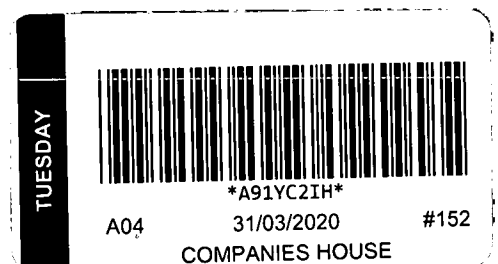


COMPANY REGISTRATION NUMBER: 06233875

**Leeds United Football Club Limited**  
**Consolidated Financial Statements**  
**For the year ended**  
**30 June 2019**



**Leeds United Football Club Limited**

**Financial Statements**

**Year ended 30 June 2019**

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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  
A Kinnear  
P V Marathe

**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

Year ended 30 June 2019

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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 associated activities.

The period between 1st July 2018 and 30th June 2019 was one of the most exciting years that supporters of Leeds United have witnessed in over a decade. Custodian Andrea Radrizzani made significant investments both on and off the pitch to deliver his vision of making Leeds United great again. Whilst the season, on the pitch, ultimately culminated in disappointment by the finest of margins significant strides forward were taken commercially and in the community.

Securing one of the world's most revered coaches in Marcelo Bielsa was the single biggest sign of the Club's change in ambition. With the Argentinean successfully appointed the playing squad was strengthened to help ensure the team could compete at the top end of the Championship. Patrick Bamford joined from Middlesbrough with a proven record of scoring in the championship and the highly rated Jack Harrison was signed on loan from Manchester City. Consistent with the Club's strategy of financial responsibility and adherence to the league's Profit and Sustainability rules, fringe players including Samu Saiz and Ronaldo Viera left the Club.

A large part of Marcelo Bielsa's master plan hinged on improvements being made to the club's training facility to facilitate a more focused training approach with longer days and clearer delineation between First Team and Academy facilities. Accordingly an investment into a comprehensive renovation facility created a club house, dormitory, improved gym, dedicated academy building, improved analytical facilities, pitches and the recommissioning of the swimming pool. Together these enhancements mean Thorp Arch is a Premier League ready training facility.

On the field the hard work put in over the summer by the players was reflected in the results with The Whites defeating Stoke City, Derby County and Norwich City in the opening three games of the season. The form continued into the Christmas period with two last minute Kemar Roofe strikes against Aston Villa and Blackburn Rovers securing back to back 3-2 wins in December.

Although the January window saw three times Champions League winner Kiko Casilla swap Madrid for Yorkshire, form did eventually tail off towards the end of the year with Leeds United finishing in third place which meant promotion would hinge on the play-offs. Sadly defeat to Derby County in the semi-finals meant another year in the second tier for Leeds United.

However, the renewed optimism around the Club and City contributed to a sterling commercial performance with record season ticket sale, match day attendances and retail sales being the key contributors to driving top line revenue. Furthermore partnerships with world class brands including Deliveroo, Uber and Amazon reinforced that the Club had rediscovered its appeal to international commercial partners.

As the year came to an end, Marcelo Bielsa committed to a further year as Head Coach and supporters, staff and players all looked ahead to a tour of Australia and to the start of the 2019/20 season with the confidence that, whilst the challenge is as significant as ever, the Club has never been better positioned to regain its status in the Premier League.

#### Principal risks and uncertainties

The primary risk facing the club and its subsidiaries 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.

#### 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 group are monitored against detailed budgets and benchmarking exercises are undertaken to assess the group's performance within the sector. The group once again adhered to the EFL's Profit and Sustainability requirements. 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 group has seen an increase in turnover going from £40.7m to £48.9m. Further analysis of income streams shows that on average 2,512 more people attended each home League match with the annual average home attendance increasing from 31,521 to 34,033. Income from gate receipts rose by 11.5% from £11.3m to £12.6m and merchandising revenues have again increased, this year by 40% from £6.7m to £9.4m. Catering revenues rose 11.5% from £5.2m to £5.8m. Other commercial revenues comprised mainly of hospitality, advertising and other events increased by 21% to £11.9m.

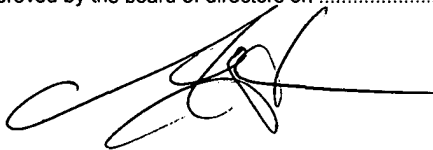
**Leeds United Football Club Limited**

**Strategic Report (continued)**

**Year ended 30 June 2019**

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This report was approved by the board of directors on 25.02.20 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

Year ended 30 June 2019

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The directors present their report and the financial statements of the group for the year ended 30 June 2019.

#### Directors

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

A Radrizzani  
A Tegner  
I O M Bravo  
A Kinnear  
P V Marathe

I O M Bravo resigned as a director on 3 October 2019.

#### 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.

#### 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 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 2019**

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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 25.02.20 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

Year ended 30 June 2019

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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 2019 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 2019 and of the group's loss 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 16 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.

#### 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.
-



**Leeds United Football Club Limited**

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

**Year ended 30 June 2019**

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**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.

**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.

*ART 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

27/2/20

**Leeds United Football Club Limited**

**Consolidated Statement of Comprehensive Income**

**Year ended 30 June 2019**

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|   |           | 2019                | 2018               |
|---|-----------|---------------------|--------------------|
|   | Note      | £                   | £                  |
| <b>Turnover</b>   | <b>4</b>  | 48,919,765          | 40,737,293         |
| Cost of sales   |           | (9,970,908)         | (8,337,266)        |
| <b>Gross profit</b>   |           | 38,948,857          | 32,400,027         |
| Administrative expenses   |           | (75,099,771)        | (53,109,286)       |
| Other operating income  |           | 2,860               | –                  |
| <b>Operating loss</b>   | <b>5</b>  | (36,148,054)        | (20,709,259)       |
| Gain on disposal of players' registrations                        |           | 15,649,423          | 18,100,397         |
| Interest receivable and similar income                            | <b>9</b>  | 1,062,000           | –                  |
| Interest payable and similar expenses                             | <b>10</b> | (1,962,363)         | (1,706,935)        |
| <b>Loss before taxation</b>                                       |           | (21,398,994)        | (4,315,797)        |
| Tax on loss   | <b>11</b> | –                   | –                  |
| <b>Loss for the financial year and total comprehensive income</b> |           | <u>(21,398,994)</u> | <u>(4,315,797)</u> |

All the activities of the group are from continuing operations.

