

**Leeds United Football Club Limited**  
**Consolidated Financial Statements**  
**For the year ended**  
**30 June 2018**



**Leeds United Football Club Limited**

**Financial Statements**

**Year ended 30 June 2018**

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**Leeds United Football Club Limited**

**Officers and Professional Advisers**

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**The board of directors**

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

**Registered office**

Elland Road  
Leeds  
LS11 0ES

**Auditor**

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

**Bankers**

Barclays Bank plc  
69 Albion Street  
Leeds  
LS1 5AA

**Solicitors**

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

## Leeds United Football Club Limited

### Strategic Report

Year ended 30 June 2018

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#### Business review and principal activities

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

The period between 1st July 2017 and 30th June 2018 was focused on rebuilding the foundations for Leeds United Football Club to be able to deliver long term sustainable success both on and off the pitch. Whilst the performance on the pitch ultimately ended in disappointment, there were significant investments in capability and infrastructure which have positioned the Club well for future success. On the pitch Thomas Christiansen was appointed as Head Coach and Victor Orta was in place as Director of Football. The summer transfer window began with the aim to build a squad for the future. Key signings included Samu Saiz, Gianni Alioski, Mateusz Klich and Pierre-Michel Lasogga who were joined by a raft of younger signings aimed at rebuilding the Club's talent pathway at U23 level. In the opposite direction, Chris Wood left The Whites at his own request joining Premier League side Burnley for around £15m.

The side started the season at a blistering pace winning five and drawing two of the opening seven games, topping the table in September. Sadly form dipped in October and November before resurgence in December which saw five wins from the six festive fixtures. Despite a positive transfer window including permanent deals for Adam Forshaw and Tyler Roberts, January and February saw a return to losing ways with just two points collected from a possible eighteen culminating in a 4-1 home defeat against Cardiff City which proved to be Thomas Christiansen's last game in charge. Barnsley manager Paul Heckingbottom was appointed as a replacement for Christiansen, however the poor form continued with just four wins from the remaining sixteen ties.

Heckingbottom became the second managerial casualty of the year leaving Leeds on the 1st June 2018. The board were able to conduct a comprehensive recruitment process and succeeded in securing the service of their number one target candidate in the form of Argentinean coaching legend Marcelo Bielsa who joined the Whites with an incredible reputation across the world of football.

Off the pitch, Andrea Radrizzani completed the purchase of Elland Road in late June 2017 and the famous stadium was modernised throughout the course of the summer with a new fan zone, lounge upgrades, new suites being built and refurbished player facilities to begin to develop our home in line with our Premier League aspirations. In May 2018 the club announced a strategic partnership with 49ers Enterprises, an investment entity affiliated with the San Francisco 49ers whereby they became minority investors. The unique collaboration was part of a wider business alliance between Leeds United's parent company, Aser Group Holdings Pte Limited, and 49ers Enterprises. It saw the club benefit from the experience and collective network of the two entities in the sports and business worlds. The implementation of an all new state of the art virtual LED perimeter board system ahead of the start of the season along with a mid-tier board going across the middle of the East Stand put Elland Road and Leeds United at the forefront of digital advertising.

With a view to the longer term prosperity of the Club, Leeds United were able to outline, in partnership with Leeds City Council, our vision of bringing the Club's training and Academy facilities back to the heart of the City and simultaneously creating a world class community sports hub for the residents of Beeston and Holbeck. Other developments off the field saw the Leeds United Ladies team re-integrated into the Club and the launch of a Supporter Advisory Board to give fans a voice at Board level. The Leeds United Foundation was given renewed prominence and with the selfless support of the Leeds United fan base successfully raised over £250,000 for treatment for five year old Leeds United fan Toby Nye.

Despite a disappointing season, the improvement in fan sentiment Leeds United enjoyed, contributed to the second highest average attendance in the Football League with a figure of 31,521 achieved, and generated the highest season ticket sales for 15 years reaching 20,000. Under Bielsa and his backroom team the players returned to training early and work began on redeveloping the facilities at our Thorp Arch training ground. Board, players and fans alike all began the new season aligned in the belief that 2017/18 had gone a long way to building foundations for a successful season.

In financial terms, the year ended 30th June 2018 saw the group make a loss of £4,315,797, a decrease of £5,292,164 from the £976,367m profit for the previous year. The majority of this worsened financial performance is attributable to investment in both player registrations and salaries and scouting expenses. However, this was partially offset by the rise in the gain of the disposal of player's registrations which rose by £9.2m from £8.9m to £18.1m. This was due to the sale of Chris Wood to Burnley in August 2017. Income generated by the company for the twelve month period rose 19.3% from £34.1m to £40.7m, with £1.1m of the increase attributable to gate receipts and a further £0.9m attributable to merchandising revenues. Catering revenues increased by £1.3m from £3.9m to £5.2m. Non football related event income in Leeds United Football Club rose by £1.3m to £1.4m from £0.1m due to the Selby versus Warrington IBF world featherweight title fight in May 2018. The club continues to tightly control both cost of sales and administration expenses and this will continue into the next financial year.

