

COMPANY REGISTRATION NUMBER: 08862382

**Eleonora Sport Limited**  
**Consolidated Financial Statements**  
**For the year ended**  
**30 June 2016**

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**Eleonora Sport Limited**

**Financial Statements**

**Year ended 30 June 2016**

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**Eleonora Sport Limited**

**Officers and Professional Advisers**

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**THE BOARD OF DIRECTORS**

M Cellino  
D Arty

**REGISTERED OFFICE**

New Court  
Abbey Road North  
Shepley  
Huddersfield  
HD8 8BJ

**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**

Walker Morris LLP  
Kings Court  
12 King Street  
Leeds  
LS1 2HL

## **Eleonora Sport Limited**

### **Strategic Report**

**Year ended 30 June 2016**

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#### **Principal activities, review of business and future developments**

The principal activity of the group during the year was that of professional football club and all associated activities.

The off-season brought further personnel changes, with new faces in place on and off the pitch. Uwe Rosler was named as the club's new head coach. The club also moved to secure a new contract for midfielder Lewis Cook, and highly-rated youngsters Calvin Phillips and Lewie Coyle were also rewarded with new deals.

The first of the new signings for the 2015/16 campaign arrived in June: Charlie Horton, Lee Erwin and Sol Bamba all putting pen to paper at Elland Road as things geared up for the new season. Chris Wood signed a three year deal commencing in July 2016.

The team made an unbeaten start to the new season in the league, managing to go without defeat throughout a tricky opening month of August, and a further new signing was added to the squad in the shape of winger Stuart Dallas from Brentford. Heading out of the exit door were strike duo Billy Sharp and Steve Morison, who joined League One sides Sheffield United and Millwall respectively.

Despite the squad being strengthened with the loan arrival of winger Will Buckley from Premier League side Sunderland, results dipped and, on the back of three consecutive Championship defeats, October saw Rosler replaced as head coach by former Rotherham United boss Steve Evans.

Evans helped inspire an upturn in fortunes, and made his first signing with the loan addition of Sunderland midfielder Liam Bridcutt, as the team headed towards what would prove to be an unbeaten December and a healthy Christmas period.

In the January transfer window midfielder Toumani Diagouraga was signed from Brentford, Mustapha Carayol joined on loan from Middlesbrough while the influential Liam Bridcutt extended his loan deal from Sunderland until the end of the season. January also saw Sam Byram complete his transfer to Premier League side West Ham United.

The Club's academy graduates would again play a significant part in the season. Charlie Taylor was awarded the Player of the Year award while Lewis Cook continued his rapid development becoming Young Player of the year for the second successive season. We saw a glimpse of the future with debuts for Bailey Peacock-Farrell and Ronaldo Vieira. Chris Wood proved his worth to the team with 13 goals while Stuart Dallas became a firm favourite with the fans and his team-mates.

The team would go on to lose just eight league games from January 2016 until the end of the season securing the highest league finish since 2013. Following the finalisation of both the football season and financial year on the 7th July 2016 the club took the decision to sell academy graduate Lewis Cook for an undisclosed fee to Premier League side AFC Bournemouth.

Off the pitch, the Club announced a five-year deal with Italian sportswear giants Kappa to become the new kit providers from the 2015/16 season onwards.

The Club also announced a series of major commercial deals. Having carried out a strategic review of operations towards the end of the previous financial year, on the 3rd of July the Club and Leeds United Conference and Events Limited entered into an agreement to repurchase the catering and beverages rights for Elland Road stadium. The Group identified that the sale of this arm of the business in 2012 had not only materially contributed to Group financial losses but had taken a core business unit out of its control. The repurchase was seen as a significant move towards making the Group financially viable on a long term basis. Global Autocare was unveiled as the Club's new South Stand sponsor and official vehicle partner and Coral as the Club's new betting and gaming partner.

Following a lengthy commercial dispute with the Club's former technical kit manufacturer Macron SpA, in March 2016 the club entered into a Settlement Agreement to bring matters to a close. Subsequently, the Club took the prudent decision to carry out a valuation exercise on all remaining stock items and a provision of £1.2m has been charged to the Statement of Comprehensive Income. The Club has identified the legal cost and the stock provision arising from this dispute as being exceptional items and have classified them as such in the Statement of Comprehensive Income.

Further legal disputes were settled during the year and those involving previous employees, the Football League and Sky TV have been identified as exceptional and classified as such in the Statement of Comprehensive Income

In financial terms, the year ended 30th June 2016 saw a loss of £8.8m a decline of £7.7m from the £1.1m loss for the previous period. This is despite the increase in group turnover from £19.6m to £30.4m. The increased loss is mainly attributable to the £10.6m gain on disposal of subsidiary undertakings in the period ended 30th June 2015. Exceptional items totalling £3.5m contributed to the total loss for the year and the Group is confident this will not be repeated in future seasons. The Group continues to tightly control both cost of sales and administration expenses and constant monitoring of expenditure will continue into the next financial year.

**Eleonora Sport Limited**

**Strategic Report (continued)**

**Year ended 30 June 2016**

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**Principal risks and uncertainties**

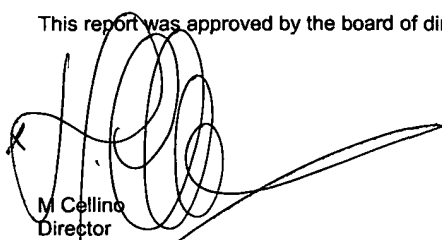
The primary risk facing Group is the divisional status of the Leeds United Football Club's First Team. This is due to the material effect of divisional status on all revenue streams. The Directors have identified further risks associated with the regulations imposed on Leeds United Football Club by the 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.