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The notes on pages 14 to 26 form part of these financial statements.

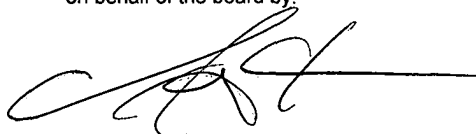
Leeds United Football Club Limited

Consolidated Statement of Financial Position

30 June 2019

|  | Note | 2019<br>£           | 2018<br>£           |
|--|------|---------------------|---------------------|
| <b>Fixed assets</b>  |      |                     |                     |
| Intangible assets  | 12   | 31,125,726          | 29,105,006          |
| Tangible assets  | 13   | 15,458,586          | 15,004,097          |
|  |      | <u>46,584,312</u>   | <u>44,109,103</u>   |
| <b>Current assets</b>  |      |                     |                     |
| Stocks   | 15   | 2,982,046           | 712,303             |
| Debtors: due within one year                                   | 16   | 16,858,950          | 12,663,478          |
| Debtors: due after more than one year                          | 16   | 7,554,031           | 5,566,667           |
| Cash at bank and in hand                                       |      | 477,522             | 2,903,391           |
|  |      | <u>27,872,549</u>   | <u>21,845,839</u>   |
| <b>Creditors: amounts falling due within one year</b>          | 18   | (53,264,795)        | (35,053,596)        |
| <b>Net current liabilities</b>                                 |      | <u>(25,392,246)</u> | <u>(13,207,757)</u> |
| <b>Total assets less current liabilities</b>                   |      | 21,192,066          | 30,901,346          |
| <b>Creditors: amounts falling due after more than one year</b> | 19   | (28,171,981)        | (16,482,267)        |
| <b>Net (liabilities)/assets</b>                                |      | <u>(6,979,915)</u>  | <u>14,419,079</u>   |
| <b>Capital and reserves</b>                                    |      |                     |                     |
| Called up share capital  | 23   | 43,834,908          | 43,834,908          |
| Share premium account  | 24   | 6,000,000           | 6,000,000           |
| Unrealised profit reserve                                      | 24   | 1,663,441           | 1,461,583           |
| Profit and loss account  | 24   | (58,478,264)        | (36,877,412)        |
| <b>Shareholders (deficit)/funds</b>                            |      | <u>(6,979,915)</u>  | <u>14,419,079</u>   |

These financial statements were approved by the board of directors and authorised for issue on 25.02.20, and are signed on behalf of the board by:



A Kinnear  
Director

Company registration number: 06233875

The notes on pages 14 to 26 form part of these financial statements.

Leeds United Football Club Limited

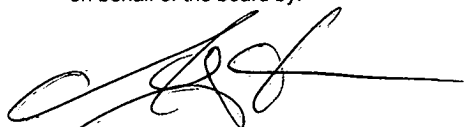
Company Statement of Financial Position

30 June 2019

|  | Note | 2019<br>£           | 2018<br>£           |
|--|------|---------------------|---------------------|
| <b>Fixed assets</b>  |      |                     |                     |
| Intangible assets  | 12   | 31,270,034          | 29,333,853          |
| Tangible assets  | 13   | 14,302,253          | 13,722,248          |
| Investments  | 14   | 2                   | 2                   |
|  |      | <u>45,572,289</u>   | <u>43,056,103</u>   |
| <b>Current assets</b>  |      |                     |                     |
| Stocks   | 15   | 2,945,389           | 670,049             |
| Debtors: due within one year                                   | 16   | 16,390,154          | 12,395,467          |
| Debtors: due after more than one year                          | 16   | 7,554,031           | 5,566,667           |
| Cash at bank and in hand                                       |      | 405,532             | 2,821,923           |
|  |      | <u>27,295,106</u>   | <u>21,454,106</u>   |
| <b>Creditors: amounts falling due within one year</b>          | 18   | <u>(55,134,094)</u> | <u>(36,199,647)</u> |
| <b>Net current liabilities</b>                                 |      | <u>(27,838,988)</u> | <u>(14,745,541)</u> |
| <b>Total assets less current liabilities</b>                   |      | 17,733,301          | 28,310,562          |
| <b>Creditors: amounts falling due after more than one year</b> | 19   | <u>(28,171,981)</u> | <u>(16,457,456)</u> |
| <b>Net (liabilities)/assets</b>                                |      | <u>(10,438,680)</u> | <u>11,853,106</u>   |
| <b>Capital and reserves</b>                                    |      |                     |                     |
| Called up share capital  | 23   | 43,834,908          | 43,834,908          |
| Share premium account  | 24   | 6,000,000           | 6,000,000           |
| Unrealised profit reserve                                      | 24   | 1,663,441           | 1,461,583           |
| Profit and loss account  | 24   | (61,937,029)        | (39,443,385)        |
| <b>Shareholders (deficit)/funds</b>                            |      | <u>(10,438,680)</u> | <u>11,853,106</u>   |

The loss for the financial year of the parent company was £22,291,787 (2018: £4,929,797).

