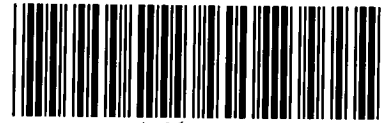


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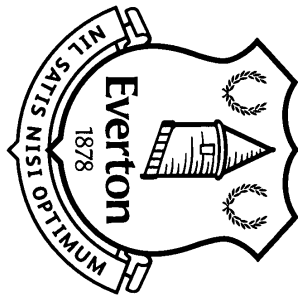
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**Everton Football Club
Company Limited**

Annual Report & Accounts 2019

Company Registration Number 36624



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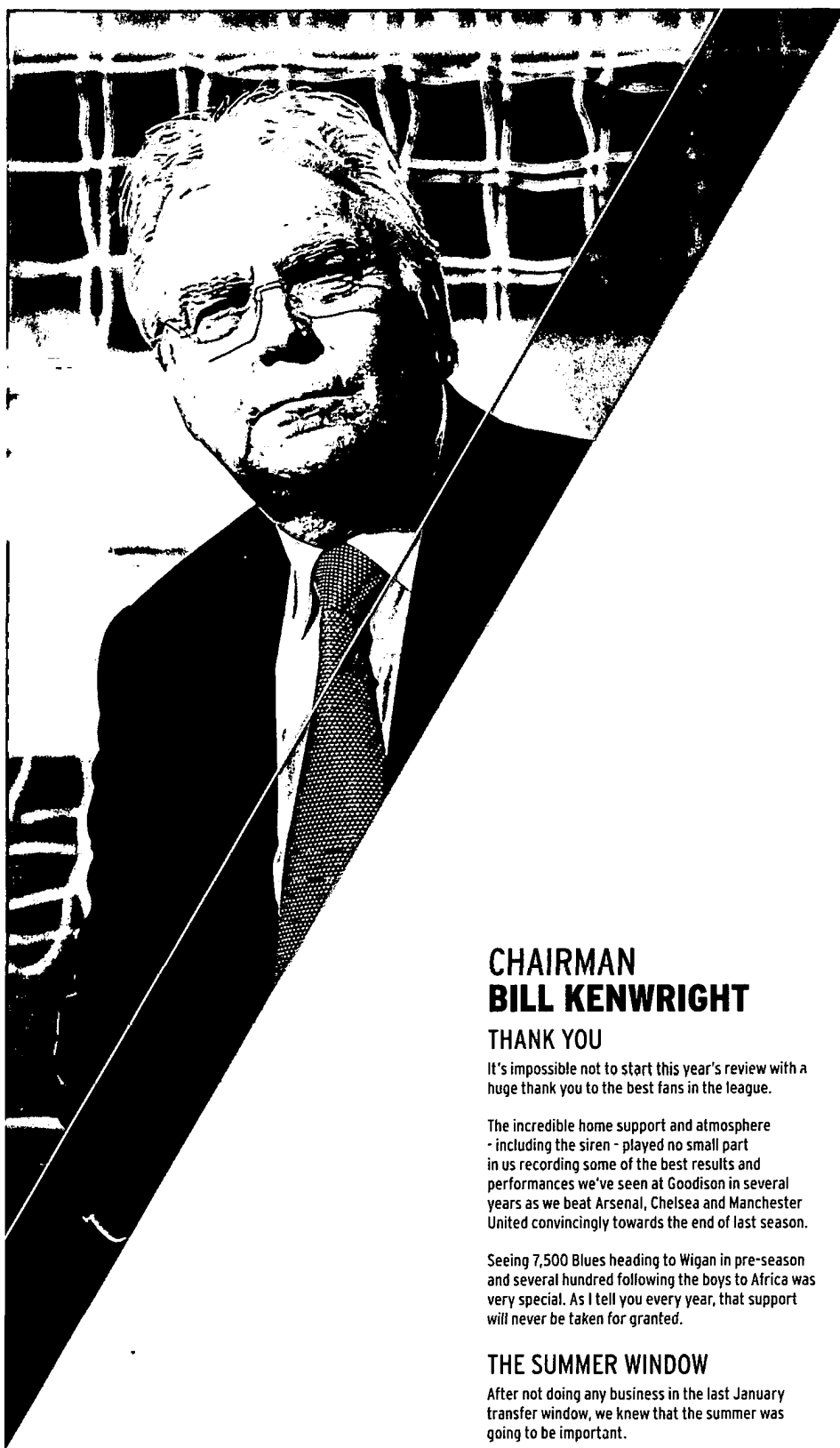
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Note

The Foreword section (pages 4-9) does not form part of the statutory financial statements.



CHAIRMAN BILL KENWRIGHT

THANK YOU

It's impossible not to start this year's review with a huge thank you to the best fans in the league.

The incredible home support and atmosphere - including the siren - played no small part in us recording some of the best results and performances we've seen at Goodison in several years as we beat Arsenal, Chelsea and Manchester United convincingly towards the end of last season.

Seeing 7,500 Blues heading to Wigan in pre-season and several hundred following the boys to Africa was very special. As I tell you every year, that support will never be taken for granted.

THE SUMMER WINDOW

After not doing any business in the last January transfer window, we knew that the summer was going to be important.

We had established our targets and were delighted to secure as permanent signings Jonas Lossi, Fabian Delph, Moise Kean, JP Gbamin and Alex Iwobi.

And, of course, there was Andre. We were so pleased to sign him permanently. From day one as an Everton player during his time on loan last season, Andre immersed himself in the Club and was immediately loved and respected by his fellow players and our fans.

I still feel numb when I think about what happened to him against Spurs. But I take comfort, as we all do, in the knowledge he's getting great care and he knows that we're all right behind him. Andre will be back, better than ever. I'm already looking forward to the standing ovation he'll receive the next time we see him in that famous royal blue jersey.

I'm also looking forward to JP's career getting underway with us in earnest when he returns to fitness, after his terrible start due to injury.

It was a priority for us to reduce the size of our first-team squad, and to do this we had to make some difficult decisions. The most difficult of all was saying goodbye to Phil Jagielka, an exemplary Club captain and top-class professional. Throughout his 11 years with us, he truly embodied what this Club is all about. Good luck and thank you, Jags.

I'd also like to thank all the other players who moved on in the summer for their contribution to Everton during their time at the Club, particularly James and Kevin who played more than 250 games between them. And, of course, there is the ever-consistent, ever-tenacious Idrissa.

LOTS TO DO... BUT LOTS OF PROMISE

We all know that despite some good results and performances at home towards the end of last season, our first team hasn't made the progress we hoped or expected over the last 12 months.

We know our results away from home in general over the last year have been disappointing and our form on the road needs to improve significantly.

The combination of poor results, inconsistency and the early exits from the FA and Carabao Cups last season were a huge cause of frustration and disappointment for Evertonians. I can assure you that everyone at the Club is fully committed to making the improvements we need.

Seamus is now our Club captain and I was delighted when he was given the armband and that Leighton - one of the best Premier League left-backs of all time - was made his vice-captain.

ONE CLUB

We should take pride and optimism from the achievements of our Under-23s side. Winning the league and cup double last season was a tremendous feat.

Well done to Unsie and his staff and Morgan and his players - we're incredibly proud of you all.

Just as the Under-23s have been a great source of pride and optimism over the last year, the progression of Paul Tait's Under-18s and Willie Kirk's Everton Women has been terrific. The Under-18s finished third in their league and won by 10 goals twice last season while Everton Women have already chalked up some impressive results in the WSL this season. The progress of these sides confirms our 'One Club' approach is working.

I'd like to thank Marcel and Denise for the work they have done at USM Finch Farm to improve our structures and processes and define the long-term culture we need in order to be successful.

I'd also like to thank Denise for the work she has done in bringing our teams together and for her inspiring leadership with her staff at the Royal Liver Building and at Goodison. To be ranked in the Sunday Times Top 100 once again as one of the best places to work in the country says a lot about Denise and the quality and leadership of her Executive Team.

MAKING FANS PROUD FROM L4 TO LA!

Everton in the Community continues to grow and make a positive difference to tens of thousands of people every year.

We look forward to The People's Place - our dedicated mental health centre - opening in L4 to provide even more support to those who need it.

Further from home, our international initiatives are also expanding with more supporters' clubs, Official Members and affiliated clubs than ever before.

We now have Tim Howard in the US to help us build even more of a presence Stateside - it's great to have Tim back, although we all know he never really left...

