ANNUAL REPORT & ACCOUNTS 2020/21

Everton Football Club Company Limited
Company Registration Number 36624

2021

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NOTE

The Foreword (pages 4 -11) does not form part of the statutory financial statements.

UNPRECEDENTED CHALLENGES

I closed last year's Foreword, written at the height of the pandemic, *longing to be back at a packed-out Goodison...*

Yet almost as soon as we were finally able to fulfil that cherished dream, we were forced to deal with another truly horrific set of circumstances.

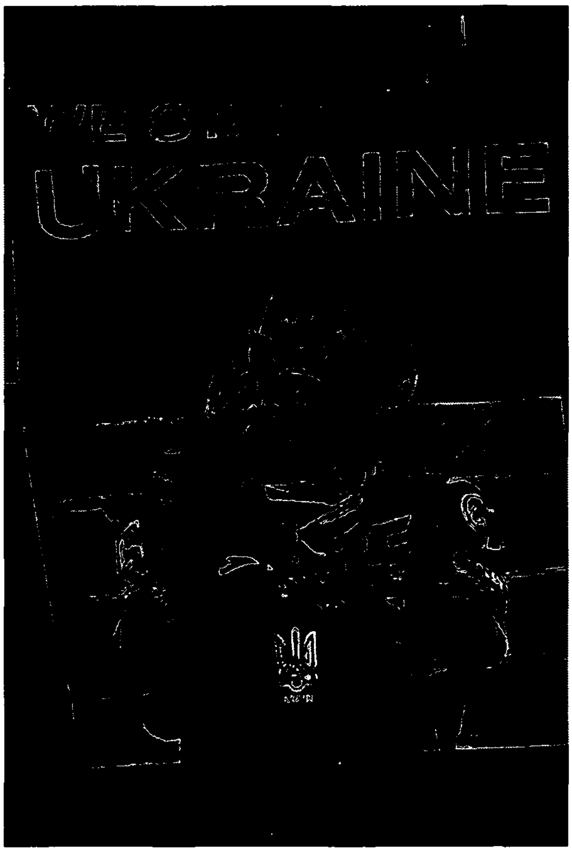
The war in Ukraine is an appalling and tragic situation – and touches all of us. I don't have to tell you that our very own Vitalii Mykolenko is enduring the most unimaginable time and we will continue to offer him every ounce of support that we possibly can.

We have hopefully demonstrated our support for *everyone affected by that struggle* with our actions at Goodison Park on matchdays, and we have taken necessary steps off the pitch by suspending our sponsorship ties with our Russian commercial partners.

The support Evertonians have given – and continue to give – to the Club throughout such challenging times has, as always, been magnificent.

It has been so great to hear the Goodison roar once again and to have our Blue Family packing out every home game and every away end - doing what Evertonians do best.

Without question, our club is blessed with some of the best fans, not only in this league but in the world....



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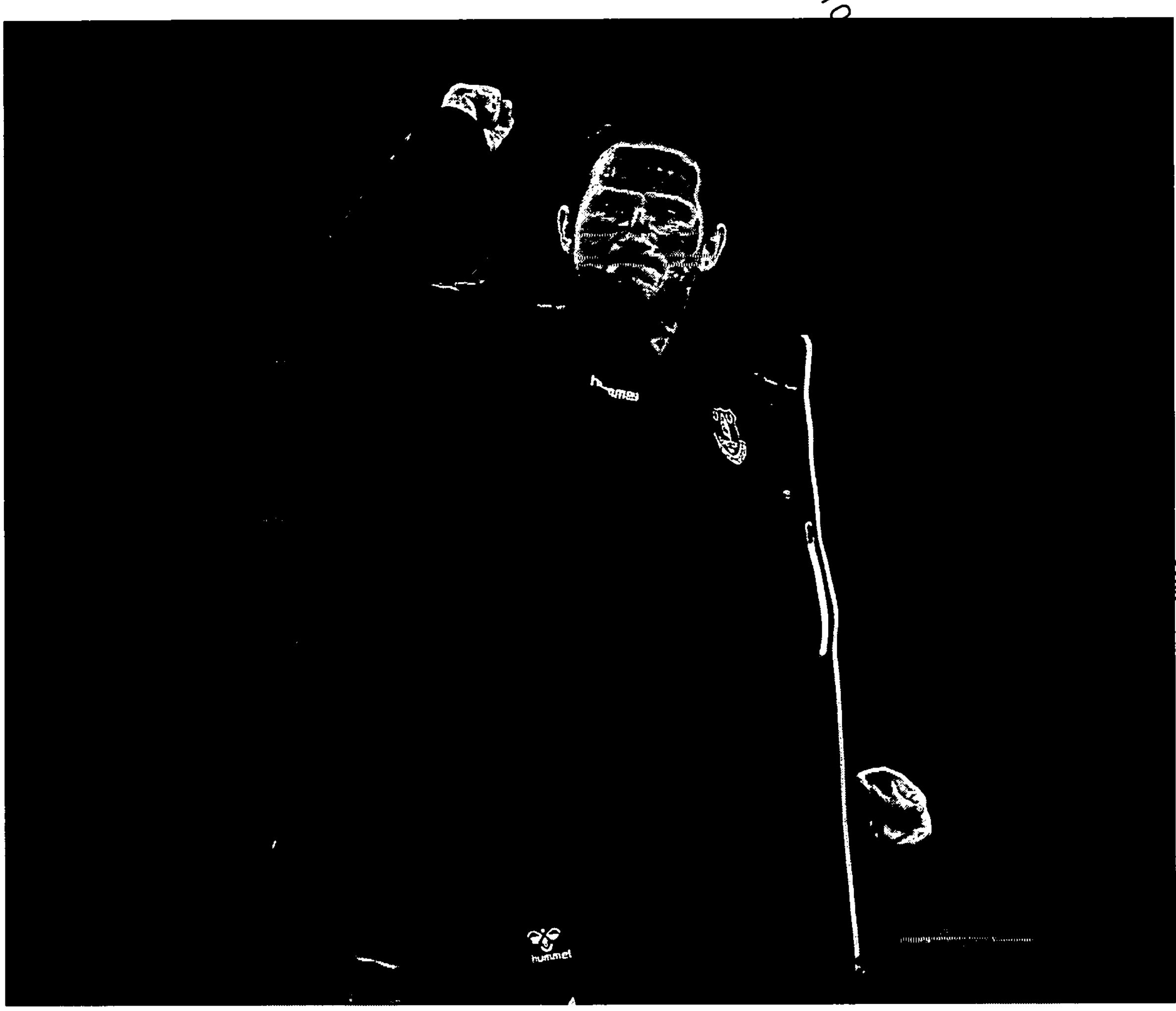

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CHANGES

We have been forced once again to make changes in the most important positions at the Football Club. In January Rafael Benitez left us following an unacceptably disappointing run of results – and we were delighted to welcome Frank Lampard as our new First-Team manager. Frank impressed us enormously throughout our recruitment process. He came across as a modern, ambitious and exciting young manager.

He expressed a clear vision on how he wants to take the Club forward and he showed tremendous passion and genuine enthusiasm to join us. Evertonians embraced him almost instantly and I think we can safely say that Frank has already validated Alan Ball's famous phrase that "Once Everton has touched you nothing will be the same".

Although it was heart-warming to witness the unity and passion inside Goodison Park during Frank's first match against Brentford and, of course, more recently against Newcastle, none of us underestimated the situation he inherited nor how much support he will need in the coming months to lead us through difficult times. All Evertonians wish you well, Frank.

We have also seen Marcel Brands, a good man, leave us after three-and-and-half years as our Director of Football and I would like to wish him every success as he returns to PSV. Marcel has been succeeded by Kevin Thelwell who joins us with a glowing reputation for developing young talent and a proven track record for recruitment – both qualities that are vitally important to us. We firmly believe Kevin will prove a great addition to our club. We were also forced to say goodbye to both Willie Kirk and Jean-Luc Vasseur as managers of our Women's team, and we have started the process of identifying the best candidate to take the team forward into 2022/23.

GOODISON'S GREAT GENTLEMEN, REST IN PEACE

Sadly, since our last Annual Report, we have said goodbye to three of Goodison's great gentlemen.

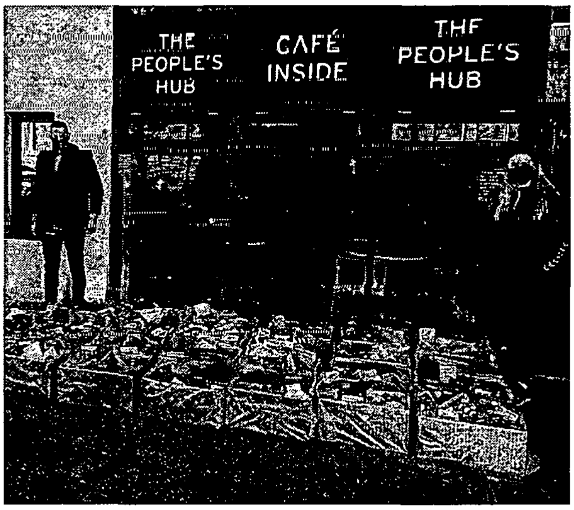
Jimmy 'The Angel' Gabriel – a league and Cup winner - was one of my first real heroes. A combative yet skilful midfielder, Jimmy never failed to give his all in the Royal Blue jersey. As gentle and humble off the pitch as he was determined and fearless on it, I know Jimmy will be sadly missed by Evertonians who remember him fondly both as a player and a member of our backroom staff.

In Walter Smith, Everton and the football world lost another great man. Managing more than 150 games for us throughout a difficult period, Walter never failed to give anything but his best for the team and the Club. I developed a deep and genuine friendship with Walter during his time with us and he was undoubtedly a man not only blessed with great loyalty and integrity but also tremendous talent, as his achievements north of the border clearly demonstrated.

Gordon Lee was a manager who came agonisingly close to delivering success to us in the 1970s, leading us in the only domestic cup final to take three ties and two periods of extra-time to settle, taking us into Europe twice and on two occasions being on the receiving end of desperately unlucky FA Cup semi-final replay defeats. But perhaps more importantly he was a humble, warm and self-effacing man who never lost his passion for Everton Football Club which he openly demonstrated at his many return visits to Goodison.

On behalf of the Board of Directors and everyone at Everton, I send my love to Jimmy, Walter and Gordon's families.

I also send my deepest condolences to the families of other Evertonians who have passed away during the past 12 months and to the friends and the family of Andrew Devine, who tragically became the 97th victim of the Hillsborough disaster, 32 years on.



SUPPORTING OUR PEOPLE, STANDING UP FOR OUR GAME

As outlined, the past year has presented many challenges outside the control of the Football Club and it has been a source of great pride to me that Everton has stepped up, as I know you would expect us to.

Whether it's our response to Russia's invasion of Ukraine, our consistently tremendous work in the community - supporting tens of thousands of families through the work of our pandemic response team – or the way we stood up to those clubs acting out of greed and self interest to try to establish a European Super League, I believe we have done the right thing – not just for Everton, but for the people of our city and for the game we all love.

As regards COVID-19 and the breakaway 'Super League', let's hope we don't need to step-up again, but please know that if we need to, we will.

GROWING GLOBALLY

Despite international travel restrictions, it's been pleasing to see how we have continued to expand the Everton brand globally in the past 12 months. In addition to launching a US office last year, we also delivered training programmes to tens of thousands of young children across 17 states in 2021 and were pleased to be able to entertain our US-based supporters as our First Team participated in the Florida Cup.

This is just the start of our brand building work in North America and forms part of a wider international strategy that has taken big steps forward – including significant growth in social media and membership numbers in the past 12 months. Congratulations to the team at the Club and to everyone involved in this important project for the progress made so far.

OUR DREAM BECOMES REALITY

Last but absolutely not least, 2021 was a historic year for our great Club. On February 23 our team, led by CEO Denise Barrett-Baxendale, superbly presented the case for our move to an unbeatable new home, to the planning department of Liverpool City Council.

The unanimous decision to grant planning permission is now a significant slice of local history – and as we witnessed the subsequent relocation of marine wildlife, the infilling of the Bramley-Moore Dock with 500,000 cubic metres of sand and the sinking of 2,500 concrete piles into the ground, it was impossible not to feel palpable excitement. Of course, those thrills are tempered by the sadness that every significant construction milestone we complete brings us one step closer to the day when we must leave our much-loved home of the last 130 years. Our Grand Old Lady...