These financial statements were approved by the board of directors and authorised for issue on 25.02.20 and are signed on behalf of the board by:



A Kinnear  
Director

Company registration number: 06233875

The notes on pages 14 to 26 form part of these financial statements.

Leeds United Football Club Limited

Consolidated Statement of Changes in Equity

Year ended 30 June 2019

|   | Called up<br>share capital<br>£ | Share premium<br>account<br>£ | Unrealised<br>profit reserve<br>£ | Profit and loss<br>account<br>£ | Total<br>£         |
|---|---------------------------------|-------------------------------|-----------------------------------|---------------------------------|--------------------|
| <b>At 1 July 2017</b>                                   | 24,000,000                      | 6,000,000                     | 1,910,704                         | (33,010,736)                    | (1,100,032)        |
| Loss for the year                                       |                                 |                               |                                   | (4,315,797)                     | (4,315,797)        |
| Other comprehensive income for the year:                |                                 |                               |                                   |                                 |                    |
| Notional interest charged on financial liability        | -                               | -                             | (449,121)                         | 449,121                         | -                  |
| <b>Total comprehensive income for the year</b>          | -                               | -                             | (449,121)                         | (3,866,676)                     | (4,315,797)        |
| Issue of shares   | 19,834,908                      | -                             | -                                 | -                               | 19,834,908         |
| <b>Total investments by and distributions to owners</b> | 19,834,908                      | -                             | -                                 | -                               | 19,834,908         |
| <b>At 30 June 2018</b>                                  | 43,834,908                      | 6,000,000                     | 1,461,583                         | (36,877,412)                    | 14,419,079         |
| Loss for the year                                       |                                 |                               |                                   | (21,398,994)                    | (21,398,994)       |
| Other comprehensive income for the year:                |                                 |                               |                                   |                                 |                    |
| Revaluation of financial liability to fair value        | -                               | -                             | 1,062,000                         | (1,062,000)                     | -                  |
| Notional interest charged on financial liability        | -                               | -                             | (860,142)                         | 860,142                         | -                  |
| <b>Total comprehensive income for the year</b>          | -                               | -                             | 201,858                           | (21,600,852)                    | (21,398,994)       |
| <b>At 30 June 2019</b>                                  | <u>43,834,908</u>               | <u>6,000,000</u>              | <u>1,663,441</u>                  | <u>(58,478,264)</u>             | <u>(6,979,915)</u> |

The notes on pages 14 to 26 form part of these financial statements.

Leeds United Football Club Limited

Company Statement of Changes in Equity

Year ended 30 June 2019

|   | Called up<br>share capital<br>£ | Share premium<br>account<br>£ | Unrealised<br>profit reserve<br>£ | Profit and loss<br>account<br>£ | Total<br>£          |
|---|---------------------------------|-------------------------------|-----------------------------------|---------------------------------|---------------------|
| <b>At 1 July 2017</b>                                   | 24,000,000                      | 6,000,000                     | 1,910,704                         | (34,962,709)                    | (3,052,005)         |
| Loss for the year                                       |                                 |                               |                                   | (4,929,797)                     | (4,929,797)         |
| Other comprehensive income for the year:                |                                 |                               |                                   |                                 |                     |
| Notional interest charged on financial liability        | -                               | -                             | (449,121)                         | 449,121                         | -                   |
| <b>Total comprehensive income for the year</b>          | -                               | -                             | (449,121)                         | (4,480,676)                     | (4,929,797)         |
| Issue of shares   | 19,834,908                      | -                             | -                                 | -                               | 19,834,908          |
| <b>Total investments by and distributions to owners</b> | 19,834,908                      | -                             | -                                 | -                               | 19,834,908          |
| <b>At 30 June 2018</b>                                  | 43,834,908                      | 6,000,000                     | 1,461,583                         | (39,443,384)                    | 11,853,107          |
| Loss for the year                                       |                                 |                               |                                   | (22,291,787)                    | (22,291,787)        |
| Other comprehensive income for the year:                |                                 |                               |                                   |                                 |                     |
| Revaluation of financial liability to fair value        | -                               | -                             | 1,062,000                         | (1,062,000)                     | -                   |
| Notional interest charged on financial liability        | -                               | -                             | (860,142)                         | 860,142                         | -                   |
| <b>Total comprehensive income for the year</b>          | -                               | -                             | 201,858                           | (22,493,645)                    | (22,291,787)        |
| <b>At 30 June 2019</b>                                  | <u>43,834,908</u>               | <u>6,000,000</u>              | <u>1,663,441</u>                  | <u>(61,937,029)</u>             | <u>(10,438,680)</u> |

The notes on pages 14 to 26 form part of these financial statements.