ON THE BANKS OF THE ROYAL BLUE MERSEY

One of my favourite days of 2019 was also one of the hottest days of the year when we gathered down at the Titanic Hotel to unveil our proposed images for our new stadium at Bramley-Moore Dock.

On behalf of the Board of Directors I'd like to record my thanks to our stadium team and Dan Meis - of course - for the role he has played in bringing the vision that Farhad, the Board and all Evertonians had for our new stadium to life in such a magnificent way.

The response and involvement from the people of the city through every step of this process has been stunning, with more than 60,000 responses to our detailed consultations over the last year.

It is a scheme that, coupled with our plans for a community-led legacy at Goodison, could be transformational for North Liverpool while giving our fans the world-class stadium they truly deserve.

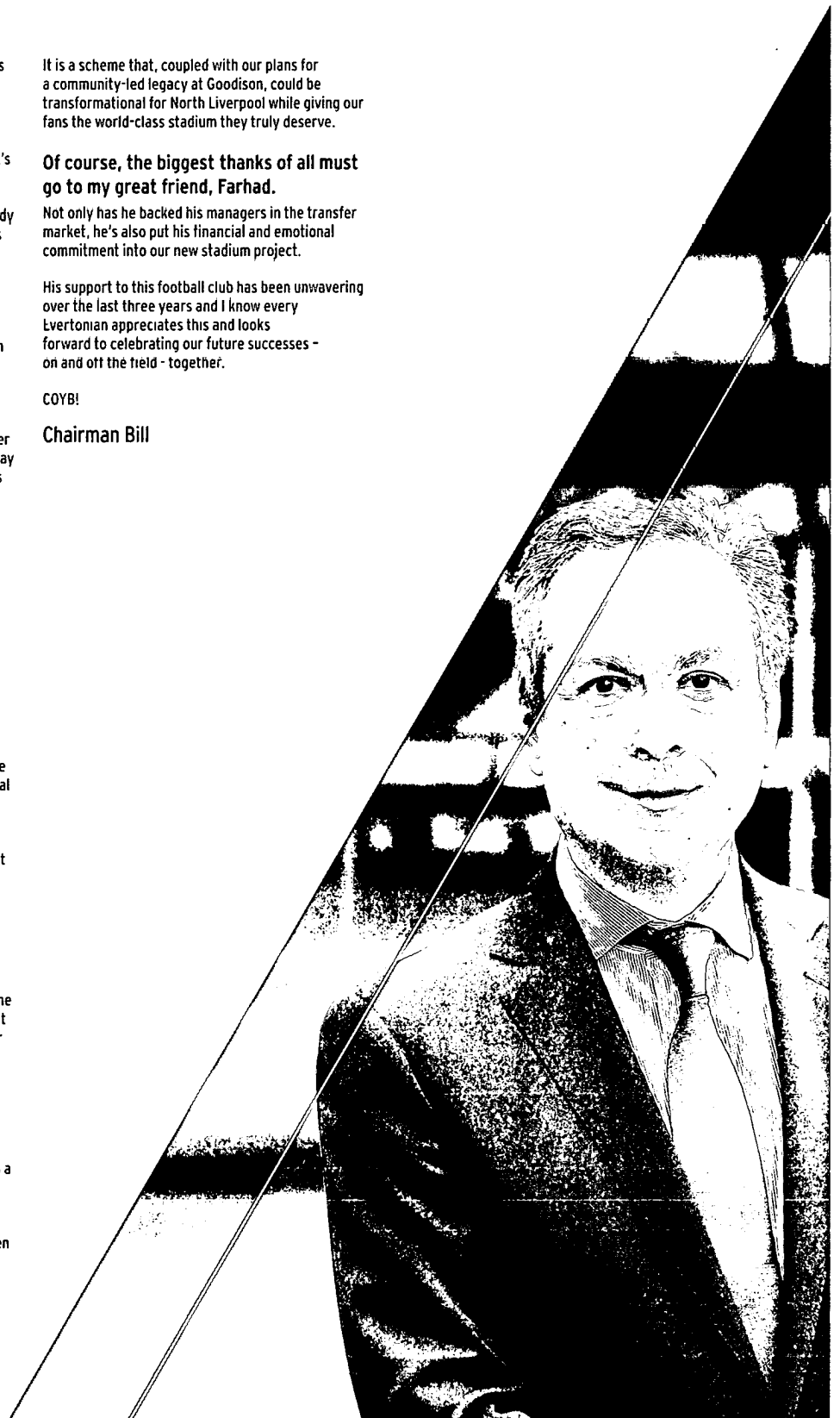
Of course, the biggest thanks of all must go to my great friend, Farhad.

Not only has he backed his managers in the transfer market, he's also put his financial and emotional commitment into our new stadium project.

His support to this football club has been unwavering over the last three years and I know every Evertonian appreciates this and looks forward to celebrating our future successes - on and off the field - together.

COYB!

Chairman Bill





**CHIEF EXECUTIVE
OFFICER
DENISE BARRETT-
BAXENDALE**

THE PEOPLE'S PROJECT

As you look through this Annual Report you will no doubt see that investment is a common theme that reflects the past year. We have invested in our people, invested in our facilities and, ultimately, invested in our future.

A new stadium at Bramley-Moore Dock is a key part of our future and our long-term business plan. It will offer the Club a platform for growth, ensuring we have more fans in the stands and hospitality lounges and even more avenues to new commercial opportunities. A stadium naming rights partner forms part of our commercial growth strategy as we forecast further revenue growth through an increased partner portfolio and the diversification of our non-matchday revenue generating potential.

The passion and energy within the business, amongst our fans and across the wider city region for this project is remarkable – as illustrated by more than 60,000 responses to our two public consultations over the last 12 months.

Our community-led legacy project at Goodison Park will strengthen our well-established community foundations and help Everton in the Community tackle some of the hardest-hitting social issues head on. Working together with local residents, local businesses and community groups, we have developed plans that include new homes, as well as health, education, business and youth engagement facilities. These plans, when realised, will meet the needs of our local community long into the future.

Relocating to a new stadium is always an emotional issue for any football club but, in our case, it is even more emotive because of our love for Goodison Park. Nevertheless, it is clear from our fans, local residents, politicians, business leaders and the wider city region that everybody is united in their support of Everton building a new waterfront home - and delivering transformational change for North Liverpool.

The recently published second stage public consultation results are testament to the incredible work done by all the teams at the Club and the key stakeholders involved in The People's Project. The results also deliver a very clear mandate leading us forward to the next crucial stage of the project – securing planning permission.

INVESTING FOR THE FUTURE

Our move to the Royal Liver Building and the investment in Goodison Park over the last 18 months has been well received. The second phase of our matchday accessibility works created some of the best viewing positions for disabled supporters in the Premier League and, over the summer, we completely refurbished our hospitality lounges. The sleek, modern décor offers new concepts and an improved audio-visual system in an environment that remains uniquely Everton. The lounges also provide an opportunity to test themes and concepts as we look to expand the appeal of our hospitality offering prior to moving to a new home at Bramley-Moore Dock.

In 2019, we also saw the completion of a £4.5m investment programme at USM Finch Farm. Our training ground is an important part of the Club's physical fabric and every team at USM Finch Farm has benefited from the investment, which includes new durable floodlit pitches, better training and

recuperation facilities and a better experience for staff and visitors. The investment keeps USM Finch Farm at the vanguard of training facilities in the Premier League.

It is pleasing that our investment in our people and our working environment has been recognised nationally. Our commitment to paying the Foundation Living Wage and becoming one of the foundation's Principal Partners - helping shape the Living Wage movement - has led Citizens UK to hail our work as a "shining example" for other sports and football organisations to follow.

Furthermore, our commitment and investment in equality and diversity now runs right through the Club and is embedded in our culture. The launch of our All Together Now campaign gives us a platform to celebrate diversity and increase the awareness of everything that is done by the Club and Everton in the Community.

A TIME OF CHANGE

It has been really important for me in my first year as Chief Executive to ensure we build solid foundations for how I want this football club to run, operate and behave.

Last year, we set out clear short, medium and long-term ambitions, ensuring every member of staff across the Club is aligned and working towards the same goals. With the implementation of the Everton Leadership Team we now have clear, responsible and robust structures for day-to-day operations at the Royal Liver Building, USM Finch Farm and Goodison Park.

