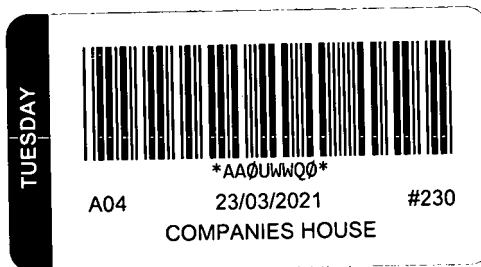


COMPANY REGISTRATION NUMBER: 06233875

Leeds United Football Club Limited
Consolidated Financial Statements
For the period ended
31 July 2020



Leeds United Football Club Limited

Financial Statements

Period from 1 July 2019 to 31 July 2020

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Leeds United Football Club Limited

Officers and Professional Advisers

The board of directors

A Radrizzani
A Tegner
A Kinneer
P V Marathe

Registered office

Elland Road
Leeds
LS11 0ES

Auditor

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

Bankers

Barclays Bank plc
69 Albion Street
Leeds
LS1 5AA

Solicitors

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

Leeds United Football Club Limited

Strategic Report

Period from 1 July 2019 to 31 July 2020

Business review and principal activities

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

It was fitting that, in the group's centenary year, it secured a return to the Premier League after a sixteen-year absence. Despite the unprecedented operational and financial challenges posed by the COVID-19 pandemic the group won the EFL Championship by ten points whilst successfully maintaining the group's financial integrity with record commercial growth.

The year began with a brand building pre-season tour to Australia and the opportunity play Manchester United in front of 55,000 spectators at the newly opened Optus arena. Simultaneously the summer was spent strengthening the squad with the additions of Ben White, Helder Costa, Eddie Nketiah and the returning Jack Harrison by employing a judicious approach to the loan market. This was coupled by extending the deals of the core of the squad that had narrowly missed promotion in the previous season. Numerous advances were rejected for Calvin Phillips who joined captain Liam Cooper, Stuart Dallas, Luke Ayling and Mateusz Klich in signing new deals. However, these investments were balanced with the departures of Kemar Roofe, Pontus Jansson and Bailey Peacock-Farrell reinforcing the group's commitment to sustainable financial management.

As the season launched, so did a six-part Amazon documentary depicting the previous campaign and attracting a global audience of millions as part of our strategy to grow Leeds United internationally.

The season was halted by the pandemic and a national lockdown with just nine games remaining and Leeds United sitting top of the table. The unity of the Club and its supporters showed throughout this challenging period, with every member of staff retained and the Leeds United Foundation excelling in their support for the local community, it became the foundation for the run in which saw Leeds United win seven of the remaining nine games to claim the title. The celebrations were only tempered by the mourning of three of the Club's favourite sons Norman Hunter, Jack Charlton and Trevor Cherry.

Principal risks and uncertainties

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

The risks of COVID on the revenue streams remains significant but the improvements in the macro-health environment point to a return of crowds in the near future which will see all core revenue streams fully restored.

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

Key performance indicators

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

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

The group saw an increase in turnover from £48.9m to £54.2m which was projecting to £56m before the impact of Covid hit. Average attendance increased from 34,033 during the full 2018-19 season to 35,321 for the 18 games held prior to lockdown during the 19-20 season. Merchandise sales were a key area of success growing by 63.8% from £9.4m to £15.4m. Other commercial revenue streams comprising mainly sponsorship, advertising and other events increased by 21% to £14.4m.

The commercial figures illustrate the positive sentiment of the fan base and the new found unity between supporters, players, management and, combined with promotion to the Premier League, represents the perfect platform for continued footballing and commercial success.

Leeds United Football Club Limited

Strategic Report (continued)

Period from 1 July 2019 to 31 July 2020

Section 172 Companies Act 2006 statement

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

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

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

- Maximisation of non-footballing revenues in order to be less reliant on the position of the first team. This promotes the long term sustainability of the club to the benefit of all members and stakeholders. Examples of this strategy were the hosting of other sporting events including rugby and boxing alongside music concerts. Further events had been planned but the onset of COVID-19 led to their cancellation. Once it is safe to do so, these events will be reinstated.
- Greater utilisation of our stadium, in conjunction with the club's subsidiary Leeds United Conference and Events Limited. The focus was, and will continue to be, on ensuring that as much available space is made available commercially for functions.
- Working alongside the Leeds United Foundation to promote improved health and well-being of all members of the community, both in the city of Leeds and beyond.

This report was approved by the board of directors on 26/02/2021 and signed on behalf of the board by:



A Kinnear
Director

Registered office:
Elland Road
Leeds
LS11 0ES

Leeds United Football Club Limited

Directors' Report

Period from 1 July 2019 to 31 July 2020

The directors present their report and the financial statements of the group for the period ended 31 July 2020.

Directors

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

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

(Resigned 3 October 2019)

Dividends

The directors do not recommend the payment of a dividend.

Employment of disabled persons

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

Employee involvement

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

Employee engagement

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

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

Financial instruments

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

Financial risk management and exposure to risk

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

Cash flow

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

Events after the end of the reporting period

Particulars of events after the reporting date are detailed in note 30 to the financial statements.

Qualifying indemnity provision

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

Disclosure of information in the strategic report

Details about future developments are included in the strategic report.