**Leeds United Football Club Limited**

**Consolidated Statement of Cash Flows**

**Year ended 30 June 2019**

|   | Note      | 2019<br>£          | 2018<br>£          |
|---|-----------|--------------------|--------------------|
| <b>Cash flows from operating activities</b>           |           |                    |                    |
| Loss for the financial year                           |           | (21,398,994)       | (4,315,797)        |
| <i>Adjustments for:</i>                               |           |                    |                    |
| Depreciation of tangible assets                       |           | 2,103,801          | 1,638,692          |
| Amortisation of intangible assets                     |           | 12,126,761         | 8,145,612          |
| Impairment of intangible assets                       |           | 1,522,951          | 805,974            |
| Gain on disposal of players' registrations            |           | (15,649,423)       | (18,100,397)       |
| Interest receivable and similar income                |           | (1,062,000)        | -                  |
| Interest payable and similar expenses                 |           | 1,962,363          | 1,706,935          |
| (Gains)/loss on disposal of tangible assets           |           | (750)              | 10,637             |
| Accrued expenses                                      |           | 10,570,522         | 1,783,074          |
| <i>Changes in:</i>                                    |           |                    |                    |
| Stocks  |           | (2,269,743)        | 165,756            |
| Trade and other debtors                               |           | (1,404,513)        | 46,124             |
| Trade and other creditors                             |           | 4,565,272          | 80,631             |
| Cash generated from operations                        |           | <u>(8,933,753)</u> | <u>(8,032,759)</u> |
| Interest paid   |           | (907,620)          | (430,361)          |
| Net cash used in operating activities                 |           | <u>(9,841,373)</u> | <u>(8,463,120)</u> |
| <b>Cash flows from investing activities</b>           |           |                    |                    |
| Purchase of tangible assets                           |           | (2,558,288)        | (3,284,698)        |
| Proceeds from sale of tangible assets                 |           | 748                | 3,500              |
| Purchase of intangible assets                         |           | (14,708,086)       | (19,476,059)       |
| Proceeds from sale of intangible assets               |           | 11,343,997         | 16,944,897         |
| Net cash used in investing activities                 |           | <u>(5,921,629)</u> | <u>(5,812,360)</u> |
| <b>Cash flows from financing activities</b>           |           |                    |                    |
| Proceeds from issue of ordinary shares                |           | -                  | 11,000,000         |
| Proceeds from borrowings                              |           | -                  | 7,360,000          |
| Repayments of borrowings                              |           | (5,172,250)        | (5,600,000)        |
| Proceeds from loans from group undertakings           |           | 22,982,890         | 3,824,590          |
| Repayments of loans from group undertakings           |           | (5,104,286)        | (3,000,000)        |
| Payments of finance lease liabilities                 |           | (445,462)          | (377,520)          |
| Net cash from financing activities                    |           | <u>12,260,892</u>  | <u>13,207,070</u>  |
| <b>Net decrease in cash and cash equivalents</b>      |           | <u>(3,502,110)</u> | <u>(1,068,410)</u> |
| <b>Cash and cash equivalents at beginning of year</b> |           | <u>2,903,391</u>   | <u>3,971,801</u>   |
| <b>Cash and cash equivalents at end of year</b>       | <b>17</b> | <u>(598,719)</u>   | <u>2,903,391</u>   |

The notes on pages 14 to 26 form part of these financial statements.

## Leeds United Football Club Limited

### Notes to the Financial Statements

Year ended 30 June 2019

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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. The significant accounting policies consistently applied in the preparation of these financial statements are set out below.

##### Going concern

At 30 June 2019 the group had net liabilities of £6,979,915 (2018: net assets of £14,419,079) and net current liabilities of £32,946,277 (2018: £18,774,424) 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 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.



**Leeds United Football Club Limited**

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

**Year ended 30 June 2019**

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**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 12 and 13 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 12 and 13 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, which comprise goods for resale, are stated at the lower of cost and net realisable value.

## Leeds United Football Club Limited

### Notes to the Financial Statements (continued)

Year ended 30 June 2019

#### 3. Accounting policies (continued)

##### 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:

|                                    | 2019              | 2018              |
|------------------------------------|-------------------|-------------------|
|                                    | £                 | £                 |
| Gate receipts                      | 12,612,796        | 11,261,512        |
| Television and broadcasting income | 1,486,000         | 881,250           |
| Merchandising income               | 9,436,899         | 6,681,334         |
| Central distributions              | 7,649,000         | 6,780,533         |
| Other commercial revenue           | 11,937,394        | 9,891,599         |
| Catering income                    | 5,797,676         | 5,241,065         |
|                                    | <u>48,919,765</u> | <u>40,737,293</u> |

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

#### 5. Operating profit

Operating profit or loss is stated after charging/crediting:

|  | 2019             | 2018             |
|--|------------------|------------------|
|  | £                | £                |
| Amortisation of intangible assets              | 12,126,761       | 8,145,612        |
| Depreciation of tangible assets                | 2,103,801        | 1,638,692        |
| Impairment of intangible assets recognised in: |                  |                  |
| Administrative expenses                        | 1,522,951        | 805,974          |
| (Gains)/loss on disposal of tangible assets    | (750)            | 10,637           |
| Impairment of trade debtors                    | 10,750           | 14,011           |
| Foreign exchange differences                   | 375,762          | 42,190           |
| Operating lease costs                          | <u>2,258,754</u> | <u>2,170,918</u> |

**Leeds United Football Club Limited**

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

**Year ended 30 June 2019**

**6. Auditor's remuneration**

|  | 2019<br>£     | 2018<br>£     |
|--|---------------|---------------|
| Fees payable for the audit of the financial statements                       | <u>19,500</u> | <u>20,500</u> |
| Fees payable to the company's auditor and its associates for other services: |               |               |
| Audit of subsidiaries  | 5,000         | 5,000         |
| Taxation compliance services   | 10,650        | 2,700         |
| Other assurance services   | 7,500         | 7,500         |
| Other non-audit services   | 5,139         | 3,889         |
|  | <u>28,289</u> | <u>19,089</u> |

**7. Staff costs**

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

|                           | 2019<br>No.  | 2018<br>No. |
|---------------------------|--------------|-------------|
| Full-time playing staff   | 56           | 58          |
| Apprentices               | 17           | 13          |
| Football team management  | 27           | 21          |
| Management/administration | 120          | 105         |
| Casual match day staff    | 838          | 731         |
|                           | <u>1,058</u> | <u>928</u>  |

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

|                       | 2019<br>£         | 2018<br>£         |
|-----------------------|-------------------|-------------------|
| Wages and salaries    | 41,458,543        | 28,090,979        |
| Social security costs | 4,588,503         | 2,818,399         |
| Other pension costs   | 114,546           | 448,635           |
|                       | <u>46,161,592</u> | <u>31,358,013</u> |

Included in wages and salaries are redundancy and ex-gratia payments of £809,743 (2018: £829,984).