A DEVELOPING PARTNER PORTFOLIO

Our commercial team has been growing the value of our partner portfolio. In our previous four years (2014-2018) we saw commercial revenue grow by 91 per cent in line with our ambitious projections. Over the past year, we have agreed expanded contracts on current agreements with Fratelli Beretta and USM - as well as introducing new partnerships with Moneycorp, eToro, Monster Energy and Osonyq.

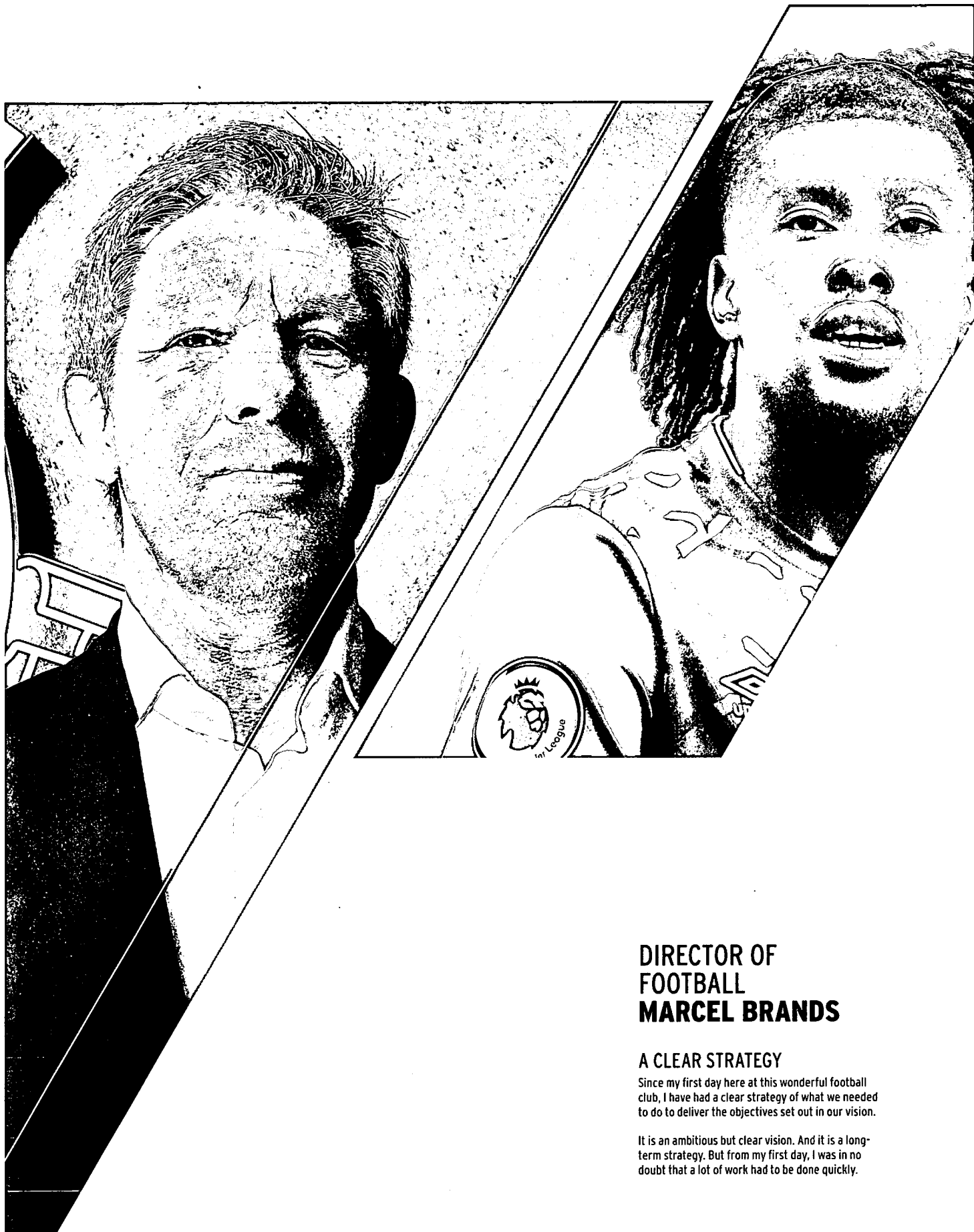
We have also invested in how we look after our partner portfolio, ensuring we deliver value for money and utilise the reach of both the Club and the partner to mutually benefit both parties during activations. Our innovative partnership with Rovio is a prime example, with the Club winning the Best Gaming-Based Sponsorship award at the UK Sponsorship Awards for the integration of Everton players into an Angry Birds game.

MOVING FORWARD

Looking forward, we must continue to invest financially and emotionally into our future while respecting our values, heritage and traditions. Bramley-Moore Dock and the Goodison Legacy Project provide an insight into what the future of our football club will look like and we must ensure we see a return on the investment we are currently making in the years ahead. That return on investment must be shown on the pitch by challenging for honours. It must be shown commercially through increased revenues. We will deliver by remaining true to our strong values, aligned working practices and clear vision.

NSNO

Denise Barrett-Baxendale




DIRECTOR OF FOOTBALL MARCEL BRANDS

A CLEAR STRATEGY

Since my first day here at this wonderful football club, I have had a clear strategy of what we needed to do to deliver the objectives set out in our vision.

It is an ambitious but clear vision. And it is a long-term strategy. But from my first day, I was in no doubt that a lot of work had to be done quickly.



I have now overseen three transfer windows at the Club and, in that time, been involved in 63 transfer deals.

There remains much work to be done – and the impact of that work may not be apparent immediately. After a very strong end to the 2018/19 season, the start of this campaign has not been without its challenges, its frustrations and disappointments.

But it is my intention with this report to provide insight into the past year and the journey we are on as a team – and why such a significant number of deals has been necessary.

A VERY BUSY SUMMER

We began our planning for the 2019 summer transfer window in September last year. We identified our transfer priorities.

Our ultimate goal was to have a squad of 23 players, made up of three goalkeepers, eight defenders, six midfielders and six attackers. A squad of 23 creates space for our talented young players, particularly from our Under-23s, to train with the first-team squad and grow accustomed to that environment with an eye on the next step in their journey. That has been the case this season, with Anthony Gordon, Lewis Gibson and Dennis Adeniran currently working everyday with our senior squad.

During what proved to be a very busy summer, we worked incredibly hard to achieve our objective of a squad of 23. In the main, we did what we set out to do – although we didn't succeed in getting the right number of defenders.

It was a challenge to get the players on our list in the key positions. It was also our intention to bring money in to make it possible to sign the new players we wanted. Every time we sold a player, it opened up the opportunity to sign a new player, so we started to look at which players we could sell to bring the money in needed to maintain our squad development. It was also important we introduced some of our young players to development opportunities at new clubs. We were able to find some good moves for some of our young players, with Jonjoe Kenny a prime example. He was ready to play but we had Seamus Coleman playing regularly in that position. We needed to give Jonjoe, at this stage in his career, the opportunity to play regular football at a very good level. But we also needed two players in the right-back position. Schalke in Germany was a perfect loan move for Jonjoe and he is now playing every week. We are sure he will come back to compete in the first team next season.

In total over the summer we signed six players and brought in another on loan. They are seven strong additions to our squad in the positions we needed to fill – and their arrival was counter-balanced by the sale of 11 players and a further 13 players going out on loan deals. That amounts to 31 transfer deals in one summer. It was necessary in order to put the Club closer to the position we should be in moving forward – but it is too high a number. Indeed, we

were involved in more transfers than any other Premier League club over the summer – effectively more than one deal a week for the duration of the window. It is my aim in the future to get us to a position whereby we are looking at only a couple of deals each transfer window to develop and improve our squad.

In terms of the squad we have now compared to the squad we had when I arrived at the Club, we have a lot more quality and greater strength in depth. It's so important to create a squad that has balance in terms of positions covered and age. Our squad is younger now, we have more value on the pitch. At the end of the window we had a squad with 23 players, albeit with one gap in the centre-back position which we didn't succeed in filling with a player of the calibre we wanted.

The additional options, by contrast, are in attack where we currently have three strikers in Cenk Tosun, Dominic Calvert-Lewin and Moise Kean. With three strikers it is sometimes difficult to give them all perspective because you have one playing and, on occasions, one on the bench and one sitting in the stands. But it is a nice challenge to have, particularly with three players who each offer something different.