Directors' responsibilities statement

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

Leeds United Football Club Limited

Directors' Report (continued)

Period from 1 July 2019 to 31 July 2020

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

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

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

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

This report was approved by the board of directors on 26/02/2021 and signed on behalf of the board by:



A Kinnear
Director

Registered office:
Elland Road
Leeds
LS11 0ES

Leeds United Football Club Limited

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

Period from 1 July 2019 to 31 July 2020

Opinion

We have audited the financial statements of Leeds United Football Club Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 July 2020 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 July 2020 and of the group's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Leeds United Football Club Limited

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

Period from 1 July 2019 to 31 July 2020

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

Alistair Russell FCA (Senior Statutory Auditor)

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

113721

Leeds United Football Club Limited

Consolidated Statement of Comprehensive Income

Period from 1 July 2019 to 31 July 2020

	Note	Period from 1 Jul 19 to 31 Jul 20 £	Year to 30 Jun 19 £
Turnover	4	54,183,980	48,919,765
Cost of sales		(13,885,858)	(9,970,908)
Gross profit		40,298,122	38,948,857
Administrative expenses		(108,398,516)	(75,099,771)
Other operating income		3,528,322	2,860
Operating loss	5	(64,572,072)	(36,148,054)
Gain on disposal of players' registrations		10,128,024	15,649,423
Television and broadcasting rebate	9	(7,000,000)	–
Interest receivable and similar income	10	1,057,510	1,062,000
Interest payable and similar expenses	11	(2,035,446)	(1,962,363)
Loss before taxation		(62,421,984)	(21,398,994)
Tax on loss	12	–	–
Loss for the financial period and total comprehensive income		<u>(62,421,984)</u>	<u>(21,398,994)</u>

All the activities of the group are from continuing operations.

The notes on pages 14 to 28 form part of these financial statements.

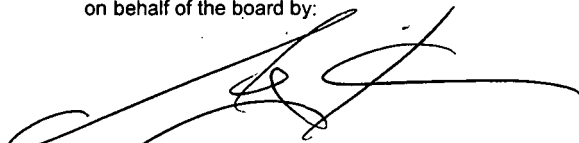
Leeds United Football Club Limited

Consolidated Statement of Financial Position

31 July 2020

	Note	31 Jul 20 £	30 Jun 19 £
Fixed assets			
Intangible assets	13	60,455,497	31,125,726
Tangible assets	14	15,158,419	15,458,586
		<u>75,613,916</u>	<u>46,584,312</u>
Current assets			
Stocks	16	1,783,295	2,982,046
Debtors: due within one year	17	17,191,480	16,858,950
Debtors: due after more than one year	17	1,425,000	7,554,031
Cash at bank and in hand		31,670,725	477,522
		<u>52,070,500</u>	<u>27,872,549</u>
Creditors: amounts falling due within one year	19	<u>(158,515,736)</u>	<u>(53,264,795)</u>
Net current liabilities		<u>(106,445,236)</u>	<u>(25,392,246)</u>
Total assets less current liabilities		<u>(30,831,320)</u>	<u>21,192,066</u>
Creditors: amounts falling due after more than one year	20	<u>(38,570,579)</u>	<u>(28,171,981)</u>
Net liabilities		<u>(69,401,899)</u>	<u>(6,979,915)</u>
Capital and reserves			
Called up share capital	25	43,834,908	43,834,908
Share premium account	26	6,000,000	6,000,000
Unrealised profit reserve	26	1,051,416	1,663,441
Profit and loss account	26	<u>(120,288,223)</u>	<u>(58,478,264)</u>
Shareholders deficit		<u>(69,401,899)</u>	<u>(6,979,915)</u>

These financial statements were approved by the board of directors and authorised for issue on ~~26/02/2021~~ and are signed on behalf of the board by:



A Kinnear
Director

Company registration number: 06233875

The notes on pages 14 to 28 form part of these financial statements.

Leeds United Football Club Limited

Company Statement of Financial Position

31 July 2020

	Note	31 Jul 20 £	30 Jun 19 £
Fixed assets			
Intangible assets	13	60,503,314	31,270,034
Tangible assets	14	14,120,369	14,302,253
Investments	15	3	2
		<u>74,623,686</u>	<u>45,572,289</u>
Current assets			
Stocks	16	1,741,623	2,945,389
Debtors: due within one year	17	16,498,725	16,390,154
Debtors: due after more than one year	17	1,425,000	7,554,031
Cash at bank and in hand		31,592,447	405,532
		<u>51,257,795</u>	<u>27,295,106</u>
Creditors: amounts falling due within one year	19	(160,826,749)	(55,134,094)
Net current liabilities		<u>(109,568,954)</u>	<u>(27,838,988)</u>
Total assets less current liabilities		<u>(34,945,268)</u>	<u>17,733,301</u>
Creditors: amounts falling due after more than one year	20	(38,564,591)	(28,171,981)
Net liabilities		<u>(73,509,859)</u>	<u>(10,438,680)</u>
Capital and reserves			
Called up share capital	25	43,834,908	43,834,908
Share premium account	26	6,000,000	6,000,000
Unrealised profit reserve	26	1,051,416	1,663,441
Profit and loss account	26	(124,396,183)	(61,937,029)
Shareholders deficit		<u>(73,509,859)</u>	<u>(10,438,680)</u>

The loss for the financial period of the parent company was £63,071,179 (2019: £22,291,787).