But, as I have said before, while it will be emotional for us all to leave our home, to know we are going to such a magnificent new one is also exhilarating.

I cannot give enough praise and thanks to Denise and her team, particularly Colin Chong, for the work they have done to get us to this momentous stage in the project. And of course, the biggest thanks must go to Farhad, who has continued to show unstinting dedication to the Club – and nothing demonstrates this more than the investment he is making into our new stadium.

I remember Farhad saying at a General Meeting a few years ago when asked about his commitment to the stadium project that 'We've started so we'll finish'. And we will! Thank you, Farhad.

In closing, let's hope 2022 is a year we can put the challenges of the pandemic and international upheaval behind us as we watch our new home rise from the dock and our beloved team climb further up the table...

COYB!

Chairman Bill

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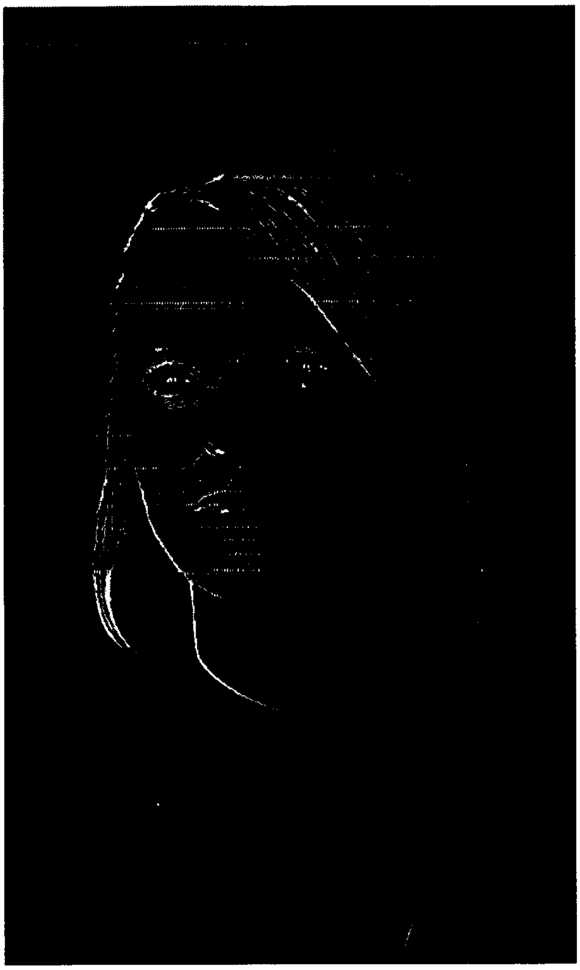


Chief Executive Officer

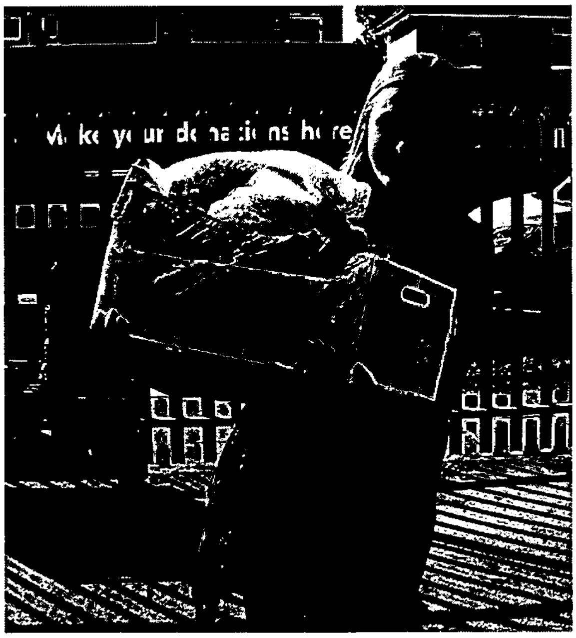
DENISE BARRETT-BAXENDALE

COLLECTIVE RESPONSE

The unprecedented challenges our society has faced in the past two years has demonstrated that, in adversity, and through unity, difficult situations can be overcome.

I extend my deepest sympathies to anyone who has been tragically affected by COVID-19. The impacts of the global pandemic have been deep and affected every one of us personally and professionally in some way. It is a period that has tested the resolve of every person - and every organisation.

I am proud of Everton's collective response to the challenges we have encountered and the way we supported our fans and our community at a time when, for many, they needed us most. We provided emergency aid and assistance to those most in need across the region, with more than 31,500 local families and individuals benefiting by way of food parcels, check-in calls, and assistance with essential household items and rising utility bills, while almost 300,000 meals were provided for school children, charity participants and local residents.

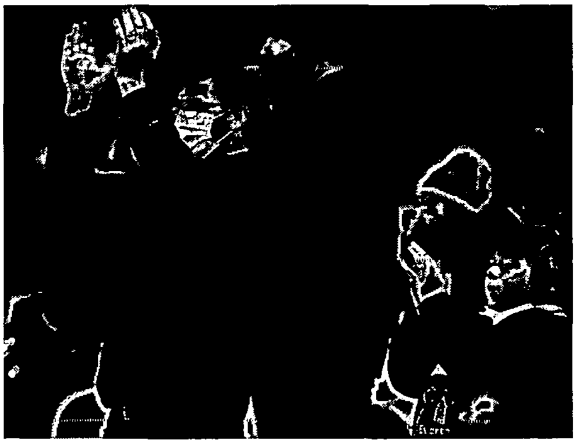


COVID CHALLENGES

The pandemic has had a profound impact on us all - and these accounts show the scale of that impact on our club from a financial perspective. Losses of at least £170m are attributed to the impact on the Club of COVID-19, with further market analysis indicating that figure could be as much as £50m higher. For the financial year covered by these accounts, £103m of the losses are associated to the pandemic.

Significant revenue was, of course, lost through the many home fixtures played behind closed doors. However, the implications were wider reaching. With less certainty and less income, clubs across Europe and the world became increasingly reticent to spend and, in many cases, trade. As such, the value of departing players decreased and our flexibility in the transfer market was significantly hampered. Revenue was lost from broadcasting and other commercial operations, whilst the Club faced additional costs directly linked to the challenges posed by maintaining our footballing operation during a pandemic.

Like all clubs, we have had to adapt to those losses. However, we are fortunate to find ourselves in a secure financial position thanks to the continued unwavering support and commitment of our Majority Shareholder, and cost control measures continuously adopted by the club.



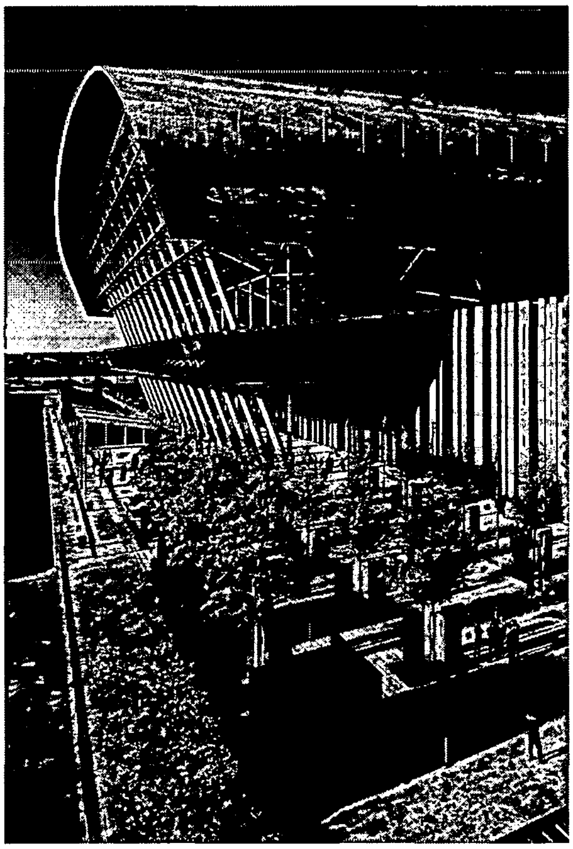
I have never underestimated how cherished our Football Club is amongst our global fanbase - but that was magnified when fans returned to the stadium for the first time for an emotional home fixture with Chelsea in December 2020. Games at Goodison without fans were simply not the same.

PATIENCE AND RESILIENCE

From a footballing perspective, 2020/21 offered a blend of highs and lows. We recorded some impressive results but, ultimately, ended the season disappointed with our final league position after a campaign that had

promised so much more for so long. What was consistent throughout the season, though, was the patience and resilience shown by our loyal supporters, who - after more than a year of not being able to attend games - renewed their Season Tickets in record numbers and have packed Goodison Park for each match of the current campaign.

As we continue to emerge from the other side of the pandemic, it is also important to acknowledge the patience and resilience shown by the staff at Everton, who not only adapted quickly to working from home but continued business operations as usual, made progress in key areas, and delivered some best-in-class and award-winning work and campaigns for our Club.



Credit must also go to the players and coaching staff, the Everton Leadership Team, my fellow Directors on the Board, the Chairman and Mr Moshiri, who all made financial sacrifices for the wider benefit of all our staff and the Club. It was their continued and unstinting support, alongside our commitment to staying true to our values, that allowed us to make the decisions we believed were right for the football club, our people, our supporters and our community.

The figures in our financial statements highlight the continued investment made in our club, as we strive to achieve our long-term strategic vision of delivering European qualification, success through trophies and a new state-of-the-art stadium.

PLANNING AHEAD

That long-term vision was at the heart of the strategic football review that has taken place during the 2021/22 season. The review has allowed key lessons to be identified and used to inform the football strategy now being laid out for our future, with the appointment of Frank Lampard as our Manager and Kevin Thelwell as our Director of Football key examples of that strategy in action.

A major part of our vision is, of course, delivering a new home for the Club at Bramley-Moore Dock. While the pandemic and lockdown impacted the development industry as a whole, our Stadium Development Team, alongside our consultants, continued to relentlessly drive the project forward. The unanimous approval we received to allow the project to go ahead was the culmination of an extensive and robustly executed planning process from everyone at Everton.

While our stadium journey has been long, the part played by fans has been vital. From the initial surveys that helped form our key principles and the focus groups and consultations that shaped our designs, through to the backing of our proposals in the planning stages, our supporters have provided crucial support every step of the way. While the site of Bramley-Moore Dock has changed beyond recognition since works began last July, much of the progress to date has been 'below ground', with the dock having been cleared, filled and prepared for the construction phase. The hard work and perseverance of all those who have contributed to this project will be truly rewarded as we journey deeper into 2022 and the stadium itself begins to rise from the ground.

ENGAGING FANS WHEN IT MATTERS

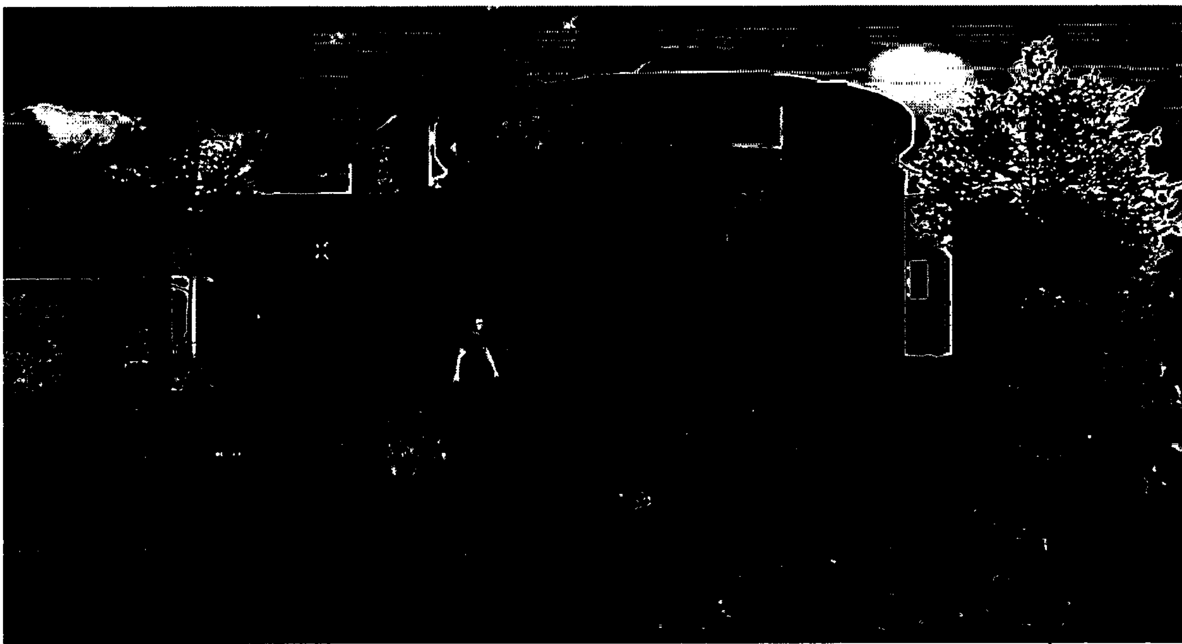
I'm sure that, like me and the entire footballing family, you were shocked in April 2021 when 12 clubs threatened to destroy the integrity and future of our much-loved game through the formation of a European Super League. Our response as a club was unequivocal and we made our point both in private meetings within the Premier League structure and through public statements and direct communications to our fans. It was important for me that, at such a pivotal point in the history of the game, the voice of fans was heard - and I was thrilled that more than 10,000 Evertonians took up the opportunity to give their feedback on how football and the Club can shape the future of the game.