FAREWELLS AND REUNIONS

It was a really hard decision not to renew Phil Jagielka's contract. He was a hero for our Club and it was tough to come to that conclusion, but we made it in what we believed was the best interests of the Club. We were looking for a replacement in that position and our first choice was Kurt Zouma but, unfortunately, we were not able to bring him back to Goodison. We also knew Masun Hulyale Ibad enjoyed a really good loan spell with West Brom and we wanted to bring him back into the first-team squad so he could develop further, as he has done. Another hero at the Club is Leighton Baines and we chose to renew his contract because he remains an important part of our squad.

Our first transfer challenge of the summer was to make the loan permanent for Andre Gomes. We succeeded in getting him early in the window and for the right price. He will be a great player for this Club and he is currently showing that Everton spirit as he rehabilitates from such a serious ankle injury.

BEING 'ONE CLUB'

We have made a number of changes to the structure and teams working behind-the-scenes to drive us forward. We have created a new team in the Senior Scouting and Academy Departments to help us reach our goals and overcome our challenges. We have also created a loan group for those players who had left on short-term deals, ensuring they remain in close contact with the Club, to support them in their new environment and to track their progress on the field.

It has also been important to me that we share our first-team environment with the Academy because we're all

working for the same club and the same goal – to create a winning environment.

I have always made sure I am giving the right time and effort to the Academy because it is a hugely important project for the Club. We are a Club with a proud history of homegrown talent and it is so important that we continue to give our young players the opportunity to progress into the first team.

The most important thing for us is to make sure our supporters are proud of Everton. And there is so much pride in seeing good football being played that wins games – with homegrown players part of that success.

THANK YOU

I would like to take this opportunity to say a personal thank you to our CEO Professor Denise Barrett-Baxendale, who always supports me, our Chairman, who I must have spoken to on more than 1,000 phone calls during the summer transfer window and who is such a key figure for this Club, and to our owner Mr Moshiri who makes it all possible with his commitment, backing and understanding. The team we have could not do what it does without the people behind us. We have a clear and shared vision – and we will continue to drive this Club forward to ensure we achieve our objectives.

Mărcel Brănduş



Accounts

DIRECTORS AND ADVISERS



W Kenwright CBE
Chairman



D Barrett-Baxendale MBE
Chief Executive Officer



A Ryazantsev
Chief Financial and Commercial Officer



M Brands
Director of Football
(Appointed 9 January 2019)

J Woods
(Resigned 11 July 2019)

K Harris
(Resigned 25 July 2019)

Registered Office

Goodison Park
Liverpool
L4 4EL

Auditor

Deloitte LLP Statutory Auditor
Horton House
Exchange Flags
Liverpool
L2 3PG

Bankers

Metro Bank
One Southampton Row
London
WC1B 5HA

Registrars

Capita IRG
The Registry Northern House
Woodsome Park
Fenay Bridge
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 Board of Directors of the consolidated group of companies ('the Club') have elected to change the year end of the Company from 31 May to 30 June. This better aligns the reporting period with the seasonal nature of the industry and brings it into line with the majority of other Premier League clubs. The figures presented in the report and accounts for the year ended 30 June 2019 represent a one-off 13-month period, while comparative figures for the year ended 31 May 2018 represent a 12-month period.

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

Turnover

The change in year end has had little effect on like-for-like turnover as the Club generates the majority of its revenue during the playing season and the additional month fell in the close season.

Total revenue of £187.7m was generated during 2018/19, the second highest in the Club's history despite not competing in UEFA competitions. This represents a £1.5m (-0.8%) reduction from 2017/18, during which the Club earned additional revenue from reaching the group stage of the UEFA Europa League.

Increases in Broadcast revenue (+£2.7m, +2.1%) and Sponsorship, Advertising and Merchandising revenue (+£8.4m, +40.6%) were offset by reductions in Gate Receipts revenue (-£2.1m, -12.9%) and revenue from Other Commercial Activities (-£10.5m, -47.3%) with these declines being largely driven from the Club's lack of participation in UEFA competitions during 2018/19.

Broadcast Revenue

2018/19 was the last season of a three-year Premier League broadcast deal, with domestic rights shared between Sky and BT. A new three-year TV deal cycle began with the 2019/20 season and domestic rights were acquired by Sky, BT and Amazon.

Total broadcast revenue increased to £132.7m (+£2.7m, +2.1%) and the Club secured the seventh highest

	2019 (£m)	2018 (£m)	Change (£m)
Broadcast	132.7	130.0	2.7
Gate Receipts	14.2	16.3	(2.1)
Sponsorship, Advertising and Merchandising	29.1	20.7	8.4
Other Commercial Activities	11.7	22.2	(10.5)
Total	187.7	189.2	(1.5)

Premier League broadcast distribution payment, an increase from eighth in 2017/18. This represents 71% of the Club's revenue, which is an increase from 69% in 2017/18, but lower than the peak of 76% in 2017. The Club's policy is to continue to reduce the share of broadcast revenue by expanding its controllable revenue from its commercial, advertising and merchandising and other commercial activities.

Fifty per cent of the domestic TV revenue is allocated to clubs based on the number of times they are selected for live domestic broadcast (facility fee) and their final Premier League position (merit payment). The Club was selected for live domestic broadcast on 18 occasions (2017/18: 19) generating £21.2m in facility fees (2017/18: £22.5m) and finished eighth in the Premier League (2017/18: eighth) generating £24.9m of merit payment (2017/18: £25.1m).

The remainder of the domestic TV revenue is shared equally between each club and in 2018/19 the Club's share was £34.4m (2017/18: £34.8m).

The international component of the Premier League TV deal represents a growing proportion of total broadcast revenue and during 2018/19 it accounted for 33% of the Club's broadcast revenue. The Club generated £43.2m from its equal share in 2018/19 (2017/18: £40.8m).

The international TV deal will continue to be a key opportunity for long-term growth with the next three-year TV deal, beginning in 2019/20, growing 30% from the previous TV cycle, compared to the domestic deal which decreased by 8%. The distribution mechanism for international TV rights is changing from 2019/20 onwards, with any increases in the value of the international rights above previous levels being allocated on a merit-based system, according to where the Club finishes in the league table.

Other broadcast income of £9.0m was generated in 2018/19 (2017/18: £6.8m).

Gate Receipts

Gate receipts revenue of £14.2m (2017/18: £16.3m) decreased £2.1m (-12.9%) due to the Club not participating in UEFA competitions in 2018/19.

The Club continues to benefit from unwavering support from its fans and exceptionally high demand for Premier League match tickets. The average Premier League attendance of 39,043 (38,797 in 2017/18) represents a sell-out of all home tickets for all matches, underpinned by strong season ticket and hospitality sales.

Despite the Club making available the maximum permissible number of Season Tickets for sale under Premier League rules, demand for Season Tickets has significantly outstripped the available supply and the Club operates a Season Ticket waiting list for supporters wishing to purchase a seat in the future.

The Club continues to offer some of the cheapest prices in the Premier League. The most expensive Season Ticket at Goodison Park is £565 in the Sir Philip Carter Park Stand, less than £30 per match. Concession prices also offer incredible value for money as the Club recognises the importance of cultivating the next generation of Evertonians. Under-11s pay just £95 a season, equivalent to £5 per match, Under-18s' prices are £149 per season and Under-21s £299 per season.

The Club continued to invest in Goodison Park, with work taking place on a significant upgrade of the hospitality lounges in the summer of 2019 and work completed to the Sir Philip Carter Park Stand to improve disabled viewing positions and access.

STRATEGIC REPORT

Finance and Commercial Review



Sponsorship and Commercial Activities

Overall, the Club's Sponsorship, Advertising and Merchandising revenue reached a record £29.1m, an increase of 40.6% on 2017/18.

During the season, the Club extended and expanded its partnership contract with USM Holdings. In addition to retaining the official naming rights for USM Finch Farm, the organisation has acquired the right to promote its group of companies across an enhanced suite of both digital and physical marketing assets.

The Club announced a long-term extension to its agreement with Fanatics as its retail partner in a deal which will generate the Club considerably improved guaranteed revenue. It also continued the Technical Kit supply arrangement with Umbro.

The 2018/19 campaign was the first season of a new agreement with Fratelli Beretta, a deal which has subsequently been expanded to include the designation of Official Academy partner with the Italian food giant's brand appearing on the front of all Academy playing kits from Under-6 to Under-18.

The Club's official partnership portfolio also includes SportPesa, Angry Birds, moneycorp, Molson Coors, eToro, Davanti Tyres, Monster Energy Drink, Reach Sport, StubHub and Osonyq. The Club continues its strategy of expanding its partnership portfolio in terms of overall numbers of partners, sectors and global geographical reach.