These financial statements were approved by the board of directors and authorised for issue on 26/02/2021 and are signed on behalf of the board by:



A Kinnear
Director

Company registration number: 06233875

The notes on pages 14 to 28 form part of these financial statements.

Leeds United Football Club Limited

Consolidated Statement of Changes in Equity

Period from 1 July 2019 to 31 July 2020

	Called up share capital £	Share premium account £	Unrealised profit reserve £	Profit and loss account £	Total £
At 1 July 2018	43,834,908	6,000,000	1,461,583	(36,877,412)	14,419,079
Loss for the period				(21,398,994)	(21,398,994)
Other comprehensive income for the period:					
Revaluation of financial liability to fair value	-	-	1,062,000	(1,062,000)	-
Notional interest charged on financial liability	-	-	(860,142)	860,142	-
Total comprehensive income for the period	-	-	201,858	(21,600,852)	(21,398,994)
At 30 June 2019	43,834,908	6,000,000	1,663,441	(58,478,264)	(6,979,915)
Loss for the period				(62,421,984)	(62,421,984)
Other comprehensive income for the period:					
Revaluation of financial liability to fair value	-	-	1,057,510	(1,057,510)	-
Notional interest charged on financial liability	-	-	(1,669,535)	1,669,535	-
Total comprehensive income for the period	-	-	(612,025)	(61,809,959)	(62,421,984)
At 31 July 2020	<u>43,834,908</u>	<u>6,000,000</u>	<u>1,051,416</u>	<u>(120,288,223)</u>	<u>(69,401,899)</u>

The notes on pages 14 to 28 form part of these financial statements.

Leeds United Football Club Limited

Company Statement of Changes in Equity

Period from 1 July 2019 to 31 July 2020

	Called up share capital £	Share premium account £	Unrealised profit reserve £	Profit and loss account £	Total £
At 1 July 2018	43,834,908	6,000,000	1,461,583	(39,443,384)	11,853,107
Loss for the period				(22,291,787)	(22,291,787)
Other comprehensive income for the period:					
Revaluation of financial liability to fair value	-	-	1,062,000	(1,062,000)	-
Notional interest charged on financial liability	-	-	(860,142)	860,142	-
Total comprehensive income for the period	-	-	201,858	(22,493,645)	(22,291,787)
At 30 June 2019	43,834,908	6,000,000	1,663,441	(61,937,029)	(10,438,680)
Loss for the period				(63,071,179)	(63,071,179)
Other comprehensive income for the period:					
Revaluation of financial liability to fair value	-	-	1,057,510	(1,057,510)	-
Notional interest charged on financial liability	-	-	(1,669,535)	1,669,535	-
Total comprehensive income for the period	-	-	(612,025)	(62,459,154)	(63,071,179)
At 31 July 2020	<u>43,834,908</u>	<u>6,000,000</u>	<u>1,051,416</u>	<u>(124,396,183)</u>	<u>(73,509,859)</u>

The notes on pages 14 to 28 form part of these financial statements.

Leeds United Football Club Limited

Consolidated Statement of Cash Flows

Period from 1 July 2019 to 31 July 2020

	Note	31 Jul 20 £	30 Jun 19 £
Cash flows from operating activities			
Loss for the financial period		(62,421,984)	(21,398,994)
<i>Adjustments for:</i>			
Depreciation of tangible assets		2,529,774	2,103,801
Amortisation of intangible assets		10,188,160	12,126,761
Impairment of intangible assets		1,242,045	1,522,951
Gain on disposal of players' registrations		(10,128,024)	(15,649,423)
Television and broadcasting rebate		7,000,000	-
Interest receivable and similar income		(1,057,510)	(1,062,000)
Interest payable and similar expenses		2,035,446	1,962,363
Gains on disposal of tangible assets		-	(750)
Accrued expenses		27,507,045	10,570,522
<i>Changes in:</i>			
Stocks		1,198,751	(2,269,743)
Trade and other debtors		(3,631,116)	(1,404,513)
Trade and other creditors		45,607,827	4,565,272
Cash generated from operations		20,070,414	(8,933,753)
Interest paid		(861,532)	(907,620)
Net cash from/(used in) operating activities		19,208,882	(9,841,373)
Cash flows from investing activities			
Purchase of tangible assets		(2,229,607)	(2,558,288)
Proceeds from sale of tangible assets		-	748
Purchase of intangible assets		(11,012,172)	(14,708,086)
Proceeds from sale of intangible assets		23,040,254	11,343,997
Net cash from/(used in) investing activities		9,798,475	(5,921,629)
Cash flows from financing activities			
Repayments of borrowings		(1,492,250)	(5,172,250)
Proceeds from loans from group undertakings		5,314,328	22,982,890
Repayments of loans from group undertakings		-	(5,104,286)
Payments of finance lease liabilities		(559,991)	(445,462)
Net cash from financing activities		3,262,087	12,260,892
Net increase/(decrease) in cash and cash equivalents		32,269,444	(3,502,110)
Cash and cash equivalents at beginning of period		(598,719)	2,903,391
Cash and cash equivalents at end of period	18	31,670,725	(598,719)

The notes on pages 14 to 28 form part of these financial statements.