**8. Directors' remuneration**

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

|  | 2019<br>£      | 2018<br>£      |
|--|----------------|----------------|
| Remuneration   | 291,540        | 202,768        |
| Company contributions to defined benefit pension plans | 11,461         | 9,503          |
|  | <u>303,001</u> | <u>212,271</u> |

The remuneration of the highest paid director in respect of qualifying services is £291,540 (2018: £202,768) for aggregate remuneration and £11,461 (2018: £9,503) for company contributions to defined contribution pension plans.

The number of directors who are accruing benefits under defined contribution pension schemes was one (2018: one).

**9. Interest receivable and similar income**

|  | 2019<br>£        | 2018<br>£ |
|--|------------------|-----------|
| Interest receivable and similar income | <u>1,062,000</u> | <u>-</u>  |

Interest receivable and similar income includes £1,062,000 (2018: £nil) relating to the revaluation to fair value of the financial liability described in note 22.

**Leeds United Football Club Limited**

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

**Year ended 30 June 2019**

**10. Interest payable and similar expenses**

|  | 2019<br>£        | 2018<br>£        |
|--|------------------|------------------|
| Interest on obligations under finance leases contracts | 426,354          | 420,416          |
| Other interest payable and similar charges             | 1,536,009        | 1,286,519        |
|  | <u>1,962,363</u> | <u>1,706,935</u> |

Other interest payable and similar charges include £860,142 (2018: £449,121) relating to the revaluation to fair value of the financial liability described in note 22.

**11. Tax on loss**

**Reconciliation of tax income**

The tax assessed on the loss on ordinary activities for the year is higher than (2018: higher than) the standard rate of corporation tax in the UK of 19% (2018: 19%).

|  | 2019<br>£    | 2018<br>£   |
|--|--------------|-------------|
| Loss on ordinary activities before taxation        | (21,398,994) | (4,315,797) |
| Loss on ordinary activities by rate of tax         | (3,974,423)  | (820,001)   |
| Effect of expenses not deductible for tax purposes | 23,296       | 34,720      |
| Effect of capital allowances and depreciation      | 74,444       | (10,470)    |
| Unused tax losses                                  | 3,950,066    | 737,704     |
| Other timing differences                           | (73,383)     | 58,047      |
| Tax on loss  | <u>—</u>     | <u>—</u>    |

**Factors that may affect future tax income**

The company has losses of approximately £102 million (2018: £81 million) to carry forward against future profits.

**12. Intangible assets**

| Group                  | Goodwill<br>£    | Negative<br>goodwill<br>£ | Trademarks<br>£ | Computer<br>software<br>£ | Player<br>registrations<br>£ | Total<br>£        |
|------------------------|------------------|---------------------------|-----------------|---------------------------|------------------------------|-------------------|
| <b>Cost</b>            |                  |                           |                 |                           |                              |                   |
| At 1 Jul 2018          | 6,403,883        | (717,255)                 | 14,490          | 259,791                   | 37,276,545                   | 43,237,454        |
| Additions              | —                | —                         | 15,237          | 140,955                   | 15,987,137                   | 16,143,329        |
| Disposals              | —                | —                         | —               | —                         | (5,204,173)                  | (5,204,173)       |
| <b>At 30 Jun 2019</b>  | <u>6,403,883</u> | <u>(717,255)</u>          | <u>29,727</u>   | <u>400,746</u>            | <u>48,059,509</u>            | <u>54,176,610</u> |
| <b>Amortisation</b>    |                  |                           |                 |                           |                              |                   |
| At 1 Jul 2018          | 1,596,833        | (370,582)                 | 9,433           | 184,551                   | 12,712,213                   | 14,132,448        |
| Charge for the year    | 178,867          | (143,451)                 | 2,950           | 61,057                    | 12,027,338                   | 12,126,761        |
| Disposals              | —                | —                         | —               | —                         | (4,731,276)                  | (4,731,276)       |
| Impairment losses      | —                | —                         | —               | —                         | 1,522,951                    | 1,522,951         |
| <b>At 30 Jun 2019</b>  | <u>1,775,700</u> | <u>(514,033)</u>          | <u>12,383</u>   | <u>245,608</u>            | <u>21,531,226</u>            | <u>23,050,884</u> |
| <b>Carrying amount</b> |                  |                           |                 |                           |                              |                   |
| <b>At 30 Jun 2019</b>  | <u>4,628,183</u> | <u>(203,222)</u>          | <u>17,344</u>   | <u>155,138</u>            | <u>26,528,283</u>            | <u>31,125,726</u> |
| At 30 Jun 2018         | <u>4,807,050</u> | <u>(346,673)</u>          | <u>5,057</u>    | <u>75,240</u>             | <u>24,564,332</u>            | <u>29,105,006</u> |

Leeds United Football Club Limited

Notes to the Financial Statements (continued)