Total commercial revenue from sponsorship, advertising and merchandising and other commercial activities has grown from £12.7m to £40.8m over a five-year period between 2013/14 and 2018/19 (26% per annum).

Operating Expenses (Excluding Player and Management Trading)

Operating expenses (excluding player and management trading) increased to £217.4m in 2018/19 (2017/18: £212.1m) including exceptional costs of £7.7m (2017/18: £25.8m).

Significant investment was made in the first-team squad which resulted in an increase in staff costs to £160.0m (2017/18: £145.5m). The Club's total wage to turnover ratio has increased from 77% in 2017/18 to 85% in 2018/19.

Operating Expenses (Excluding Player and Management Trading)

	2019 (£m)	2018 (£m)	Change (£m)
Turnover	187.7	189.2	(1.5)
Staff costs	(160.0)	(145.5)	(14.5)
Other operating costs	(43.2)	(36.8)	(6.4)
Depreciation	(6.5)	(4.0)	(2.5)
Operating expenses (pre-player and management trading)	(209.7)	(186.3)	(23.4)
Expenditure incurred on new stadium project	(7.2)	(11.4)	4.2
Amounts payable to former employees in relation to change in coaching staff	-	(14.4)	14.4
Revaluation of Football League Limited Pension Scheme	(0.5)	-	(0.5)
Operating expenses - exceptional items (pre-player and management trading)	(7.7)	(25.8)	18.1
Operating loss (pre-player and management trading)	(29.7)	(22.9)	(6.8)

This figure has been artificially inflated by the additional month in the 13-month reporting period, and 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.

The majority of the Club's turnover is generated during the playing season. However, the Club's costs, including wages, are incurred more evenly across all months. The wage to turnover ratio would reduce to 79% if an adjustment is made to pro rata costs over a like-for-like 12-month period. This ratio reduces further to 75% (2018: 73%), if an adjustment is made to turnover to include the gross retail and catering sales that are currently outsourced. The Club's policy is to reduce the wage to turnover ratio going forward to bring it more in line with its Premier League peers.

In addition to staff costs, the Club's other operating costs increased to £43.2m (2017/18: £36.8m) which was mainly driven by the additional month from the change in year-end and non-recurring rebates received in the prior year for players injured on International duty.

The Club has committed significant funds to the development of the new stadium during 2018/19 and the Club incurred an operating exceptional cost of £7.2m (2017/18: £11.4m) for design and other work relating to the project, on which costs cannot be capitalised until planning permission has been obtained. In the prior year, an additional operating exceptional cost of £14.4m was incurred for amounts payable in relation to the change in coaching staff.

As a result, the Club made an operating loss before player and management trading of £29.7m (2017/18: £22.9m) excluding player trading. The statutory operating loss was £127.3m (2018/19: £98.0m).

Player and Management Trading

Under FRS 102, the Club is required to capitalise the cost of acquiring a player's registration (transfer fee) 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.



Player and Management Trading

	2019 (£m)	2018 (£m)	Change (£m)
Operating loss (pre-player and management trading)	(29.7)	(22.9)	(6.8)
Amortisation of players' registrations	(95.1)	(66.9)	(28.2)
Impairment of player registrations	(2.5)	(8.2)	5.7
Profit on player trading	20.3	87.8	(67.5)
Player and management trading	(77.3)	12.7	(90.0)
Loss before interest and taxation	(107.0)	(10.2)	(96.8)

The Club has committed a significant investment into its playing squad during the previous three seasons resulting in an amortisation charge of players' registrations of £95.1m during 2018/19 (2017/18: £66.9m). £8.1m of this charge is attributable to the additional month arising from the change in year-end.

In the previous year, the amortisation charge of £66.9m and impairment of player registrations of £8.2m was offset by profit on disposal of player registrations of £87.8m, crystallised from the sales of Romelu Lukaku, Ross Barkley, Tom Cleverley and Gerard Deulofeu.

In 2018/19, profit on the disposal of player registrations was £20.3m, down £67.5m on the previous year as the Club looked to retain its key players and maintain the integrity of its first-team squad. It should be noted that the balance sheet value of the Club's playing squad of £263.7m at 30 June 2019, 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 £107.0m (2018: net loss £10.2m)

Balance Sheet and Funding

The Club's investment in the playing squad led to the increase in intangible assets to £263.7m in 2018/19 (2017/18: £239.9m) which includes the additions of Richarlison, Lucas Digne, Yerry Mina, Bernard and Andre Gomes.

The Club's net asset position in 2018/19 was £160.8m (2017/18: £123.4m). This investment, as well as the operating performance described above, was

funded by shareholder injections via an interest-free loan, which reached £300m in 2018/19. 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 £50.0m received.

The Club's net debt position decreased to £9.2m (2017/18: £65.7m) as a result of the continued substantial support of the majority shareholder. The Club completed a switch of its day-to-day banking facilities to Metro Bank and continues to proactively develop our long-term relationships with international financing institutions for strategic financing transactions.

A Ryazantsev
Chief Financial and Commercial Officer



Principal Risks and Uncertainties

The Group's activities expose it to a number of financial risks including cash flow, credit 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, and investments. 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 ensuring that the Group has sufficient liquid resources to meet its liabilities as they fall due the Directors have reviewed in detail the business' cash flow projections. As disclosed in note 1, during the 2018/19 season the Group met its day to day working capital requirements through its cash reserves, Shareholder support, revolving credit facility and through the securitisation of future guaranteed receivables.

Additionally, because of the predictable nature of football club revenue streams, the Group is able to obtain further funding if required through the securitisation of future guaranteed revenues, as is common industry practice, and as it has done in the past. As disclosed in note 21, since 30 June 2019 the Club has taken out a new working capital facility. This facility replaces the previous three year revolving credit facility (RCF) which the Club had access to. This facility is repayable on 1 July 2020. Based on ongoing dialogue with the existing and potential funders, the Directors are confident that this facility will be replaced by an equivalent facility on repayment.

The Group's trading projections show that it has a reasonable expectation of staying within its currently available, and future anticipated, finance facilities for at least 12 months from the date of signing of these accounts. In preparing these trading projections, a number of additional inherent uncertainties have been identified; notably on-field performance and the resultant reduction in the Premier League domestic broadcasting merit award payment and the level of player trading.

The Directors have considered the net current liability and other inherent uncertainties 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 Bluesky Capital Limited, a company controlled by Mr Moshiri, the Directors have a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future. Accordingly they adopt the going concern basis in preparing the Annual Report and Accounts.

The Club is regulated by the rules of the FA, Premier League, UEFA and FIFA. Any change to FA, Premier League, UEFA and FIFA regulations in future could have an impact on the Group as the regulations cover areas such as: the format of competitions, financial fair play, the division of broadcasting income, the eligibility of players and the operation of the transfer market. The Group monitors its compliance with all applicable rules and regulations on a continuous basis and also

monitors and considers the impact of any potential changes.

Future Developments

The Directors expect the general level of activity to remain consistent with 2018/19 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:

A Ryazantsev
Director
13 January 2020
Goodison Park
Liverpool
L4 4EL

DIRECTORS' REPORT



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 13-month period ended 30 June 2019.

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 of the Year

The loss for the period amounted to £111.8m (2018: £13.1m), which has been withdrawn from reserves (2018: same). The Directors are not able to recommend the payment of a dividend (2018: 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 11 (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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

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:

A Ryazantsev
Director
13 January 2020
Goodison Park
Liverpool
L4 4EL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EVERTON FOOTBALL CLUB COMPANY LIMITED



Report on the Audit of the Financial Statements

Opinion

In our opinion the financial statements of Everton Football Club Company Limited (the 'parent company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2019 and of the group's loss for the 13 month period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated profit and loss account;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 25.

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 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 Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating to Going Concern

We are required by ISAs (UK) to report in respect of the following matters where:

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

We have nothing to report in respect of these matters.

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.

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

We have nothing to report in respect of these matters.