Leeds United Football Club Limited
Notes to the Financial Statements
Period from 1 July 2019 to 31 July 2020

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Elland Road, Leeds, LS11 0ES. The nature of the company's operations and principal activities are that of a professional football club and all associated activities. The period end was increased by one month to 31 July 2020 to run in line with the completion of the EFL Championship season, which was extended due to the COVID-19 pandemic.

2. Statement of compliance

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

3. Accounting policies

Basis of preparation

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

Going concern

At 31 July 2020 the group had net liabilities of £69,401,899 (2019: £6,979,915) and net current liabilities of £107,870,236 (2019: £32,946,277) after adjusting for debtors due after more than one year. The directors have prepared and reviewed forecasts and, as part of their assessment of the going concern status of the group, they have received written confirmation from Aser Group Holding Plc Limited confirming that they will continue to financially support the group in order that it meets debts as they fall due during the next 12 months and also stating that amounts payable will not be called in for a period of no less than twelve months from approval of the financial statements. As a result, the directors consider that it is appropriate to prepare the accounts on the going concern basis.

The Board of Directors have reviewed the group's budgets and ensured that the most prudent approach has been taken. The expected impact of COVID 19 has been built into all forecasts and cash flows allowing for behind closed doors fixtures for the entirety of the forthcoming season and reduced levels of match day and non-match day income. The Directors have analysed both the long and short term assets and liabilities and remain confident that, with a judicious approach to both spending and cost control, the utilisation of funding available and the current levels of cash and assets available, there is sufficient resource within the group to ensure the continued operation for the foreseeable future.

Consolidation

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

The results of subsidiaries acquired or disposed of during the period are included from or to the date that control passes. The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

Judgements and key sources of estimation uncertainty

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

Key sources of estimation uncertainty

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

3. Accounting policies (continued)

Judgements and key sources of estimation uncertainty (continued)

Financial instruments

A discount rate is applied to long term debts on which interest below market rates are charged to restate the balances to fair value. The discount rate has been selected with reference to the expected commercial rate for a loan with similar terms. The discount rate is reviewed annually and adjusted where necessary. The carrying amount of the financial instruments are included in note 24.

Useful economic lives of intangible and tangible assets

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

Significant judgements

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

Impairment of intangible and tangible fixed assets

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

Revenue recognition

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

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

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

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

Taxation

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

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

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

Foreign currencies

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

Leeds United Football Club Limited

Notes to the Financial Statements (continued)

Period from 1 July 2019 to 31 July 2020

3. Accounting policies (continued)

Intangible assets - goodwill

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

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

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

Intangible assets - player registrations

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

Intangible assets - trademarks

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

Intangible assets - computer software

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

Tangible assets

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

Depreciation

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

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

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

Investments in subsidiary undertakings

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

Impairment of fixed assets

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

Stocks

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

Leeds United Football Club Limited

Notes to the Financial Statements (continued)

Period from 1 July 2019 to 31 July 2020

3. Accounting policies (continued)

Leases

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

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

Government grants

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

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

Financial instruments

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

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

Debt instruments are subsequently measured at amortised cost.

Pension costs

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

Signing-on fees

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

4. Turnover

Turnover arises from:

	Period from 1 Jul 19 to 31 Jul 20	Year to 30 Jun 19
	£	£
Gate receipts	11,435,623	12,612,796
Television and broadcasting income	1,481,500	1,486,000
Merchandising income	15,364,697	9,436,899
Central distributions	7,191,511	7,649,000
Other commercial revenue	14,435,706	11,937,394
Catering income	3,999,313	5,797,676
Educational services	275,630	-
	<u>54,183,980</u>	<u>48,919,765</u>

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

Leeds United Football Club Limited

Notes to the Financial Statements (continued)

Period from 1 July 2019 to 31 July 2020

5. Operating profit

Operating profit or loss is stated after charging/crediting:

	Period from 1 Jul 19 to 31 Jul 20 £	Year to 30 Jun 19 £
Amortisation of intangible assets	10,188,160	12,126,761
Depreciation of tangible assets	2,529,774	2,103,801
Impairment of intangible assets recognised in:		
Administrative expenses	1,242,045	1,522,951
Gains on disposal of tangible assets	-	(750)
Impairment of trade debtors	-	10,750
Foreign exchange differences	59,857	375,762
Operating lease costs	2,633,851	2,258,754
Impairment of debt	2,189,495	-
Government grants	<u>(1,027,107)</u>	<u>-</u>

The group lost profits directly due to the closure of the stadium and conferencing centres because of the COVID-19 pandemic. An insurance claim of £2,500,000 in respect of these losses has been accepted.