**Leeds United Football Club Limited**

**Strategic Report (continued)**

**Year ended 30 June 2018**

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**Principal risks and uncertainties**

The primary risk facing the club and its subsidiaries continues to be the divisional status of the club's first team. This is due to the material effect of divisional status on all revenue streams. The Directors have identified further risks associated with the regulations imposed on the club by the regulatory bodies governing football. Revenue streams such as ticketing income, match day catering, retail and broadcasting income could be impacted by any changes to current regulations.

Across the country, new government legislation continues to be introduced and the Directors are mindful of the increased level of training, monitoring and reporting that this brings. In order to manage all risks, the board and senior management team meet regularly. Strengths and weaknesses are identified and action is taken as necessary.

**Key performance indicators**

The performance of the team is monitored by publicly available Football League position tables. In addition to this, the commercial operations of the business are monitored against detailed budgets, and benchmarking exercises are undertaken to assess the company's performance within the sector. The club once again adhered to the EFL's profit and sustainability requirements. Prices are constantly monitored against other football clubs using data that is publicly available and price rises are kept to a minimum wherever possible. As noted above, the group has seen an increase in turnover going from £34.1m to £40.7m. Further analysis of income streams shows that on average 3,823 more people attended each home League match with the annual average home attendance increasing from 27,698 to 31,521. Income from gate receipts rose by 11% from £10.2m to £11.3m and merchandising revenues have again increased, this year by 16% from £5.8m to £6.7m. Catering revenues rose 33% from £3.9m to £5.2m. Other commercial revenues comprised mainly of hospitality, advertising and other events increased by 48% to £9.2m.

This report was approved by the board of directors on 25.02.19 and signed on behalf of the board by:



A Kinnear  
Director

Registered office:  
Elland Road  
Leeds  
LS11 0ES

# Leeds United Football Club Limited

## Directors' Report

### Year ended 30 June 2018

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The directors present their report and the financial statements of the group for the year ended 30 June 2018.

#### Directors

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

A Radrizzani

A Tegner

I O M Bravo

A Kinnear

P V Marathe

(Appointed 24 May 2018)

#### Dividends

The directors do not recommend the payment of a dividend.

#### Employment of disabled persons

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

#### Employee involvement

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

#### Financial instruments

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

#### Financial risk management and exposure to risk

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

#### Cash flow

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

#### Qualifying indemnity provision

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

#### Disclosure of information in the strategic report

Details about future developments are included in the strategic report.

#### Directors' responsibilities statement

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

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

**Leeds United Football Club Limited**

**Directors' Report (continued)**

**Year ended 30 June 2018**

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

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

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

**Auditor**

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

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

This report was approved by the board of directors on 25.02.19 and signed on behalf of the board by:

  
A Kinnear  
Director

Registered office:  
Elland Road  
Leeds  
LS11 0ES

## Leeds United Football Club Limited

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

Year ended 30 June 2018

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#### Opinion

We have audited the financial statements of Leeds United Football Club Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2018 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2018 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### Conclusions relating to going concern

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

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

#### Emphasis of matter

We draw attention to note 16 of the financial statements, which describes why the directors consider a debt of £2,031,421 to be recoverable by the company. Our opinion is not modified in this respect.

#### Other information

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

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

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
  - the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.
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**Leeds United Football Club Limited**

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

**Year ended 30 June 2018**

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**Matters on which we are required to report by exception**

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

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

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

**Responsibilities of directors**

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

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

**Auditor's responsibilities for the audit of the financial statements**

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

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

**Use of our report**

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

Alistair Russell FCA (Senior Statutory Auditor)

For and on behalf of  
Gibson Booth  
Chartered Accountants & Statutory Auditors

New Court  
Abbey Road North  
Shepley  
Huddersfield  
HD8 8BJ

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**Leeds United Football Club Limited**

**Consolidated Statement of Comprehensive Income**

**Year ended 30 June 2018**

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		2018	2017
		£	£
<b>Turnover</b>	<b>Note 4</b>	40,737,293	34,147,132
Cost of sales		<u>(8,337,266)</u>	<u>(5,520,350)</u>
<b>Gross profit</b>		32,400,027	28,626,782
Administrative expenses		<u>(53,109,286)</u>	<u>(37,748,109)</u>
<b>Operating loss</b>	<b>5</b>	(20,709,259)	(9,121,327)
Gain on disposal of players' registrations		18,100,397	8,914,252
Interest receivable and similar income	<b>9</b>	–	2,638,535
Interest payable and similar expenses	<b>10</b>	<u>(1,706,935)</u>	<u>(1,455,093)</u>
<b>(Loss)/profit before taxation</b>		(4,315,797)	976,367
Tax on (loss)/profit	<b>11</b>	–	–
<b>(Loss)/profit for the financial year and total comprehensive income</b>		<u>(4,315,797)</u>	<u>976,367</u>

All the activities of the group are from continuing operations.