Responsibilities of Directors

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EVERTON FOOTBALL CLUB COMPANY LIMITED



Report on Other Legal and Regulatory Requirements

Opinions on Other Matters Prescribed by the Companies Act 2006

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

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

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

Matters on which we are Required to Report by Exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

Use of Our Report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those

matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Damian Sanders FCA
(Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor Liverpool,
United Kingdom
13 January 2020

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 30 JUNE 2019



Notes	13 months ended 30 June 2019			12 months ended 31 May 2018			
	Operations excluding player and management trading	Player and management trading	Total	Operations excluding player and management trading	Player and management trading	Total	
	£'000	£'000	£'000	£'000	£'000	£'000	
Turnover	1,2	187,664	-	187,664	189,159	-	189,159
Operating expenses	3	(209,649)	(95,057)	(304,706)	(186,276)	(66,933)	(253,209)
Operating expenses - exceptional costs	3	(7,722)	(2,511)	(10,233)	(25,787)	(8,175)	(33,962)
		(217,371)	(97,568)	(314,939)	(212,063)	(75,108)	(287,171)
Operating loss	4	(29,707)	(97,568)	(127,275)	(22,904)	(75,108)	(98,012)
Profit on player trading		-	20,258	20,258	-	87,786	87,786
Profit on disposal of tangible fixed assets		40	-	40	-	-	-
(Loss) / profit before interest and taxation		(29,667)	(77,310)	(106,977)	(22,904)	12,678	(10,226)
Interest receivable and similar income	5			2,925			3,094
Interest payable and similar charges	6			(7,793)			(5,938)
Loss before taxation				(111,845)			(13,070)
Tax on loss	8			30			(26)
Loss after taxation for the period withdrawn from reserves				(111,815)			(13,096)

All the above amounts derive from continuing operations.

There are no other items of income or expense for the period ended 30 June 2019 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 2019



	Notes	30 June 2019		31 May 2018	
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	10		263,653		239,909
Tangible assets	11		21,179		15,790
			284,832		255,699
Current assets					
Debtors					
- Due within one year	14	56,709		72,166	
- Due after one year	14	28,522		45,280	
Cash at bank and in hand		27,429		9,475	
		112,660		126,921	
Creditors - amounts falling due within one year	15	(166,831)		(202,058)	
Net current liabilities			(54,171)		(75,137)
Total assets less current liabilities			230,661		180,562
Creditors - amounts falling due after more than one year	16		(61,479)		(47,263)
Provision for liabilities	17		(8,380)		(9,932)
Net assets			160,802		123,367
Capital and reserves					
Called up share capital	18		35		35
Share premium account	18		24,968		24,968
Profit and loss account - deficit	18		(162,701)		(50,886)
Other reserves	18		298,500		149,250
Shareholders' funds			160,802		123,367

The financial statements of the Everton Football Club Company Limited, registered number 36624, were approved by the Board on 13 January 2020 and signed on its behalf by


W Kenwright CBE
Director

COMPANY BALANCE SHEET AT 30 JUNE 2019



	Notes	30 June 2019		31 May 2018	
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	10		263,653		239,909
Tangible assets	11		17,629		11,976
Investments	12				
			281,282		251,885
Current assets					
Debtors					
- Due within one year	14	78,817		77,166	
- Due after one year	14	28,522		45,280	
Cash at bank and in hand		27,819		9,408	
		135,158		131,854	
Creditors - amounts falling due within one year	15	(167,911)		(192,501)	
Net current liabilities			(32,753)		(60,647)
Total assets less current liabilities			248,529		191,238
Creditors - amounts falling due after more than one year	16		(60,777)		(46,520)
Provision for liabilities	17		(8,380)		(9,932)
Net assets			179,372		134,786
Capital and reserves					
Called up share capital	18		35		35
Share premium account	18		24,968		24,968
Profit and loss account - deficit	18		(144,131)		(39,467)
Other reserves	18		298,500		149,250
Shareholders' funds			179,372		134,786

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 £104,664,000 (2018: £1,664,000).

The financial statements of the Everton Football Club Company Limited, registered number 36624, were approved by the Board on 13 January 2020 and signed on its behalf by


W Kenwright CBE
 Director

CONSOLIDATED AND COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2019



Group

	Called-up share capital	Share premium account	Profit and loss account	Other reserves	Total
Notes	£'000	£'000	£'000	£'000	£'000
At 1 June 2017	35	24,968	(37,790)	104,475	91,688
Loss for the year and total comprehensive expense	-	-	(13,096)	-	(13,096)
Loan from Shareholder classed as equity	-	-	-	44,775	44,775
At 1 June 2018	35	24,968	(50,886)	149,250	123,367
Loss for the period and total comprehensive expense	-	-	(111,815)	-	(111,815)
Loan from Shareholder classed as equity	18	-	-	149,250	149,250
At 30 June 2019	35	24,968	(162,701)	298,500	160,802

Company

	Called-up share capital	Share premium account	Profit and loss account	Other reserves	Total
Notes	£'000	£'000	£'000	£'000	£'000
At 1 June 2017	35	24,968	(37,803)	104,475	91,675
Loss for the year and total comprehensive expense	-	-	(1,664)	-	(1,664)
Loan from Shareholder classed as equity	-	-	-	44,775	44,775
At 1 June 2018	35	24,968	(39,467)	149,250	134,786
Loss for the period and total comprehensive expense	-	-	(104,664)	-	(104,664)
Loan from Shareholder classed as equity	18	-	-	149,250	149,250
At 30 June 2019	35	24,968	(144,131)	298,500	179,372

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 JUNE 2019



	2019	2018
Notes	£'000	£'000
Net cash flows from operating activities		
Loss for the period	(111,815)	(13,096)
Adjustments for:		
Profit on disposal of football staff registrations	(20,258)	(87,786)
Profit on disposal of tangible fixed assets	(40)	-
Depreciation of tangible fixed assets	6,537	3,968
Amortisation of grants	(41)	(38)
Amortisation of football staff registrations	95,057	66,933
Exceptional item in relation to change in coaching staff	-	10,341
Impairment of football staff registrations	2,511	8,175
Interest receivable and similar income	(2,925)	(3,094)
Interest payable and similar charges	7,793	5,938
Taxation	(30)	26
Operating cash flows before movements in working capital	(23,211)	(8,633)
Decrease/(Increase) in debtors	7,289	(3,397)
Increase in creditors	6,326	4,750
(Decrease)/Increase in provisions	(229)	459
Cash used in operations	(9,825)	(6,821)
Cash flow from investing activities		
Proceeds from disposal of players' registrations	67,098	52,576
Proceeds from sale of tangible fixed assets	40	-
Purchase of players' registrations	(134,796)	(155,828)
Purchase of tangible fixed assets	(11,926)	(7,920)
Interest received	-	16
Shareholder loans treated as equity	149,250	44,775
Net cash flows from investing activities	69,666	(66,381)
Cash flows from financing activities		
Interest paid	(1,718)	(2,127)
Repayments of borrowings	(75,500)	-
Repayments of obligations under finance lease	-	(20)
New loans	35,331	75,188
Net cash flows from financing activities	(41,887)	73,041
Cash at bank and in hand at beginning of period	9,475	9,635
Net increase/(decrease) in cash	17,954	(160)
Cash at bank and in hand at end of period	27,429	9,475

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 30 JUNE 2019



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 11. The nature of the group's operations and its principal activities are set out in the strategic report on page 12.

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 77.2% of the share capital of the Company. Blue Horizon Investments Limited is incorporated 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. The Directors have chosen to change the accounting reference date of the company to 30 June in order to provide a greater alignment with the seasonal nature of the business and therefore the results presented are for a 13 month period. 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

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report and the Directors' report. The directors' report further describes the financial position of the Group; its cash flows, liquidity position and borrowing facilities; the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposure to credit risk and liquidity risk. During the 2018/19 season the Group met its day to day working capital requirements through its cash reserves, shareholder support, revolving credit facility and through the securitisation of future guaranteed receivables. Because of the predictable nature of football club revenue streams, the Group is able to obtain further funding if required through the securitisation of future guaranteed revenues, as is common industry practice, and as it has done in the past.

As disclosed in note 21, since 30 June 2019 the Club has taken out a new working capital facility. This facility replaces the previous three year revolving credit facility (RCF) which the Club had access to. This facility is repayable on 1 July 2020. Based on ongoing dialogue with the existing and potential funders, the Directors are confident that this facility will be replaced by an equivalent facility on repayment.

The timing of the expiry of this facility on 1 July 2020 allows the Directors and current or alternative funding partners to agree appropriate facilities for the following season based on performance in the 2019/20 Premier League season and related activities, including the Group's player trading activity in the January 2020 transfer window and the start of the summer 2020 transfer window.