The results of the survey showed us that, whilst the vast majority of fans were proud of the Club and trust the leadership structure and our decision-making process, there is still a concern about the structure of football in this country and the impact it is having on grassroots football. The results that have been heeded and will be used to shape our approach moving forward.

In late 2021, we began discussions with the Everton Stakeholder Steering Group (ESSG) in relation to creating an independent Fan Advisory Board. For many years we have engaged directly and on a frequent basis with our Fans' Forum, and we meet regularly with our Supporters' Club Committee, our international supporters, representatives of the Everton Disabled Supporters' Association, and other key supporter groups. However, we are committed to ensuring Everton delivers long-term, meaningful engagement for supporters, and we will continue to work with the ESSG to establish an effective, inclusive Advisory Board and develop a process for introducing fan representation at Board meetings.

LOCAL AND INTERNATIONAL PROGRESS

The coming year will see us become the first Premier League club to open a dedicated facility offering mental health support and provision related to suicide prevention. The People's Place will become the latest jewel in the crown of our L4 campus and allow Everton in the Community to build on and expand the work it has undertaken in this vitally important area for the past 15 years.



Finally, our expansion across international markets has continued, despite the obvious obstacles created by the pandemic. In the past 18 months we have launched a new department at the Club devoted to our global growth, opened a US office in Miami, enjoyed a pre-season tour of the United States, and delivered significant increases in our database and digital audience in target territories across North America, South America and Asia.

And so, as the world emerges from the pandemic and semblances of normality come back into our lives, Everton is in a position to drive forward with confidence and determination into a post-Covid world.

Denise

ACCOUNTS

2020/21

Directors & Advisors

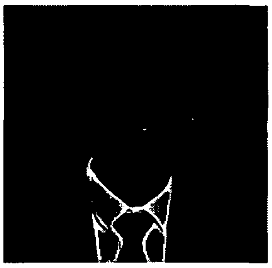
Directors

W Kenwright CBE
Chairman

D Barrett-Baxendale MBE
Chief Executive

A Ryazantsev
Chief Financial and Commercial Officer
(Resigned 27 August 2021)

M W Brands
Director of Football
(Resigned 3 December 2021)



G Ingles
Director of Finance, Strategy and Performance
(Appointed 14 July 2021)

S Ismailov
Owner's Executive Representative
(Appointed 14 July 2021, resigned 2 November 2021)

G Sharp
Non-Executive Director
(Appointed 5 January 2022)

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BDO LLP
Statutory Auditor
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Liverpool
L2 5RH

Bankers
Metro Bank
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Registrars
Capita IRG
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Huddersfield
West Yorkshire
HD8 0GA

Company Registration Number
36624

Strategic Report:
Finance and Commercial Review

Review of Business and Key Performance Indicators

This strategic report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to the Group and its subsidiary undertakings when viewed as a whole.

The Club has several Key Performance Indicators across turnover, costs and profitability which are outlined below.

Impact of the COVID-19 Pandemic

For the second successive year, the COVID-19 pandemic has presented a profoundly difficult trading environment for all professional football clubs, of which Everton is no exception. During the year ended 30 June 2021, the Club generated a minimal amount of matchday revenue due to the COVID-19 pandemic restrictions being in place for almost the whole year. The player trading environment, previously a buoyant and dynamic market, has experienced a material COVID-19 pandemic related regression, both in the number and value of transactions completed. This has, therefore, caused a significantly altered financial landscape which will take the Club a significant amount of time to fully adapt to. Despite these substantial and unprecedented external headwinds, the Club remains in a secure financial position thanks to the continued unwavering support and commitment of our Majority Shareholder, and cost control measures continuously adopted by the Club.

Over the last two financial years, the Club has lost a significant amount of revenue, across all of its revenue streams of broadcasting, commercial and matchday, and incurred significant additional costs, as a direct result of the COVID-19 pandemic. This has caused the current and previous financial periods' losses after tax as presented in the Annual Report and Accounts to both show a materially different financial performance to what the Club had anticipated pre-pandemic. Whilst some of these factors relate to timing differences due to the delayed completion of the 2019/20 season, the Club has experienced material revenue reductions and additional costs which cannot be recouped.

The crystallised impact of the COVID-19 pandemic on the financial results to 30 June 2021 is summarised as follows:

	2021	2020	Total
	£m	£m	£m
Lost Revenue	15.2*	33.2	48.4
Additional Costs	(0.4)**	34.1	33.7
Combined COVID-19 Impact	14.8	67.3	82.1

*2021 revenue represents the net impact of loss of revenue from staging games behind closed doors and loss of sponsorship income netted against the deferred income from 2020 falling into 2021 (revenue moved into 2021 from 2020 due to the delay in completion of the 2019/20 season).

**2021 costs represents the net impact of incurred specific COVID-19 pandemic costs netted against the cost savings from staging 35 league games behind closed doors.

Please note, the table above does not include uncrystallised COVID-19 pandemic related losses arising from the significant deterioration in the player trading market. The ability of the Club to generate material profits on player trading, which also yields significant wage and amortisation savings due to the players no longer being contracted to the Club, has unquestionably resulted in a material and negative impact on the Club across the last two reporting periods.

The Club is continuing to assess the uncrystallised financial impact caused by the COVID-19 pandemic and the Board of Directors strongly believe that a further substantial financial loss, not reflected in the £82.1m cumulative crystallised figure referred to opposite, has been incurred by the Club.

Turnover

The Club is pleased to report record turnover in the year ended 30 June 2021, primarily as a result of the 2019/20 season being completed in the period and the associated accounting impact of recognising this previously deferred revenue (£26.0m). Turnover for the current and previous financial years would have been reported at over £200m for the first time in the Club's history had COVID-19 pandemic disruption not occurred. As explained above, the two financial periods have been materially impacted due to a timing issue due to the completion of the 2019/20 season across two financial periods and the COVID-19 pandemic related loss of revenue.

	2021	2020	Change
	£m	£m	£m
Broadcasting	146.4	98.0	48.4
Gate receipts	0.2	11.9	(11.7)
Sponsorship, advertising and merchandising	35.5	63.7	(28.2)
Other commercial activities	11.0	12.2	(1.2)
Turnover	193.1	185.8	7.3

Broadcast Revenue

Total broadcast revenue increased to £146.4m (+£48.4m, 49%) primarily due to the delayed conclusion of the 2019/20 season, falling into the current financial year ended 30 June 2021. A total of £23.5m would have been recognised in year ended 30 June 2020, had the season been completed by May 2020. Thirty-one of the thirty-eight 2019/20 Premier League fixtures were only completed by 30 June 2020, with the Club therefore unable to recognise this revenue relating to the remaining seven games played in July 2020 until the current year ended 30 June 2021. The timing related loss of £23.5m in 2020, and subsequent gain of £23.5m in 2021, contributed to £47.0m of the total £48.4m increase in broadcast revenue.

50% of the domestic TV revenue is allocated to clubs based on the number of times they are selected for live domestic broadcast in the UK (facility fee) and their final Premier League position (merit payment). The Club was selected for live domestic broadcast on 24 occasions during the 2020/21 season (2019/20 full season: 22) generating £21.6m in facility fees (2019/20 full season: £19.7m). This represents a £1.9m increase from 2 additional picks on a completed season comparison basis.

The revenue generated from the Club's 10th placed league position finish in the 2020/21 season was £23.8m, leading to a £1.6m uplift in comparison on a completed season basis to the 2019/20 season (2019/20: £22.2m, 12th place).

The remainder of the domestic TV revenue is shared equally between each club and £31.3m has been recognised in year ended 2021, which is comparable with the completed 2019/20 season.

The international TV revenue is recognised in two parts, with the largest portion being shared equally by all clubs, representing £48.3m (2019/20 completed season: £45.3m). The remainder is distributed on a merit based system according the league position finish, with £4.6m recognised for the 10th place finish (2019/20 completed season: £6.7m, 12th place).

Similar to the year ended 2020, the disruption caused by the pandemic also resulted in a reduction of Premier League income due to rebates being paid to broadcasters. A total of £6.2m was recognised as payable to broadcasters in the year ended 30 June 2021 (2020: £2.5m).

Gate Receipts

Gate receipts revenue of £0.2m (2019/20: £11.9m) was generated from just three Premier League matches and one League Cup quarter final being staged at Goodison Park. The attendance at all of these matches was heavily restricted due to the COVID-19 pandemic, with the highest attendance reaching only 6,068, for the last Premier League home game against Wolverhampton Wanderers. The £11.9m achieved in year ended 30 June 2020 was also heavily impacted by the COVID-19 pandemic, with the revenue representing only 14 Premier League fixtures and two League Cup fixtures at Goodison Park with full fans in attendance.

The Club continues to benefit from unwavering support from its supporters, who were so sorely missed during all the fixtures played behind closed doors.

The Club was thrilled to welcome our fans back to Goodison Park at the start of the 2021/22 season and is cautiously optimistic that the season can be completed with no restrictions on capacity.

The Club is extremely grateful for the strong Season Ticket renewals seen at the end of the year ended 30 June 2021 and into the 2021/22 season. Despite the Club making available the maximum permissible number of Season Tickets for sale under Premier League rules, demand for Season Tickets has, once again, significantly outstripped the available supply and the Club continues to operate a Season Ticket waiting list for supporters wishing to purchase a seat in the future.

Sponsorship and Commercial Activities

The Club's sponsorship, advertising and merchandising revenue totalled £35.5m, a £28.2m reduction on 2019/20. However, the record revenue of £63.7m in the year ended 30 June 2020 benefited from the one-off impact of the Club receiving a £30m option premium for the purchase of a naming rights contract for our new stadium at Bramley-Moore Dock at a pre-agreed annual value and term. When taking into account this one-off impact, the £35.5m achieved in the year ended 30 June 2021 would have been a Club record, which considering the impact of the COVID-19 pandemic, demonstrates the Club's strong relationships with existing partners and also the Club's ability to gain additional commercial revenue even in the challenging pandemic environment.

The 2020/21 season was the first year of Hummel as our technical kit partner and also Cazoo as the new main partner, replacing Umbro and SportPesa respectively. These new partners were secured despite challenging market conditions, with Premier League football completely suspended during the first lockdown. The Club made a strategic decision to exclude the Women's shirt from the Cazoo deal, opting instead for an exclusive and innovative partnership between Everton Women and Megafon.

The Club's official partnership portfolio also includes Parimatch, Monster Energy, Davanti Tyres, Fratelli Beretta, eToro, Molson Coors and Rushbet. The Club continues its strategy of expanding its partnership portfolio in terms of overall number of partners, sectors and global geographical reach.

Total commercial revenue from sponsorship, advertising and merchandising, and other commercial activities has grown from £26.0m to £46.5m over a six-year period between 2014/15 and 2020/21 (10% compounded growth per annum).