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. Prices are constantly monitored against other football clubs using data that is publicly available and price rises are kept to a minimum wherever possible.

This report was approved by the board of directors on .....17.3.17..... and signed on behalf of the board by:



M Cellino  
Director

Registered office:  
New Court  
Abbey Road North  
Shepley  
Huddersfield  
HD8 8BJ

## **Eleonora Sport Limited**

### **Directors' Report**

**Year ended 30 June 2016**

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The directors present their report and the financial statements of the group for the year ended 30 June 2016.

#### **Directors**

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

M Cellino  
D Arty

#### **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 group continues and that appropriate training is arranged. It is the policy of the group 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 group's employment policies are designed to attract, retain and motivate the best people. The group 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 group's financial instruments comprise of borrowings such as secured and unsecured loans and advanced receipts in respect of the ordinary activities of the football 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 group have taken the decision not to engage in trades of a speculative nature. Other risks and uncertainties may arise dependent on the performance of the football team.

#### **Cash flow**

The group 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 29 to the financial statements.

#### **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.

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.

**Eleonora Sport Limited**

**Directors' Report (continued)**

**Year ended 30 June 2016**

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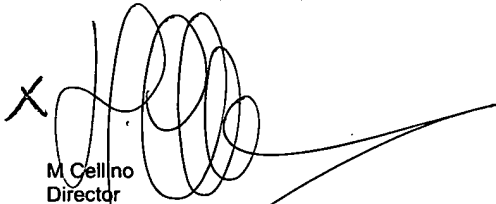
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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 17.3.17 and signed on behalf of the board by:

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M. Cellino  
Director

Registered office:  
New Court  
Abbey Road North  
Shepley  
Huddersfield  
HD8 8BJ

## **Eleonora Sport Limited**

### **Independent Auditor's Report to the Members of Eleonora Sport Limited**

#### **Year ended 30 June 2016**

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We have audited the financial statements of Eleonora Sport Limited for the year ended 30 June 2016 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. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

#### **Respective responsibilities of directors and auditor**

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **Basis for qualified opinion on financial statements**

With respect to the subsidiary company, LUFC Holding Limited, registered in the Cayman Islands, the audit evidence available to us was limited because no audited financial statements have been prepared for this company. The directors have confirmed that LUFC Holding Limited is a dormant holding company but no evidence has been provided to confirm this.

#### **Qualified opinion on financial statements**

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, 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 2016 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion 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.



**Eleonora Sport Limited**

**Independent Auditor's Report to the Members of Eleonora Sport Limited (continued)**

**Year ended 30 June 2016**

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

In respect solely of the limitation on our work relating to the financial statements of LUFC Holding Limited, described above:

- we have not obtained all the information and explanations that we considered necessary for the purposes of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

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

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

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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**Eleonora Sport Limited****Consolidated Statement of Comprehensive Income****Year ended 30 June 2016**

	Note	Year to 30 Jun 16 £	Period from 27 Jan 14 to 30 Jun 15 £
<b>Turnover</b>	<b>4</b>	30,401,596	19,572,732
Cost of sales		(5,495,314)	(4,301,150)
<b>Gross profit</b>		24,906,282	15,271,582
Administrative expenses		(32,378,107)	(28,553,803)
Other operating income		248,015	192,317
<b>Operating loss</b>	<b>5</b>	(7,223,810)	(13,089,904)
Gain on disposal of players' registrations		2,781,812	3,312,986
Gain on disposal of subsidiary undertakings	<b>9</b>	224,528	10,570,141
Exceptional stock write down		(1,154,533)	-
Exceptional costs of commercial disputes	<b>10</b>	(2,386,062)	-
Other interest receivable and similar income		-	19,793
Interest payable and similar charges	<b>11</b>	(1,059,527)	(909,885)
<b>Loss on ordinary activities before taxation</b>		(8,817,592)	(96,869)
Tax on loss on ordinary activities	<b>12</b>	-	(1,027,128)
<b>Loss for the financial year and total comprehensive income</b>		<u>(8,817,592)</u>	<u>(1,123,997)</u>
Loss for the financial year attributable to:			
The owners of the parent company		(7,737,481)	(1,873,409)
Minority interests		(1,080,111)	749,412
		<u>(8,817,592)</u>	<u>(1,123,997)</u>
Total comprehensive income for the year attributable to:			
The owners of the parent company		(7,737,481)	(1,873,409)
Minority interests		(1,080,111)	749,412
		<u>(8,817,592)</u>	<u>(1,123,997)</u>

All the activities of the group are from continuing operations.

