

COMPANY REGISTRATION NUMBER: 06233875

**Leeds United Football Club Limited**  
**Consolidated Financial Statements**  
**For the year ended**  
**30 June 2017**

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**Leeds United Football Club Limited**

**Financial Statements**

**Year ended 30 June 2017**

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**Leeds United Football Club Limited**

**Officers and Professional Advisers**

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**The board of directors**

A Radrizzani  
A Tegner  
I O M Bravo  
A Kinnear

**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**

Walker Morris LLP  
Kings Court  
12 King Street  
Leeds  
LS1 2HL

## Leeds United Football Club Limited

### Strategic Report

Year ended 30 June 2017

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#### Business review and principal activities

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

The period between 1 July 2016 and 30 June 2017 has been a thrilling ride which has left Leeds United Football Club on track for a successful period on and off the field.

Following the appointment of a new Head Coach in Garry Monk and new CEO in the form of Ben Mansford, the club then went on to recruit a variety of exciting players such as Kemar Roofe, Rob Green, Eunan O'Kane and Pablo Hernandez. The likes of Kyle Bartley, Hadi Sacko and Pontus Jansson also joined the club on loan deals.

Despite a slow start it soon became clear that Garry Monk's newly built squad was capable of competing at the top end of the Championship recording excellent victories at Elland Road and on the road with forward Chris Wood finding his goal scoring touch, Pontus Jansson becoming a cult figure and Ronaldo Vieira emerging from the academy to become some of the most admired players outside the top flight.

In December 2016 Italian entrepreneur Andrea Radrizzani purchased 50% of the club from Massimo Cellino and investment was made in the winter window with two further loan signings in the form of Alfonso Pedrassa and Mo Barrow. The wins kept coming, particularly at Elland Road where supporters witnessed impressive wins against promotion rivals Derby County, Sheffield Wednesday and Brighton.

With the play off places in sight Garry Monk's side finally hit a rocky period of form and sadly The Whites missed out on a play off place following a 3-3 draw against Norwich on the penultimate day of the season.

A seventh place finish marked a huge improvement for the club and average attendances had also dramatically grown as supporters came flooding back to Elland Road during the 2016/17 campaign.

Record breaking season ticket sales for the 2017/18 reaffirmed the improved relations between the club and their fans.

Later in May 2017 Andrea Radrizzani completed his takeover of Leeds United with Massimo Cellino's three year reign coming to an end.

Following the successful sale, CEO, Ben Mansford left the club and was replaced by Angus Kinnear. Kinnear, whose impressive CV includes Arsenal and West Ham United, was joined by, Director of Football, Victor Orta in a new look management structure. Finally Garry Monk resigned to take a position at Middlesbrough Football Club paving the way for Head Coach Thomas Christiansen to join The Whites after enjoying success in Cyprus. A new era at Leeds United is well and truly underway.

Off the pitch the Club once again delivered significant uplift to its sponsorship revenue with agreements concluded in respect of the prime sponsorship assets of the Club. Internationally recognised online gaming brand 32Red were appointed as the Club's main sponsor with a multi-year agreement that will see the 32Red logo on the front of the shirt for the next three seasons. In addition, the Club also secured a major sponsorship agreement with Clipper Logistics Plc, one of the UK's largest logistics companies, who became the Official Secondary Shirt Sponsor of the Club. Away from the shirt sponsorship assets the Club also expanded and extended the West Stand sponsorship agreement with Crosswater and secured Utilita Energy as its Official Energy Partner for the Club. The Club also achieved strong growth in seasonal hospitality sales despite record levels of churn during the Summer. In addition, the strong performance of the team on the pitch helped achieve record levels of match by match hospitality bookings across the season. Record breaking season ticket sales for the 2017/18 reaffirmed the improved relations between the club and their fans.

In financial terms, the year ended 30 June 2017 saw a profit of £1m, an increase of £9.9m from the £8.9m loss for the previous year. The majority of this improved financial performance is attributable to the gain of the disposal of player's registrations which rose by £6.1m from £2.8m to £8.9m due to the sale of Lewis Cook to AFC Bournemouth in July 2016. Income generated by the company for the twelve month period rose 13.3% from £30.1m to £34.1m, with £2.0m of the increase attributable to gate receipts and a further £2.0m attributable to distributions secured by the English Football League. Catering revenues decreased by £1.0m from £4.9m to £3.9m. The group achieved its target of reducing the cost of exceptional items with a reduction of £3.5m from £3.5m during the prior year to £0 for the year ended 30 June 2017. The club continues to tightly control both cost of sales and administration expenses and this will continue into the next financial year.

#### Principal risks and uncertainties

The primary risk facing the group continues to be the divisional status of the club's first team. This is due to the material effect of divisional status on all revenue streams. The Directors have identified further risks associated with the regulations imposed on the club by the regulatory bodies governing football. Revenue streams such as ticketing income, match day catering, retail and broadcasting income could be impacted by any changes to current regulations. Across the country, new government legislation continues to be introduced and the Directors are mindful of the increased level of training, monitoring and reporting that this brings. In order to manage all risks the board and senior management team meet regularly, strengths and weaknesses are identified and action is taken as necessary.