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

Leeds United Football Club Limited

Consolidated Statement of Financial Position

30 June 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Intangible assets	12	29,105,006	12,601,061
Tangible assets	13	15,004,097	11,706,891
		<u>44,109,103</u>	<u>24,307,952</u>
<b>Current assets</b>			
Stocks	15	712,303	878,059
Debtors: due within one year	16	12,663,478	14,582,935
Debtors: due after more than one year	16	5,566,667	—
Cash at bank and in hand		2,903,391	3,971,801
		<u>21,845,839</u>	<u>19,432,795</u>
<b>Creditors: amounts falling due within one year</b>	17	(35,053,596)	(27,890,488)
<b>Net current liabilities</b>		<u>(13,207,757)</u>	<u>(8,457,693)</u>
<b>Total assets less current liabilities</b>		30,901,346	15,850,259
<b>Creditors: amounts falling due after more than one year</b>	18	(16,482,267)	(16,950,291)
<b>Net assets/(liabilities)</b>		<u>14,419,079</u>	<u>(1,100,032)</u>
<b>Capital and reserves</b>			
Called up share capital	22	43,834,908	24,000,000
Share premium account	23	6,000,000	6,000,000
Unrealised profit reserve	23	1,461,583	1,910,704
Profit and loss account	23	(36,877,412)	(33,010,736)
<b>Shareholders' funds/(deficit)</b>		<u>14,419,079</u>	<u>(1,100,032)</u>

These financial statements were approved by the board of directors and authorised for issue on 25.02.19, and are signed on behalf of the board by:



A Kinnear  
Director

Company registration number: 06233875

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

**Leeds United Football Club Limited**

**Company Statement of Financial Position**

**30 June 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Intangible assets	12	29,333,853	12,900,024
Tangible assets	13	13,722,248	10,304,305
Investments	14	2	2
		<u>43,056,103</u>	<u>23,204,331</u>
<b>Current assets</b>			
Stocks	15	670,049	835,447
Debtors: due within one year	16	12,395,467	15,249,737
Debtors: due after more than one year	16	5,566,667	–
Cash at bank and in hand		2,821,923	3,912,498
		<u>21,454,106</u>	<u>19,997,682</u>
<b>Creditors: amounts falling due within one year</b>	17	<u>(36,199,647)</u>	<u>(29,348,053)</u>
<b>Net current liabilities</b>		<u>(14,745,541)</u>	<u>(9,350,371)</u>
<b>Total assets less current liabilities</b>		28,310,562	13,853,960
<b>Creditors: amounts falling due after more than one year</b>	18	<u>(16,457,456)</u>	<u>(16,905,965)</u>
<b>Net assets/(liabilities)</b>		<u>11,853,106</u>	<u>(3,052,005)</u>
<b>Capital and reserves</b>			
Called up share capital	22	43,834,908	24,000,000
Share premium account	23	6,000,000	6,000,000
Unrealised profit reserve	23	1,461,583	1,910,704
Profit and loss account	23	<u>(39,443,385)</u>	<u>(34,962,709)</u>
<b>Shareholders' funds/(deficit)</b>		<u>11,853,106</u>	<u>(3,052,005)</u>

The loss for the financial year of the parent company was £4,929,797 (2017: £612,716 profit).

These financial statements were approved by the board of directors and authorised for issue on 25.02.19 and are signed on behalf of the board by:



A Kinnear  
Director

Company registration number: 06233875

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

Leeds United Football Club Limited

Consolidated Statement of Changes in Equity

Year ended 30 June 2018

	Called up share capital £	Share premium account £	Capital contribution £	Unrealised profit reserve £	Profit and loss account £	Total £
<b>At 1 July 2016</b>	19,000,000	6,000,000	6,952,017	–	(32,203,715)	(251,698)
Profit for the year					976,367	976,367
Other comprehensive income for the year:						
Fair value adjustment on repayment of loan	–	–	–	2,588,477	(2,588,477)	–
Notional interest charged on financial liability	–	–	(127,316)	(677,773)	805,089	–
<b>Total comprehensive income for the year</b>	–	–	(127,316)	1,910,704	(807,021)	976,367
Issue of shares	5,000,000	–	–	–	–	5,000,000
Revaluation of financial liabilities to fair value	–	–	(6,824,701)	–	–	(6,824,701)
<b>Total investments by and distributions to owners</b>	5,000,000	–	(6,824,701)	–	–	(1,824,701)
<b>At 30 June 2017</b>	24,000,000	6,000,000	–	1,910,704	(33,010,736)	(1,100,032)
Loss for the year					(4,315,797)	(4,315,797)
Other comprehensive income for the year:						
Notional interest charged on financial liability	–	–	–	(449,121)	449,121	–
<b>Total comprehensive income for the year</b>	–	–	–	(449,121)	(3,866,676)	(4,315,797)
Issue of shares	19,834,908	–	–	–	–	19,834,908
<b>Total investments by and distributions to owners</b>	19,834,908	–	–	–	–	19,834,908
<b>At 30 June 2018</b>	<u>43,834,908</u>	<u>6,000,000</u>	<u>–</u>	<u>1,461,583</u>	<u>(36,877,412)</u>	<u>14,419,079</u>