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

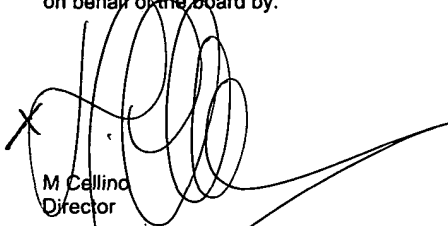
**Eleonora Sport Limited**

**Consolidated Statement of Financial Position**

**30 June 2016**

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Intangible assets	14	41,971,854	40,645,989
Tangible assets	15	11,512,890	12,140,546
		<u>53,484,744</u>	<u>52,786,535</u>
<b>Current assets</b>			
Stocks	17	640,813	846,015
Debtors: due within one year	18	5,028,900	8,589,189
Debtors: due after more than one year	18	1,600,000	-
Cash at bank and in hand		9,120,203	17,933,288
		<u>16,389,916</u>	<u>27,368,492</u>
<b>Creditors: amounts falling due within one year</b>	19	(18,957,862)	(22,038,007)
<b>Net current (liabilities)/assets</b>		<u>(2,567,946)</u>	<u>5,330,485</u>
<b>Total assets less current liabilities</b>		50,916,798	58,117,020
<b>Creditors: amounts falling due after more than one year</b>	20	(16,028,454)	(16,906,364)
<b>Net assets</b>		<u>34,888,344</u>	<u>41,210,656</u>
<b>Capital and reserves</b>			
Called up share capital	24	100	100
Capital contribution	25	45,296,798	43,458,863
Profit and loss account	25	(8,687,414)	(1,607,278)
<b>Equity attributable to the owners of the parent company</b>		36,609,484	41,851,685
<b>Minority interests</b>		<u>(1,721,140)</u>	<u>(641,029)</u>
		<u>34,888,344</u>	<u>41,210,656</u>

These financial statements were approved by the board of directors and authorised for issue on 17.3.17, and are signed on behalf of the board by:

  
M Cellino  
Director  
Company registration number: 08862382

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

**Eleonora Sport Limited**

**Company Statement of Financial Position**

**30 June 2016**

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Investments	16	30,709,010	30,709,010
<b>Current assets</b>			
Debtors: due within one year	18	5,019,599	1,657,846
Cash at bank and in hand		<u>7,050,422</u>	<u>6,995,615</u>
		12,070,021	8,653,461
<b>Creditors: amounts falling due within one year</b>	19	<u>(640,972)</u>	<u>(308,568)</u>
<b>Net current assets</b>		11,429,049	8,344,893
<b>Total assets less current liabilities</b>		42,138,059	39,053,903
<b>Creditors: amounts falling due after more than one year</b>	20	<u>(4,616,874)</u>	<u>(4,616,874)</u>
<b>Net assets</b>		<u>37,521,185</u>	<u>34,437,029</u>
<b>Capital and reserves</b>			
Called up share capital	24	100	100
Capital contribution	25	38,344,781	35,849,501
Profit and loss account	25	<u>(823,696)</u>	<u>(1,412,572)</u>
<b>Members' funds</b>		<u>37,521,185</u>	<u>34,437,029</u>

These financial statements were approved by the board of directors and authorised for issue on 17.3.17, and are signed on behalf of the board by:

  
M. Cellino  
Director

Company registration number: 08862382

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

**Eleonora Sport Limited**

**Consolidated Statement of Changes in Equity**

**Year ended 30 June 2016**

	Called up share capital £	Capital contribution £	Profit and loss account £	Equity attributable to the owners of the parent company £	Minority interests £	Total £
<b>At 27 January 2014</b>	-	-	-	-	-	-
Loss for the year			(1,873,409)	(1,873,409)	749,412	(1,123,997)
Other comprehensive income for the year:						
Revaluation of financial liability to fair value	-	(266,131)	266,131	-	-	-
<b>Total comprehensive income for the year</b>	-	(266,131)	(1,607,278)	(1,873,409)	749,412	(1,123,997)
Issue of shares	100	-	-	100	-	100
Acquisition of subsidiary with minority interest	-	-	-	-	(2,165,358)	(2,165,358)
Disposal of subsidiary with minority interest	-	-	-	-	774,917	774,917
Capital contributed	-	43,724,994	-	43,724,994	-	43,724,994
<b>Total investments by and distributions to owners</b>	100	43,724,994	-	43,725,094	(1,390,441)	42,334,653
<b>At 30 June 2015</b>	100	43,458,863	(1,607,278)	41,851,685	(641,029)	41,210,656
Loss for the year			(7,737,481)	(7,737,481)	(1,080,111)	(8,817,592)
Other comprehensive income for the year:						
Revaluation of financial liability to fair value	-	(657,345)	657,345	-	-	-
<b>Total comprehensive income for the year</b>	-	(657,345)	(7,080,136)	(7,737,481)	(1,080,111)	(8,817,592)
Capital contributed	-	2,495,280	-	2,495,280	-	2,495,280
<b>Total investments by and distributions to owners</b>	-	2,495,280	-	2,495,280	-	2,495,280
<b>At 30 June 2016</b>	100	45,296,798	(8,687,414)	36,609,484	(1,721,140)	34,888,344

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

**Eleonora Sport Limited****Company Statement of Changes in Equity****Year ended 30 June 2016**

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	Called up share capital £	Capital contribution £	Profit and loss account £	Total £
<b>At 27 January 2014</b>	–	–	–	–
Loss for the year	–	–	(1,412,572)	(1,412,572)
<b>Total comprehensive income for the year</b>	–	–	(1,412,572)	(1,412,572)
Issue of shares	100	–	–	100
Capital contributed	–	35,849,501	–	35,849,501
<b>Total investments by and distributions to owners</b>	100	35,849,501	–	35,849,601
<b>At 30 June 2015</b>	100	35,849,501	(1,412,572)	34,437,029
Loss for the year	–	–	588,876	588,876
<b>Total comprehensive income for the year</b>	–	–	588,876	588,876
Capital contributed	–	2,495,280	–	2,495,280
<b>Total investments by and distributions to owners</b>	–	2,495,280	–	2,495,280
<b>At 30 June 2016</b>	100	38,344,781	(823,696)	37,521,185