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**Leeds United Football Club Limited**

**Strategic Report (continued)**

**Year ended 30 June 2017**

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**Key performance indicators**

The performance of the team is monitored by publicly available Football League position tables. In addition to this, the commercial operations of the business are monitored against detailed budgets and benchmarking exercises are undertaken to assess the company's performance within the sector. Prices are constantly monitored against other football clubs using data that is publicly available and price rises are kept to a minimum wherever possible. As noted above, the club has seen an increase in turnover going from £30.1m to £34.1m. Further analysis of income streams shows that on average 5,250 more people attended each home League match with the annual average home attendance increasing by 23% from 22,448 to 27,698. Merchandising revenues have once again increased by 11% from £5.2m to £5.8m and broadcast income has increased by 49% from £0.7m to £1.1m. Catering revenues decreased by £1.0m from £4.9m to £3.9m but this has been addressed by strengthening human resources in this area.

This report was approved by the board of directors on 02/03/18 and signed on behalf of the board by:



A Radrizzani  
Director

Registered office:  
Elland Road  
Leeds  
LS11 0ES

## Leeds United Football Club Limited

### Directors' Report

#### Year ended 30 June 2017

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The directors present their report and the financial statements of the group for the year ended 30 June 2017.

#### Directors

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

A Radrizzani	(Appointed 30 December 2016)
A Tegner	(Appointed 30 December 2016)
I O M Bravo	(Appointed 24 May 2017)
A Kinnear	(Appointed 29 June 2017)
M Cellino	(Resigned 24 May 2017)
Edoardo Cellino	(Resigned 30 December 2016)
D Arty	(Resigned 24 May 2017)
S Patel	(Resigned 5 September 2016)
J Patel	(Resigned 5 September 2016)
G Caboni	(Resigned 30 December 2016)
N Barattieri Di San Pietro	(Resigned 24 May 2017)
Feng Ze Yeh	(Served from 30 December 2016 to 24 May 2017)

#### Dividends

The directors do not recommend the payment of a dividend.

#### 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.

#### 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.

#### 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.

#### 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 year. 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.

**Leeds United Football Club Limited**

**Directors' Report (continued)**

**Year ended 30 June 2017**

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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.

**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 02/03/18 and signed on behalf of the board by:



A Radrizzani  
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**

**Year ended 30 June 2017**

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**Opinion**

We have audited the financial statements of Leeds United Football Club Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2017 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).

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.

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 2017 and of the group's profit for the year 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Emphasis of matter**

We draw attention to note 17 of the financial statements, which describes why the directors consider a debt of £2,031,421 to be recoverable by the company. Our opinion is not modified in this respect.

**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.



**Leeds United Football Club Limited**

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

**Year ended 30 June 2017**

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**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 year 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.

**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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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

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**Leeds United Football Club Limited**

**Consolidated Statement of Comprehensive Income**

**Year ended 30 June 2017**

	Note	2017 £	2016 £
<b>Turnover</b>	<b>4</b>	34,147,132	30,149,475
Cost of sales		(5,520,350)	(5,405,959)
<b>Gross profit</b>		<u>28,626,782</u>	<u>24,743,516</u>
Administrative expenses		(37,748,109)	(32,358,816)
Other operating income		–	469,408
<b>Operating loss</b>	<b>5</b>	<u>(9,121,327)</u>	<u>(7,145,892)</u>
Gain on disposal of players' registrations		8,914,252	2,781,812
Exceptional stock write down		–	(1,154,533)
Exceptional costs of commercial disputes	<b>9</b>	–	(2,386,062)
Interest receivable and similar income	<b>10</b>	2,638,535	–
Interest payable and similar expenses	<b>11</b>	(1,455,093)	(966,259)
<b>Profit/(loss) before taxation</b>		<u>976,367</u>	<u>(8,870,934)</u>
Tax on profit/(loss)	<b>12</b>	–	–
<b>Profit/(loss) for the financial year and total comprehensive income</b>		<u><u>976,367</u></u>	<u><u>(8,870,934)</u></u>

All the activities of the group are from continuing operations.

The notes on pages 14 to 27 form part of these financial statements.