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

Leeds United Football Club Limited

Company Statement of Changes in Equity

Year ended 30 June 2018

	Called up share capital £	Share premium account £	Capital contribution £	Unrealised profit reserve £	Profit and loss account £	Total £
<b>At 1 July 2016</b>	19,000,000	6,000,000	6,952,017	–	(33,792,037)	(1,840,020)
Profit for the year					612,716	612,716
Other comprehensive income for the year:						
Fair value adjustment on repayment of loan	–	–	–	2,588,477	(2,588,477)	–
Notional interest charged on financial liability	–	–	(127,316)	(677,773)	805,089	–
<b>Total comprehensive income for the year</b>	–	–	(127,316)	1,910,704	(1,170,672)	612,716
Issue of shares	5,000,000	–	–	–	–	5,000,000
Revaluation of financial liabilities to fair value	–	–	(6,824,701)	–	–	(6,824,701)
<b>Total investments by and distributions to owners</b>	5,000,000	–	(6,824,701)	–	–	(1,824,701)
<b>At 30 June 2017</b>	24,000,000	6,000,000	–	1,910,704	(34,962,709)	(3,052,005)
Loss for the year					(4,929,797)	(4,929,797)
Other comprehensive income for the year:						
Notional interest charged on financial liability	–	–	–	(449,121)	449,121	–
<b>Total comprehensive income for the year</b>	–	–	–	(449,121)	(4,480,676)	(4,929,797)
Issue of shares	19,834,908	–	–	–	–	19,834,908
<b>Total investments by and distributions to owners</b>	19,834,908	–	–	–	–	19,834,908
<b>At 30 June 2018</b>	<u>43,834,908</u>	<u>6,000,000</u>	<u>–</u>	<u>1,461,583</u>	<u>(39,443,385)</u>	<u>11,853,106</u>

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

**Leeds United Football Club Limited**

**Consolidated Statement of Cash Flows**

**Year ended 30 June 2018**

	2018 £	2017 £
<b>Cash flows from operating activities</b>		
(Loss)/profit for the financial year	(4,315,797)	976,367
<i>Adjustments for:</i>		
Depreciation of tangible assets	1,638,692	1,211,447
Amortisation of intangible assets	8,145,612	5,396,666
Impairment of intangible assets	805,974	332,554
Gain on disposal of players' registrations	(18,100,397)	(8,914,252)
Interest receivable and similar income	–	(2,638,535)
Interest payable and similar expenses	1,706,935	1,455,093
Loss on disposal of tangible assets	10,637	20,091
Accrued expenses	1,783,074	981,120
<i>Changes in:</i>		
Stocks	165,756	(237,246)
Trade and other debtors	46,124	(5,801,951)
Trade and other creditors	80,631	877,505
Cash generated from operations	<u>(8,032,759)</u>	<u>(6,341,141)</u>
Interest paid	(430,361)	(532,601)
Interest received	–	58
Net cash used in operating activities	<u>(8,463,120)</u>	<u>(6,873,684)</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(3,284,698)	(1,176,379)
Proceeds from sale of tangible assets	3,500	1,449
Purchase of intangible assets	(19,476,059)	(6,939,857)
Proceeds from sale of intangible assets	16,944,897	8,978,419
Net cash (used in)/from investing activities	<u>(5,812,360)</u>	<u>863,632</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of ordinary shares	11,000,000	–
Proceeds from borrowings	7,360,000	2,000,000
Repayments of borrowings	(5,600,000)	(8,475,000)
Proceeds from loans from group undertakings	3,824,590	14,512,162
Repayments of loans from group undertakings	(3,000,000)	–
Payments of finance lease liabilities	(377,520)	(125,090)
Net cash from financing activities	<u>13,207,070</u>	<u>7,912,072</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<u>(1,068,410)</u>	<u>1,902,020</u>
<b>Cash and cash equivalents at beginning of year</b>	<u>3,971,801</u>	<u>2,069,781</u>
<b>Cash and cash equivalents at end of year</b>	<u>2,903,391</u>	<u>3,971,801</u>

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

Notes to the Financial Statements

Year ended 30 June 2018

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1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Elland Road, Leeds, LS11 0ES. The nature of the company's operations and principal activities are that of a professional football club and all associated activities.

2. Statement of compliance

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

3. Accounting policies

**Basis of preparation**

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

**Going concern**

At 30 June 2018 the group had net assets of £14,419,079 (2017: net liabilities of £1,100,032) and net current liabilities of £18,774,424 (2017: £8,457,693) 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 Greenfield Investment Pte Limited and Aser Group Holding Pte Limited confirming that they will continue to financially support the group in order that it meets debts as they fall due during the next 12 months and also stating that amounts payable will not be called in for a period of no less than twelve months from approval of the financial statements. As a result, the directors consider that it is appropriate to prepare the accounts on the going concern basis.

**Consolidation**

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

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

**Judgements and key sources of estimation uncertainty**

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

**Key sources of estimation uncertainty**

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

**Financial instruments**

A discount rate is applied to long term debts on which interest below market rates are charged to restate the balances to fair value. The discount rate has been selected with reference to the expected commercial rate for a loan with similar terms. The discount rate is reviewed annually and adjusted where necessary. The carrying amount of the financial instruments are included in note 21.