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

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**Eleonora Sport Limited****Consolidated Statement of Cash Flows****Year ended 30 June 2016**

	<b>Note</b>	2016	2015
	<b>26</b>	£	£
Cash generated from operations		(8,544,294)	(8,525,936)
Interest paid		(221,861)	(48,624)
Interest received		-	19,793
Net cash used in operating activities		<u>(8,766,155)</u>	<u>(8,554,767)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible assets		(798,204)	(463,895)
Proceeds from sale of tangible assets		-	7,057
Purchase of intangible assets		(6,441,780)	(3,085,891)
Proceeds from sale of intangible assets		3,130,972	3,756,071
Acquisition of subsidiaries		-	(15,069,357)
Proceeds from sale of subsidiaries		-	886,953
Net cash used in investing activities		<u>(4,109,012)</u>	<u>(13,969,062)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of ordinary shares		-	100
Proceeds from capital contribution		2,495,280	35,849,501
Proceeds from borrowings		1,471,377	4,607,516
Payments of finance lease liabilities		95,425	-
Net cash from financing activities		<u>4,062,082</u>	<u>40,457,117</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(8,813,085)</b>	<b>17,933,288</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>17,933,288</b>	<b>-</b>
<b>Cash and cash equivalents at end of year</b>		<b><u>9,120,203</u></b>	<b><u>17,933,288</u></b>

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

## Eleonora Sport Limited

### Notes to the Financial Statements

Year ended 30 June 2016

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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 New Court, Abbey Road North, Shepley, Huddersfield, HD8 8BJ.

#### 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'.

#### 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.

##### Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 27 January 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 33.

##### Consolidation

The financial statements consolidate the financial statements of the Group and all of its subsidiary undertakings. Due to local reporting requirements, no audited financial statements have been prepared for LUFC Holding Limited, a subsidiary registered in the Cayman Islands. The directors confirm that LUFC Holding Limited is a dormant holding company.

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 included its individual statement of comprehensive income.

##### Minority interests

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination.

The proportions of profit or loss and changes in equity allocated to the owners of the parent and to the minority interests are determined on the basis of existing ownership interests and do not reflect the possible exercise or conversion of options or convertible instruments.

##### 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 23.



**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 14 and 15 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 14 and 15 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 or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

**Foreign currencies**

Foreign currency transactions are initially recorded in the functional currency, by applying the spot 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.

## Eleonora Sport Limited

### Notes to the Financial Statements (continued)

Year ended 30 June 2016

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#### 3. Accounting policies (continued)

##### Intangible assets - goodwill

Goodwill has 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.

Costs incurred whilst the football club was in administration in 2007/08 were also capitalised as goodwill.

Goodwill is 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.

##### Intangible assets - players' 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' contracts. 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 fixed assets - carriage agreement

The costs associated with the carriage agreement are capitalised as intangible fixed assets and amortised, in equal annual instalments, over the period of the contract which expires in 2015. Provision is made for any impairment.

##### Intangible fixed assets - trademarks

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

##### Intangible fixed assets - computer software

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

##### Tangible assets

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

##### Depreciation

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

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

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

##### Investments in subsidiary undertakings

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

##### Impairment of fixed assets

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

##### Stocks

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

## Eleonora Sport Limited

### Notes to the Financial Statements (continued)

Year ended 30 June 2016

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#### 3. Accounting policies (continued)

##### Leases

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

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

##### Financial instruments

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

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

Debt instruments are subsequently measured at amortised cost.

##### Pension costs

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

##### Signing on fees

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

#### 4. Turnover

Turnover arises from:

	Year to 30 Jun 16 £	Period from 27 Jan 14 to 30 Jun 15 £
Gate receipts	8,188,578	6,497,682
Television and broadcasting income	712,000	257,152
Merchandising income	5,175,476	3,836,140
Central distributions	4,538,100	3,088,322
Other commercial revenue	6,932,811	5,893,436
Catering income	4,854,631	—
	<u>30,401,596</u>	<u>19,572,732</u>

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

**Eleonora Sport Limited****Notes to the Financial Statements (continued)****Year ended 30 June 2016****5. Operating loss**

Operating loss is stated after charging:

	Year to 30 Jun 16	Period from 27 Jan 14 to 30 Jun 15
	£	£
Amortisation of intangible assets	4,530,216	3,000,369
Depreciation of tangible assets	1,423,751	1,247,472
Impairment of intangible assets recognised in:		
Administrative expenses	236,539	431,054
Loss on disposal of tangible assets	2,108	786
Impairment of trade debtors	250,000	3,334
Foreign exchange differences	(672,405)	831,817
Operating lease costs	<u>2,029,422</u>	<u>1,477,259</u>

**6. Auditor's remuneration**

	Year to 30 Jun 16	Period from 27 Jan 14 to 30 Jun 15
	£	£
Fees payable for the audit of the financial statements	<u>3,000</u>	<u>10,000</u>
Fees payable to the company's auditor for other services:		
Audit of the financial statements of subsidiaries	28,500	22,173
Audit-related assurance services	9,988	6,435
Taxation compliance services	500	10,049
Corporate finance services	-	1,884
Other non-audit services	1,160	1,202
	<u>40,148</u>	<u>41,743</u>

**7. Staff costs**

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

	2016	2015
	No.	No.
Full-time playing staff	41	35
Apprentices	18	12
Football team management	15	9
Management/administration	75	67
Casual match day staff	294	276
	<u>443</u>	<u>399</u>

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

	Year to 30 Jun 16	Period from 27 Jan 14 to 30 Jun 15
	£	£
Wages and salaries	16,359,235	14,328,652
Social security costs	1,782,943	1,595,601
Other pension costs	41,240	33,492
	<u>18,183,418</u>	<u>15,957,745</u>

Included in wages and salaries are redundancy and ex-gratia payments of £460,370 (2015: £1,173,591).