Leeds United Football Club Limited

Consolidated Statement of Financial Position

30 June 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Intangible assets	13	12,601,061	11,454,592
Tangible assets	14	11,706,891	11,512,890
		<u>24,307,952</u>	<u>22,967,482</u>
<b>Current assets</b>			
Stocks	16	878,059	640,813
Debtors: due within one year	17	14,582,935	7,180,984
Debtors: due after more than one year	17	–	1,600,000
Cash at bank and in hand		3,971,801	2,069,781
		<u>19,432,795</u>	<u>11,491,578</u>
<b>Creditors: amounts falling due within one year</b>	18	<u>(27,890,488)</u>	<u>(23,299,178)</u>
<b>Net current liabilities</b>		<u>(8,457,693)</u>	<u>(11,807,600)</u>
<b>Total assets less current liabilities</b>		15,850,259	11,159,882
<b>Creditors: amounts falling due after more than one year</b>	19	<u>(16,950,291)</u>	<u>(11,411,580)</u>
<b>Net liabilities</b>		<u>(1,100,032)</u>	<u>(251,698)</u>
<b>Capital and reserves</b>			
Called up share capital	23	24,000,000	19,000,000
Share premium account	24	6,000,000	6,000,000
Capital contribution	24	–	6,952,017
Unrealised profit reserve	24	1,910,704	–
Profit and loss account	24	(33,010,736)	(32,203,715)
<b>Shareholders deficit</b>		<u>(1,100,032)</u>	<u>(251,698)</u>

These financial statements were approved by the board of directors and authorised for issue on 02/03/18, and are signed on behalf of the board by:



A Radrizzani  
Director

Company registration number: 06233875

The notes on pages 14 to 27 form part of these financial statements.

Leeds United Football Club Limited

Company Statement of Financial Position

30 June 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Intangible assets	13	12,900,024	11,780,401
Tangible assets	14	10,304,305	10,039,487
Investments	15	2	2
		<u>23,204,331</u>	<u>21,819,890</u>
<b>Current assets</b>			
Stocks	16	835,447	589,873
Debtors: due within one year	17	15,249,737	7,431,250
Debtors: due after more than one year	17	–	1,600,000
Cash at bank and in hand		3,912,498	2,049,047
		<u>19,997,682</u>	<u>11,670,170</u>
<b>Creditors: amounts falling due within one year</b>	18	(29,348,053)	(23,918,500)
<b>Net current liabilities</b>		<u>(9,350,371)</u>	<u>(12,248,330)</u>
<b>Total assets less current liabilities</b>		13,853,960	9,571,560
<b>Creditors: amounts falling due after more than one year</b>	19	(16,905,965)	(11,411,580)
<b>Net liabilities</b>		<u>(3,052,005)</u>	<u>(1,840,020)</u>
<b>Capital and reserves</b>			
Called up share capital	23	24,000,000	19,000,000
Share premium account	24	6,000,000	6,000,000
Capital contribution	24	–	6,952,017
Unrealised profit reserve	24	1,910,704	–
Profit and loss account	24	(34,962,709)	(33,792,037)
<b>Shareholders deficit</b>		<u>(3,052,005)</u>	<u>(1,840,020)</u>

The profit for the financial year of the parent company was £612,716 (2016: £10,459,256 loss).

These financial statements were approved by the board of directors and authorised for issue on 02/03/18, and are signed on behalf of the board by:



A Radrizzani  
Director

Company registration number: 06233875

The notes on pages 14 to 27 form part of these financial statements.

**Leeds United Football Club Limited**

**Consolidated Statement of Changes in Equity**

**Year ended 30 June 2017**

	Called up share capital £	Share premium account £	Capital contribution £	Unrealised profit reserve £	Profit and loss account £	Total £
<b>At 1 July 2015</b>	19,000,000	6,000,000	7,609,361	–	(23,990,125)	8,619,236
Loss for the year					(8,870,934)	(8,870,934)
Other comprehensive income for the year:						
Notional interest charged on financial liability	–	–	(657,344)	–	657,344	–
<b>Total comprehensive income for the year</b>	–	–	(657,344)	–	(8,213,590)	(8,870,934)
<b>At 30 June 2016</b>	19,000,000	6,000,000	6,952,017	–	(32,203,715)	(251,698)
Profit for the year					976,367	976,367
Other comprehensive income for the year:						
Fair value adjustment on repayment of loan	–	–	–	2,588,477	(2,588,477)	–
Notional interest charged on financial liability	–	–	(127,316)	(677,773)	805,089	–
<b>Total comprehensive income for the year</b>	–	–	(127,316)	1,910,704	(807,021)	976,367
Issue of shares	5,000,000	–	–	–	–	5,000,000
Revaluation of financial liabilities to fair value	–	–	(6,824,701)	–	–	(6,824,701)
<b>Total investments by and distributions to owners</b>	5,000,000	–	(6,824,701)	–	–	(1,824,701)
<b>At 30 June 2017</b>	<u>24,000,000</u>	<u>6,000,000</u>	<u>–</u>	<u>1,910,704</u>	<u>(33,010,736)</u>	<u>(1,100,032)</u>

The notes on pages 14 to 27 form part of these financial statements.