**3. Accounting policies *(continued)***

**Judgements and key sources of estimation uncertainty *(continued)***

**Useful economic lives of intangible and tangible assets**

The annual amortisation and depreciation charge for intangible and tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See notes 12 and 13 for the carrying amount of the intangible and tangible assets respectively, and note 3 for the amortisation and depreciation rates used for each class of assets.

**Significant judgements**

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

**Impairment of intangible and tangible fixed assets**

The directors review the carrying amount of all intangible and tangible fixed assets at the year end and consider whether any impairment of these assets is required. See notes 12 and 13 for details of any impairments.

**Revenue recognition**

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

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

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

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

**Taxation**

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

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

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

**Foreign currencies**

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

**3. Accounting policies *(continued)***

**Intangible assets - goodwill**

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

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

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

**Intangible assets - player registrations**

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

**Intangible assets - trademarks**

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

**Intangible assets - computer software**

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

**Tangible assets**

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

**Depreciation**

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

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

**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.

**3. Accounting policies (continued)**

**Stocks**

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

**Leases**

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

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

**Financial instruments**

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

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

Debt instruments are subsequently measured at amortised cost.

**Pension costs**

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

**Signing-on fees**

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

**4. Turnover**

Turnover arises from:

	2018	2017
	£	£
Gate receipts	11,261,512	10,185,790
Television and broadcasting income	881,250	1,062,500
Merchandising income	6,681,334	5,766,589
Central distributions	6,780,533	6,548,200
Other commercial revenue	9,891,599	6,661,891
Catering income	5,241,065	3,922,162
	<u>40,737,293</u>	<u>34,147,132</u>

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

**Leeds United Football Club Limited**

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

**Year ended 30 June 2018**

**5. Operating profit**

Operating profit or loss is stated after charging/crediting:

	2018	2017
	£	£
Amortisation of intangible assets	8,145,612	5,396,666
Depreciation of tangible assets	1,638,692	1,211,447
Impairment of intangible assets recognised in:		
Administrative expenses	805,974	332,554
Loss on disposal of tangible assets	10,637	20,091
Impairment of trade debtors	14,011	–
Foreign exchange differences	42,190	(7,322)
Operating lease costs	<u>2,170,918</u>	<u>2,098,938</u>

**6. Auditor's remuneration**

	2018	2017
	£	£
Fees payable for the audit of the financial statements	<u>20,500</u>	<u>20,500</u>
Fees payable to the company's auditor and its associates for other services:		
Audit of subsidiaries	5,000	5,000
Taxation compliance services	2,700	2,850
Other assurance services	7,500	9,000
Other non-audit services	<u>3,889</u>	<u>6,438</u>
	<u>19,089</u>	<u>23,288</u>

**7. Staff costs**

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

	2018	2017
	No.	No.
Full-time playing staff	58	42
Apprentices	13	22
Football team management	21	14
Management/administration	105	103
Casual match day staff	<u>731</u>	<u>598</u>
	<u>928</u>	<u>779</u>

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

	2018	2017
	£	£
Wages and salaries	28,090,979	18,665,287
Social security costs	2,818,399	1,999,505
Other pension costs	448,635	48,927
	<u>31,358,013</u>	<u>20,713,719</u>

Included in wages and salaries are redundancy and ex-gratia payments of £829,984 (2017: £315,842).

**8. Directors' remuneration**

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

	2018	2017
	£	£
Remuneration	202,768	–
Company contributions to defined benefit pension plans	9,503	–
	<u>212,271</u>	<u>–</u>

**Leeds United Football Club Limited**

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

**Year ended 30 June 2018**

**8. Directors' remuneration (continued)**

The remuneration of the highest paid director in respect of qualifying services is £202,768 (2017: £Nil) for aggregate remuneration and £9,503 (2017: £Nil) for company contributions to defined contribution pension plans.

The number of directors who are accruing benefits under defined contribution pension schemes was one (2017 - Nil).

**9. Interest receivable and similar income**

	2018	2017
	£	£
Interest receivable and similar income	–	<u>2,638,535</u>

Interest receivable and similar income includes £Nil (2017: £2,588,477) relating to the revaluation to fair value of the financial liability described in note 21.

**10. Interest payable and similar expenses**

	2018	2017
	£	£
Interest on obligations under finance leases and hire purchase contracts	420,416	203,188
Other interest payable and similar charges	<u>1,286,519</u>	<u>1,251,905</u>
	<u>1,706,935</u>	<u>1,455,093</u>

Other interest payable and similar charges includes £449,121 (2017: £805,089) relating to the revaluation to fair value of the financial liability described in note 21.

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

**Reconciliation of tax income**

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than (2017: lower than) the standard rate of corporation tax in the UK of 19% (2017: 19.75%).