**Eleonora Sport Limited****Notes to the Financial Statements (continued)****Year ended 30 June 2016****8. Directors' remuneration**

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

	Year to 30 Jun 16	Period from 27 Jan 14 to 30 Jun 15
	£	£
Remuneration	<u>10,062</u>	<u>—</u>

**9. Gain on disposal of subsidiary undertakings**

The gain on disposal of subsidiary undertakings relates to the disposal of Yorkshire Radio Limited which was struck off on 20 October 2015.

In the previous year the gain on disposal of subsidiary undertakings arose from the deemed disposal of Leeds United Football Club Limited. Leeds City Holdings Limited declined its right to purchase new shares issued by Leeds United Football Club Limited and subsequently these shares were issued to a third party. As a result the company's shareholding in Leeds United Football Club Limited was diluted from 100% to 11.1% and on 27 June 2014 control passed to the third party. Eleonora Sport Limited subsequently regained control of Leeds United Football Club Limited on 22 February 2015.

**10. Exceptional costs of commercial disputes**

Following a commercial dispute with the Leeds United Football Club Limited's former technical kit manufacturer, the Club entered into a Settlement Agreement. The Club has identified the legal cost arising from this dispute as being an exceptional item and have classified it as such in the Statement of Comprehensive Income.

Further legal disputes were settled during the year and those involving previous employees, the Football League and Sky TV have also been identified as exceptional and classified as such in the Statement of Comprehensive Income.

**11. Interest payable and similar charges**

	Year to 30 Jun 16	Period from 27 Jan 14 to 30 Jun 15
	£	£
Interest on banks loans and overdrafts	249	5
Interest on obligations under finance leases and hire purchase contracts	50,208	48,619
Other interest payable and similar charges	<u>1,009,070</u>	<u>861,261</u>
	<u>1,059,527</u>	<u>909,885</u>

Other interest payable and similar charges includes £657,344 (2015: £266,131) relating to the revaluation to fair value of the financial liability described in note 22.

**12. Tax on loss on ordinary activities****Major components of tax expense**

	Year to 30 Jun 16	Period from 27 Jan 14 to 30 Jun 15
	£	£
<b>Deferred tax:</b>		
Origination and reversal of timing differences	—	1,027,128
<b>Tax on loss on ordinary activities</b>	<u>—</u>	<u>1,027,128</u>

**Eleonora Sport Limited**

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

**Year ended 30 June 2016**

**12. Tax on loss on ordinary activities (continued)**

**Reconciliation of tax expense**

The tax assessed on the loss on ordinary activities for the year is higher than (2015: higher than) the standard rate of corporation tax in the UK of 20% (2015: 21.06%).

	Year to 30 Jun 16 £	Period from 27 Jan 14 to 30 Jun 15 £
Loss on ordinary activities before taxation	(8,817,592)	(96,869)
Loss on ordinary activities by rate of tax	(1,763,518)	(20,401)
Effect of expenses not deductible for tax purposes	108,454	134,097
Effect of capital allowances and depreciation	170,907	170,305
Effect of revenue exempt from tax	–	(853,158)
Utilisation of tax losses	(117,925)	–
Unused tax losses	1,611,585	1,596,285
Other timing differences	(9,503)	–
Tax on loss on ordinary activities	–	1,027,128

**Factors that may affect future tax income**

Leeds United Football Club Limited has losses of approximately £75 million (2015: £68 million) to carry forward against future profits.

**13. Profit for the year of the parent company**

The profit for the financial year of the parent company was £588,876 (2015: £1,412,572 loss).

**14. Intangible assets**

Group	Goodwill £	Carriage agreement £	Trademarks £	Computer software £	Players' registrations £	Total £
<b>Cost</b>						
At 1 Jul 2015	38,295,091	397,000	10,398	124,724	9,654,593	48,481,806
Additions	125,000	–	1,200	7,200	6,308,380	6,441,780
Disposals	–	(397,000)	–	–	(3,905,069)	(4,302,069)
<b>At 30 Jun 2016</b>	<u>38,420,091</u>	<u>–</u>	<u>11,598</u>	<u>131,924</u>	<u>12,057,904</u>	<u>50,621,517</u>
<b>Amortisation</b>						
At 1 Jul 2015	2,509,870	397,000	5,546	91,284	4,832,117	7,835,817
Charge for the year	789,634	–	1,079	18,898	3,720,605	4,530,216
Disposals	–	(397,000)	–	–	(3,555,909)	(3,952,909)
Impairment losses	–	–	–	–	236,539	236,539
<b>At 30 Jun 2016</b>	<u>3,299,504</u>	<u>–</u>	<u>6,625</u>	<u>110,182</u>	<u>5,233,352</u>	<u>8,649,663</u>
<b>Carrying amount</b>						
<b>At 30 Jun 2016</b>	<u>35,120,587</u>	<u>–</u>	<u>4,973</u>	<u>21,742</u>	<u>6,824,552</u>	<u>41,971,854</u>
At 30 Jun 2015	<u>35,785,221</u>	<u>–</u>	<u>4,852</u>	<u>33,440</u>	<u>4,822,476</u>	<u>40,645,989</u>

The company has no intangible assets.

