

REGISTERED NUMBER: 00088982 (England and Wales)

Report of the Directors and
Unaudited Financial Statements for the Year Ended 30 June 2024
for
Leyton Orient Football Club Limited

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for the Year Ended 30 June 2024

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Leyton Orient Football Club Limited

Company Information
for the Year Ended 30 June 2024

DIRECTORS:

Mr Nigel Travis
Mr David Guy Travis
Mr Matthew Richard Porter
Mr Marshall James Taylor
Mr Richard James Emmett
Mr Nikolaus Dieter Semaca
Mr Rodney Kent Teague II
Mr Richard Coleman Parry

REGISTERED OFFICE:

Brisbane Road
Leyton
London
E10 5NE

REGISTERED NUMBER:

00088982 (England and Wales)

ACCOUNTANTS:

Providence Financial Limited
01 Meadlake Place
Thorpe Lea Road
Egham
Surrey
TW20 8HE

Report of the Directors
for the Year Ended 30 June 2024

The directors present their report with the financial statements of the company for the year ended 30 June 2024.

REVIEW OF BUSINESS

I'm pleased to say that this is my eighth report as Chairman of Leyton Orient Football Club, and I am now in my 66th year of supporting our great club.

The review is predominately about the season 2023/24, when we firmly reestablished ourselves as a League One club, finishing in 11th place. Throughout the season, the team looked very much at home in the higher division. We averaged 1.65 points per game from mid-December until the end of the season which would have given us 76 points if maintained over a whole campaign. This demonstrates why we have complete faith in Head Coach Richie Wellens and his staff and, as I write at the beginning of 2025, we are firmly in the middle of the League One table after a good recent run.

I would like to thank all our supporters for the huge contribution you made during the 2023/24 season. As a club, we support each other during the tough times when we need it most and we enjoy the very good times together. This makes all the time, energy and money we all put into our club worthwhile.

Off the pitch, the club's infrastructure has been strengthened since our promotion as we have invested in improved stadium facilities, particularly in the East Stand, formalised systems and have recruited key staff.

The directors have continued to measure our progress using several key performance indicators such as final league position, average league attendance and profitability. The highlights of our financials are shown below.

	2022/23	2023/24
Division	League 2	League 1
League Position	1st	11th
Turnover (£m)	5.9	7.7
Operating (Loss) (£m)	(4.0)	(3.7)
Average League Attendance	7,841	8,172
Capital Expenditure (£m)	1.1	1.2
Profit on Player Trading (£m)	0.2	0.4

Due to the great work of CEO Mark Devlin, and his team, who have continued to drive the club forward, our revenue base has grown significantly year-on-year. Following our promotion to League One, we also receive greater central EFL funding, which we have invested back into our infrastructure to support our long-term growth.

Our losses are still stubbornly high but we compare very favourably with the average numbers for League One, where we expect club's losses for the current season to be around £7M per club. We continue to lobby for more financial controls because the long-term position of the majority of clubs is, in our mind, unsustainable.

Report of the Directors
for the Year Ended 30 June 2024

Our 2022/23 playing budget was increased by 25% going into the 2023/24 campaign. This allowed us to build a competitive League One squad and, separate to this, we provided additional off-pitch resources such as improved medical and performance analysis equipment that allowed the team to thrive. The current season (2024/25) is an extraordinary one as many of the promoted and relegated clubs who joined the league have significant resources at their disposal, which makes the league ultra-competitive this year. Back in 2023/24 we had hoped that the losses would be reduced further but the much-discussed redistribution agreement between the EFL and Premier League clubs has yet to be achieved and this remained the case at the end of 2024. Additionally, in the January transfer window we brought in two permanent signings, Brandon Cooper and Ollie O'Neill on long-term contracts and later we signed Jack Simpson. We also saw two Saturday games at the back end of last season rescheduled to a midweek evening slot. Our analysis shows that each game moved from a Saturday to a Tuesday night results in a reduction in revenue of around £60k per match.

As we turn to 2025, we look forward with continued optimism and, as all supporters know, we are looking to bring in new investment to help the club progress further in the future. We are in the middle of the process right now and we have several groups that we are very engaged with.

Thank you for the fantastic support during the season under review.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2023 to the date of this report.

Mr Nigel Travis
Mr David Guy Travis
Mr Matthew Richard Porter
Mr Marshall James Taylor
Mr Richard James Emmett
Mr Nikolaus Dieter Semaca
Mr Rodney Kent Teague II
Mr Richard Coleman Parry

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Report of the Directors
for the Year Ended 30 June 2024

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

.....
Mr Nigel Travis - Director

Date:

Income Statement
for the Year Ended 30 June 2024

	30.6.24	30.6.23 as restated
Notes	£	£
REVENUE	7,718,911	5,903,028
Cost of sales	538,716	510,905
GROSS PROFIT	7,180,195	5,392,123
Administrative expenses	11,519,013	9,779,117
	(4,338,818)	(4,386,994)
Other operating income	591,238	349,976
OPERATING LOSS	(3,747,580)	(4,037,018)
Interest receivable and similar income	4,015	1,925
LOSS BEFORE TAXATION	(3,743,565)	(4,035,093)
Tax on loss	-	-
LOSS FOR THE FINANCIAL YEAR	(3,743,565)	(4,035,093)