6. Auditor's remuneration

	Period from 1 Jul 19 to 31 Jul 20 £	Year to 30 Jun 19 £
Fees payable for the audit of the financial statements	<u>19,500</u>	<u>19,500</u>
Fees payable to the company's auditor and its associates for other services:		
Audit of subsidiaries	5,000	5,000
Taxation compliance services	8,650	10,650
Other assurance services	7,500	7,500
Other non-audit services	<u>7,450</u>	<u>5,139</u>
	<u>28,600</u>	<u>28,289</u>

7. Staff costs

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

	31 Jul 20 No.	30 Jun 19 No.
Full-time playing staff	51	56
Apprentices	23	17
Football team management	27	27
Management/administration	131	120
Casual match day staff	<u>847</u>	<u>838</u>
	<u>1,079</u>	<u>1,058</u>

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

	Period from 1 Jul 19 to 31 Jul 20 £	Year to 30 Jun 19 £
Wages and salaries	70,217,594	41,458,543
Social security costs	7,906,514	4,588,503
Other pension costs	<u>166,348</u>	<u>114,546</u>
	<u>78,290,456</u>	<u>46,161,592</u>

Included in wages and salaries are redundancy and ex-gratia payments of £1,833 (2019: £809,743).

Leeds United Football Club Limited

Notes to the Financial Statements (continued)

Period from 1 July 2019 to 31 July 2020

8. Directors' remuneration

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

	Period from 1 Jul 19 to 31 Jul 20 £	Year to 30 Jun 19 £
Remuneration	383,949	291,540
Company contributions to defined benefit pension plans	15,857	11,461
	<u>399,806</u>	<u>303,001</u>

The remuneration of the highest paid director in respect of qualifying services is £383,949 (2019: £291,540) for aggregate remuneration and £15,857 (2019: £11,461) for company contributions to defined contribution pension plans.

The number of directors who are accruing benefits under defined contribution pension schemes was one (2019: one).

9. Television and broadcasting rebate

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

10. Interest receivable and similar income

	Period from 1 Jul 19 to 31 Jul 20 £	Year to 30 Jun 19 £
Interest receivable and similar income	<u>1,057,510</u>	<u>1,062,000</u>

This relates to the revaluation to fair value of the financial liability described in note 2.

11. Interest payable and similar expenses

	Period from 1 Jul 19 to 31 Jul 20 £	Year to 30 Jun 19 £
Interest on obligations under finance leases contracts	381,604	426,354
Other interest payable and similar charges	1,653,842	1,536,009
	<u>2,035,446</u>	<u>1,962,363</u>

Other interest payable and similar charges include £1,669,535 (2019: £860,142) relating to the revaluation to fair value of the financial liability described in note 24.

Leeds United Football Club Limited

Notes to the Financial Statements (continued)

Period from 1 July 2019 to 31 July 2020

12. Tax on loss

Reconciliation of tax income

The tax assessed on the loss on ordinary activities for the period is higher than (2019: higher than) the standard rate of corporation tax in the UK of 19% (2019: 19%).

	Period from 1 Jul 19 to 31 Jul 20 £	Year to 30 Jun 19 £
Loss on ordinary activities before taxation	(62,421,984)	(21,398,994)
Loss on ordinary activities by rate of tax	(11,741,754)	(3,974,423)
Effect of expenses not deductible for tax purposes	15,807	23,296
Effect of capital allowances and depreciation	83,935	74,444
Unused tax losses	11,667,768	3,950,066
Other timing differences	(25,756)	(73,383)
Tax on loss	-	-

Factors that may affect future tax income

The group has losses of approximately £160 million (2019: £102 million) to carry forward against future profits.

13. Intangible assets

Group	Goodwill £	Negative goodwill £	Trademarks £	Computer software £	Player registrations £	Total £
Cost						
At 1 Jul 2019	6,403,883	(717,255)	29,727	400,746	48,059,509	54,176,610
Additions	-	-	6,574	1,500	45,916,515	45,924,589
Disposals	-	-	-	-	(14,123,647)	(14,123,647)
At 31 Jul 2020	<u>6,403,883</u>	<u>(717,255)</u>	<u>36,301</u>	<u>402,246</u>	<u>79,852,377</u>	<u>85,977,552</u>
Amortisation						
At 1 Jul 2019	1,775,700	(514,033)	12,383	245,608	21,531,226	23,050,884
Charge for the period	188,866	(155,405)	3,281	51,785	10,099,633	10,188,160
Disposals	-	-	-	-	(8,959,034)	(8,959,034)
Impairment losses	-	-	-	-	1,242,045	1,242,045
At 31 Jul 2020	<u>1,964,566</u>	<u>(669,438)</u>	<u>15,664</u>	<u>297,393</u>	<u>23,913,870</u>	<u>25,522,055</u>
Carrying amount						
At 31 Jul 2020	<u>4,439,317</u>	<u>(47,817)</u>	<u>20,637</u>	<u>104,853</u>	<u>55,938,507</u>	<u>60,455,497</u>
At 30 Jun 2019	<u>4,628,183</u>	<u>(203,222)</u>	<u>17,344</u>	<u>155,138</u>	<u>26,528,283</u>	<u>31,125,726</u>

Leeds United Football Club Limited

Notes to the Financial Statements (continued)