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 £236,539 (2015: £431,054) has been charged to the profit and loss in respect of this impairment.

**Eleonora Sport Limited**

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

**Year ended 30 June 2016**

**15. Tangible assets**

<b>Group</b>	<b>Leasehold land and buildings £</b>	<b>Alterations and improvements £</b>	<b>Fixtures and fittings £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 July 2015	3,062,380	13,817,030	4,576,250	21,455,660
Additions	–	333,633	464,571	798,204
Disposals	(36,383)	–	(188,660)	(225,043)
<b>At 30 June 2016</b>	<b>3,025,997</b>	<b>14,150,663</b>	<b>4,852,161</b>	<b>22,028,821</b>
<b>Depreciation</b>				
At 1 July 2015	660,585	5,051,032	3,603,497	9,315,114
Charge for the year	156,109	933,313	334,329	1,423,751
Disposals	(36,383)	–	(186,551)	(222,934)
<b>At 30 June 2016</b>	<b>780,311</b>	<b>5,984,345</b>	<b>3,751,275</b>	<b>10,515,931</b>
<b>Carrying amount</b>				
<b>At 30 June 2016</b>	<b>2,245,686</b>	<b>8,166,318</b>	<b>1,100,886</b>	<b>11,512,890</b>
At 30 June 2015	2,401,795	8,765,998	972,753	12,140,546

The company has no tangible assets.

Leeds United Football Club Limited has an option to acquire land adjacent to Lowfields Road from Leeds City Council that would be required to complete the East Stand Development for which planning consent is in place. The option will expire on 31 October 2016.

The directors have reviewed the carrying amount of both the tangible and intangible fixed assets and are satisfied that they are not impaired other than as described in note 14.

**Finance leases and hire purchase contracts**

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

<b>Group</b>	<b>Fixtures and fittings £</b>
<b>At 30 June 2016</b>	<b>95,147</b>
At 30 June 2015	172,000

**16. Investments**

The group has no investments.

<b>Company</b>	<b>Shares in group undertakings £</b>
<b>Cost</b>	
At 1 Jul 2015 and 30 Jun 2016	30,709,010
<b>Impairment</b>	
At 1 Jul 2015 and 30 Jun 2016	–
<b>Carrying amount</b>	
At 1 Jul 2015 and 30 Jun 2016	30,709,010

## Eleonora Sport Limited

### Notes to the Financial Statements (continued)

#### Year ended 30 June 2016

#### 16. Investments (continued)

The company directly owns a 75% interest in LUFC Holding Limited and an 81.58% interest in Leeds United Football Club Limited. The directors have reviewed the valuation of these investments and do not consider that any impairment is required at 30 June 2016.

Details of the subsidiary undertakings at 30 June 2016 were as follows:

	Principal activity	Place of incorporation and registration	Class of shares	Proportion of issued shares held
LUFC Holding Limited	Holding company	Cayman Islands	Ordinary	75%
Leeds United Football Club Limited	Football club	England	Ordinary	83.55%
Leeds City Holdings Limited	Holding company	England	Ordinary	75%*
Leeds United Media Limited	Digital media	England	Ordinary	83.55%*
Leeds United Conference and Events Limited	Conferencing	England	Ordinary	83.55%*

\* indirectly owned

1.97% of the interest in Leeds United Football Club Limited is indirectly owned through the investment in LUFC Holding Limited.

On 3 July 2015, Leeds City Holdings Limited's 100% shareholding in Leeds United Conference and Events Limited was transferred to Leeds United Football Club Limited at cost.

On 25 November 2015, Leeds City Holdings Limited's 100% shareholding in Leeds United Media Limited was transferred to Leeds United Football Club Limited at cost.

Yorkshire Radio Limited was struck off on 20 October 2015 and Leeds United Investments Limited, Leeds United 2007 Limited, Leeds City Limited, Leeds First Limited, Yorkshire First Limited and Leeds United Financial Services Limited were all struck off on 17 November 2015.

#### 17. Stocks

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Goods held for resale	640,813	846,015	—	—

The cost of stock recognised as cost of sales during the year was £5,495,314 (2015: £4,287,975).

Stocks are stated after provisions for impairment of £1,154,533 (2015: £nil).

#### 18. Debtors

Debtors falling due within one year are as follows:

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Trade debtors	984,466	2,824,307	—	—
Amounts owed by group undertakings	(1,600,000)	—	4,993,018	1,646,834
Prepayments and accrued income	1,861,794	4,617,353	—	—
Transfer fee debtors	3,374,686	902,001	—	—
Other debtors	407,954	245,528	26,581	11,012
	<u>5,028,900</u>	<u>8,589,189</u>	<u>5,019,599</u>	<u>1,657,846</u>

Debtors falling due after one year are as follows:

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Amounts owed by group undertakings	<u>1,600,000</u>	—	—	—



**Eleonora Sport Limited**

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

**Year ended 30 June 2016**

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

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Amounts owed to related parties	2,000,000	1,000,000	-	-
Trade creditors	3,562,614	4,578,753	347,040	237,761
Amounts owed to group undertakings	-	2,495,280	-	-
Accruals and deferred income	8,941,354	10,258,850	293,932	61,449
Social security and other taxes	1,717,484	922,040	-	-
Finance leases and hire purchase contracts	78,943	86,916	-	-
Transfer fee creditors	2,372,328	2,256,653	-	9,358
Other creditors	285,139	439,515	-	-
	<u>18,957,862</u>	<u>22,038,007</u>	<u>640,972</u>	<u>308,568</u>

Included in accruals and deferred income are £5,665,493 (2015: £4,969,132) 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.