Leeds United Football Club Limited

Company Statement of Changes in Equity

Year ended 30 June 2017

	Called up share capital £	Share premium account £	Capital contribution £	Unrealised profit reserve £	Profit and loss account £	Total £
<b>At 1 July 2015</b>	19,000,000	6,000,000	7,609,361	–	(23,990,125)	8,619,236
Loss for the year					(10,459,256)	(10,459,256)
Other comprehensive income for the year:						
Notional interest charged on financial liability	–	–	(657,344)	–	657,344	–
<b>Total comprehensive income for the year</b>	–	–	(657,344)	–	(9,801,912)	(10,459,256)
<b>At 30 June 2016</b>	19,000,000	6,000,000	6,952,017	–	(33,792,037)	(1,840,020)
Profit for the year					612,716	612,716
Other comprehensive income for the year:						
Fair value adjustment on repayment of loan	–	–	–	2,588,477	(2,588,477)	–
Notional interest charged on financial liability	–	–	(127,316)	(677,773)	805,089	–
<b>Total comprehensive income for the year</b>	–	–	(127,316)	1,910,704	(1,170,672)	612,716
Issue of shares	5,000,000	–	–	–	–	5,000,000
Revaluation of financial liabilities to fair value	–	–	(6,824,701)	–	–	(6,824,701)
<b>Total investments by and distributions to owners</b>	5,000,000	–	(6,824,701)	–	–	(1,824,701)
<b>At 30 June 2017</b>	<u>24,000,000</u>	<u>6,000,000</u>	<u>–</u>	<u>1,910,704</u>	<u>(34,962,709)</u>	<u>(3,052,005)</u>

The notes on pages 14 to 27 form part of these financial statements.

**Leeds United Football Club Limited**

**Consolidated Statement of Cash Flows**

**Year ended 30 June 2017**

	2017 £	2016 £
<b>Cash flows from operating activities</b>		
Profit/(loss) for the financial year	976,367	(8,870,934)
<i>Adjustments for:</i>		
Depreciation of tangible assets	1,211,447	1,423,751
Amortisation of intangible assets	5,396,666	3,888,654
Impairment of intangible assets	332,554	236,539
Gain on disposal of players' registrations	(8,914,252)	(2,781,812)
Interest receivable and similar income	(2,638,535)	-
Interest payable and similar expenses	1,455,093	966,259
Loss on disposal of tangible assets	20,091	2,108
Accrued expenses/(income)	981,120	(527,014)
<i>Changes in:</i>		
Stocks	(237,246)	205,202
Trade and other debtors	(5,801,951)	5,028,697
Trade and other creditors	877,505	(5,622,915)
<b>Cash generated from operations</b>	<u>(6,341,141)</u>	<u>(6,051,465)</u>
Interest paid	(532,601)	(308,915)
Interest received	58	-
<b>Net cash used in operating activities</b>	<u>(6,873,684)</u>	<u>(6,360,380)</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(1,176,379)	(798,204)
Proceeds from sale of tangible assets	1,449	-
Purchase of intangible assets	(6,939,857)	(6,441,780)
Proceeds from sale of intangible assets	8,978,419	3,130,972
<b>Net cash from/(used in) investing activities</b>	<u>863,632</u>	<u>(4,109,012)</u>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	2,000,000	1,462,019
Repayments of borrowings	(8,475,000)	-
Proceeds from loans from group undertakings	14,512,162	44,057
Payments of finance lease liabilities	(125,090)	95,425
<b>Net cash from financing activities</b>	<u>7,912,072</u>	<u>1,601,501</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	1,902,020	(8,867,891)
<b>Cash and cash equivalents at beginning of year</b>	2,069,781	10,937,672
<b>Cash and cash equivalents at end of year</b>	<u>3,971,801</u>	<u>2,069,781</u>

The notes on pages 14 to 27 form part of these financial statements.

## Leeds United Football Club Limited

### Notes to the Financial Statements

Year ended 30 June 2017

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#### 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.

#### 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.

##### Going concern

At 30 June 2017 the group had net liabilities of £1,100,032 (2016: £251,698) and net current liabilities of £8,457,693 (2016: £11,807,600). 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 Greenfield Investment Pte Limited and 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 12 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 year 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 22.



**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

**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.

**Leeds United Football Club Limited**

**Notes to the Financial Statements (continued)**

**Year ended 30 June 2017**

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**3. Accounting policies (continued)**

**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, which comprise goods for resale, are stated at the lower of cost and net realisable value.

**Leases**

Assets under finance leases and hire purchase 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.