	2018	2017
	£	£
(Loss)/profit on ordinary activities before taxation	<u>(4,315,797)</u>	<u>976,367</u>
(Loss)/profit on ordinary activities by rate of tax	(820,001)	192,832
Effect of expenses not deductible for tax purposes	34,720	301,785
Effect of capital allowances and depreciation	(10,470)	(96,563)
Unused tax losses	737,704	112,329
Other timing differences	<u>58,047</u>	<u>(510,383)</u>
Tax on (loss)/profit	<u>–</u>	<u>–</u>

**Factors that may affect future tax income**

The company has losses of approximately £81 million (2017: £77 million) to carry forward against future profits.

## 12. Intangible assets

Group	Goodwill £	Negative goodwill £	Trademarks £	Computer software £	Player registrations £	Total £
<b>Cost</b>						
At 1 Jul 2017	6,403,883	(717,255)	14,490	245,561	17,623,100	23,569,779
Additions	–	–	–	14,230	27,979,136	27,993,366
Disposals	–	–	–	–	(8,325,691)	(8,325,691)
<b>At 30 Jun 2018</b>	<u>6,403,883</u>	<u>(717,255)</u>	<u>14,490</u>	<u>259,791</u>	<u>37,276,545</u>	<u>43,237,454</u>
<b>Amortisation</b>						
At 1 Jul 2017	1,403,543	(227,131)	7,984	142,184	9,642,138	10,968,718
Charge for the year	193,290	(143,451)	1,449	42,367	8,051,957	8,145,612
Disposals	–	–	–	–	(5,787,856)	(5,787,856)
Impairment losses	–	–	–	–	805,974	805,974
<b>At 30 Jun 2018</b>	<u>1,596,833</u>	<u>(370,582)</u>	<u>9,433</u>	<u>184,551</u>	<u>12,712,213</u>	<u>14,132,448</u>
<b>Carrying amount</b>						
<b>At 30 Jun 2018</b>	<u>4,807,050</u>	<u>(346,673)</u>	<u>5,057</u>	<u>75,240</u>	<u>24,564,332</u>	<u>29,105,006</u>
At 30 Jun 2017	<u>5,000,340</u>	<u>(490,124)</u>	<u>6,506</u>	<u>103,377</u>	<u>7,980,962</u>	<u>12,601,061</u>
<b>Company</b>						
	Goodwill £		Trademarks £	Computer software £	Player registrations £	Total £
<b>Cost</b>						
At 1 July 2017	5,984,321		14,490	245,561	17,623,100	23,867,472
Additions	–		–	14,230	27,979,136	27,993,366
Disposals	–		–	–	(8,325,691)	(8,325,691)
<b>At 30 June 2018</b>	<u>5,984,321</u>		<u>14,490</u>	<u>259,791</u>	<u>37,276,545</u>	<u>43,535,147</u>
<b>Amortisation</b>						
At 1 July 2017	1,175,142		7,984	142,184	9,642,138	10,967,448
Charge for the year	119,955		1,449	42,367	8,051,957	8,215,728
Disposals	–		–	–	(5,787,856)	(5,787,856)
Impairment losses	–		–	–	805,974	805,974
<b>At 30 June 2018</b>	<u>1,295,097</u>		<u>9,433</u>	<u>184,551</u>	<u>12,712,213</u>	<u>14,201,294</u>
<b>Carrying amount</b>						
<b>At 30 June 2018</b>	<u>4,689,224</u>		<u>5,057</u>	<u>75,240</u>	<u>24,564,332</u>	<u>29,333,853</u>
At 30 June 2017	<u>4,809,179</u>		<u>6,506</u>	<u>103,377</u>	<u>7,980,962</u>	<u>12,900,024</u>

Included in intangible assets is negative goodwill with a carrying amount of £346,673 (2017: £490,124). This negative goodwill arose on the acquisition of Leeds United Media Limited. The negative goodwill all relates to non-monetary assets and is being amortised over a period of five years, being the period that the company is expected to benefit.

Following a review of the playing squad at the year end and the subsequent release of several players the Directors have taken the decision to impair the value of several members of the First Team squad. A total of £805,974 (2017: £332,554) has been charged to the profit and loss in respect of this impairment.

**Leeds United Football Club Limited**

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

**Year ended 30 June 2018**

**13. Tangible assets**

<b>Group</b>	<b>Leasehold land and buildings £</b>	<b>Alterations and improvements £</b>	<b>Fixtures, fittings and equipment £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 July 2017	2,935,290	14,969,381	5,401,086	23,305,757
Additions	–	1,823,664	3,126,371	4,950,035
Disposals	–	(23,388)	–	(23,388)
<b>At 30 June 2018</b>	<b>2,935,290</b>	<b>16,769,657</b>	<b>8,527,457</b>	<b>28,232,404</b>
<b>Depreciation</b>				
At 1 July 2017	853,637	6,684,298	4,060,931	11,598,866
Charge for the year	137,713	916,612	584,367	1,638,692
Disposals	–	(9,251)	–	(9,251)
<b>At 30 June 2018</b>	<b>991,350</b>	<b>7,591,659</b>	<b>4,645,298</b>	<b>13,228,307</b>
<b>Carrying amount</b>				
<b>At 30 June 2018</b>	<b>1,943,940</b>	<b>9,177,998</b>	<b>3,882,159</b>	<b>15,004,097</b>
At 30 June 2017	2,081,653	8,285,083	1,340,155	11,706,891
<b>Company</b>				
<b>Cost</b>				
At 1 July 2017	2,095,960	13,500,332	4,023,841	19,620,133
Additions	–	1,823,664	3,086,833	4,910,497
Disposals	–	(23,388)	–	(23,388)
<b>At 30 June 2018</b>	<b>2,095,960</b>	<b>15,300,608</b>	<b>7,110,674</b>	<b>24,507,242</b>
<b>Depreciation</b>				
At 1 July 2017	486,031	5,998,684	2,831,114	9,315,829
Charge for the year	99,173	846,699	532,544	1,478,416
Disposals	–	(9,251)	–	(9,251)
<b>At 30 June 2018</b>	<b>585,204</b>	<b>6,836,132</b>	<b>3,363,658</b>	<b>10,784,994</b>
<b>Carrying amount</b>				
<b>At 30 June 2018</b>	<b>1,510,756</b>	<b>8,464,476</b>	<b>3,747,016</b>	<b>13,722,248</b>
At 30 June 2017	1,609,929	7,501,648	1,192,727	10,304,304