Year ended 30 June 2019

12. Intangible assets (continued)

| Company                | Goodwill<br>£    | Trademarks<br>£ | Computer<br>software<br>£ | Player<br>registrations<br>£ | Total<br>£        |
|------------------------|------------------|-----------------|---------------------------|------------------------------|-------------------|
| <b>Cost</b>            |                  |                 |                           |                              |                   |
| At 1 July 2018         | 5,984,321        | 14,490          | 259,791                   | 37,276,545                   | 43,535,147        |
| Additions              | –                | 15,237          | 140,955                   | 15,987,137                   | 16,143,329        |
| Disposals              | –                | –               | –                         | (5,204,173)                  | (5,204,173)       |
| <b>At 30 June 2019</b> | <u>5,984,321</u> | <u>29,727</u>   | <u>400,746</u>            | <u>48,059,509</u>            | <u>54,474,303</u> |
| <b>Amortisation</b>    |                  |                 |                           |                              |                   |
| At 1 July 2018         | 1,295,097        | 9,433           | 184,551                   | 12,712,213                   | 14,201,294        |
| Charge for the year    | 119,955          | 2,950           | 61,057                    | 12,027,338                   | 12,211,300        |
| Disposals              | –                | –               | –                         | (4,731,276)                  | (4,731,276)       |
| Impairment losses      | –                | –               | –                         | 1,522,951                    | 1,522,951         |
| <b>At 30 June 2019</b> | <u>1,415,052</u> | <u>12,383</u>   | <u>245,608</u>            | <u>21,531,226</u>            | <u>23,204,269</u> |
| <b>Carrying amount</b> |                  |                 |                           |                              |                   |
| <b>At 30 June 2019</b> | <u>4,569,269</u> | <u>17,344</u>   | <u>155,138</u>            | <u>26,528,283</u>            | <u>31,270,034</u> |
| At 30 June 2018        | <u>4,689,224</u> | <u>5,057</u>    | <u>75,240</u>             | <u>24,564,332</u>            | <u>29,333,853</u> |

Included in intangible assets is negative goodwill with a carrying amount of £203,222 (2018: £346,673). 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 £1,522,951 (2018: £805,974) has been charged to the profit and loss in respect of this impairment.

13. Tangible assets

| Group                  | Leasehold land<br>and buildings<br>£ | Alterations and<br>improvements<br>£ | Fixtures, fittings<br>and equipment<br>£ | Total<br>£        |
|------------------------|--------------------------------------|--------------------------------------|--|-------------------|
| <b>Cost</b>            |                                      |                                      |  |                   |
| At 1 July 2018         | 2,935,290                            | 16,769,657                           | 8,527,457                                | 28,232,404        |
| Additions              | –                                    | 1,712,494                            | 845,794                                  | 2,558,288         |
| Disposals              | –                                    | –                                    | (5,417)                                  | (5,417)           |
| <b>At 30 June 2019</b> | <u>2,935,290</u>                     | <u>18,482,151</u>                    | <u>9,367,834</u>                         | <u>30,785,275</u> |
| <b>Depreciation</b>    |                                      |                                      |  |                   |
| At 1 July 2018         | 991,350                              | 7,591,659                            | 4,645,298                                | 13,228,307        |
| Charge for the year    | 137,713                              | 1,067,761                            | 898,327                                  | 2,103,801         |
| Disposals              | –                                    | –                                    | (5,419)                                  | (5,419)           |
| <b>At 30 June 2019</b> | <u>1,129,063</u>                     | <u>8,659,420</u>                     | <u>5,538,206</u>                         | <u>15,326,689</u> |
| <b>Carrying amount</b> |                                      |                                      |  |                   |
| <b>At 30 June 2019</b> | <u>1,806,227</u>                     | <u>9,822,731</u>                     | <u>3,829,628</u>                         | <u>15,458,586</u> |
| At 30 June 2018        | <u>1,943,940</u>                     | <u>9,177,998</u>                     | <u>3,882,159</u>                         | <u>15,004,097</u> |

**Leeds United Football Club Limited**

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

**Year ended 30 June 2019**

**13. Tangible assets (continued)**

| <b>Company</b>         | <b>Leasehold land<br/>and buildings<br/>£</b> | <b>Alterations and<br/>improvements<br/>£</b> | <b>Fixtures, fittings<br/>and equipment<br/>£</b> | <b>Total<br/>£</b> |
|------------------------|---|---|---|--------------------|
| <b>Cost</b>            |   |   |   |                    |
| At 1 July 2018         | 2,095,960                                     | 15,300,609                                    | 7,110,674   | 24,507,243         |
| Additions              | –   | 1,712,494                                     | 810,294   | 2,522,788          |
| Disposals              | –   | –   | (5,418)   | (5,418)            |
| <b>At 30 June 2019</b> | <u>2,095,960</u>                              | <u>17,013,103</u>                             | <u>7,915,550</u>                                  | <u>27,024,613</u>  |
| <b>Depreciation</b>    |   |   |   |                    |
| At 1 July 2018         | 585,204                                       | 6,836,132                                     | 3,363,658   | 10,784,994         |
| Charge for the year    | 99,173  | 997,847                                       | 845,765   | 1,942,785          |
| Disposals              | –   | –   | (5,419)   | (5,419)            |
| <b>At 30 June 2019</b> | <u>684,377</u>                                | <u>7,833,979</u>                              | <u>4,204,004</u>                                  | <u>12,722,360</u>  |
| <b>Carrying amount</b> |   |   |   |                    |
| <b>At 30 June 2019</b> | <u>1,411,583</u>                              | <u>9,179,124</u>                              | <u>3,711,546</u>                                  | <u>14,302,253</u>  |
| At 30 June 2018        | <u>1,510,756</u>                              | <u>8,464,477</u>                              | <u>3,747,016</u>                                  | <u>13,722,249</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 12.

**Finance leases contracts**

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

|                        |   |
|------------------------|---|
| <b>Group</b>           | <b>Fixtures, fittings<br/>and equipment<br/>£</b> |
| <b>At 30 June 2019</b> | <u>1,857,437</u>                                  |
| At 30 June 2018        | <u>1,916,369</u>                                  |
| <b>Company</b>         | <b>Fixtures, fittings<br/>and equipment<br/>£</b> |
| <b>At 30 June 2019</b> | <u>1,819,412</u>                                  |
| At 30 June 2018        | <u>1,916,369</u>                                  |

**14. Investments**

The group has no investments.

|                                 |   |
|---------------------------------|---|
| <b>Company</b>                  | <b>Shares in group<br/>undertakings<br/>£</b> |
| <b>Cost</b>                     |   |
| At 1 July 2018 and 30 June 2019 | <u>2</u>                                      |
| <b>Impairment</b>               |   |
| At 1 July 2018 and 30 June 2019 | <u>–</u>                                      |
| <b>Carrying amount</b>          |   |
| At 1 July 2018 and 30 June 2019 | <u>2</u>                                      |
| At 30 June 2018                 | <u>2</u>                                      |

**Leeds United Football Club Limited**

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

**Year ended 30 June 2019**

**14. Investments (continued)**

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

|  | Class of share | Percentage of shares held |
|--|----------------|---------------------------|
| <b>Subsidiary undertakings</b>               |                |                           |
| Leeds United Conferencing and Events Limited | Ordinary       | 100                       |
| Leeds United Media Limited                   | Ordinary       | 100                       |

The company owns the entire share capital of Leeds United Conference and Events Limited and Leeds United Media Limited, both 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 and Leeds United Media Limited has a principal activity of providing digital media and online advertising.