As of 30 June 2021, the Club had more than 10.97m social media connections across Facebook (3.7m), Twitter (2.5m), Instagram (2.4m), as well as Tik Tok (660k), YouTube (500k), Weibo (650k), Douyin and Toutiao. Last year, we reported a year-end figure as of 30 June 2020 of 7.62m total social connections (a 44% increase). As of 30 September 2021, we have 11.48m total social connections - a 4.6% increase for 2021/22 after three months of the year.

Operating Expenses (Excluding Player and Management Trading)

Operating expenses (excluding player and management trading) decreased to £222.3m (2019/20: £229.1m), which includes exceptional costs of £7.2m (2019/20: £24.3m).

Continued significant investment made in the First-Team squad in recent years has resulted in an increase in staff costs to £182.6m (2019/20: £164.8m). The Club's total wage to turnover ratio has increased from 89% in 2019/20 to 95% in 2020/21.

This figure has been artificially inflated by the loss of revenue because of the COVID-19 pandemic disruption and increased player costs from the 2019/20 season being completed in July 2020. The staff costs also reflects the Club's decision not to furlough any staff member during the pandemic over the last two financial years. As in previous years, the ongoing outsourcing of the Club's retail and catering operations, which reduces turnover (and costs) when comparing to other clubs who manage these functions in-house, also resulted in an artificially inflated wage to turnover ratio. The Club's policy is to reduce the wage to turnover ratio going forward to bring it more in line with its peers in the Premier League, whilst also ensuring that the First-Team squad remains as competitive as possible.

The Club's other operating costs decreased to £25.4m (2019/20: £33.1m), which was mainly driven by the ongoing tight management of operational costs and reduced costs from staging fixtures at Goodison Park without fans in attendance.

The Club has once again committed significant funds to the development of the new stadium and the Club incurred capital cost of £20.3m (2019/20: £19.9m classed as exceptional operating costs) for design and other work relating to the project. In all financial periods prior to 30 June 2021, the expenditure on the new stadium project has been expensed through the Profit and Loss account because, despite substantial investment and confidence in the project, there was insufficient certainty from an accounting perspective that future economic benefits associated with the development would have flowed to the Club.

Early in the current financial period, certainty and confidence in the project had grown to a level where there was sufficient probability that economic benefits from the development would flow to the Club to permit the Club to capitalise new stadium costs incurred during the year onto the balance sheet. The Club received unanimous planning approval on the 23 February 2021 from Liverpool City Council's planning committee and, on 26 March 2021, received planning approval from the Secretary of State for Housing, Communities and Local Government. This approval provided further confidence that future economic benefits associated with the new stadium project will flow to the Club to justify capitalising project expenditure in the current reporting period ending 12 months to 30 June 2021. In the post-year end period, the Club officially broke ground on the new stadium site at Bramley-Moore Dock and enabling works are currently being completed by the Club's construction partner, Laing O'Rourke.

In the Financial year ended 30 June 2021, no operating exceptional cost was incurred for amounts payable in relation to the change in coaching staff (2019/20: £6.6m).

Strategic Report:
Finance and Commercial Review (cont.)

As a result of the above, the Club made an operating loss before player and management trading of £29.2m (2019/20: £43.3m), excluding player trading.

	2021	2020	Change
	£m	£m	£m
Turnover	**193.1**	**185.9**	**7.2**
Staff Costs	(182.6)	(164.8)	(17.8)
Other Operating Costs	(25.3)	(33.0)	7.7
Depreciation	(7.1)	(6.9)	(0.2)
Operating expenses (pre-player and management trading)	**(215.0)**	**(204.7)**	**(10.3)**
Expenditure incurred on new stadium project	-	(19.9)	19.9
Provision for Onerous Contract	(7.2)	(4.4)	(2.8)
Operating expenses - exceptional items (pre-player and management trading)	**(7.2)**	**(24.3)**	**17.1**
Operating loss (pre-player and management trading)	**(29.1)**	**(43.1)**	**14.0**

Player and Management Trading

Under the FRS 102 accounting standard, the Club is required to capitalise the cost of acquiring a player's registration (transfer and agent fees) and then amortise it over the length of the player's contract, effectively reducing the balance sheet value of a player over that time. No increase in the valuation of a player is permitted until that player is sold and a revised value is crystallised in the profit and loss account through a one-off profit or loss on disposal.

The Club has committed a significant investment into its playing squad during the previous four seasons, resulting in an amortisation charge of players' registrations of £81.2m during 2020/21 (2019/20: £99.2m).

As mentioned above, the COVID-19 pandemic has caused a significant adverse change in the economic environment which the Club has been operating in. As a direct result of the market conditions created by the COVID-19 pandemic and the ongoing depression of the transfer market, over the last two financial years it has become apparent that the Club was carrying the registration rights for a number of players on the balance sheet at an amount greater than the recoverable amount (higher of value in use and fair value less costs to sell). Prior to the COVID-19 pandemic, the Club would have been confident of either selling, or realising a value in use, for these players at an amount above their net book value, however underlying market conditions at both 30 June 2020 and 30 June 2021 meant this was no longer probable.

The Club has recognised an exceptional impairment charge of £15.3m (2019/20: £26.3m) in relation to player registrations, as well as a £7.2m provision (2019/20: £4.4m provision) for onerous contracts.
The exceptional impairment charges in relation to player registrations and provisions for onerous contracts are, in part, a direct and unavoidable consequence of the market conditions presented by the COVID-19 pandemic.

Profit on the disposal of player registrations was £13.2m, a decrease of £27.3m on the previous year, which is reflective of the Club again retaining its key players and also the transfer market being impacted by the COVID-19 pandemic. It should be noted that the balance sheet value of the Club's playing squad of £209.7m at 30 June 2021, as calculated under FRS 102, was significantly lower than the insured value of the squad at the same point in time.

After player and management trading, the Club generated a loss before interest and taxation of £112.4m (2020: net loss £134.8m).

	2021	2020	Change
	£m	£m	£m
Operating loss (pre-player and management trading)	**(29.1)**	**(43.1)**	**14.0**
Amortisation of players' registrations	(81.2)	(99.2)	18.0
Impairment of player registrations	(15.3)	(26.3)	11.0
Amounts payable to former employees in relation to change in coaching staff	-	(6.6)	6.6
Profit on player trading	13.2	40.5	(27.3)
Player and management trading	**(83.3)**	**(91.6)**	**8.3**
Statutory Loss before interest and taxation	**(112.4)**	**(134.7)**	**22.3**
Interest and taxation	(8.5)	(5.1)	(3.4)
Statutory Loss	**(120.9)**	**(139.8)**	**18.9**
Impact Directly Attributable to COVID-19	14.8	67.3	(52.5)
Underlying Loss	**(106.1)**	**(72.5)**	**(33.6)**

After interest and taxation, the Club recorded a loss for the year of £120.9m (2019/20: loss of £139.8m). When adding back the crystallised financial impact of the COVID-19 pandemic, the underlying financial loss for the year was £106.1m (2019/20: loss of £72.5m).

The financial impact directly attributable to the COVID-19 pandemic is not considered to be part of the underlying reported loss because it is non-recurring in nature. In future financial periods we expect a return to the usual operating model. Therefore, in order to retain comparability, it is necessary to calculate an underlying loss before tax which excludes the impact of the COVID-19 pandemic.

Balance Sheet and Funding

The Club once again invested significantly into the men's First-Team squad in the summer of 2020, with the permanent signings of Allan Marques, Abdoulaye Doucoure and Ben Godfrey resulting in additions to the Club's Intangible Assets of £71.5m. Despite these additions, the amortisation and impairment charged to the profit and loss account have resulted in a small reduction in the Intangible Assets held on the balance sheet to £209.7m (2020: £227.6m). The Group once again also invested significantly into the Women's first-team squad through the additions of Valerie Gauvin, Damaris Egurrola, Nicoline Sorensen, Poppy Pattinson, Ingrid Moe Wold, Rikke Sevecke, Claire Emslie and loan signings of Jill Scott, Alisha Lehmann and Claire Emslie.

The Club's net asset position in 2020/21 was £49.7m (2019/20: £70.9m). The investment into the First-Team squad, as well as the operating performance described above, was partly funded by the Majority Shareholder. A share issue was completed during the year that involved the introduction of £100m of new funds by the Majority Shareholder into the Club since the start of the period, (received since July 2020) and the capitalisation of £100m of loans previously made to the Club (loans made prior to the start of the current financial year).
In accordance with FRS 102, the shareholder loan from Bluesky Capital Limited has been accounted for as equity. Bluesky Limited continued to support the Club post year end, with an additional shareholder loan of £97.0m being received since 30 June 2021 and is reflected in Note 21 of the Report and Accounts as a Post Balance Sheet Event.

The Club's net debt position increased to £58.2m (2019/20: £2.3m) as a result of investment in the playing squad, measures taken to protect the Club's cashflow position in the previous financial period reversing, and also the continued ongoing impact of the COVID-19 pandemic.

The Club successfully secured a new, five year, £100m credit facility with Right and Media (representing a £20m increase from the previous facility) and negotiated a Coronavirus Large Business Interruption Loan as one of the measures to deal with the financial impact of the COVID-19 pandemic at an increased amount of £30m, which is repayable over three years.

We continue to pro-actively develop our long-term relationships with numerous financing institutions for strategic financing transactions.

G Ingles
Director

Strategic Report

Principal Risks and Uncertainties

The Group's activities expose it to a number of financial risks, including credit risk, cash flow risk and liquidity risk:

Cash flow risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. Where possible, the Group uses foreign exchange forward contracts to help mitigate changes in exchange rates. Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

The Group's principal financial assets are bank balances and cash, trade and other receivables. The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses a mixture of long-term and short-term debt finance. Further details regarding liquidity risk can be found in the Statement of Accounting policies in the financial statements.

Going Concern

In preparing these financial statements, the Directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Club will continue in business. In satisfaction of this responsibility, the Directors have considered the Group's ability to meet its liabilities as they fall due for a period of at least twelve months from the signing date of the financial statements following investment from the majority shareholder in both the current and prior financial period, and the Club's existing banking facilities secured in the year ended 30 June 2021. The Club entered into a five year £100m working capital facility with Rights and Media Funding Limited and also secured a £10m uplift in the Metro Bank CLBILS facility to £30m, which is repayable over a three-year period. The agreement includes a financial covenant that requires the Club to retain a prescribed cash balance throughout the term of the agreement that is assessed on a quarterly look forward basis.

In assessing the appropriateness of the going concern assumption, the Directors have produced detailed cash flow forecasts for a number of scenarios. It is acknowledged that the global and UK outbreak of the COVID-19 pandemic has continued to present uncertainties on the 2021/2022 football season in several respects.

At the time of issue of these financial statements all professional football and other elite sport in England is now able to take place at full stadium capacities. Whilst the Directors are cautiously optimistic, the continued ability to operate matches at full capacity remains unknown at this stage and is largely dependent on the effectiveness of virus suppression measures in the coming months.

Whilst the Premier League and the Club continue to monitor the situation closely, and continue to model scenarios for how the current season will develop, the environment is subject change at short notice. The Directors acknowledge that matches could return to behind closed doors, and commercial revenues, including sponsorship income, could also be adversely affected in the current 2021/22 season. Furthermore, the ability of the Premier League to maintain central distributions at current levels over the going concern assessment period cannot be determined with certainty, although 2020/21 and 2021/22 League distributions have to date been maintained or accelerated.

The Club is able to review its cost base, trading strategy and the ability to defer other planned discretionary expenditure in the short term to offset any potential reductions in revenue. The Club has also secured longer term funding facilities during the year ended 30 June 2021, removing the uncertainty of facilities becoming unavailable, and the Club continues to have the support of the Majority Shareholder regarding ongoing funding arrangements.

The Directors are cautiously optimistic that full capacity fans in stadia will continue and that, if games revert back to behind closed doors in the future, the Club will be able to make the necessary financial and operational adjustments to ensure the Club remains solvent in the meantime. As such, the Directors have therefore concluded that it is appropriate for the financial statements to be prepared on the going concern basis. Considering the impact of the COVID-19 pandemic and the various potential scenarios, the Directors have prepared a reverse stress testing sensitivity on the basis that the season reverts back to behind closed doors.