**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:

	2017	2016
	£	£
Gate receipts	10,185,790	8,188,578
Television and broadcasting income	1,062,500	712,000
Merchandising income	5,766,589	5,175,476
Central distributions	6,548,200	4,538,100
Other commercial revenue	6,661,891	6,680,690
Catering income	3,922,162	4,854,631
	<u>34,147,132</u>	<u>30,149,475</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)**

**Year ended 30 June 2017**

**5. Operating profit**

Operating profit or loss is stated after charging:

	2017	2016
	£	£
Amortisation of intangible assets	5,396,666	3,888,654
Depreciation of tangible assets	1,211,447	1,423,751
Impairment of intangible assets recognised in:		
Administrative expenses	332,554	236,540
Loss on disposal of tangible assets	20,091	2,108
Impairment of trade debtors	–	245,823
Foreign exchange differences	(7,322)	62,885
Operating lease costs	<u>2,098,938</u>	<u>2,029,422</u>

**6. Auditor's remuneration**

	2017	2016
	£	£
Fees payable for the audit of the financial statements	<u>20,500</u>	<u>22,500</u>
Fees payable to the company's auditor and its associates for other services:		
Audit of subsidiaries	5,000	5,000
Taxation compliance services	2,850	–
Other assurance services	9,000	9,988
Other non-audit services	6,438	–
	<u>23,288</u>	<u>14,988</u>

**7. Staff costs**

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

	2017	2016
	No.	No.
Full-time playing staff	42	41
Apprentices	22	18
Football team management	14	15
Management/administration	103	74
Casual match day staff	598	620
	<u>779</u>	<u>768</u>

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

	2017	2016
	£	£
Wages and salaries	18,665,287	16,306,752
Social security costs	1,999,505	1,782,375
Other pension costs	48,927	41,189
	<u>20,713,719</u>	<u>18,130,316</u>

Included in wages and salaries are redundancy and ex-gratia payments of £315,842 (2016: £460,370).

**8. Directors' remuneration**

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

	2017	2016
	£	£
Remuneration	<u>–</u>	<u>1,729</u>

**Leeds United Football Club Limited**

**Notes to the Financial Statements (continued)**

**Year ended 30 June 2017**

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**9. Exceptional costs of commercial disputes**

In 2016, following a commercial dispute with the Club's former technical kit manufacturer, the Club entered into a Settlement Agreement.

Further legal disputes were settled during 2016 and those involving previous employees, the Football League and Sky TV have also been identified as exceptional.

**10. Interest receivable and similar income**

	2017	2016
	£	£
Interest receivable and similar income	<u>2,638,535</u>	<u>-</u>

Interest receivable and similar income includes £2,588,477 (2016: £Nil) relating to the revaluation to fair value of the financial liability described in note 22.

**11. Interest payable and similar expenses**

	2017	2016
	£	£
Interest on obligations under finance leases and hire purchase contracts	203,188	50,208
Other interest payable and similar charges	<u>1,251,905</u>	<u>916,051</u>
	<u>1,455,093</u>	<u>966,259</u>

Other interest payable and similar charges includes £805,089 (2016: £657,344) relating to the revaluation to fair value of the financial liability described in note 22.

**12. Tax on profit/(loss)**

**Reconciliation of tax income**

The tax assessed on the profit on ordinary activities for the year is lower than (2016: higher than) the standard rate of corporation tax in the UK of 19.75% (2016: 20%).

	2017	2016
	£	£
Profit/(loss) on ordinary activities before taxation	<u>976,367</u>	<u>(8,870,934)</u>
Profit/(loss) on ordinary activities by rate of tax	192,832	(1,774,186)
Effect of expenses not deductible for tax purposes	301,785	2,426
Effect of capital allowances and depreciation	(96,563)	170,907
Unused tax losses	112,329	1,610,356
Other timing differences	<u>(510,383)</u>	<u>(9,503)</u>
Tax on profit/(loss)	<u>-</u>	<u>-</u>

**Factors that may affect future tax income**

The company has losses of approximately £77 million (2016: £76 million) to carry forward against future profits.

Leeds United Football Club Limited

Notes to the Financial Statements (continued)

