retention of (2020: retention of) the FA Premier League status and/or players appearances for the club. Retention of (2020: retention of) FA Premier League status may also incur bonuses payable of £48,246,676 (2020: £35,266,685) conditional on the performance of both players and football management throughout the 2021/22 season.

At the period end there were a number of legal claims outstanding against the company. These claims are being challenged by the directors and so there is significant uncertainty over their outcome. For this reason no provision has been included.

Leeds United Football Club Limited

Notes to the Financial Statements (continued)

Period from 1 August 2020 to 30 June 2021

29. Related party transactions

Entities with control over the company

	2021	2020
	£	£
Creditors	-	30,938,068
Interest payable	-	(112,989)
Rent payable	11,595	1,646,706
Waived loans	(5,953,478)	-
Loans converted to share capital	21,300,000	-
	7,806,496	-

On 20 November 2020 two loans of £3,000,000 and \$5,000,000 with accrued interest were converted into share capital.

On 24 December 2020 three loans of £7,700,000, £10,000,000 and £3,600,000 were waived. These loans were originally repayable on 31 May 2021, 18 February 2022 and 31 May 2023. During the period loans totalling £Nil (2020: £3,600,000 and \$2,500,000) were advanced and \$2,000,000 (2020: £Nil) was repaid.

The company entered into a lease agreement for the stadium until June 2032, with the entity which has control over the company. There was an initial rent free period of 33 months. Included in creditors is an amount of £nil (2020: £4,686,781) of accrued rent.

Key management personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the company. The total compensation paid to key management personnel for services provided to the company was £1,649,948 (2020: £1,154,320).

Other related parties

	2021	2020
	£	£
Management charges payable	(212,500)	162,500
Sales	-	9,196
Purchases	-	41,410
Creditor	20,000,000	43,383
Interest payable	165,716	-

The creditor balance is repayable in April 2026, attracts an interest rate of 6% and is listed on The International Stock Exchange.

Total advances in the period were £20,000,000 (2020: £nil).

The company has taken advantage of the exemption in section 33 of FRS 102 not to disclose transactions with wholly owned subsidiary undertakings.

Leeds United Football Club Limited

Notes to the Financial Statements (continued)

Period from 1 August 2020 to 30 June 2021

30. Controlling party

Aser Group Holding Pte Limited, a company registered in Singapore, is the ultimate parent company, A Radrizzani is the ultimate controlling party and Greenfield Investment Pte Limited is the immediate parent company.

The smallest group in which the results of the company are consolidated is Leeds United Football Club Limited, the consolidated financial statements of which are available from Elland Road, Leeds, LS11 0ES.

The largest group in which the results of the company are consolidated is Aser Group Pte Ltd, the consolidated financial statements of which are available from 21 Media Circle, Infinite Studios, Singapore.138562.