Period from 1 July 2019 to 31 July 2020

13. Intangible assets (continued)

Company	Goodwill £	Trademarks £	Computer software £	Player registrations £	Total £
Cost					
At 1 July 2019	5,984,321	29,727	400,746	48,059,509	54,474,303
Additions	–	6,574	1,500	45,916,515	45,924,589
Disposals	–	–	–	(14,123,647)	(14,123,647)
At 31 July 2020	<u>5,984,321</u>	<u>36,301</u>	<u>402,246</u>	<u>79,852,377</u>	<u>86,275,245</u>
Amortisation					
At 1 July 2019	1,415,052	12,383	245,608	21,531,226	23,204,269
Charge for the period	129,952	3,281	51,785	10,099,633	10,284,651
Disposals	–	–	–	(8,959,034)	(8,959,034)
Impairment losses	–	–	–	1,242,045	1,242,045
At 31 July 2020	<u>1,545,004</u>	<u>15,664</u>	<u>297,393</u>	<u>23,913,870</u>	<u>25,771,931</u>
Carrying amount					
At 31 July 2020	<u>4,439,317</u>	<u>20,637</u>	<u>104,853</u>	<u>55,938,507</u>	<u>60,503,314</u>
At 30 June 2019	<u>4,569,269</u>	<u>17,344</u>	<u>155,138</u>	<u>26,528,283</u>	<u>31,270,034</u>

Included in intangible assets is negative goodwill with a carrying amount of £47,817 (2019: £203,222). This negative goodwill arose on the acquisition of Leeds United Media Limited. The negative goodwill all relates to non-monetary assets and is being amortised over a period of five years, being the period that the company is expected to benefit.

Following a review of the playing squad at the period end and the subsequent release of several players the Directors have taken the decision to impair the value of several members of the First Team squad. A total of £1,242,045 (2019: £1,522,951) has been charged to the profit and loss in respect of this impairment.

14. Tangible assets

Group	Leasehold land and buildings £	Alterations and improvements £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 July 2019	2,935,290	18,482,151	9,367,834	30,785,275
Additions	19,962	1,320,744	888,901	2,229,607
At 31 July 2020	<u>2,955,252</u>	<u>19,802,895</u>	<u>10,256,735</u>	<u>33,014,882</u>
Depreciation				
At 1 July 2019	1,129,063	8,659,420	5,538,206	15,326,689
Charge for the period	149,115	1,323,530	1,057,129	2,529,774
At 31 July 2020	<u>1,278,178</u>	<u>9,982,950</u>	<u>6,595,335</u>	<u>17,856,463</u>
Carrying amount				
At 31 July 2020	<u>1,677,074</u>	<u>9,819,945</u>	<u>3,661,400</u>	<u>15,158,419</u>
At 30 June 2019	<u>1,806,227</u>	<u>9,822,731</u>	<u>3,829,628</u>	<u>15,458,586</u>

Leeds United Football Club Limited

Notes to the Financial Statements (continued)

Period from 1 July 2019 to 31 July 2020

14. Tangible assets (continued)

Company	Leasehold land and buildings £	Alterations and improvements £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 July 2019	2,095,960	17,013,103	7,915,550	27,024,613
Additions	19,962	1,299,766	851,789	2,171,517
At 31 July 2020	<u>2,115,922</u>	<u>18,312,869</u>	<u>8,767,339</u>	<u>29,196,130</u>
Depreciation				
At 1 July 2019	684,377	7,833,979	4,204,004	12,722,360
Charge for the period	107,363	1,245,400	1,000,638	2,353,401
At 31 July 2020	<u>791,740</u>	<u>9,079,379</u>	<u>5,204,642</u>	<u>15,075,761</u>
Carrying amount				
At 31 July 2020	<u>1,324,182</u>	<u>9,233,490</u>	<u>3,562,697</u>	<u>14,120,369</u>
At 30 June 2019	<u>1,411,583</u>	<u>9,179,124</u>	<u>3,711,546</u>	<u>14,302,253</u>

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

Finance leases contracts

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

Group	Fixtures, fittings and equipment £
At 31 July 2020	<u>1,645,532</u>
At 30 June 2019	<u>1,857,437</u>
Company	Fixtures, fittings and equipment £
At 31 July 2020	<u>1,623,452</u>
At 30 June 2019	<u>1,819,412</u>

15. Investments

The group has no investments.

Company	Shares in group undertakings £
Cost	
At 1 July 2019	2
Additions	1
At 31 July 2020	<u>3</u>
Impairment	
At 1 July 2019 and 31 July 2020	<u>-</u>
Carrying amount	
At 31 July 2020	<u>3</u>
At 30 June 2019	<u>2</u>

Leeds United Football Club Limited

Notes to the Financial Statements (continued)

Period from 1 July 2019 to 31 July 2020

15. Investments (continued)

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

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

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

16. Stocks

	Group		Company	
	31 Jul 20	30 Jun 19	31 Jul 20	30 Jun 19
	£	£	£	£
Goods held for resale	<u>1,783,295</u>	<u>2,982,046</u>	<u>1,741,623</u>	<u>2,945,389</u>

17. Debtors

Debtors falling due within one year are as follows:

	Group		Company	
	31 Jul 20	30 Jun 19	31 Jul 20	30 Jun 19
	£	£	£	£
Trade debtors	1,867,245	3,004,722	1,757,344	2,645,804
Amounts owed by group undertakings	—	—	285,112	—
Prepayments and accrued income	8,863,277	2,164,603	8,056,872	2,054,725
Transfer fee debtors	5,419,041	8,717,627	5,419,041	8,717,627
Other debtors	1,041,917	2,971,998	980,356	2,971,998
	<u>17,191,480</u>	<u>16,858,950</u>	<u>16,498,725</u>	<u>16,390,154</u>