Year ended 30 June 2017

13. Intangible assets

Group	Goodwill £	Negative goodwill £	Trademarks £	Computer software £	Player registrations £	Total £
<b>Cost</b>						
At 1 Jul 2016	6,403,883	(717,255)	11,598	131,924	12,057,904	17,888,054
Additions	–	–	2,892	113,637	6,823,328	6,939,857
Disposals	–	–	–	–	(1,258,132)	(1,258,132)
<b>At 30 Jun 2017</b>	<u>6,403,883</u>	<u>(717,255)</u>	<u>14,490</u>	<u>245,561</u>	<u>17,623,100</u>	<u>23,569,779</u>
<b>Amortisation</b>						
At 1 Jul 2016	1,166,983	(83,680)	6,626	110,182	5,233,352	6,433,463
Charge for the year	236,560	(143,451)	1,358	32,002	5,270,197	5,396,666
Disposals	–	–	–	–	(1,193,965)	(1,193,965)
Impairment losses	–	–	–	–	332,554	332,554
<b>At 30 Jun 2017</b>	<u>1,403,543</u>	<u>(227,131)</u>	<u>7,984</u>	<u>142,184</u>	<u>9,642,138</u>	<u>10,968,718</u>
<b>Carrying amount</b>						
<b>At 30 Jun 2017</b>	<u>5,000,340</u>	<u>(490,124)</u>	<u>6,506</u>	<u>103,377</u>	<u>7,980,962</u>	<u>12,601,061</u>
At 30 Jun 2016	<u>5,236,900</u>	<u>(633,575)</u>	<u>4,972</u>	<u>21,742</u>	<u>6,824,552</u>	<u>11,454,591</u>
<b>Company</b>						
	Goodwill £		Trademarks £	Computer software £	Player registrations £	Total £
<b>Cost</b>						
At 1 July 2016	5,984,321		11,598	131,924	12,057,904	18,185,747
Additions	–		2,892	113,637	6,823,328	6,939,857
Disposals	–		–	–	(1,258,132)	(1,258,132)
<b>At 30 June 2017</b>	<u>5,984,321</u>		<u>14,490</u>	<u>245,561</u>	<u>17,623,100</u>	<u>23,867,472</u>
<b>Amortisation</b>						
At 1 July 2016	1,055,187		6,626	110,182	5,233,352	6,405,347
Charge for the year	119,955		1,358	32,002	5,270,197	5,423,512
Disposals	–		–	–	(1,193,965)	(1,193,965)
Impairment losses	–		–	–	332,554	332,554
<b>At 30 June 2017</b>	<u>1,175,142</u>		<u>7,984</u>	<u>142,184</u>	<u>9,642,138</u>	<u>10,967,448</u>
<b>Carrying amount</b>						
<b>At 30 June 2017</b>	<u>4,809,179</u>		<u>6,506</u>	<u>103,377</u>	<u>7,980,962</u>	<u>12,900,024</u>
At 30 June 2016	<u>4,929,134</u>		<u>4,972</u>	<u>21,742</u>	<u>6,824,552</u>	<u>11,780,400</u>

Included in intangible assets is negative goodwill with a carrying amount of £490,124 (2016: £633,575). 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.

Following a review of the playing squad at the year end and the subsequent release of several players the Directors have taken the decision to impair the value of several members of the First Team squad. A total of £332,554 (2016: £236,539) has been charged to the profit and loss in respect of this impairment.

Leeds United Football Club Limited

Notes to the Financial Statements (continued)

Year ended 30 June 2017

14. Tangible assets

Group	Leasehold land and buildings £	Alterations and improvements £	Fixtures, fittings and equipment £	Total £
<b>Cost</b>				
At 1 July 2016	3,025,997	14,150,663	4,852,161	22,028,821
Additions	1,275	876,598	549,115	1,426,988
Disposals	(91,982)	(57,880)	(190)	(150,052)
<b>At 30 June 2017</b>	<u>2,935,290</u>	<u>14,969,381</u>	<u>5,401,086</u>	<u>23,305,757</u>
<b>Depreciation</b>				
At 1 July 2016	780,311	5,984,345	3,751,275	10,515,931
Charge for the year	156,109	745,619	309,719	1,211,447
Disposals	(82,783)	(45,666)	(63)	(128,512)
<b>At 30 June 2017</b>	<u>853,637</u>	<u>6,684,298</u>	<u>4,060,931</u>	<u>11,598,866</u>
<b>Carrying amount</b>				
<b>At 30 June 2017</b>	<u>2,081,653</u>	<u>8,285,083</u>	<u>1,340,155</u>	<u>11,706,891</u>
At 30 June 2016	<u>2,245,686</u>	<u>8,166,318</u>	<u>1,100,886</u>	<u>11,512,890</u>
<b>Company</b>				
<b>Cost</b>				
At 1 July 2016	2,186,666	12,681,615	3,581,739	18,450,020
Additions	1,275	876,598	442,292	1,320,165
Disposals	(91,981)	(57,880)	(190)	(150,051)
<b>At 30 June 2017</b>	<u>2,095,960</u>	<u>13,500,333</u>	<u>4,023,841</u>	<u>19,620,134</u>
<b>Depreciation</b>				
At 1 July 2016	451,245	5,369,165	2,590,123	8,410,533
Charge for the year	117,569	675,184	241,054	1,033,807
Disposals	(82,783)	(45,665)	(63)	(128,511)
<b>At 30 June 2017</b>	<u>486,031</u>	<u>5,998,684</u>	<u>2,831,114</u>	<u>9,315,829</u>
<b>Carrying amount</b>				
<b>At 30 June 2017</b>	<u>1,609,929</u>	<u>7,501,649</u>	<u>1,192,727</u>	<u>10,304,305</u>
At 30 June 2016	<u>1,735,421</u>	<u>7,312,450</u>	<u>991,616</u>	<u>10,039,487</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 and hire purchase contracts

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

Group and company	Fixtures, fittings and equipment £
<b>At 30 June 2017</b>	<u>393,471</u>
At 30 June 2016	<u>95,147</u>

15. Investments

The group has no investments.

