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**BLADES LEISURE LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 JULY 2020**

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**BLADES LEISURE LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	J Giansiracusa HH Prince Musaad Bin Khalid Bin Musaad Bin Abdulrahman Al Saud (appointed 30 July 2019) HRH Princess Reem Bint Abdullah Al Saud (appointed 19 November 2019)
<b>Registered number</b>	06963761
<b>Registered office</b>	Bramall Lane Cherry Street SHEFFIELD South Yorkshire S2 4SU
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 1 Holly Street SHEFFIELD South Yorkshire S1 2GT
<b>Bankers</b>	Santander UK Plc Ground Floor Merrion Court 44 Merrion Street LEEDS LS2 8JQ

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**BLADES LEISURE LIMITED**

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## BLADES LEISURE LIMITED

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The Directors present their report on the activities of Blades Leisure Limited for the period ending July 2020 along with the financial statements and the Auditors report.

### Principal activities

The principal activity of Blades Leisure Limited is the operation of a professional football club.

### Business review

In the period under review the Club competed in the English Premier League finishing in 9th position with a total of 54 points. A year that ended in unprecedented circumstances has concluded with the Group's first profit making period since 2008.

Following the worldwide pandemic of the coronavirus, COVID-19, on the 13th March 2020 shareholders across the Premier League unanimously voted to suspend all league fixtures. The decision to suspend fixtures was taken to protect the health and well-being of players, staff, and supporters. Since that time, the UK government has put in place social distancing restrictions to control the spread of the virus. With these measures in place, it has not been possible for the league to fulfil fixtures under typical match day conditions. The season was not able to recommence until the 17th June with the remaining fixtures to be played behind closed doors, without spectators and under strict match day health and safety protocols. As such, match day revenues and broadcasting revenues were severely impacted in the period.

Following a long period of uncertainty regarding the return of supporters to stadiums, the UK government have announced a 3 tier system to commence on 2nd December 2020 allowing for staged increases in spectator capacity based on the severity of the pandemic in each region. This was a welcome step towards a return to normal match day conditions and an opportunity to demonstrate the ability of football clubs to provide a safe environment for fans.

Due to the COVID-19 epidemic, and its impact on the conclusion of the 2019-20 season, the directors have taken the decision to extend the financial reporting period to 31st July 2020, a period of 13 months, in order to present complete and comparable financial results.

Despite the COVID-19 epidemic and its impact on both the economy and the landscape of professional football, profits of £17.5m (2019: £21.3m losses), were retained in the 13-month period ending July 2020.

Before exceptional items, revenue reached a Club high of £155m. A respectable achievement for our first year in the Premier League due to excellent commercial partners and the squad's exceptional performance on the pitch.

Broadcasting Income of £120m (2019: £8.3m) was achieved in the period due to placing 9th in the Premier League. Certain contractual clauses in the Premier League's broadcasting partnership agreements required that the fixtures for the 2019/20 season were fulfilled in a specified time frame. Due to the impact of the coronavirus, COVID-19, the contractual obligations were not able to be fulfilled, and penalties became chargeable. These are included in exceptional items.

Employment costs in the period totalled £78.5m (2019: £41.2m). Increased costs are predominantly driven by player related expenditure alongside investment in non-football staff as the business continues to grow as well as mature.

Capital investment in the period included the fulfilment of purchase obligations triggered under an investment agreement between UTB LLC and Sheffield United Limited as well as various projects undertaken to bring Bramall Lane to the specifications required for delivery of a Premier League match day, including the installation of further press boxes, improved networking and floodlights.

Properties acquired included the stadium at Bramall Lane, the Shirecliffe training facility, the Crookes gym, the hotel on Bramall Lane and the office block located at the intersection of Bramall Lane and John Street. The total acquisition cost of £38m plus associated costs was financed through a combination of equity and financial instruments.

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**BLADES LEISURE LIMITED**

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**GROUP STRATEGIC REPORT (CONTINUED)**  
**FOR THE PERIOD ENDED 31 JULY 2020**

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Profit on disposal of player registrations in the period totalled £4.1m in the period (2019: £14.2m).

**Key performance indicators**

Non-financial performance indicators operated by the Club:

First team finishing position

Points per game

Average league attendance

Financial performance indicators operated by the Club:

Employee costs/revenue

Commercial revenue growth

Profit on disposal of player registrations

**Equity, Diversity and Inclusion**

Sheffield United Football Club is committed to helping eradicate all forms of discrimination within Football and ensuring our Club is representative of our local community and is a welcoming place of entertainment for all. We have pledged to work with several partners such as Kick it out and most recently pledging to the FA Football Leadership Diversity Code focusing on increasing both female and BAME representatives in key roles within our Club. We have recruited a dedicated Equality Diversity and Inclusion Manager who has already made great progress working with both internal and external working groups on how we tackle all forms of discriminative behaviour whilst also promoting true inclusion and diversity within our Club.