The directors have reviewed the carrying amount of both the tangible and intangible assets and are satisfied that they are not impaired other than as described in note 12.

**Finance leases**

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

<b>Group and company</b>	<b>Fixtures, fittings and equipment £</b>
<b>At 30 June 2018</b>	<b>1,916,369</b>
At 30 June 2017	393,471

**14. Investments**

The group has no investments.

**Leeds United Football Club Limited**

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

**Year ended 30 June 2018**

**14. Investments (continued)**

Company	Shares in group undertakings £
<b>Cost</b>	
At 1 July 2017 and 30 June 2018	<u>2</u>
<b>Impairment</b>	
At 1 July 2017 and 30 June 2018	<u>–</u>
<b>Carrying amount</b>	
At 1 July 2017 and 30 June 2018	<u>2</u>

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

**15. Stocks**

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Goods held for resale	<u>712,303</u>	<u>878,059</u>	<u>670,049</u>	<u>835,447</u>

The cost of stock recognised as cost of sales during the year was £4,757,085 (2017: £3,803,850).

**16. Debtors**

Debtors falling due within one year are as follows:

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Trade debtors	1,856,332	1,458,279	1,525,316	1,177,994
Prepayments and accrued income	1,604,817	2,723,735	1,486,982	3,681,301
Transfer fee debtors	5,926,668	7,800,000	5,926,668	7,800,000
Other debtors	3,275,661	2,600,921	3,456,501	2,590,442
	<u>12,663,478</u>	<u>14,582,935</u>	<u>12,395,467</u>	<u>15,249,737</u>

Debtors falling due after one year are as follows:

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Transfer fee debtors	<u>5,566,667</u>	<u>–</u>	<u>5,566,667</u>	<u>–</u>

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



**Leeds United Football Club Limited**

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

**Year ended 30 June 2018**

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

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Other loans	4,677,473	5,600,000	4,677,473	5,600,000
Trade creditors	4,034,748	3,429,994	3,807,395	3,358,302
Amounts owed to group undertakings	7,185,168	3,007,501	9,056,021	4,934,116
Accruals and deferred income	11,185,617	9,627,542	10,727,287	9,378,986
Social security and other taxes	1,332,041	2,234,108	1,332,041	2,127,552
Obligations under finance leases	583,127	99,101	563,613	79,586
Transfer fee creditors	5,653,245	3,567,085	5,653,245	3,567,085
Other creditors	402,177	325,157	382,572	302,426
	<u>35,053,596</u>	<u>27,890,488</u>	<u>36,199,647</u>	<u>29,348,053</u>

Included in accruals and deferred income are £7,110,546 (2017: £7,078,163) representing advance payment of tickets and sponsorship that would only become a liability of the group should the football club fail to fulfill all of its fixtures for future seasons.

Other loans includes an advance of £3,680,000 (2017: £3,600,000) secured on the related book debt.

Obligations under finance leases are secured on the related assets.

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

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Other loans	7,957,476	4,681,699	7,957,476	4,681,699
Amounts owed to group undertakings	–	11,504,662	–	11,504,662
Accruals and deferred income	225,000	–	225,000	–
Obligations under finance leases	1,075,148	271,357	1,050,337	227,031
Transfer fee creditors	6,680,534	249,387	6,680,534	249,387
Pension	544,109	243,186	544,109	243,186
	<u>16,482,267</u>	<u>16,950,291</u>	<u>16,457,456</u>	<u>16,905,965</u>

Obligations under finance leases are secured on related assets.

Other loans includes an advance of £3,680,000 (2017: £Nil) secured on the related book debt.

Included in other loans is a balance of £225,000 (2017: £1,475,000) which falls due after five years and which is payable by instalments. Interest on this loan is payable at 1.70%.