Post year end, the Majority Shareholder has made a further £242m of financial support available for drawdown and use by the Club via an extension to the interest free Shareholder Loan. At the date of signing these accounts, £97m of this has been received by the Club (see note 21), with the remaining £145m to be drawdown by the Club when required and as included in management's forecasts. This support is being used to fund the enabling works on the New Stadium development and for operational cashflow requirements. Sufficient headroom has been identified to conclude on the Club's ability to continue as a going concern for the foreseeable future when taking into account the committed and continuing financial support of the Club's Majority Shareholder.

As such, the Directors do not consider there to be a material uncertainty in relation to the ability of the Club to continue as a going concern. The Directors have considered the sensitivities of the trading projections and, in the event that they would be required, have identified a number of potential mitigating actions to manage any resulting forecast shortfall against current facilities, including the ability within the industry to securitise additional future guaranteed revenues and flexibility around player trading.

Based on the mitigating actions referred to above and the comfort obtained from current funding partners, as well as the continued financial support of the Club's Majority Shareholder, the Directors have a reasonable expectation that the Group will have adequate resources to continue in operation existence for the foreseeable future. Accordingly, they adopt the going concern basis in the Financial Statements for the year ending 30 June 2021.

Section 172 Statement

Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders and other matters in their decision-making. The Directors recognise their responsibility to act in a way which promotes the success of the company for all stakeholders and have evaluated how we have engaged with them during the year.

Supporters

The continuing inspirational support given by our fans is truly humbling and we are incredibly grateful for our remarkable fanbase. The Club is committed to continuing engagement with supporters and holds monthly meetings with the Everton Fans Forum to discuss key initiatives and priorities and ensure Everton supporters are kept fully up to date with all Club issues.

Community

The Club and its charity partner, Everton in the Community, through the positive promotion of sport, physical activity and the brand of Everton Football Club, are committed to providing high quality, accessible participant and development opportunities that positively change lives and bring enjoyment to our communities.

During the last two financial years both parties launched 'Blue Family', a coordinated outreach and engagement campaign to maintain contact with fans and provide vital support and assistance to some of the most vulnerable, socially isolated and at-risk members of the community in the wake of the coronavirus pandemic.

Employees

The physical, mental and emotional wellbeing of all employees is of the upmost importance to the Club. We are committed to improving the lives of our colleagues and ensuring we improve their health and wellbeing. We have worked with the Workplace Wellbeing Charter to create a bespoke programme of support that is best suited to the Everton Family and our colleagues needs.

Equality and diversity is central to all employee considerations and the Club is proud to be a Living Wage accredited employer.

Key Board decisions made impacting stakeholders in the year to 30 June 2021 are set out below:

- The Board made the decision to financially compensate Season Ticket and Hospitality Members for Premier League fixtures which were staged behind closed doors because of the COVID-19 pandemic. Through no fault of their own fans were unable to attend these fixtures, therefore the Board wished to make several options available to fans. These options included a full cash refund, roll forward of any monies owed as a credit against future ticket purchases in the 2021/22 season, or a donation to the Club's charity, Everton in the Community.
- Significant financial resources were once again committed by the Board of Directors to the Club's new stadium project at Bramley-Moore Dock. This brings the total cumulative cost incurred on the Bramley-Moore Dock project to £58.8m.
- The Club decided to continue to pay all casual staff and contractors throughout the Coronavirus disruption period. The Club had the option to furlough employees as part of the Government Coronavirus Job Retention Scheme, however chose against doing this on the basis that it carried significant risks for the Club in relation to business continuity and readiness for return. The Club is extremely grateful for the voluntary wage deferrals agreed to by footballing and senior staff during the height of the uncertainty created by the COVID-19 pandemic. This remarkable show of unity enabled the Club to maintain the salaries of all Everton and Everton in the Community full and part-time employees and the deferrals have now been repaid in full to all employees.

Streamlined Energy and Carbon Reporting (SECR)

The Club is firmly committed to operating in a green and sustainable manner and takes its responsibilities in these areas extremely seriously. A campaign titled 'Everton for Change' that was launched in the 2019/20 season remains active to raise environmental awareness and explore new ways to make a positive impact on the planet.

Environmental awareness is embedded into the Club's day-to-day operations, with several initiatives in place across operational sites including, but not limited to:

- Reduced energy consumption with the use of LED lighting, installation of lighting motion sensors and centrally controlled heating.
- Central waste and recycling points to optimise the Club's capabilities. Food waste is collected and recycled for green energy, organic waste and other plant material is recycled into natural compost, and the Club commits to using only organic fertilisers.
- A continual strive to reduce the consumption of single use plastics. Reusable carrier bags that are 100% recyclable are used in Club shops, as well as reusable cups, wooden cutlery and paper straws being used on matchdays at Goodison Park.

The Club's energy usage in the year ending 30 June 2021 was 7.6 million kWH (2020: 9.9 million) and total UK emissions were 1,583 tCO2e (2020: 2,334). This represents an intensity ratio of 0.820 tCO2e per £100k of turnover (2020: 1.305).

Future Developments

The Directors expect the general level of activity to remain consistent with 2020/21 in the forthcoming year. Details of significant events since the balance sheet date are contained in note 21 to the financial statements.

Approved by the Board and signed on its behalf by:

G Ingles
Director

29 October 2021
Goodison Park, Liverpool
L4 4EL

Directors' Report

The Directors present their annual report on the affairs of the Group, together with the financial statements and auditor's report, for the 12 month period ended 30 June 2021.

Principal Activity

The principal activity of the Group continues to be that of a professional football club. The Group has continued to develop the Everton brand and associated media rights.

Result for the Year

The loss for the period amounted to £120.9m (2020: £139.9m), which has been withdrawn from reserves (2020: same). The Directors are not able to recommend the payment of a dividend (2020: same).

Future Developments and Events After the Balance Sheet Date

Details of future developments and events that have occurred after the balance sheet date can be found in the Strategic Report and form part of this report by cross-reference.

Going Concern

The Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the Strategic Report and note 1 to the financial statements.

Disabled Employees

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is *made to ensure that their employment with the Group continues and* that appropriate training is arranged. It is the policy of the Group and 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 Consultation

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees, and on the various factors affecting the performance of the Group and the Company. This is achieved through formal and informal meetings and the Company intranet. Employee representatives from the Staff Forum are consulted regularly on a wide range of matters affecting their current and future interests.
The employee staff forum is open to all employees.

Directors

The Directors in office during the period and to the date of this report are disclosed on page 14 (Directors and Advisers section).

Directors' Responsibilities Statement

The Directors are responsible for preparing the Annual 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), including FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland". 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 parent company and of the profit or loss of the Group for that period.

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

- *select suitable accounting policies and then apply* them consistently;
- make judgements 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; and
- 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.

Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the Directors.
The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Directors' Indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report.

Auditor

BDO LLP were appointed as auditor in the prior year by the Directors.

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

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Board and signed on its behalf by:

G Ingles
Director

29 October 2021
Goodison Park, Liverpool
L4 4EL

Independent Auditor's Report
to the Members of Everton Football Club Company Limited

Opinion on financial Statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2021 and of the Group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Everton Football Club Company Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 June 2021 which comprise the consolidated profit and loss account, the consolidated and company balance sheet, the consolidated and company statement of changes in equity, the consolidated cash flow statement and notes to the financial statements, 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Parent Company 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.

Conclusions Relating to Going Concern

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

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

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

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Other Companies Act 2006 Reporting

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. In the light of the knowledge and understanding of the Group and 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 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.

Extent to which the audit was capable of detecting irregularities, including fraud

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

Based on our understanding and accumulated knowledge of the Group and its subsidiaries and the sector in which it operates we considered the risk of acts by the Group and its subsidiaries which were contrary to applicable laws and regulations, including fraud and whether such actions or non-compliance might have a material effect on the financial statements. These included but were not limited to those that relate to the form and content of the financial statements, such as the Group accounting policies, FRS 102, the UK Companies Act 2006; those that relate to the payment of employees; and industry related such as regulations impacting football club operations including the Premier League Profitability and Sustainability rules whereby throughout our audit work we remained alert to any possible non-compliance especially in relation to player acquisitions. All team members were briefed to ensure they were aware of any relevant regulations in relation to their work.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries, management bias in accounting estimates and improper revenue recognition associated with year-end cut off. Our audit procedures included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to revenue recognition, valuation of intangible assets, new stadium expenditure, recognition of deferred tax assets and contingent player appearance fees;
- Focus was made on revenue year end cut-off procedures and the inclusion of revenue in the correct accounting periods;
- Identifying and testing journal entries, in particular any journal entries posted with specific keywords, manual journals to revenue and cash, journals posted by super users and journals posted at weekends;
- Discussions with management and Directors, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Review of minutes of Board meetings throughout the period; and
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Stuart Wood (Senior Statutory Auditor)
For and on behalf of BDO LLP
Statutory Auditor
Liverpool, UK
29 October 2021

Consolidated Profit and Loss Account
for the year ended 30 June 2021

	Notes	2021 Operations excluding player and management trading £'000	2021 Player and management trading £'000	2021 Total £'000	2020 Operations excluding player and management trading £'000	2020 Player and management trading £'000	2020 Total £'000
Turnover	1,2	**193,143**	**-**	**193,143**	**185,882**	**-**	**185,882**
Operating expenses	3	(215,021)	(81,243)	(296,264)	(204,766)	(99,232)	(303,998)
Operating expenses - exceptional costs	3	-	(22,518)	(22,518)	(24,249)	(32,873)	(57,122)
		(215,021)	(103,761)	(318,782)	(229,015)	(132,105)	(361,120)
Operating loss	4	**(21,878)**	**(103,761)**	**(125,639)**	**(43,133)**	**(132,105)**	**(175,238)**
Profit on player trading		-	13,226	13,226	-	40,455	40,455
Loss before interest and taxation		**(21,878)**	**(90,535)**	**(112,413)**	**(43,133)**	**(91,650)**	**(134,783)**
Interest receivable and similar income	5			522			3,268
Interest payable and similar charges	6			(9,043)			(8,348)
Loss before taxation				**(120,934)**			**(139,863)**
Tax on loss	8			-			(6)
Loss after taxation for the period withdrawn from reserves				**(120,934)**			**(139,869)**

All the above amounts derive from continuing operations.

There are no other items of income or expense for the period ended 30 June 2021 and the prior year other than as stated in the consolidated profit and loss account, accordingly no separate consolidated statement of comprehensive income is given.

Consolidated Balance Sheet
at 30 June 2021

		30 June 2021		30 June 2020	
		£'000	£'000	£'000	£'000
	Notes				
Fixed assets					
Intangible assets	10		209,849		227,568
Tangible assets	11		36,895		21,878
			246,744		**249,446**
Current assets					
Debtors					
- Due within one year	14	20,700		64,974	
- *Due after one year*	14	272		4,275	
Cash at bank and in hand		70,059		56,404	
		91,031		**125,653**	
Creditors - amounts falling due within one year	15	(121,790)		(250,288)	
Net current liabilities			**(30,759)**		**(124,635)**
Total assets less current liabilities			**215,985**		**124,811**
Creditors - amounts falling due after more than one year	16		(151,995)		(37,673)
Provision for liabilities	17		(14,241)		(16,206)
Net assets			**49,749**		**70,932**
Capital and reserves					
Called up share capital	18		102		35
Share premium account	18		224,902		24,968
Profit and loss account - deficit	18		(423,504)		(302,570)
Other reserves	18		248,249		348,499
Shareholders' funds			**49,749**		**70,932**

The financial statements of the Everton Football Club Company Limited, registered number 36624, were approved by the Board and authorised for issue on 29 October 2021 and signed on its behalf by

W Kenwright CBE
Director

Company Balance Sheet
at 30 June 2021

	Notes	30 June 2021 £'000	30 June 2021 £'000	30 June 2020 £'000	30 June 2020 £'000
Fixed assets					
Intangible assets	10		209,736		227,568
Tangible assets	11		13,320		18,348
Investments	12		-		-
			223,056		245,816
Current assets					
Debtors					
- Due within one year	14	81,022		103,964	
- Due after one year	14	272		4,275	
Cash at bank and in hand		66,850		53,259	
		148,144		161,498	
Creditors - amounts falling due within one year	15	(117,591)		(244,819)	
Net current assets / (liabilities)			30,553		(83,321)
Total assets less current liabilities			253,609		162,595
Creditors - amounts falling due after more than one year	16		(151,335)		(37,009)
Provision for liabilities	17		(14,241)		(16,206)
Net assets			88,033		109,380
Capital and reserves					
Called up share capital	18		102		35
Share premium account	18		224,902		24,968
Profit and loss account - deficit	18		(385,220)		(264,122)
Other Reserves	18		248,249		348,499
Shareholders' funds			88,033		109,380