Debtors falling due after one year are as follows:

	Group		Company	
	31 Jul 20	30 Jun 19	31 Jul 20	30 Jun 19
	£	£	£	£
Transfer fee debtors	<u>1,425,000</u>	<u>7,554,031</u>	<u>1,425,000</u>	<u>7,554,031</u>

18. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	31 Jul 20	30 Jun 19
	£	£
Cash at bank and in hand	31,670,725	477,522
Bank overdrafts	—	(1,076,241)
	<u>31,670,725</u>	<u>(598,719)</u>

Leeds United Football Club Limited

Notes to the Financial Statements (continued)

Period from 1 July 2019 to 31 July 2020

19. Creditors: amounts falling due within one year

	Group		Company	
	31 Jul 20 £	30 Jun 19 £	31 Jul 20 £	30 Jun 19 £
Bank overdraft	–	1,076,241	–	1,076,241
Other loans	3,979,570	4,747,296	3,979,570	4,747,296
Trade creditors	3,798,420	5,107,261	3,758,770	4,908,881
Amounts owed to group undertakings	17,338,073	7,806,496	20,214,653	10,493,642
Accruals and deferred income	52,988,183	21,981,139	52,620,378	21,615,320
Social security and other taxes	8,690,188	3,581,862	8,557,368	3,370,397
Obligations under finance leases contracts	332,531	627,609	325,004	602,798
Transfer fee creditors	29,875,265	7,677,143	29,875,265	7,677,143
Other creditors	41,513,506	659,748	41,495,741	642,376
	<u>158,515,736</u>	<u>53,264,795</u>	<u>160,826,749</u>	<u>55,134,094</u>

Included in accruals and deferred income are £12,586,876 (2019: £11,908,332) representing advance payment of tickets and sponsorship that would only become a liability of the company should it fail to fulfill all of its fixtures for future seasons.

Obligations under finance leases are secured on the related assets.

Other loans include an advance of £2,000,000 (2019: £3,680,000) secured on the related book debt.

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

	Group		Company	
	31 Jul 20 £	30 Jun 19 £	31 Jul 20 £	30 Jun 19 £
Other loans	1,979,570	3,210,180	1,979,570	3,210,180
Amounts owed to group undertakings	13,599,994	17,817,242	13,599,994	17,817,242
Accruals and deferred income	3,500,000	–	3,500,000	–
Obligations under finance leases contracts	320,291	585,204	314,303	585,204
Transfer fee creditors	18,806,174	6,091,879	18,806,174	6,091,879
Pension	364,550	467,476	364,550	467,476
	<u>38,570,579</u>	<u>28,171,981</u>	<u>38,564,591</u>	<u>28,171,981</u>

Obligations under finance leases are secured on related assets.

21. Finance leases contracts

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

	Group		Company	
	31 Jul 20 £	30 Jun 19 £	31 Jul 20 £	30 Jun 19 £
Not later than 1 year	358,033	668,708	346,393	651,074
Later than 1 year and not later than 5 years	342,985	627,180	333,731	609,720
	<u>701,018</u>	<u>1,295,888</u>	<u>680,124</u>	<u>1,260,794</u>
Less: future finance charges	(48,196)	(83,075)	(40,817)	(72,793)
Present value of minimum lease payments	<u>652,822</u>	<u>1,212,813</u>	<u>639,307</u>	<u>1,188,001</u>

22. Employee benefits

22. Employee benefits (continued)

Defined contribution schemes

Certain professional footballing staff are members of the Football League Players Retirement Income Scheme, a non-contributory defined contribution scheme. In addition, the company operates a defined contribution scheme open to all other employees. Costs of all defined contribution schemes, totalling £143,451 (2019: £100,072), have been charged to the profit and loss account in the period.

Defined benefit scheme

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

Following a review of the Minimum Funding Requirement ("MFR") of the FLLPLAS, accrual of benefits of the final salary section of the scheme was suspended as at 31 August 1999. In light of the exceptional circumstances affecting the scheme, the trustees of the scheme commissioned an independent actuary's report on the MFR position and a substantial deficit was identified. Under the Pensions Act 1985, participating employers will be required to contribute to the deficiency. The latest actuarial valuation of the scheme was carried out as at 31 August 2017 and resulted in a charge to the profit and loss account of £377,054. The allocation of the deficit under this valuation is repayable at £7,128 per month effective from 1 September 2017.

23. Government grants

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

	Group		Company	
	31 Jul 20 £	30 Jun 19 £	31 Jul 20 £	30 Jun 19 £
Recognised in other operating income:				
Government grants recognised directly in income	<u>1,027,107</u>	<u>–</u>	<u>1,027,107</u>	<u>–</u>

24. Financial instruments

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

Financial liabilities measured at fair value through profit or loss

	Group		Company	
	31 Jul 20 £	30 Jun 19 £	31 Jul 20 £	30 Jun 19 £
Financial liabilities measured at fair value through profit or loss	<u>19,911,945</u>	<u>10,378,129</u>	<u>19,911,945</u>	<u>10,378,129</u>

A financial liability of £3,959,140 (2019: £4,277,476) relates to a loan below market rate provided by a former shareholder. The loan is recognised at the present value of future payments discounted at a market rate of interest for a similar debt instrument, deemed to be 7%. On promotion to the Premier League, the terms of the loan changed and the present value of the future payments was recalculated. The new present value of future payments increased the loan balance by £719,773 via interest payable and a transfer from the unrealised profit reserve. This financial liability is included in other loans and was repaid in August and October 2020 in equal instalments. The loan is unsecured.