Included in accruals and deferred income is an advance payment of £nil (2015: £900,000) which is secured by a fixed and floating charge over all the company's assets.

Obligations under finance leases are secured on the related assets.

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

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Amounts owed to related parties	8,047,983	8,390,639	-	-
Other loans	1,600,000	-	-	-
Accruals and deferred income	-	550,000	-	-
Finance leases and hire purchase contracts	165,995	62,597	-	-
Transfer fee creditors	1,269,730	2,880,802	-	-
Pension (note 22)	327,872	405,452	-	-
Other creditors	4,616,874	4,616,874	4,616,874	4,616,874
	<u>16,028,454</u>	<u>16,906,364</u>	<u>4,616,874</u>	<u>4,616,874</u>

Obligations under finance leases are secured on the related assets.

Other loans include an invoice finance discounting advance of £1,600,000 (2015: £nil) secured on the related book debt.

Other creditors represent a loan of £4,616,874 that is secured by a first fixed share charge over the entire issued share capital of Eleonora Sport Limited and also by a personal guarantee from M Cellino. Interest is charged at a fixed rate of 5% per annum and the loan is due for repayment on the fifth anniversary of the drawdown.

**21. Finance leases and hire purchase contracts**

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

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Not later than 1 year	96,262	128,794	-	-
Later than 1 year and not later than 5 years	170,432	100,990	-	-
	<u>266,694</u>	<u>229,784</u>	<u>-</u>	<u>-</u>
Less: future finance charges	(21,756)	(80,271)	-	-
Present value of minimum lease payments	<u>244,938</u>	<u>149,513</u>	<u>-</u>	<u>-</u>

**Eleonora Sport Limited**

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

**Year ended 30 June 2016**

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**22. 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 £41,189 (2015: £33,492), 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 2014 and resulted in a charge to the profit and loss account of £172,946. The allocation of the deficit under this valuation is repayable at £6,465 per month effective from 1 September 2015.

**23. Financial instruments**

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

**Financial liabilities measured at amortised cost**

	<b>Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Financial liabilities measured at amortised cost	<u>8,047,983</u>	<u>8,390,639</u>

Financial liabilities relate to an interest free loan provided to Leeds United Football Club Limited by a shareholder that is repayable in more than one year. The loan has been 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 value of the loan and the cash received, and any subsequent movement has been recognised as a capital contribution by the connected party.

The financial liability is included in amounts owed to related parties and £3,500,000 is repayable in annual instalments from June 2016 to June 2019. In the event that the club becomes a member of the FA Premier League prior to 2019, the remaining £13,500,000 will be repayable. If the club does not become a member of the FA Premier League, the remaining balance is repayable in annual instalments from June 2019 to June 2032. The loans are unsecured and interest free.

The fair value calculation has been carried out on the basis that the club will not become a member of the FA Premier League prior to 2019.

**24. Called up share capital**

**Issued, called up and fully paid**

	<b>2016</b>		<b>2015</b>	
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

**Eleonora Sport Limited**

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

**Year ended 30 June 2016**

**25. Reserves**

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

Capital contribution - this reserve records the capital received from shareholders for which no shares were issued in return and also movements in the fair value of financial liabilities to shareholder.

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

**26. Cash generated from operations**

	2016 £	2015 £
Loss for the financial year	(8,817,592)	(1,123,997)
<i>Adjustments for:</i>		
Depreciation of tangible assets	1,423,751	1,273,230
Amortisation of intangible assets	4,530,216	2,974,612
Impairment of intangible assets	236,539	431,054
Gain on disposal of players' registrations	(2,781,812)	(3,312,986)
Gain on disposal of subsidiary undertakings	(224,528)	(10,570,141)
Other interest receivable and similar income	-	(19,793)
Interest payable and similar charges	1,059,527	909,885
Loss/(gains) on disposal of tangible assets	2,108	(1,926)
Tax on loss on ordinary activities	-	1,027,128
Accrued income	(1,730,514)	-
<i>Changes in:</i>		
Stocks	205,202	-
Trade and other debtors	1,960,289	(205,384)
Trade and other creditors	(4,407,480)	220,165
Provisions and employee benefits	-	(127,783)
	<u>(8,544,294)</u>	<u>(8,525,936)</u>

**27. Operating leases**

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

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Not later than 1 year	2,129,547	2,095,184	-	-
Later than 1 year and not later than 5 years	8,733,867	8,567,021	-	-
Later than 5 years	20,978,757	23,099,609	-	-
	<u>31,842,171</u>	<u>33,761,814</u>	<u>-</u>	<u>-</u>

**28. Contingencies**

In the event of the Leeds United Football Club Limited becoming a member of the FA Premier League before the 2017/18 Season then a liability of £4,750,000 (2015: £4,750,000) will become payable to the liquidator of Leeds United Association Football Club Limited under the provision of the sale agreement entered into on 4 May 2007.