The Company has taken advantage of Section 408 of the Companies Act 2006 and has not presented its own profit and loss account. The Company's loss for the year was £121,098,000 (2020: £119,991,000)

The financial statements of the Everton Football Club Company Limited, registered number 36624, were approved by the Board and authorised for issue on 29 October 2021 and signed on its behalf by

W Kenwright CBE
Director

Consolidated and Company Statements of Changes in Equity
For the year ended 30 June 2021

GROUP	Notes	Called-up share capital £'000	Share premium account £'000	Profit and loss account £'000	Other reserves £'000	Total £'000
At 1 July 2019		35	24,968	(162,701)	298,500	160,802
Loss for the year and total comprehensive expense		-	-	(139,869)	-	(139,869)
Loan from Shareholder classed as equity		-	-	-	49,999	49,999
At 30 June 2020		35	24,968	(302,570)	348,499	70,932
Loss for the year and total comprehensive expense		-	-	(120,934)	-	(120,934)
Loan from Shareholder classed as equity	18	-	-	-	49,750	49,750
Issue of new shares		67	199,934	-	(150,000)	50,001
At 30 June 2021		102	224,902	(423,504)	248,249	49,749

COMPANY	Notes	Called-up share capital £'000	Share premium account £'000	Profit and loss account £'000	Other reserves £'000	Total £'000
At 1 July 2019		35	24,968	(144,131)	298,500	179,372
Loss for the year and total comprehensive expense		-	-	(119,991)	-	(119,991)
Loan from Shareholder classed as equity		-	-	-	49,999	49,999
At 30 June 2020		35	24,968	(264,122)	348,499	109,380
Loss for the year and total comprehensive expense		-	-	(121,098)	-	(121,098)
Loan from Shareholder classed as equity	18	-	-	-	49,750	49,750
Issue of new shares		67	199,934	-	(150,000)	50,001
At 30 June 2021		102	224,902	(385,220)	248,249	88,033

Consolidated Cash Flow Statement
for the year ended 30 June 2021

	2021	2020
	£'000	£'000
Net cash flows from operating activities		
Loss for the period	(120,934)	(139,869)
Adjustments for:		
Profit on disposal of football staff registrations	(13,226)	(40,455)
Depreciation of tangible fixed assets	7,064	6,939
Amortisation of grants	(38)	(38)
Amortisation of football staff registrations	81,243	99,232
Impairment of football staff registrations	15,337	26,324
Interest receivable and similar income	(522)	(3,268)
Interest payable and similar charges	9,043	8,348
Taxation charge / (credit)	-	6
Operating cash flows before movements in working capital	**(22,033)**	**(42,781)**
(Increase) / Decrease in debtors	13,556	(7,291)
Increase / (Decrease) in creditors	(57,904)	56,888
Increase in provisions	2,720	4,243
Net cash generated from / (used in) operations	**(63,661)**	**11,059**
Cash flow from investing activities		
Proceeds from disposal of players' registrations	48,360	85,751
Purchase of players' registrations	(115,150)	(128,395)
Purchase of tangible fixed assets	(22,081)	(7,638)
Interest received	-	42
Shareholder loans treated as equity	99,751	49,999
Net cash flows used in investing activities	**10,880**	**(241)**
Cash flows from financing activities		
Interest paid	(4,814)	(3,093)
Repayments of borrowings	(18,750)	(18,750)
New loans	90,000	40,000
Net cash flows from financing activities	**66,436**	**18,157**
Cash at bank and in hand at beginning of period	56,404	27,429
Net increase in cash	13,655	28,975
Cash at bank and in hand at end of period	**70,059**	**56,404**

Notes to the Accounts
for the year ended 30 June 2021

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

(a) General information and basis of accounting

Everton Football Club Company Limited is a private Company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England. The address of the registered office is given on page 14. The nature of the group's operations and its principal activities are set out in the strategic report on page 16.

STATEMENT OF COMPLIANCE

The financial statements of Everton Football Club Company Limited have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard FRS 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102"), and the Companies Act 2006.

The parent company is included in the consolidated financial statements and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied.

No separate parent company Cash Flow Statement with related notes, remuneration of key management and related party transactions are included

The functional currency of Everton Football Club Company Limited and its subsidiaries is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The consolidated financial statements are also presented in pounds sterling.

The ultimate parent undertaking and controlling party is Blue Horizon Investments Limited, which owns 92.2% of the share capital of the Company. Blue Horizon Investments Limited is incorporate in the Isle of Man and is wholly-owned and controlled by Mr Moshiri.

(b) Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 30 June. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

(c) Going concern

In preparing these financial statements, the Directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Club will continue in business. In satisfaction of this responsibility the Directors have considered the Group's ability to meet its liabilities as they fall due for a period of at least twelve months from the signing date of the financial statements following investment from the majority shareholder in both the current and prior financial period, and the Club's existing banking facilities secured in the year ended 30 June 2021. The Club entered into a five year £100m working capital facility with Rights and Media Funding Limited and also secured a £10m uplift in the Metro Bank CLBILS facility to £30m, which is repayable over a 3 year period. The agreement includes a financial covenant that requires Club to retain a prescribed cash balance throughout the term of the agreement that is assessed on a quarterly look forward basis.

In assessing the appropriateness of the going concern assumption, the Directors have produced detailed cash flow forecasts for a number of scenarios. It is acknowledged that the global and UK outbreak of the COVID-19 pandemic continues to present uncertainties on the 2021/2022 football season in several respects.

At the time of issue of these financial statements all professional football and other elite sports in England is now able to take place at full stadium capacities. Whilst the Directors are cautiously optimistic, the continued ability to operate matches at full capacity remains unknown at this stage and is largely dependent on the effectiveness of virus suppression measures in the coming months.

Whilst the Premier League and the Club continue to monitor the situation closely, and continue to model scenarios for how the current season will develop, the environment is subject change at short notice. The Directors acknowledge that matches could return to behind closed doors, and commercial revenues, including sponsorship income, could also be adversely affected in the current 2021/22 season. Furthermore, the ability of the Premier League to maintain central distributions at current levels over the going concern assessment period cannot be determined with certainty, although 2020/21 and 2021/22 League distributions have to date been maintained or accelerated.

The Club is able to review its cost base, trading strategy and the ability to defer other planned discretionary expenditure in the short term to offset any potential reductions in revenue. The Club has also secured longer term funding facilities during the year ended 30 June 2021, removing the uncertainty of facilities becoming unavailable and the Club continues to have the support of the majority shareholder regarding ongoing funding arrangements.

The Directors are cautiously optimistic that full capacity fans in stadia will continue and that, if games revert back to behind closed doors the Club will be able to make the necessary financial and operational adjustments, to ensure the Club remains solvent in the meantime. As such, the Directors have therefore concluded that it is appropriate for the financial statements to be prepared on the going concern basis. Considering the impact of the COVID-19 pandemic and the various potential scenarios, the directors have prepared a reverse stress testing sensitivity on the basis that the season reverts back to behind closed doors. Post year end, the Majority Shareholder has made a further £242m of financial support available for drawdown and use by the Club via an extension to the interest free Shareholder Loan. At the date of signing these accounts, £97m of this has been received by the Club (see note 21) with the remaining £145m to be drawdown by the Club when required and as included in management's forecasts. This support is being used to fund the enabling works on the New Stadium development and for operational cashflow requirements. Sufficient headroom has been identified to conclude on the Club's ability to continue as a going concern for the foreseeable future when taking into account the committed and continuing financial support of the Club's majority shareholder.

As such, the Directors do not consider there to be a material uncertainty in relation to the ability of the Club to continue as a going concern. The Directors have considered the sensitivities of the trading projections and, in the event that they would be required, have identified a number of potential mitigating actions to manage any resulting forecast shortfall against current facilities including the

Notes to the Accounts
for the year ended 30 June 2021 (cont.)

ability within the industry to securitise additional future guaranteed revenues and flexibility around player trading.

Based on the mitigating actions referred to above, and the comfort obtained from current funding partners, as well as the continued financial support of the Club's majority shareholder, the Directors have a reasonable expectation that the Group will have adequate resources to continue in operation existence for the foreseeable future. Accordingly, they adopt the going concern basis in the Financial Statements for the year ending 30 June 2021.

(d) Turnover

Turnover is stated exclusive of value added tax, and match receipts are recognised net of payments owing to visiting clubs, the Premier League, the Football Association and the Football League.

Gate and other matchday revenue is recognised over the period of the football season as games are played. Sponsorship and similar commercial income is recognised over the duration of the respective contracts. The fixed element of broadcasting revenues is recognised over the duration of the football season it relates to whilst facility fees for live coverage or highlights are taken when earned. Merit awards are accounted for only when known at the end of the football season.

(e) Tangible Fixed Assets and Depreciation

Tangible Fixed Assets are stated at cost or valuation, net of deprecation and any provision for impairment. On properties it is provided to write off the costs or revalued amounts less estimated residual value (based on prices prevailing at the date of acquisition or revaluation) in equal annual instalments over the estimated useful economic lives of the assets which are considered to be between 10 and 40 years.

No depreciation is provided on land and assets in the course of construction.

Depreciation is charged on a straight line basis of three years for vehicles and five years for plant and equipment.

(f) Grants

Grants of a capital nature are credited to deferred income and amortised to the profit and loss account on a systematic basis over the useful economic life of the asset to which they relate.

(g) i) Current Taxation

Current taxation, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

(g) ii) Deferred Taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

(h) Intangible Fixed Assets - Players' Registrations

The cost of players' registrations and coaching staff appointments, including agents' fees, are capitalised and amortised on a straight line basis over the period of the respective players'/coaching staffs' contracts in accordance with FRS 102 section 18 'Intangible assets other than goodwill'.

When a playing/coaching staff contract is extended, any costs associated with securing the extensions are added to the unamortised balance (at the date of the amendment) and the revised book value is amortised over the remaining revised contract period.

(i) Contingent Appearance Fees

Where the Directors consider the likelihood of a player meeting future appearance criteria specified in the transfer agreement of the player to be probable, provision for this cost is made (see note 17). If the likelihood of meeting these criteria is merely possible not probable, then no provision is made but the potential obligations are disclosed as contingent liabilities (see note 19).

(j) Signing-on Fees and Loyalty Bonuses

Signing-on fees and loyalty bonuses represent a normal part of the employment cost of the player and as such are charged to the profit and loss account in the period in which the payment becomes due, except in the circumstances of a player disposal. In that case any remaining signing-on fees and loyalty bonuses due are allocated in full against profit or loss on disposal of players' registrations in the year in which the player disposal is made. Those instalments due in the future on continued service are not provided for but are noted as contingent liabilities (see note 19).

(k) Lease Rentals

Where the company enters into a lease which entails substantially taking all the risks and rewards of ownership of an asset the lease is treated as a finance lease. Assets acquired under finance leases are capitalised and depreciated over the shorter of their lease term or their estimated useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease even when payments are not made on such a basis.

(l) Foreign Currency Transactions

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All exchange differences are recognised in the profit and loss account.

(m) Pensions

Certain staff of the Group are members of either the Football League Limited Players Retirement Income Scheme, a defined contribution scheme, or the Football League Limited Pension and Life Assurance Scheme ("FLLPLAS"; "the Scheme"), a defined benefit scheme. As one of a number of participating employers in the FLLPLAS, the Group is advised only of its share of the Scheme's deficit and recognises a liability in respect of this. As a result, the contributions paid to the scheme reduce the provision. The Group is unable to identify its share of the underlying assets and liabilities of the Scheme on a consistent and reliable basis and therefore accounts for the Scheme as if it were a defined contribution scheme.

(n) Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

(n) i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than

> (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(n) ii) Investments

In the Company balance sheet, investments in subsidiaries are measured at cost less impairment.

(n) iii) Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

(n) iv) Derivative financial instruments

The Group uses derivative financial instruments to reduce exposure to foreign exchange risk. The Group does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately.

(n) v) Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

(o) Impairment of assets

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

Notes to the Accounts
for the year ended 30 June 2021 (cont.)