The Directors believe that it is the current lender's intention to renew the facility agreement. In the event this did not

happen, the Directors' are confident alternative sources of funding can be put in place for the following season, in each case subject to review at the end of the current football season with the knowledge of the level of player trading over the period and with the amount and terms to be negotiated at the appropriate time. The Directors acknowledge the need for further discussion and agreement with potential funding partners, thereby giving rise to a degree of uncertainty on the final outcome regarding funding. However, the Directors consider discussions with existing and potential funders to be of appropriate comfort to them in the circumstances. In particular, the Directors consider it to be common practice for many Premier League football clubs for the exact level and terms of facilities to be reviewed at the end of each football season. Based on the ongoing dialogue with funding partners, the Directors are confident that the current facilities will be renewed at a similar level, or replaced by equivalent facilities, for the 2020/21 Premier League season.

The Group's trading projections show that it has a reasonable expectation of staying within its currently available, and future anticipated, finance facilities for at least 12 months from the date of signing of these accounts. In preparing these trading projections, a number of additional inherent uncertainties have been identified; notably on-field performance and the resultant reduction in the Premier League domestic broadcasting merit award payment and the level of player trading. The Directors have considered the net current liability position and other inherent uncertainties 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, as well as the continued financial support of Bluesky Capital Limited, a company controlled by Mr Moshiri, the Directors have a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future. Accordingly they adopt the going concern basis in preparing the Annual Report and Accounts.

(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.

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 30 JUNE 2019



Gate receipts 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 depreciation and any provision for impairment. Depreciation is not provided on freehold land. 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 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, including agents' fees, is capitalised and amortised on a straight line basis over the period of the respective players' contracts in accordance with FRS 102 section 18 'Intangible assets other than goodwill'. The transfer fee levy refund received during the year is credited against additions to intangible assets.

When a playing 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.

(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.

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 30 JUNE 2019



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.

(ii) Investments - In the Company balance sheet, investments in subsidiaries are measured at cost less impairment.

(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.

(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.

(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

(i) 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.

(ii) 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.

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 do not consider there to be any critical accounting judgements.

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 30 JUNE 2019



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 2019 there is £40,369,000 (2018: £41,403,000) of contingent fees which are not considered probable based on managements best estimates.

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 30 JUNE 2019



2. Turnover

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

	13 months to 30 June 2019	12 months to 31 May 2018
	£'000	£'000
Broadcasting	132,734	130,000
Gate receipts	14,183	16,316
Sponsorship, advertising and merchandising	29,077	20,728
Other commercial activities	11,670	22,115
	187,664	189,159

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 £7.2m to £194m (2018: £9.1m to £198m) if these operations were not outsourced.

3. Operating Expenses

	13 months to 30 June 2019	12 months to 31 May 2018
	£'000	£'000
Amortisation of players registrations (note 10)	95,057	66,933
Staff costs (note 7)	159,985	145,479
Depreciation (note 11)	6,537	3,968
Other operating costs	43,127	36,829
Other operating costs - exceptional costs	10,233	33,962
Total operating expenses	314,939	287,171

The exceptional other operating costs of £10.2m in the period ended 30 June 2019 relates to expenditure incurred on the new stadium project, impairment of players registrations and revaluation of the Football League Limited pension scheme and are broken down as follows:

	13 months to 30 June 2019	12 months to 31 May 2018
	£'000	£'000
Expenditure incurred on new stadium project	7,236	11,405
Amounts payable to former employees in relation to the change in coaching staff	-	14,382
Impairment of players registrations	2,511	8,175
Revaluation of Football League Limited Pension Scheme	486	-
	10,233	33,962

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

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 30 JUNE 2019



4. Operating Loss

	13 months to 30 June 2019	12 months to 31 May 2018
	£'000	£'000
The operating loss is stated after charging / (crediting):		
Depreciation - property	275	264
Depreciation - other	6,262	3,704
Amortisation of grants	(41)	(38)
Operating lease rentals		
Motor vehicles	387	367
Office equipment	226	220
Land and properties	2,173	1,282
Foreign exchange loss	396	(12)
Amortisation of players registrations	95,057	66,933
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	51	44
Fees payable to the Company's auditor for the audit of the Company's subsidiaries	8	8
Total audit fees	59	52
Other non-audit services		
Audit - related assurance services	181	17
Tax services	39	65
Other services	155	118
Total non-audit fees	212	200

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 30 JUNE 2019



5. Interest Receivable and Similar Income

	13 months to 30 June 2019	12 months to 31 May 2018
	£'000	£'000
Bank interest receivable	-	16
Other interest receivable	2,925	3,078
	2,925	3,094

Other interest receivable relates to the unwinding of the discount for FRS 102 purposes, on deferred receipts for sale of players' registrations.

6. Interest Payable and Similar Charges

	13 months to 30 June 2019	12 months to 31 May 2018
	£'000	£'000
Finance leases and hire purchase agreements	-	3
Other loans	3,813	2,622
Other interest payable	3,980	3,313
	7,793	5,938

Other interest payable relates to the unwinding of the discount for FRS 102 purposes, on deferred receipts for sale of players' registrations.

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 30 JUNE 2019



7. Particular of Employees

Group	13 months to 30 June 2019	12 months to 31 May 2018
	Number	Number
The average monthly number of employees, including Executive Directors, during the year was as follows:		
Playing, training and management	151	172
Youth academy	83	73
Marketing and media	61	55
Management and administration	100	77
Maintenance, security, pitch and ground safety	61	50
	456	427

In addition, the Group employed an average of 411 temporary staff on matchdays (2018: 406).

Aggregate payroll costs for the above employees were as follows:

	13 months to 30 June 2019	12 months to 31 May 2018
	£'000	£'000
Wages and salaries	140,468	127,827
Social security costs	18,800	17,110
Other pension costs	717	542
	159,985	145,479

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 30 JUNE 2019



Company	13 months to 30 June 2019	12 months to 31 May 2018
	Number	Number
The average monthly number of employees, including Executive Directors, during the year was as follows:		
Playing, training and management	117	134
Youth academy	83	73
Marketing and media	61	55
Management and administration	100	77
Maintenance, security, pitch and ground safety	61	50
	422	389

Aggregate payroll costs for the above employees were as follows:	13 months to 30 June 2019	12 months to 31 May 2018
	£'000	£'000
Wages and salaries	139,807	127,377
Social security costs	18,743	17,095
Other pension costs	705	536
	159,255	145,008

Directors' remuneration	13 months to 30 June 2019	12 months to 31 May 2018
	£'000	£'000
Emoluments	3,588	2,455
Company contributions to money purchase pension scheme	22	31
	3,610	2,486
Highest paid Director	916	917
Company contributions to money purchase pension scheme	11	10
	927	927

Retirement Benefits are accruing for the following number of Directors under:	13 months to 30 June 2019	12 months to 31 May 2018
Money purchase pension plans	2	3

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

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 30 JUNE 2019



8. Tax on Loss

	13 months to 30 June 2019	12 months to 31 May 2018
	£'000	£'000
Current and total tax charge in the year	-	26
Deferred tax credit in the period	(30)	-
Current tax charge for the year	(30)	26

a) Factors affecting the tax charge for the current year

The tax assessed for the period is lower (2018: lower) than that resulting from applying the effective standard rate of corporation tax in the UK: 19% (2018: 19%).

	13 months to 30 June 2019	12 months to 31 May 2018
	£'000	£'000
Loss in the period	(111,845)	(13,070)
Tax on loss at the standard rate	(21,251)	(2,483)
Expenses not deductible for tax purposes	341	2,547
Income not taxable for tax purposes	(8)	(8)
Pre trading expenditure	1,182	-
Depreciation on ineligible assets	49	-
Deferred tax not provided	19,657	3,034
Rollover relief claim	-	(3,064)
Total tax (credit)/charge for the period	(30)	26

b) Factors that may affect the future tax charge

Unrecognised deferred tax assets of the Group are £5.1m (2018: £6.9m). 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 £18.1m, less the NBV of players into which profits have been rolled over of £3.4m. Decelerated capital allowances and pension assets are also included.

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 £104,664,000 (2018: £1,664,000).

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 30 JUNE 2019



10. Intangible Fixed Assets - Group and Company

	Total
	£'000
Cost	
At 1 June 2018	362,001
Additions in the period	146,332
Disposals in the period	(65,708)
At 30 June 2019	442,625
Amortisation	
At 1 June 2018	122,092
Charge for the period	95,057
Impairment of players registrations	2,511
Eliminated on disposals	(40,688)
At 30 June 2019	178,972
Net book value	
At 30 June 2019	263,653
At 31 May 2018	239,909

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.