Under the terms of the financial provisions relating to transfer of player registrations, future payments of up to £3,867,859 (2015: £1,197,620) 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 £10,938,046 (2015: £8,321,284) conditional on the performance of both players and football management throughout the 2015/16 season.

At the year end there were a number of legal claims and various claims from H M Revenue and Customs outstanding against Leeds United Football Club Limited. 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 in the balance sheet.

## Eleonora Sport Limited

### Notes to the Financial Statements (continued)

#### Year ended 30 June 2016

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#### 29. Events after the end of the reporting period

On 5 September 2016 Eleonora Sport Limited acquired 25% of LUFC Holding Limited and 15.79% of Leeds United Football Club Limited. Subsequent to this transaction Eleonora Sport Limited owned 100% of LUFC Holding Limited, Leeds City Holdings Limited and Leeds United Football Club Limited.

Also on 5 September 2016 Leeds United Football Club Limited entered into a new agreement with GFH Financial Group B.S.C. to restructure existing loans totalling £17,000,000. Under the terms of the new agreement the club's liability reduced to £16,950,000 with annual repayments commencing in August 2017 and ending in August 2029. The new agreement is interest bearing and repayments are no longer conditional on the club's promotion to the FA Premier League.

On 26 September 2016 Leeds United Football Club Limited entered into an agreement with Eleonora Sport Limited, the parent company, to capitalise £5,000,000 of debt due to Eleonora Sport Limited by Leeds United Football Club Limited. Under the terms of the agreement the £5,000,000 of debt was converted into 5,000,000 ordinary £1 shares.

On 30 December 2016 Eleonora Sport Limited sold 50% of the shares in Leeds United Football Club Limited to Greenfield Investment Pte Limited.

#### 30. Directors' advances, credits and guarantees

The group made advances of £51,441 (2015: £1,361,825) to Massimo Cellino and received repayments of £25,486 (2015: £91,034). At 30 June 2016 a balance of £25,955 (2015: £nil), included in other debtors, was due from Massimo Cellino. This loan was unsecured, interest free and repayable on demand.

#### 31. Related party transactions

##### Entities with control over the group

	2016	2015
	£	£
Repayments made	–	44,083
Transfer to capital contribution	2,495,280	–
Creditors	–	2,495,280

##### Key management personnel

	2016	2015
	£	£
Advances received	382,468	31,034
Repayments made	397,051	1,342,217
Interest payable	14,583	–

##### Other related parties

	2016	2015
	£	£
Repayments made	–	3,000,000
Reversal of interest previously accrued	–	914,369
Creditors	17,000,000	17,010,261
Purchases	(10,261)	32,809

#### 32. Controlling party

Trust Sporting 2006, a trust registered in Italy, is the ultimate controlling party and Eleonora Immobiliare SpA, a company incorporated in Italy, is the immediate parent company.

#### 33. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The group and the company transitioned to FRS 102 on 27 January 2014.

**Eleonora Sport Limited**

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

**Year ended 30 June 2016**

**33. Transition to FRS 102 (continued)**

**Reconciliation of equity**

Group	27 January 2014			30 June 2015		
	As previously stated £	Effect of transition £	FRS 102 (as restated) £	As previously stated £	Effect of transition £	FRS 102 (as restated) £
Fixed assets	-	-	-	52,786,535	-	52,786,535
Current assets	-	-	-	27,368,492	-	27,368,492
Creditors: amounts falling due within one year	-	-	-	(22,038,007)	-	(22,038,007)
Net current (liabilities)/assets	-	-	-	5,330,485	-	5,330,485
Total assets less current liabilities	-	-	-	58,117,020	-	58,117,020
Creditors: amounts falling due after more than one year	-	-	-	(24,515,725)	7,609,361	(16,906,364)
Net assets	-	-	-	33,601,295	7,609,361	41,210,656
Capital and reserves	-	-	-	33,601,295	7,609,361	41,210,656

**Reconciliation of equity**

No transitional adjustments were required for the company.

**Reconciliation of profit or loss for the year**

	Year ended 30 June 2015		
	As previously stated £	Effect of transition £	FRS 102 (as restated) £
Turnover	19,572,732	-	19,572,732
Cost of sales	(4,301,150)	-	(4,301,150)
Gross profit	15,271,582	-	15,271,582
Administrative expenses	(28,553,803)	-	(28,553,803)
Other operating income	192,317	-	192,317
Operating loss	(13,089,904)	-	(13,089,904)
Gain on disposal of players' registrations	3,312,986	-	3,312,986
Gain on disposal of subsidiary undertakings	10,570,141	-	10,570,141
Other interest receivable and similar income	19,793	-	19,793
Interest payable and similar charges	(643,754)	(266,131)	(909,885)
Tax on loss on ordinary activities	(1,027,128)	-	(1,027,128)
Loss for the financial year	(857,866)	(266,131)	(1,123,997)

**Financial instruments**

FRS 102 requires financial instruments to be recognised at fair value. No transition adjustment was required at 1 July 2014 but an interest free loan was advanced to the company during the year ended 30 June 2015 on which a fair value adjustment was recognised increasing capital and reserves by £7,609,361 at 30 June 2015. An interest charge of £266,131 was also recognised in the year ended 30 June 2015 increasing the loss for the year by this amount.

**Computer software**

Computer software, with a net book value of £54,660 at 1 July 2014, has been reclassified from tangible to intangible assets as required under FRS 102. This has no effect on the company's net assets nor on the profit for the year, except that the previous depreciation charge is now described as amortisation.