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

(p) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described above, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Accounting Judgements

The Directors consider the following areas to be critical accounting judgements.

Revenue Recognition

Delays to the completion of the 2019/20 Premier League season, due to COVID-19, has resulted in the deferral of certain broadcasting, sponsorship and advertising revenues, which is recognised when the remaining matches are played, i.e. when the respective performance obligations have been met. Further, due to the delay to the 2019/20 domestic football season, as a result of COVID-19, and changes to broadcasting schedules, broadcasting revenues for the year ended 30 June 2020 were reduced to reflect a Premier League rebate due to broadcasters. The amount recognised for the year ended 30 June 2021 reflects a number of post lockdown, season 2019/20 Premier League games played after 30 June 2020.

Impairment of Tangible Fixed Assets

Judgement is required in determining whether there are any indicators of tangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Expenditure incurred on new stadium project

In all periods to 30 June 2020 all expenditure on the new stadium project has been expensed through the Profit and Loss account because despite substantial investment and confidence in the project, there was insufficient certainty from an accounting perspective that future economic benefits associated with the development would have flowed to the Club. However, during the accounting period ending 30 June 2021, certainty and confidence in the project had grown to a level where there was sufficient probability that economic benefits from the development would flow to the Club. This has resulted in a change in the accounting for project spend to being capitalised from the start of the 12 months ending 30 June 2021. The Club received unanimous planning approval on the 23 February 2021 from Liverpool City Council's planning committee and on the 26 March 2021 received planning approval from the Secretary of State for Housing, Communities and Local Government. This approval has provided further confidence that future economic benefits associated with the new stadium project will flow to the Club to justify capitalising project expenditure in the current reporting period ending 30 June 2021. The Directors are confident the new stadium would bring substantial incremental profits to the club compared to hosting fixtures at Goodison Park. The cost of the project can be measured reliably and all costs are incurred in Everton Stadium Development Limited, a company within the Group, which was set up to solely incur all direct expenditure relating to the Project. The project is closely monitored and any amounts capitalised, which would not be recoverable in the event that the project was not completed (such as a significant proportion of professional fees and construction costs capitalised that are specific to the proposed stadium site) would need to be written off at that time.

Recognition of Deferred Tax Assets

The Club recognises deferred tax effects of temporary differences between the financial statement carrying amounts and the tax basis of our assets and liabilities. Deferred tax assets are recognised only to the extent that it is probable that the associated deductions will be available for use against future profits and that there will be sufficient taxable profit available against which the temporary differences can be utilised, provided the asset can be reliably quantified. Future taxable income may be higher or lower than estimates made when determining whether it is appropriate to record a deferred tax asset and the amount to be recorded.

Key Sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Contingent Appearance Fees

As per the terms of some transfer agreements entered into there are fees contingent on future appearances of certain players. At 30 June 2021 there is £46,628,000 (2020: £53,993,000) of contingent fees which are not considered probable based on management's best estimates.

Player Registrations

Management will perform an impairment review of player registrations, if events indicate that the carrying value is not recoverable through an inflow of economic benefits. Whilst management do not feel it is appropriate to separate an individual player registration from a single cash-generating unit ('CGU'), being the operations of the club in possession of the registration, there may be limited circumstances in which a registration is removed from the CGU and recoverability assessed separately. Where such indications exist, management will compare the carrying value of the asset with management's best estimate of fair value less cost to sell.

Financial Instruments

Financial instruments due to be settled or received in greater than one year are discounted when the time value of money is considered by management to be material to the Company.

2. TURNOVER

Turnover, all of which originates in the United Kingdom, can be analysed as follows:

	2021	2020
	£'000	£'000
Broadcasting	146,388	97,995
Gate Receipts	222	11,942
Sponsorship, advertising and merchandising	35,497	63,699
Other commercial activities	11,036	12,246
	193,143	**185,882**

Turnover comprises of the following:

Broadcasting - distributions from the FA Premier League broadcasting agreements, cup competition broadcasting rights and radio broadcasting rights.

Gate receipts - *revenue generated from the sale of match tickets.*

Sponsorship, advertising and merchandising - revenue generated from sponsorship and partnership contracts and net revenue received from outsourced retail operations.

Other commercial activities - includes revenue received from hospitality, catering, events and all other revenue sources.

The above turnover represents the net revenue received from outsourced retail and catering operations. Turnover would increase by £6.7m to £200m (2020: £6.0m to £192m) if these operations were not outsourced.

3. OPERATING EXPENSES

	2021	2020
	£'000	£'000
Amortisation of players' registrations (note 10)	81,243	99,232
Staff costs (note 7)	182,570	164,758
Depreciation (note 11)	7,064	6,939
Other operating costs	25,387	33,069
Other operating costs - exceptional costs	22,518	57,122
Total operating expenses	**318,782**	**361,120**

The exceptional other operating costs of £22.5m in the period ended 30 June 2021 relates to impairment of player registrations and a provision for onerous contracts and is broken down as follows:

	2021	2020
	£'000	£'000
Expenditure incurred on new stadium project	-	19,874
Amounts payable to former employees in relation to the change in coaching staff	-	6,549
Provision for Onerous Contract	7,181	4,375
Impairment of player registrations	15,337	26,324
	22,518	**57,122**

Amortisation and Impairment of player registrations are included within player trading operating expenses on the face of the profit and loss account.

Notes to the Accounts
for the year ended 30 June 2021 (cont.)

4. OPERATING LOSS

	2021	2020
	£'000	£'000
The operating loss is stated after charging / (crediting):		
Depreciation - property	225	225
Depreciation - other	6,839	6,714
Amortisation of grants	(38)	(38)
Operating lease rentals		
Motor vehicles	214	351
Office equipment	260	266
Land and properties	2,159	2,124
Foreign exchange gain / (loss)	(918)	1,160
Amortisation of player registrations	81,243	99,232
The analysis of auditor's remuneration is as follows:		
Fees payable to the company's auditor for the audit of the company's annual accounts	50	43
Fees payable to the company's auditor for the audit of the company's subsidiaries	7	6
Total audit fees	**57**	**49**
Other non-audit services		
Audit-related assurance services	5	5
Tax services	12	12
Other services	7	-
Total non-audit fees	**24**	**17**

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2021	2020
	£'000	£'000
Bank interest receivable	-	42
Other Interest receivable	522	3,226
Total operating expenses	**522**	**3,268**

Other Interest receivable relates to the unwinding of the discount, for FRS102 purposes, on deferred payments for players' registrations.

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2021	2020
	£'000	£'000
Other loans	5,733	4,795
Other interest payable	3,310	3,553
	9,043	**8,348**

Other interest payable relates to the unwinding of the discount, for FRS102 purposes, on deferred payments for players' registrations.

7. PARTICULARS OF EMPLOYEES

GROUP

	2021	2020
	Number	Number
The average monthly number of employees, including executive directors, during the period was as follows:		
Playing, training and management	159	143
Youth Academy	70	84
Marketing and Media	53	58
Management and Administration	101	101
Maintenance, Security, Pitch and Ground Safety	67	66
	450	**452**

In addition, the Group employed an average of 63 temporary staff on matchdays (2020: 425).

Aggregate payroll costs for the above employees were as follows:

	2021	2020
	£'000	£'000
Wages and salaries	159,221	144,202
Social security costs	22,531	19,847
Other pension costs	818	709
	182,570	**164,758**

COMPANY

	2021	2020
	Number	Number
The average monthly number of employees, including executive directors, during the period was as follows:		
Playing, training and management	118	109
Youth Academy	70	84
Marketing and Media	53	58
Management and Administration	101	101
Maintenance, Security, Pitch and Ground Safety	67	66
	409	**418**

Aggregate payroll costs for the above employees were as follows:

	2021	2020
	£'000	£'000
Wages and salaries	157,691	143,270
Social security costs	22,364	19,749
Other pension costs	782	686
	180,837	**163,705**

Notes to the Accounts
for the year ended 30 June 2021 (cont.)

7. PARTICULARS OF EMPLOYEES (cont.)
Directors' remuneration

	2021	2020
	£'000	£'000
Emoluments	4,214	3,478
Company contributions to money purchase pension scheme	20	20
	4,234	3,498
Highest paid director	2,041	1,238
Company contributions to money purchase pension scheme	-	-
	2,041	1,238

	2021	2020
	Number	Number
Money purchase pension plans	2	2

The Directors are considered to be the key management personnel of the business.

8. TAX ON LOSS

	2021	2020
	£'000	£'000
Deferred tax charge / (credit) in the period	-	6
	-	6

a) Factors affecting the tax charge
The tax assessed for the period is higher (2020: higher) than that resulting from applying the effective standard rate of corporation tax in the UK: 19% (2020: 19%).

	2021	2020
	£'000	£'000
Loss in the period	(120,934)	(139,863)
Tax on loss at the standard rate	(22,977)	(26,574)
Expenses not deductible for tax purposes	57	1,082
Income not taxable for tax purposes	(7)	(7)
Fixed Assets differences	1,011	-
Depreciation on ineligible assets	-	794
Adjustments in respect of prior periods (deferred tax)	(1)	-
Deferred tax not recognised	48,126	28,475
Remeasurement of deferred tax for changes in tax rates	(26,209)	(3,764)
Total tax charge for the period	-	6

b) Factors that may affect the future tax charge
Unrecognised deferred tax assets of the Group are £109.2m (2020: £61.3m). These assets will be utilised if sufficient taxable profits are generated by Group companies in future periods.

This asset primarily consists of carried forward losses of £83.5m and other timing differences of £25.7m.

Increases in the UK corporation tax rate from 19% to 25% (effective from 1 April 2023) have been substantively enacted. This will impact the company's future tax charge accordingly and has been accounted for when valuing the unrecognised deferred tax asset as at the balance sheet date.

9. COMPANY PROFIT AND LOSS ACCOUNT

The Company has taken advantage of Section 408 of the Companies Act 2006 and has not presented its own profit and loss account. The Company's loss for the year was £121,098,000 (2020: £119,991,000).

10. INTANGIBLE FIXED ASSETS - GROUP AND COMPANY

GROUP	Total
	£'000
Cost	
At 1 July 2020	498,398
Additions in the year	81,246
Disposals in the year	(128,851)
At 30 June 2021	**450,793**
Amortisation	
At 1 July 2020	270,830
Charge for the year	81,243
Impairment of player registrations	15,337
Eliminated on disposals	(126,466)
At 30 June 2021	**240,944**
Net book value	
At 30 June 2021	**209,849**
At 30 June 2020	227,568

COMPANY	Total
	£'000
Cost	
At 1 July 2020	498,398
Additions in the year	81,013
Disposals in the year	(128,804)
At 30 June 2021	**450,607**
Amortisation	
At 1 July 2020	270,830
Charge for the year	81,132
Impairment of player registrations	15,337
Eliminated on disposals	(126,428)
At 30 June 2021	**240,871**
Net book value	
At 30 June 2021	**209,736**
At 30 June 2020	227,568

The intangible fixed assets relates to the cost of players' and management registrations and agent fees.

The Directors review the carrying value of the players' registrations for impairment. Where events or changes in circumstances indicate that the carrying value of the asset may not be recoverable, to the extent that the carrying value exceeds the recoverable amount, the asset is impaired and the impairment loss is recognised in the profit and loss account.

Notes to the Accounts
for the year ended 30 June 2021 (cont.)

11. TANGIBLE FIXED ASSETS

GROUP	Freehold properties	Plant and equipment	Vehicles	Asset under construction	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 July 2020	11,408	49,771	42	-	61,221
Additions in the year	699	1,108	-	20,274	22,081
Disposals in the year	-	(28)	-	-	(28)
At 30 June 2021	**12,107**	**50,851**	**42**	**20,274**	**83,274**
Depreciation					
At 1 July 2020	7,906	31,395	42	-	39,343
Charge for the year	225	6,839	-	-	7,064
On disposals	-	(28)	-	-	(28)
At 30 June 2021	**8,131**	**38,206**	**42**		**46,379**
Net book value					
At 30 June 2021	**3,976**	**12,645**	**-**	**20,274**	**36,895**
At 30 June 2020	3,502	18,376	-	-	21,878

COMPANY	Freehold properties	Plant and equipment	Vehicles	Asset under construction	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 July 2020	308	49,555	42	-	49,905
Additions in the year	699	1,088	-	-	1,787
Disposals in the year	-	(28)	-	-	(28)
At 30 June 2021	**1,007**	**50,615**	**42**	**-**	**51,664**
Depreciation					
At 1 July 2020	131	31,384	42	-	31,557
Charge for the year	-	6,815	-	-	6,815
On disposals	-	(28)	-	-	(28)
At 30 June 2021	**131**	**38,171**	**42**	**-**	**38,344**
Net book value					
At 30 June 2021	**876**	**12,444**	**-**	**-**	**13,320**
At 30 June 2020	177	18,171	-	-	18,348

The net book value of the Group's freehold properties includes land valued at £1,526,000 which is not depreciated.