A financial liability of £15,952,805 (2018: £6,100,653) relates to transfer fee creditors. The creditors are recognised at the present value of future payments discounted at a market rate of interest for a similar debt instrument, deemed to be 6%, resulting in a fair value adjustment of £1,057,510 (2019: £1,062,000). The deemed interest payable of £590,162 (2019: £477,931) is recognised in interest payable and transferred to the unrealised profit reserve. This financial liability is included in transfer fee creditors and is repayable in line with the transfer agreements.

Leeds United Football Club Limited

Notes to the Financial Statements (continued)

Period from 1 July 2019 to 31 July 2020

25. Called up share capital

Issued, called up and fully paid

	31 Jul 20		30 Jun 19	
	No.	£	No.	£
Ordinary A shares of £1 each	32,834,908	32,834,908	32,834,908	32,834,908
Ordinary B shares of £1 each	11,000,000	11,000,000	11,000,000	11,000,000
	<u>43,834,908</u>	<u>43,834,908</u>	<u>43,834,908</u>	<u>43,834,908</u>

26. Reserves

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

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

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

27. Analysis of changes in net debt

	At 1 Jul 2019	Cash flows	Other changes	At 31 Jul 2020
	£	£	£	£
Cash at bank and in hand	477,522	31,193,203	-	31,670,725
Bank overdrafts	(1,076,241)	1,076,241	-	-
Debt due within one year	(13,181,401)	(8,974,858)	506,085	(21,650,174)
Debt due after one year	(21,612,626)	5,712,771	-	(15,899,855)
	<u>(35,392,746)</u>	<u>29,007,357</u>	<u>506,085</u>	<u>(5,879,304)</u>

28. Operating leases

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

	Group		Company	
	31 Jul 20	30 Jun 19	31 Jul 20	30 Jun 19
	£	£	£	£
Not later than 1 year	2,860,335	933,249	2,860,335	933,249
Later than 1 year and not later than 5 years	10,517,514	9,776,640	10,517,514	9,776,640
Later than 5 years	18,111,979	19,611,191	18,111,979	19,611,191
	<u>31,489,828</u>	<u>30,321,080</u>	<u>31,489,828</u>	<u>30,321,080</u>

29. Contingencies

Under the terms of the financial provisions relating to transfer of player registrations, future payments of up to £18,462,800 (2019: £5,281,610) may be payable dependent on the club's retention of (2019: promotion to) FA Premier League status and/or players appearances for the club. Retention of (2019: promotion to) FA Premier League status may also incur bonuses payable of £35,266,685 (2019: £19,925,320) conditional on the performance of both players and football management throughout the 2020/21 season.

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

Leeds United Football Club Limited

Notes to the Financial Statements (continued)

Period from 1 July 2019 to 31 July 2020

30. Events after the end of the reporting period

On 20 November 2020 two Aser Group Holding Pte Limited of £3,000,000 and \$5,000,000 with accrued interest were converted into share capital.

On 24 December 2020 an investment agreement was signed with 49ers Enterprises Leeds II SPV LP for the subscription of £23,000,000 new shares subject to the satisfaction of the conditions within the agreement.

A loan of £3,975,000 included in other loans was repaid in full after the period end.

After the period end loan funding of £43,000,000 was secured.

31. Related party transactions

Entities with control over the company

	2020	2019
	£	£
Creditors	30,938,068	25,623,738
Interest payable	(112,989)	559,966
Rent payable	1,646,706	1,520,037

The creditors balance represents six (2019: four) unsecured loans, two of which were due for repayment 31 August 2018. No interest was charged as the two loans were due to be capitalised as per the investment agreement. Three loans are repayable on 31 May 2021, 18 February 2022 and 31 May 2023, accrued interest was waived with promotion to the Premier League as per the investment agreement on loans of £7,700,000 (2019: £7,700,000), £10,000,000 (2019: £10,000,000) and £3,600,000 (2019: £nil). One loan of \$2,500,000 (2019: £nil) is repayable on demand.

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

During the period loans totalling £3,600,000 and \$2,500,000 (2019: £22,787,500) were advanced and £nil (2019: £5,104,286) was repaid.

The company entered into a lease agreement for the stadium until June 2032, with the entity which has control over the company. There was an initial rent free period of 33 months. Included in creditors is an amount of £4,686,781 (2019: £3,040,074) of accrued rent.

Key management personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the company. The total compensation paid to key management personnel for services provided to the company was £1,154,320 (2019: £827,514).

Other related parties

	2020	2019
	£	£
Management charges payable	162,500	150,000
Sales	9,196	34,866
Purchases	41,410	30,464
Creditor	43,383	30,464
Debtor	—	29,189

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

Leeds United Football Club Limited

Notes to the Financial Statements (continued)

Period from 1 July 2019 to 31 July 2020

32. Controlling party

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

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

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