**15. Stocks**

|                       | Group            |                | Company          |                |
|-----------------------|------------------|----------------|------------------|----------------|
|                       | 2019             | 2018           | 2019             | 2018           |
|                       | £                | £              | £                | £              |
| Goods held for resale | <u>2,982,046</u> | <u>712,303</u> | <u>2,945,389</u> | <u>670,049</u> |

The cost of stock recognised as cost of sales during the year was £6,469,951 (2018: £4,757,085).

**16. Debtors**

Debtors falling due within one year are as follows:

|                                | Group             |                   | Company           |                   |
|--------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                | 2019              | 2018              | 2019              | 2018              |
|                                | £                 | £                 | £                 | £                 |
| Trade debtors                  | 3,004,722         | 1,856,332         | 2,645,804         | 1,525,316         |
| Prepayments and accrued income | 2,164,603         | 1,604,817         | 2,054,725         | 1,486,982         |
| Transfer fee debtors           | 8,717,627         | 5,926,668         | 8,717,627         | 5,926,668         |
| Other debtors                  | <u>2,971,998</u>  | <u>3,275,661</u>  | <u>2,971,998</u>  | <u>3,456,501</u>  |
|                                | <u>16,858,950</u> | <u>12,663,478</u> | <u>16,390,154</u> | <u>12,395,467</u> |

Debtors falling due after one year are as follows:

|                      | Group            |                  | Company          |                  |
|----------------------|------------------|------------------|------------------|------------------|
|                      | 2019             | 2018             | 2019             | 2018             |
|                      | £                | £                | £                | £                |
| Transfer fee debtors | <u>7,554,031</u> | <u>5,566,667</u> | <u>7,554,031</u> | <u>5,566,667</u> |

The directors have taken legal advice regarding a balance of £2,031,421 included in other debtors and the directors expect the debt to be recovered.

**17. Cash and cash equivalents**

Cash and cash equivalents comprise the following:

|                          | 2019               | 2018             |
|--------------------------|--------------------|------------------|
|                          | £                  | £                |
| Cash at bank and in hand | 477,522            | 2,903,391        |
| Bank overdrafts          | <u>(1,076,241)</u> | <u>-</u>         |
|                          | <u>(598,719)</u>   | <u>2,903,391</u> |



Leeds United Football Club Limited

Notes to the Financial Statements (continued)

Year ended 30 June 2019

18. Creditors: amounts falling due within one year

|  | Group             |                   | Company           |                   |
|--|-------------------|-------------------|-------------------|-------------------|
|  | 2019<br>£         | 2018<br>£         | 2019<br>£         | 2018<br>£         |
| Bank overdrafts                            | 1,076,241         | –                 | 1,076,241         | –                 |
| Other loans                                | 4,747,296         | 4,677,473         | 4,747,296         | 4,677,473         |
| Trade creditors                            | 5,107,261         | 4,034,748         | 4,908,881         | 3,807,395         |
| Amounts owed to group undertakings         | 7,806,496         | 7,185,168         | 10,493,642        | 9,056,021         |
| Accruals and deferred income               | 21,981,139        | 11,185,617        | 21,615,320        | 10,727,287        |
| Social security and other taxes            | 3,581,862         | 1,332,041         | 3,370,397         | 1,332,041         |
| Obligations under finance leases contracts | 627,609           | 583,127           | 602,798           | 563,613           |
| Transfer fee creditors                     | 7,677,143         | 5,653,245         | 7,677,143         | 5,653,245         |
| Other creditors                            | 659,748           | 402,177           | 642,376           | 382,572           |
|  | <u>53,264,795</u> | <u>35,053,596</u> | <u>55,134,094</u> | <u>36,199,647</u> |

Included in accruals and deferred income are £11,908,332 (2018: £7,110,546) 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 include an advance of £3,680,000 (2018: £3,680,000) 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           |                   |
|--|-------------------|-------------------|-------------------|-------------------|
|  | 2019<br>£         | 2018<br>£         | 2019<br>£         | 2018<br>£         |
| Other loans                                | 3,210,180         | 7,957,476         | 3,210,180         | 7,957,476         |
| Amounts owed to group undertakings         | 17,817,242        | –                 | 17,817,242        | –                 |
| Accruals and deferred income               | –                 | 225,000           | –                 | 225,000           |
| Obligations under finance leases contracts | 585,204           | 1,075,148         | 585,204           | 1,050,337         |
| Transfer fee creditors                     | 6,091,879         | 6,680,534         | 6,091,879         | 6,680,534         |
| Pension                                    | 467,476           | 544,109           | 467,476           | 544,109           |
|  | <u>28,171,981</u> | <u>16,482,267</u> | <u>28,171,981</u> | <u>16,457,456</u> |

Obligations under finance leases are secured on related assets.

Other loans include an advance of £nil (2018: £3,680,000) secured on the related book debt.