The notes on pages 8 to 12 form part of these financial statements

Balance Sheet
30 June 2024

		30.6.24		30.6.23 as restated	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	5		7,500		-
Property, plant and equipment	6		2,633,479		1,849,796
			<u>2,640,979</u>		<u>1,849,796</u>
CURRENT ASSETS					
Inventories	7	147,793		254,281	
Debtors	8	2,138,276		1,117,544	
Cash at bank and in hand		944,611		1,216,838	
		<u>3,230,680</u>		<u>2,588,663</u>	
CREDITORS					
Amounts falling due within one year	9	3,553,009		3,257,761	
		<u>3,553,009</u>		<u>3,257,761</u>	
NET CURRENT LIABILITIES			<u>(322,329)</u>		<u>(669,098)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,318,650		1,180,698
CREDITORS					
Amounts falling due after more than one year	10		(19,796,339)		(15,786,339)
ACCRUALS AND DEFERRED INCOME			<u>(871,517)</u>		<u>-</u>
NET LIABILITIES			<u><u>(18,349,206)</u></u>		<u><u>(14,605,641)</u></u>

The notes on pages 8 to 12 form part of these financial statements

Balance Sheet - continued

30 June 2024

		30.6.24		30.6.23 as restated	
	Notes	£	£	£	£
CAPITAL AND RESERVES					
Called up share capital	11		820,000		820,000
Share premium			1,161,810		1,161,810
Capital reserves			4,295,500		4,295,500
Retained earnings			(24,626,516)		(20,882,951)
SHAREHOLDERS' FUNDS			(18,349,206)		(14,605,641)

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 June 2024.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 June 2024 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on and were signed on its behalf by:

.....
Mr Nigel Travis - Director

1. STATUTORY INFORMATION

Leyton Orient Football Club Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually at the point that the customer has signed for the delivery of the goods.

Rendering of services

Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs. Turnover is only recognised to the extent of recoverable expenses when the outcome of a contract cannot be estimated reliably.

Intangible fixed assets other than goodwill

Intangible fixed assets represent transfer fees and league levies associated with the acquisition of players' registrations which are capitalised as intangible fixed assets and amortised over the period of the player's contract. Provision for any impairment in value, such as through injury or loss of form, is made when it becomes apparent that the diminution in value is present.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- Remaining Life on Lease
Plant and machinery	- 25% on cost
Fixtures and fittings	- 25% on cost
Motor vehicles	- 20% on cost

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads. Work-in-progress is reflected in the accounts on a contract by contract basis by recording turnover and related costs as contract activity progresses.

Notes to the Financial Statements - continued
for the Year Ended 30 June 2024

2. **ACCOUNTING POLICIES - continued**

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Going concern

The company has net liabilities of £18,349,206. The accounts have been prepared on going concern basis as the shareholders have confirmed that they will continue to provide financial support to the company for the foreseeable future.

Deferred grants

Grants receivable from the Football Trust and similar bodies in respect of capital expenditure are treated as deferred income and released to the profit and loss account over the future period. The period will equal the economic life of the assets to which the grant relate in order to match to income the depreciation charged on these assets. Deferred grant income in the balance sheet represents total grants received less amount to be credited to the profit & loss account.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 279 (2023 - 248).

Notes to the Financial Statements - continued
for the Year Ended 30 June 2024

4. **PRIOR YEAR ADJUSTMENT**

During the current financial year, the company identified an overstatement of £129,010 in the prepayments of "Retail Kits" for the year ended 30th June 2023. This amount was incorrectly disclosed as both part of the closing stock and prepayments.

The overstatement has been corrected retrospectively and the financial statements for the year ended 30th June 2023 have been restated.

Impact of the Adjustment:

The restatement has resulted in:

1. A decrease in prepayments by £129,010 for 30th June 2023
2. An increase in the loss for the year ended 30th June 2023 by £129,010.

5. **INTANGIBLE FIXED ASSETS**

	Players registratio £
COST	
Additions	15,000
At 30 June 2024	15,000
AMORTISATION	
Amortisation for year	7,500
At 30 June 2024	7,500
NET BOOK VALUE	
At 30 June 2024	7,500

Notes to the Financial Statements - continued
for the Year Ended 30 June 2024

6. **PROPERTY, PLANT AND EQUIPMENT**

	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 July 2023	1,863,029	949,632	531,094	16,843	3,360,598
Additions	937,957	210,714	30,899	-	1,179,570
At 30 June 2024	2,800,986	1,160,346	561,993	16,843	4,540,168
DEPRECIATION					
At 1 July 2023	247,200	763,844	482,915	16,843	1,510,802
Charge for year	256,275	112,120	27,492	-	395,887
At 30 June 2024	503,475	875,964	510,407	16,843	1,906,689
NET BOOK VALUE					
At 30 June 2024	2,297,511	284,382	51,586	-	2,633,479
At 30 June 2023	1,615,829	185,788	48,179	-	1,849,796

7. **INVENTORIES**

	30.6.24	30.6.23 as restated
	£	£
Finished goods	147,793	254,281

8. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30.6.24	30.6.23 as restated
	£	£
Trade debtors	1,470,200	661,779
Other debtors	882	108
Prepayments and accrued income	667,194	455,657
	2,138,276	1,117,544

Notes to the Financial Statements - continued
for the Year Ended 30 June 2024

9. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30.6.24	30.6.23 as restated
	£	£
Trade creditors	830,723	940,246
Social security and other taxes	250,713	365,625
VAT	300,415	161,293
Other creditors	17,426	60,094
Accruals and deferred income	2,153,732	1,730,503
	<u>3,553,009</u>	<u>3,257,761</u>

10. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	30.6.24	30.6.23 as restated
	£	£
Other creditors	<u>19,796,339</u>	<u>15,786,339</u>

11. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			30.6.24	30.6.23 as restated
Number:	Class:	Nominal value:		
			£	£
3,280,000	Ordinary	£0.25	<u>820,000</u>	<u>820,000</u>

12. **RELATED PARTY DISCLOSURES**

The Company is 90.4% owned by Eagle Investments 2017 Limited (Eagle). Eagle has funded the Company since 2017 by a non-interest bearing loan facility, that comprises creditors falling due after more than one year.