Leeds United Football Club Limited

Notes to the Financial Statements (continued)

Year ended 30 June 2017

15. Investments (continued)

Company	Shares in group undertakings £
<b>Cost</b>	
At 1 July 2016 and 30 June 2017	<u>2</u>
<b>Impairment</b>	
At 1 July 2016 and 30 June 2017	<u>-</u>
<b>Carrying amount</b>	
At 1 July 2016 and 30 June 2017	<u>2</u>

The company owns the entire share capital of Leeds United Conference and Events Limited and Leeds United Media Limited, both of which are incorporated in England and Wales. Leeds United Conference and Events Limited has a principal activity of providing conferencing and events facilities and Leeds United Media Limited has a principal activity of providing digital media and online advertising.

16. Stocks

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Goods held for resale	<u>878,059</u>	<u>640,813</u>	<u>835,447</u>	<u>589,873</u>

The cost of stock recognised as cost of sales during the year was £5,520,353 (2016: £5,405,957).

Stocks are stated after provisions for impairment of £Nil (2016: £1,154,533).

17. Debtors

Debtors falling due within one year are as follows:

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Trade debtors	1,458,279	984,466	1,177,994	824,913
Amounts owed by group undertakings	-	2,178,094	-	2,736,812
Prepayments and accrued income	2,723,735	1,861,794	3,681,301	1,723,205
Transfer fee debtors	7,800,000	1,774,686	7,800,000	1,774,686
Other debtors	2,600,921	381,944	2,590,442	371,634
	<u>14,582,935</u>	<u>7,180,984</u>	<u>15,249,737</u>	<u>7,431,250</u>

Debtors falling due after one year are as follows:

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Transfer fee debtors	<u>-</u>	<u>1,600,000</u>	<u>-</u>	<u>1,600,000</u>



**Leeds United Football Club Limited**

**Notes to the Financial Statements (continued)**

**Year ended 30 June 2017**

**17. Debtors (continued)**

The directors have taken legal advice regarding a balance of £2,031,421 included in other debtors. This debt is now being pursued by the company's legal representatives and the directors expect the debt to be recovered.

**18. Creditors: amounts falling due within one year**

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Amounts owed to related parties	–	2,000,000	–	2,000,000
Other loans	5,600,000	–	5,600,000	–
Trade creditors	3,429,994	3,215,574	3,358,302	3,137,859
Amounts owed to group undertakings	3,007,501	4,988,337	4,934,116	6,036,747
Accruals and deferred income	9,627,542	8,646,423	9,378,986	8,417,988
Social security and other taxes	2,234,108	1,718,054	2,127,552	1,595,116
Obligations under finance leases	99,101	78,943	79,586	78,943
Transfer fee creditors	3,567,085	2,372,328	3,567,085	2,372,328
Other creditors	325,157	279,519	302,426	279,519
	<u>27,890,488</u>	<u>23,299,178</u>	<u>29,348,053</u>	<u>23,918,500</u>

Included in accruals and deferred income are £7,078,163 (2016: £5,665,493) representing advance payment of tickets and sponsorship that would only become a liability of the group should the football club fail to fulfill all of its fixtures for future seasons.

Other loans includes an advance of £3,600,000 (2016: £Nil) secured on the related book debt.

Obligations under finance leases are secured on the related assets.

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

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Amounts owed to related parties	–	8,047,983	–	8,047,983
Other loans	4,681,699	1,600,000	4,681,699	1,600,000
Amounts owed to group undertakings	11,504,662	–	11,504,662	–
Obligations under finance leases	271,357	165,995	227,031	165,995
Transfer fee creditors	249,387	1,269,730	249,387	1,269,730
Pension	243,186	327,872	243,186	327,872
	<u>16,950,291</u>	<u>11,411,580</u>	<u>16,905,965</u>	<u>11,411,580</u>

Obligations under finance leases are secured on related assets.

Other loans includes an advance of £Nil (2016: £1,600,000) secured on the related book debt.

Included in other loans is a balance of £1,475,000 which falls due after five years and which is payable by instalments. Interest on this loan is payable at 1.70%.

**Leeds United Football Club Limited**

**Notes to the Financial Statements (continued)**

**Year ended 30 June 2017**

**20. Finance leases and hire purchase contracts**

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

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Not later than 1 year	127,577	96,262	108,062	96,262
Later than 1 year and not later than 5 years	282,784	170,432	214,494	170,432
	<u>410,361</u>	<u>266,694</u>	<u>322,556</u>	<u>266,694</u>
Less: future finance charges	(39,903)	(21,756)	(15,939)	(21,756)
Present value of minimum lease payments	<u>370,458</u>	<u>244,938</u>	<u>306,617</u>	<u>244,938</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 £40,769 (2016: £33,601), 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 31 August 2014 and resulted in a charge to the profit and loss account of £172,946. The allocation of the deficit under this valuation is repayable at £6,788 per month effective from 1 September 2016.