**19. Finance leases**

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

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Not later than 1 year	650,987	127,577	627,359	108,062
Later than 1 year and not later than 5 years	1,133,437	282,784	1,098,343	214,494
	<u>1,784,424</u>	<u>410,361</u>	<u>1,725,702</u>	<u>322,556</u>
Less: future finance charges	(126,149)	(39,903)	(111,752)	(15,939)
Present value of minimum lease payments	<u>1,658,275</u>	<u>370,458</u>	<u>1,613,950</u>	<u>306,617</u>

**20. Employee benefits**

**Defined contribution schemes**

Certain professional footballing staff are members of the Football League Players Retirement Income Scheme, a non-contributory defined contribution scheme. In addition, the company operates a defined contribution scheme open to all other employees. Costs of all defined contribution schemes, totalling £61,521 (2017: £40,769), 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.

**21. Financial instruments**

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

**Financial liabilities measured at amortised cost**

	Group	
	2018	2017
	£	£
Financial liabilities measured at amortised cost	5,274,949	4,564,296

The financial liability relates to a loan below market rate provided by a former shareholder. The loan is recognised at the present value of future payments discounted at a market rate of interest for a similar debt instrument, deemed to be 7%. The difference between the interest payable and the deemed market interest payable of £449,121 (2017: £805,089) is recognised in interest payable and transferred to the unrealised profit reserve.

In the prior year the terms of the loan were renegotiated and as a result of the change in ownership of the company, part of the loan was repaid. This resulted in a fair value adjustment of £Nil (2017 £2,588,477) being included in interest receivable and similar income.

The financial liability is included in other loans and is repayable in annual instalments from August 2017 to August 2029. The loan is unsecured and interest is charged below the market rate.

**Leeds United Football Club Limited**

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

**Year ended 30 June 2018**

**22. Called up share capital**

**Issued, called up and fully paid**

	2018		2017	
	No.	£	No.	£
Ordinary A shares of £1 each	32,834,908	32,834,908.00	24,000,000	24,000,000.00
Ordinary B shares of £1 each	11,000,000	11,000,000.00	-	-
	<u>43,834,908</u>	<u>43,834,908.00</u>	<u>24,000,000</u>	<u>24,000,000.00</u>

**Share movements**

	No.	£
Ordinary A		
At 1 July 2017	24,000,000	24,000,000
Issue of shares	<u>8,834,908</u>	<u>8,834,908</u>
<b>At 30 June 2018</b>	<u>32,834,908</u>	<u>32,834,908</u>
Ordinary B		
At 1 July 2017	-	-
Issue of shares	<u>11,000,000</u>	<u>11,000,000</u>
<b>At 30 June 2018</b>	<u>11,000,000</u>	<u>11,000,000</u>

On 3 May 2018 the club converted debt of £8,834,908 into 8,834,908 ordinary A £1 shares and also issued 11,000,000 ordinary B £1 shares at par for cash on the same day.

**23. 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.

**24. Operating leases**

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

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Not later than 1 year	755,516	766,017	755,516	766,017
Later than 1 year and not later than 5 years	7,727,013	3,109,469	7,727,013	3,109,469
Later than 5 years	22,052,495	4,454,623	22,052,495	4,454,623
	<u>30,535,024</u>	<u>8,330,109</u>	<u>30,535,024</u>	<u>8,330,109</u>

**Leeds United Football Club Limited**

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

**Year ended 30 June 2018**

**25. Contingencies**

Under the terms of the financial provisions relating to transfer of player registrations, future payments of up to £7,099,091 (2017: £6,300,000) may be payable dependent on the club's promotion to the FA Premier League and/or players appearances for the club. Promotion to the FA Premier League may also incur bonuses payable of £18,129,519 (2017: £16,134,710) conditional on the performance of both players and football management throughout the 2018/19 season.

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

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

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

The company made advances of £Nil (2017: £65) to Mr Edoardo Cellino, a director up until 30 December 2016 when he resigned as a director.

**27. Related party transactions**

	2018 £	2017 £
<b>Entities with control over the company</b>		
Debt converted to share capital	8,834,908	5,000,000
Creditors	8,705,203	11,504,662
Interest payable	693,431	204,662
Consultancy fees	-	5,000
Rent payable	1,520,037	-

The creditors balance represents two loans repayable on 31 August 2018. Interest is charged at 4% plus 3 month LIBOR rate on a loan of £3,000,000 (2017: £3,000,000), and at 4% plus 3 month USD LIBOR rate on a loan of \$5,000,000 (2017: £Nil). Also included in creditors is an amount of £1,520,037 of accrued rent (2017: £Nil).

During the year the company converted a loan into equity. At 30 June 2017 the balance on this loan was £8,504,662. Interest was charged at 4% plus the daily LIBOR rate. The loan was repayable in June 2022.

The company entered into a lease agreement for the stadium until June 2032, with an entity which has control over the company. There was an initial rent free period of 33 months.

**Key management personnel**

Interest payable	-	20,417
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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 £587,817 (2017: £53,888).

**Other related parties**

Management charges payable	150,000	-
Debtors	-	500
Creditors	-	3,007,500
Sales	173	2,089
Interest payable	-	134,816

During the year the company repaid a loan with a related party which had an interest rate of 1% per annum and was repayable on 31 August 2017.

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)***

**Year ended 30 June 2018**

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**28. Controlling party**

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

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

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