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 30 JUNE 2019



11. Tangible Fixed Assets

Group

	Freehold properties	Plant and equipment	Vehicles	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 June 2018	11,408	30,207	156	41,771
Additions in the period	-	11,926	-	11,926
Disposals in the period	-	-	(114)	(114)
At 30 June 2019	11,408	42,133	42	53,583
Depreciation				
At 1 June 2018	7,406	18,419	156	25,981
Charge for the period	275	6,262	-	6,537
On disposals	-	-	(114)	(114)
At 30 June 2019	7,681	24,681	42	32,404
Net book value				
At 30 June 2019	3,727	17,452	-	21,179
At 31 May 2018	4,002	11,788	-	15,790

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 30 JUNE 2019



Company

	Freehold properties	Plant and equipment	Vehicles	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 June 2018	308	30,207	156	30,671
Additions in the period	-	11,926	-	11,926
Disposals in the period	-	-	(114)	(114)
At 30 June 2019	308	42,133	42	42,483
Depreciation				
At 1 June 2018	120	18,419	156	18,695
Charge for the period	11	6,262	-	6,273
On disposals	-	-	(114)	(114)
At 30 June 2019	131	24,681	42	24,854
Net book value				
At 30 June 2019	177	17,452	-	17,629
At 31 May 2018	188	11,788	-	11,976

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 30 JUNE 2019



12. Investments

FIXED ASSET INVESTMENTS

Company

Subsidiary Undertakings

£

Cost and net book value

As at 1 June 2018 and 30 June 2019

7

Details of Company's subsidiaries as at 30 June 2019, 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 Commitment

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

	Land and Properties		Other		Total	
	30 June 2019	31 May 2018	30 June 2019	31 May 2018	30 June 2019	31 May 2018
	£'000	£'000	£'000	£'000	£'000	£'000
Expiring within one year	108	-	8	16	116	16
Expiring between two and five years	-	225	682	752	682	977
Expiring in more than five years	82,007	83,354	-	-	82,007	83,354
	82,115	83,579	690	768	82,805	84,347

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 30 JUNE 2019



14. Debtors

	Group		Company	
	30 June 2019	31 May 2018	30 June 2019	31 May 2018
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	51,882	64,301	51,473	63,659
Amounts due from subsidiaries	-	-	22,586	5,667
Other financial assets	714	625	714	625
Prepayments and accrued income	4,083	7,240	4,044	7,215
Deferred tax	30	-	-	-
	56,709	72,166	78,817	77,166
Amounts falling due after one year:				
Trade debtors	28,522	45,280	28,522	45,280
	28,522	45,280	28,522	45,280

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

15. Creditors - Amounts Falling Due Within One Year

	Group		Company	
	30 June 2019	31 May 2018	30 June 2019	31 May 2018
	£'000	£'000	£'000	£'000
Other loans (note 16)	17,938	75,188	17,938	75,188
Trade creditors	73,509	55,217	72,294	54,970
Accruals and deferred income	58,995	57,876	47,935	47,221
Amounts due to subsidiaries	-	-	12,107	-
Social security and other taxes	16,389	13,777	17,637	15,122
	166,831	202,058	167,911	192,501

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

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 30 JUNE 2019



16. Creditors – Amounts Falling Due After More Than One Year

	Group		Company	
	30 June 2019	31 May 2018	30 June 2019	31 May 2018
	£'000	£'000	£'000	£'000
Other loans (see borrowings below)	18,707	-	18,707	-
Trade creditors	34,352	33,179	34,352	33,179
Accruals and deferred income	8,420	14,084	7,718	13,341
	61,479	47,263	60,777	46,520

BORROWINGS

Group

	Other loans		Total	
	30 June 2019	31 May 2018	30 June 2019	31 May 2018
	£'000	£'000	£'000	£'000
Analysis of borrowings payable by instalments:				
Within one year	17,938	75,188	17,938	75,188
Between one and two years	18,707	-	18,707	-
	36,645	75,188	36,645	75,188

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 30 JUNE 2019



Company

	Other loans		Total	
	30 June 2019	31 May 2018	30 June 2019	31 May 2018
	£'000	£'000	£'000	£'000
Analysis of borrowings payable by instalments:				
Within one year	17,938	75,188	17,938	75,188
Between one and two years	18,707	-	18,707	-
	36,645	75,188	36,645	75,188

Other loans at 30 June 2019 comprises an amount of £36,644,000 (31 May 2018; £32,188,000) which was secured against future guaranteed receivables. These loans incur interest at a rate of 3.5% per annum and are repayable in July 2019 and July 2020 respectively.

Also included in other loans at 30 June 2019 includes £nil (31 May 2018; £43,000,000) secured by legal charges over the Company's guaranteed Premier League broadcast revenues. This loan incurs interest at a rate of 3.5% above LIBOR and is a three year revolving credit facility.

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 30 JUNE 2019



17. Provision for Liabilities

	Group and Company			
	Pensions (note 20)	Contingent appearance fees	Litigation	Total
	£'000	£'000	£'000	£'000
At 1 June 2018	130	9,222	580	9,932
Utilised in the period	(136)	(6,287)	(580)	(7,003)
Provided in the period	487	4,964	-	5,451
At 30 June 2019	481	7,899	-	8,380

The contingent appearance fees and pension provision are expected to be utilised within 2 and 4 years respectively.

There are no amounts provided for deferred tax at 30 June 2019 or 31 May 2018.

18. Share Capital and Reserves

The Group and Company's Share Capital

	2019	2018
	£'000	£'000
Allotted, issued and fully paid		
35,000 ordinary shares of £1 each	35	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 £300,000,000 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 £1,500,000 have been deducted from equity in accordance with FRS 102.22.9.

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 30 JUNE 2019



19. Contingent Liabilities

No provision is included in the accounts for transfer fees of £40,369,000 (2018: £41,403,000) which are, as at 30 June 2019, 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 2019, of £37,802,000 (2018: £31,231,000) 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 £718,000 (2018: £542,000). The amount outstanding at year end was £122,000 (2018: £87,000).

21. Post Balance Sheet Events

Since 30 June 2019, the Club has taken out a new working capital facility through the securitisation of future guaranteed revenues, as is common industry practise, and as it has done in the past. This facility replaces the previous three year revolving credit facility (RCF) which the Club had access to and is repayable on 1 July 2020.

Since 30 June 2019 the Club's majority shareholder has provided further interest free loans of £50,000,000 with no agreed repayment date, which were treated as equity.

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 2019 Everton Football Club Company Limited employees held two of the seven Trustee positions at the Charity. During the year Everton Football Club Company Limited incurred net operating costs of £390,000 (2018: £240,000) on behalf of the Charity.

During the year the Club's majority shareholder has provided interest free loans of £149,250,000, included in equity, with no agreed repayment date. The balance outstanding at year end was £298,500,000.

During the year the Club received naming rights income in respect of Finch Farm training complex of £12,000,000 (2018: £6,000,000) from USM Services Limited. The Club's majority shareholder is a shareholder of USM Holdings, a parent company of USM Services Limited.

During the year the Club 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 2019 or 31 May 2018 in the company or group.

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 30 JUNE 2019



24. Financial Instruments

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

	Group		Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Financial assets				
Measured at amortised cost:				
Trade debtors	28,522	45,280	28,522	45,280
Measured at undiscounted amounts receivable:				
Trade debtors and other debtors	52,626	64,926	52,187	64,284
Amounts due from subsidiaries	-	-	22,586	5,667
Cash at bank and in hand	27,429	9,475	27,819	9,408
	108,577	119,681	131,114	124,639

	Group		Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Financial liabilities				
Measured at fair value:				
Derivative financial instruments	-	-	-	-
Measured at amortised cost				
Trade creditors	34,352	33,179	34,352	33,179
Measured at undiscounted amount payable				
Bank loans and overdrafts	36,645	75,188	36,645	75,188
Trade and other creditors	73,509	55,217	72,294	54,970
Amounts owed to subsidiaries	-	-	12,107	-
	144,506	163,584	155,398	163,337

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 30 JUNE 2019



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

	Group and Company	
	2019	2018
	£'000	£'000
Income and expense		
Total interest income for financial assets at amortised cost	2,925	3,072
Total interest expense for financial liabilities at amortised cost	(3,980)	(3,313)

25. Derivative Financial Instruments

	Group and Company	
	2019	2018
	£'000	£'000
Current Assets		
Forward foreign currency contracts	428	-

Forward foreign currency contracts are valued using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts



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