**22. Financial instruments**

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

**Financial liabilities measured at amortised cost**

	Group	
	2017 £	2016 £
Financial liabilities measured at amortised cost	<u>4,564,296</u>	<u>8,047,983</u>

**Leeds United Football Club Limited**

**Notes to the Financial Statements (continued)**

**Year ended 30 June 2017**

**22. Financial instruments (continued)**

The prior year balance relates to an interest free loan provided by a shareholder that was repayable in more than one year. The loan was recognised at the present value of future payments discounted at a market rate of interest for a similar debt instrument, deemed to be 7%. The difference between the value of the loan and the cash received, and any subsequent movement was been recognised as a capital contribution by the connected party. As the loan was restated and lender ceased to be a shareholder, the capital contribution has been released.

The terms of the loan were renegotiated during the year, and as a result of the change in ownership of the company, part of the loan was repaid. This resulted in a fair value adjustment of £2,588,477 (2016 £nil) being included in interest receivable and similar income. Interest of £805,089 (2016 £657,344) was charged to the profit and loss account on this loan in the year.

The financial liability is included in other loans (2016: amounts owed to related parties) and is repayable in annual instalments from August 2017 to August 2029. The loan is unsecured and interest is charged below the market rate.

**23. Called up share capital**

**Issued, called up and fully paid**

	2017		2016	
	No.	£	No.	£
Ordinary shares of £1 each	<u>24,000,000</u>	<u>24,000,000</u>	<u>19,000,000</u>	<u>19,000,000</u>

**Share movements**

	No.	£
Ordinary		
At 1 July 2016	19,000,000	19,000,000
Issue of shares	<u>5,000,000</u>	<u>5,000,000</u>
<b>At 30 June 2017</b>	<u><b>24,000,000</b></u>	<u><b>24,000,000</b></u>

On 26 September 2016 the club converted debt of £5,000,000 due to Eleonora Sport Limited into 5,000,000 ordinary £1 shares.

**24. Reserves**

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

Capital contribution - This reserve records movements in the fair value of financial instruments.

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.

**25. Operating leases**

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

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Not later than 1 year	766,017	2,129,547	766,017	2,129,547
Later than 1 year and not later than 5 years	3,109,469	8,733,867	3,109,469	8,733,867
Later than 5 years	4,454,623	20,978,757	4,454,623	20,978,757
	<u>8,330,109</u>	<u>31,842,171</u>	<u>8,330,109</u>	<u>31,842,171</u>

**Leeds United Football Club Limited**

**Notes to the Financial Statements (continued)**

**Year ended 30 June 2017**

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**26. Contingencies**

Under the terms of the financial provisions relating to transfer of player registrations, future payments of up to £6,300,000 (2016: £3,717,108) may be payable dependent on the club's promotion to the FA Premier League and/or players appearances for the club. Promotion to the FA Premier League may also incur bonuses payable of £16,134,710 (2016: £11,817,146) conditional on the performance of both players and football management throughout the 2017/18 season.

At the year 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.

**27. Directors' advances, credits and guarantees**

The company made advances of £7,162 (2016: £19,862) to Mr Massimo Cellino, a director, and received repayments of £216 (2016: £25,430) up until 24 May 2017 when he resigned as a director.

The company made advances of £65 (2016: £5,000) to Mr Edoardo Cellino, a director up until 30 December 2016 when he resigned as a director.

**28. Related party transactions**

	2017 £	2016 £
<b>Entities with control over the company</b>		
Advances received	–	5,281,358
Repayments made	–	4,424,736
Debt converted to share capital	5,000,000	–
Creditor balance	11,504,662	4,998,736
Interest payable	204,662	125,000
Consultancy fees	5,000	–
<b>Key management personnel</b>		
Advances received	–	328,468
Repayments made	–	396,995
Interest payable	20,417	14,583
Creditor	–	56
<b>Other related parties</b>		
Advances made	–	3,395
Debtors	500	2,188,495
Creditors	3,007,500	17,000,000
Purchases	–	(10,261)
Interest payable	134,816	–
Sales	2,089	–

The above creditor of £3,007,500 was unsecured, attracted interest at 1% per annum and was repaid in full on 23 August 2017.

The company has taken advantage of the exemption in section 33 of FRS 102 not to disclose transactions with subsidiary undertakings where the company controls 90% or more of the voting rights.

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 £53,888 (2016: £Nil).

## Leeds United Football Club Limited

### Notes to the Financial Statements *(continued)*

Year ended 30 June 2017

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#### 29. Controlling party

Until 30 December 2016 Eleonora Immobiliare SpA, a company registered in Italy, was the ultimate parent company, Trust Sporting 2006 a trust registered in Italy, was the ultimate controlling party and Eleonora Sport Limited was the immediate parent company.

The directors consider that from 30 December 2016 to 24 May 2017 there was no controlling party.

From 24 May 2017 Aser Group Holding Pte Limited, a company registered in Singapore, is the ultimate parent company, A Radizzani 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.