The net book value of the Company's freehold properties includes land valued at £876,000 which is not depreciated.

12. INVESTMENTS
FIXED ASSET INVESTMENTS

COMPANY	Subsidiary Undertakings
	£
Cost and net book value	
As at 1 July 2020 and 30 June 2021	7

Details of Company's subsidiaries as at 30 June 2021, all registered in England and Wales at Goodison Park, Liverpool, L4 4EL, were as follows:

Name of Company	% owned	Nature of business
Goodison Park Stadium Limited	100	Provision of football entertainment facilities
Everton Investments Limited	100	Issuer of loan notes
Everton Football Club Women Limited	100	Professional football club
Everton Stadium Development Limited	100	Development company
Everton FC Finance Limited	100	Development company

The Company directly owns 100% of the ordinary share capital of the subsidiary companies.

13. LEASE COMMITMENTS

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

	Land and Properties		Other		Total	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	£'000	£'000	£'000	£'000	£'000	£'000
Expiring within one year	-	-	9	134	9	134
Expiring between two and five years	146	-	74	101	220	101
Expiring in more than five years	78,668	80,577	-	-	78,668	80,577
	78,814	**80,577**	**83**	**235**	**78,897**	**80,812**

Notes to the Accounts
for the year ended 30 June 2021 (cont.)

14. DEBTORS

	GROUP		COMPANY	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	18,114	55,643	16,643	55,610
Amounts due from subsidiaries	-	-	61,873	41,240
Other financial assets	-	2,191	-	-
Prepayments and accrued income	2,560	7,114	2,506	7,114
Deferred tax	26	26	-	-
	20,700	**64,974**	**81,022**	**103,964**
Amounts falling due after one year:				
Trade debtors	272	4,275	272	4,275
	272	**4,275**	**272**	**4,275**

Amounts owed by subsidiaries are unsecured, interest free and repayable on demand.

15. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		COMPANY	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	£'000	£'000	£'000	£'000
Other loans (note 16)	3,392	58,707	3,392	58,707
Trade creditors	61,123	65,429	56,735	60,804
Accruals and deferred income	42,083	85,992	32,206	75,271
Amounts due to subsidiaries	-	-	10,168	10,087
Social security and other taxes	15,192	40,160	15,090	39,950
	121,790	**250,288**	**117,591**	**244,819**

Amounts owed to subsidiaries are unsecured, interest free and repayable on demand.

16. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	GROUP		COMPANY	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	£'000	£'000	£'000	£'000
Other loans (see borrowings below)	124,911	-	124,911	-
Trade creditors	15,555	27,766	15,521	27,766
Accruals and deferred income	11,529	9,907	10,903	9,243
	151,995	**37,673**	**151,335**	**37,009**

Borrowings

GROUP

	Other loans		Total	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	£'000	£'000	£'000	£'000
Analysis of borrowings				
Payable by instalments:				
Within one year	3,392	58,707	3,392	58,707
Between one and two years	124,911	-	124,911	-
	128,303	**58,707**	**128,303**	**58,707**

COMPANY

	Other loans		Total	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	£'000	£'000	£'000	£'000
Analysis of borrowings				
Payable by instalments:				
Within one year	3,392	58,707	3,392	58,707
Between one and two years	124,911	-	124,911	-
	128,303	**58,707**	**128,303**	**58,707**

Included in other loans at 30 June 2021 includes a five year facility totalling £100,000,000 (30 June 2020; £40,000,000) secured by a fixed and floating charge on the assets of the Club. This loan incurs interest at a market value rate.

To assist in dealing with the material reduction in cashflows arising from the COVID-19 pandemic, the Club took out a £30m government backed CLBILS facility which is also included *within other loans. This loan incurs a market value rate of interest.*

Also included in other loans at 30 June 2021 comprises an amount of £nil (30 June 2020; £18,707,000) which was secured against future guaranteed receivables. These loans incurs interest at a market value rate and are repayable in July 2020.

Notes to the Accounts
for the year ended 30 June 2021 (cont.)

17. PROVISION FOR LIABILITIES

	GROUP AND COMPANY			
	Pensions (note 20)	Contingent appearance fees	Onerous contracts	Total
	£'000	£'000	£'000	£'000
At 1 July 2020	349	11,482	4,375	16,206
Utilised in the period	(139)	(9,018)	(4,375)	(13,532)
Provided in the period	-	4,386	7,181	11,567
At 30 June 2021	**210**	**6,850**	**7,181**	**14,241**

The contingent appearance fees and pension provision are expected to be utilised within 1 and 3 years respectively.

There are no amounts provided for deferred tax at 30 June 2021 or 1 July 2020.

A provision for onerous contracts has been made due to the unavoidable cost of meeting the obligations under the contract expecting to exceed the economic benefit that would otherwise have been delivered.

18. SHARE CAPITAL AND RESERVES

The Group and Company's Share Capital	30 June 2021	30 June 2020
	£'000	£'000
Allotted, issued and fully paid		
101,667 ordinary shares of £1 each	**102**	**35**

The group's other reserves are as follows:

Share premium reserve, which contains the premium arising on issue of equity shares, net of issue expenses.

Profit and loss reserve, which represents cumulative profits or losses, net of dividends paid and other adjustments.

Other reserves represents an interest free loan of £250,250,000 provided by Bluesky Capital Limited, a company controlled by Mr Moshiri. The loan is to be repaid at a date to be agreed by Bluesky Capital Limited and Everton Football Club Company Limited. In accordance with FRS 102.22 the loan has therefore been classified as equity. Loan arrangement fees of £2,001,250 have been deducted from equity in accordance with FRS 102.22.9.

19. CONTINGENT LIABILITIES

No provision is included in the accounts for transfer fees of £46,628,000 (2020: £53,993,000) which are, as at 30 June 2021, contingent upon future appearances of certain players and at the balance sheet date are not considered probable; or signing-on fees and loyalty bonuses, as at 30 June 2021, of £30,599,000 (2020: £34,894,000) which would become due to certain players if they are still in the service of the Club on specific future dates.

20. PENSIONS

Certain staff of the Group are members of either the Football League Limited Players Retirement Income Scheme, a defined contribution scheme, or the Football League Limited Pension and Life Assurance Scheme ("FLLPLAS"; "the Scheme"), a defined benefit scheme. As one of a number of participating employers in the FLLPLAS, the Group is advised only of its share of the Scheme's deficit and recognises a liability in respect of this.

As a result, the contributions paid to the scheme reduce the provision. The Group is unable to identify its share of the underlying assets and liabilities of the Scheme on a consistent and reliable basis and therefore accounts for the Scheme as if it were a defined contribution scheme.

Contributions are also paid into individuals' private pension schemes. Total contributions across all schemes during the year amounted to £841,000 (2020: £730,000). The amount outstanding at year end was £72,000 (2020: £64,000).

21. POST BALANCE SHEET EVENTS

Since 30 June 2021, the Club has entered into transfer agreements to acquire the registration of Demarai Gray (from Bayer Leverkusen), Salomon Rondon (from Dalian professional), Andros Townsend (free agent), Asmir Begovic (free agent), Andy Lonergan (free agent) and first team manager, Rafael Benitez (free agent). The registration of Bernard Duarte (to Al Sharjah), Beni Baningime (to Hearts of Midlothian) and James Rodriguez (to Al Rayyan) have been sold, together with the temporary loan with an obligation to buy of Moise Kean (to Juventus). The net transfer fees receivable for these transactions, together with Everton Women FC transactions and the financial impact of contingent transfer milestones from the triggering of contingent milestones relating to existing transfer agreements is £26,740,000.

Since 30 June 2021, the Club's majority shareholder has provided further interest free loans of £97,000,000 with no agreed repayment date, which were treated as equity.

Since 30 June 2021, Everton Stadium Development Limited entered into a contract with Laing O'Rourke for the completion of enabling works on the site of the Club's new stadium at Bramley Moore Dock. The value of this enabling works contract was £77.8m.

The Club retains the right to terminate the enabling works contract at will, subject to the payment of reasonable demobilisation costs. The contractual commitment is therefore not possible to accurately quantify because the reasonable demobilisation costs will vary according to stage of completion of the contract.

22. RELATED PARTY TRANSACTIONS

Everton In The Community is a registered Charity (Number 1099366) incorporated on 31 July 2003 and began trading on 1 June 2004. The Charity operates separately from the Group hence has not been consolidated in the Group results, but as at 30 June 2021 Everton Football Club Company Limited employees held two of the seven Trustee positions at the Charity. During the year Everton Football Club Company Limited donated £360,000 towards the operational costs of the Charity (2020: £582,000) and provided value in kind benefits of £486,000 (2020: £517,000). Value in kind benefits of £116,000 (2020: £100,000) were provided to Everton Free School Limited.

As at the 30 June 2021 the Group had a receivable amount of £1,000 due from Everton Free School Limited and had a payable amount of £142,000 to Everton In The Community. As at the 30 June 2021 the Company had a receivable amount of £1,000 due from Everton Free School Limited and had a payable amount of £145,000 to Everton In The Community.

During the year the Club's majority shareholder has provided interest free loans of £49,750,000, included in equity, with no agreed repayment date. An issue of shares was also completed in the year with 66,667 of new shares being issued to the Majority Shareholder. The share issue included an injection of new capital into the Club, as well as the capitalisation of a portion of existing Shareholder loans into Equity. The balance of shareholder loan outstanding at year end was £248,249,000.

During the year the Club incurred £676,000 for leased office space in the Royal Liver Building as part of a 15 year lease agreement. The Club's majority shareholder has an ownership interest in the Royal Liver Building.

23. CAPITAL COMMITMENTS

There were no capital commitments at 30 June 2021 or 30 June 2020 in the company or group.

Notes to the Accounts
for the year ended 30 June 2021 (cont.)

24. FINANCIAL INSTRUMENTS

The carrying values of the group's and company's financial assets and liabilities are summarised by category below:

	GROUP		COMPANY	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Financial assets				
Measured at amortised cost:				
Trade debtors	3,689	43,484	3,689	43,484
Measured at undiscounted amounts receivable:				
Trade debtors and other debtors	15,213	18,651	13,742	16,401
Amounts due from subsidiaries	-	-	61,873	41,240
Cash at bank and in hand	70,059	56,404	66,850	53,259
	88,961	**118,539**	**146,154**	**154,384**

	GROUP		COMPANY	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Measured at amortised cost:				
Trade creditors	69,635	88,359	69,635	88,359
Measured at undiscounted amount payable:				
Other Loans	128,303	58,707	128,303	58,707
Trade and other creditors	35,138	46,992	29,179	39,776
Amounts owed to subsidiaries	-	-	10,168	10,087
	233,076	**194,058**	**237,285**	**196,929**

The group's income, expense, gains and losses in respect of financial instruments are summarised below:

	GROUP AND COMPANY	
	2021	2020
	£'000	£'000
Income and expense		
Total interest income for financial assets at amortised cost	522	3,226
Total interest expense for financial liabilities at amortised cost	(3,310)	(3,553)

25. DERIVATIVE FINANCIAL INSTRUMENTS

	GROUP AND COMPANY	
	2021	2020
	£'000	£'000
Current Assets		
Forward foreign currency contracts	68	-

Forward foreign currency contracts are valued using quoted forward exchange rates compared to actual exchange rates at the close of the financial period.

26. NET DEBT RECONCILIATION

	GROUP AND COMPANY		
	At 1 July 2020	Cashflows	At 30 June 2021
	£'000	£'000	£'000
Cash at Bank and in Hand	56,404	13,655	70,059
Current Borrowings	(58,707)	55,315	(3,392)
Non-Current Borrowings	-	(124,911)	(124,911)
	(2,303)	**(55,941)**	**(58,244)**

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