Included in other loans is a balance of £nil (2018: £225,000) which falls due after five years and which is payable by instalments. Interest on this loan is payable at 1.70%.

20. Finance leases contracts

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

|  | Group            |                  | Company          |                  |
|--|------------------|------------------|------------------|------------------|
|  | 2019<br>£        | 2018<br>£        | 2019<br>£        | 2018<br>£        |
| Not later than 1 year                        | 668,708          | 650,987          | 651,074          | 627,359          |
| Later than 1 year and not later than 5 years | 627,180          | 1,133,437        | 609,720          | 1,098,343        |
|  | <u>1,295,888</u> | <u>1,784,424</u> | <u>1,260,794</u> | <u>1,725,702</u> |
| Less: future finance charges                 | (83,075)         | (126,149)        | (72,793)         | (111,752)        |
| Present value of minimum lease payments      | <u>1,212,813</u> | <u>1,658,275</u> | <u>1,188,001</u> | <u>1,613,950</u> |

**Leeds United Football Club Limited**

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

**Year ended 30 June 2019**

**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 £100,072 (2018: £61,521), 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 2017 and resulted in a charge to the profit and loss account of £377,054. The allocation of the deficit under this valuation is repayable at £7,128 per month effective from 1 September 2017.

**22. 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           |                  |
|---|-------------------|------------------|-------------------|------------------|
|   | 2019<br>£         | 2018<br>£        | 2019<br>£         | 2018<br>£        |
| Financial liabilities measured at fair value through profit or loss | <u>10,378,129</u> | <u>5,274,949</u> | <u>10,378,129</u> | <u>5,274,949</u> |

A financial liability of £4,277,476 (2018: £5,274,949) 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%. The difference between the interest payable and the deemed market interest payable of £382,211 (2018: £449,121) is recognised in interest payable and transferred to the unrealised profit reserve. This financial liability is included in other loans and is repayable in annual instalments from August 2017 to August 2029. The loan is unsecured and interest is charged below the market rate.

A financial liability of £6,100,653 (2018: £nil) 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 8.5% resulting in a fair value adjustment of £1,062,000. The deemed interest payable of £477,931 (2018: £nil) 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.

**23. Called up share capital**

**Issued, called up and fully paid**

|                              | 2019              |                      | 2018              |                      |
|------------------------------|-------------------|----------------------|-------------------|----------------------|
|                              | No.               | £                    | No.               | £                    |
| Ordinary A shares of £1 each | 32,834,908        | 32,834,908.00        | 32,834,908        | 32,834,908.00        |
| Ordinary B shares of £1 each | <u>11,000,000</u> | <u>11,000,000.00</u> | <u>11,000,000</u> | <u>11,000,000.00</u> |
|                              | <u>43,834,908</u> | <u>43,834,908.00</u> | <u>43,834,908</u> | <u>43,834,908.00</u> |

**Leeds United Football Club Limited**

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

**Year ended 30 June 2019**

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**24. 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.

**25. Operating leases**

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

|  | Group             |                   | Company           |                   |
|--|-------------------|-------------------|-------------------|-------------------|
|  | 2019<br>£         | 2018<br>£         | 2019<br>£         | 2018<br>£         |
| Not later than 1 year                        | 933,249           | 755,516           | 933,249           | 755,516           |
| Later than 1 year and not later than 5 years | 9,776,640         | 7,727,013         | 9,776,640         | 7,727,013         |
| Later than 5 years                           | 19,611,191        | 22,052,495        | 19,611,191        | 22,052,495        |
|  | <u>30,321,080</u> | <u>30,535,024</u> | <u>30,321,080</u> | <u>30,535,024</u> |

**26. Contingencies**

Under the terms of the financial provisions relating to transfer of player registrations, future payments of up to £5,281,610 (2018: £7,099,091) 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 £19,925,320 (2018: £18,129,519) conditional on the performance of both players and football management throughout the 2019/20 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.

**Leeds United Football Club Limited**

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

**Year ended 30 June 2019**

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**27. Related party transactions**

**Entities with control over the company**

|                                 | 2019       | 2018      |
|---------------------------------|------------|-----------|
|                                 | £          | £         |
| Debt converted to share capital | –          | 8,834,908 |
| Creditors                       | 25,623,738 | 7,185,166 |
| Interest payable                | 559,966    | 693,431   |
| Rent payable                    | 1,520,037  | 1,520,037 |

The creditors balance represents four loans, two of which were due for repayment 31 August 2018. Interest was charged at 4% plus 3 month LIBOR rate on a loan of £3,157,872 (2018: £3,000,000), and at 4% plus 3 month USD LIBOR rate on a loan of \$5,267,751 (2018: \$5,000,000). Following deferral of the repayments, interest is charged at 6% above the base rate of Barclays Bank plc. The two other loans are repayable on 31 May 2021 and 18 February 2022, with interest charged at 2% plus LIBOR on loans of £7,700,000 (2018: £nil) and £10,000,000 (2018: £nil).

During the year loans totalling £22,787,500 (2018: \$5,000,000) were advanced and £5,104,286 (2018: £3,000,000) was repaid.

During the previous year the company converted a loan into equity. Interest was charged at 4% plus the daily LIBOR rate. The loan was repayable in June 2022.

The company entered into a lease agreement for the stadium until June 2032, with an entity which has control over the company. There was an initial rent free period of 33 months. Included in creditors is an amount of £3,040,074 (2018: £1,520,037) 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 £827,514 (2018: £587,817).

**Other related parties**

|                            | 2019    | 2018    |
|----------------------------|---------|---------|
|                            | £       | £       |
| Management charges payable | 150,000 | 150,000 |
| Sales                      | 34,866  | 173     |
| Purchases                  | 30,464  | –       |
| Creditor                   | 30,464  | –       |
| Debtor                     | 29,189  | –       |

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

**28. 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.