**Employee Engagement**

While we recognise 2020 has been a significantly difficult period for many of us it has also shown that working together, supporting each other and being kind is what matters. As football has been severely affected by coronavirus it has seen many staff and fans not been able to interact and engage with each other in our normal ways. Instead we have seen huge amounts of creativity by individuals who have recognised that a small gesture of good will or help has enabled us to adjust and keep going. While some of our staff have been effected more than others because of the nature of their work, this has allowed us to support our local community with staff signing up to the NHS Volunteering scheme or local supporter groups, helping vulnerable people through this most difficult time.

**Future Developments**

The Clubs long term strategy is to be a self-sustaining, globally recognised Club competing in the top tier of English football. This will be achieved by embracing a business model that focuses on investment in our playing squad, through first team acquisitions and our elite academy programme, by cultivating our global brand, by driving and diversifying revenue streams and by identifying and nurturing talent across all areas of the business.

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**BLADES LEISURE LIMITED**

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**GROUP STRATEGIC REPORT (CONTINUED)**  
**FOR THE PERIOD ENDED 31 JULY 2020**

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**Going Concern**

At the balance sheet date the Company is in a net liability position. The Directors anticipated the financial period would close in a net asset position but due to the exceptional conclusion of the 2019/20 season and subsequent rebates payable under certain Premier League Broadcasting agreements, this has not been the case.

The Company's business activities, together with factors likely to affect its future development, performance and position, have been considered by the Directors throughout the period and will continue to be reviewed in line with the Group's strategic plan.

As the Directors are confident in the Group's ability to successfully negotiate these challenging times, no adjustment has been made to the financial statements that would be required if the group ceased to be a going concern. The Premier League shareholders are meeting regularly to review the financial and operational situation.

The Directors have reviewed the forecasts for the period ending December 2021, and, have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future with, if required, support from its controlling parties. For this reason, they continue to adopt the going concern assumption.

**Charitable activities**

Our nominated charities for season were The Sheffield Children's Hospital, Weston Park Cancer Charity, Bluebell Wood Children's Hospice, St Luke's Hospice and Cavendish Cancer Care and Cash for Kids.

Donations to the UK charities amounted to £3.4m in the period supporting youth and community initiatives.

**Principal risks and uncertainties**

The Company uses financial instruments, comprising cash and other liquid resources and various other items such as trade debtors, creditors and finance lease arrangements that arise directly from its operations. The main purpose of these instruments is to raise finance for the Company's operations.

The directors review and agree policies for managing each of these risks, as summarised below. The policies have remained unchanged since the previous period.

**Liquidity risk**

The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs by renegotiating adequate facilities from the Company's bankers and other lenders.

**Interest rate risk**

The Company finances its operations through a mixture of shareholders' equity and retained profits.

**Sporting Performance Risk**

The Company mitigates risk of poor sporting performance by investment and support of football management strategies through recruitment, retention and development of players and support staff. The Company seeks to protect the impact of unsuccessful sporting performance through the implementation of contractual clauses that protect our financial position.

**Regulatory Compliance Risk**

The Company must adhere to the rules and regulations of all competitions and in leagues in which it participates.

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**BLADES LEISURE LIMITED**

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**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE PERIOD ENDED 31 JULY 2020**

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A significant proportion of the Company's revenue is generated from such leagues and competitions and continued membership is essential to our ongoing sustainability. The Company monitors its compliance with such rules and regulations along with the impact any change in these may have.

This report was approved by the board on 22/12/2020 and signed on its behalf.



**HRH Princess Reem Bint Abdullah Al Saud**  
Director

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**BLADES LEISURE LIMITED**

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**DIRECTORS' REPORT  
FOR THE PERIOD ENDED 31 JULY 2020**

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The Directors present their report and the financial statements for the period ended 31 July 2020.

**Directors' responsibilities statement**

The Directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements 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 Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

**Directors**

The Directors who served during the period were:

J J Tutton (resigned 10 October 2019)

J Giansiracusa

HRH Prince Abdullah Bin Mosaad Bin Abdulaziz Al Saud (resigned 27 October 2019)

HH Prince Mosaad Bin Khalid Bin Mosaad Bin Abdulrahman Al Saud (appointed 30 July 2019)

J L Burnley (resigned 10 October 2019)

J Van Winckel (resigned 21 November 2019)

HRH Princess Reem Bint Abdullah Al Saud (appointed 19 November 2019)

K C McCabe (resigned 10 October 2019)

S R McCabe (resigned 10 October 2019)



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**BLADES LEISURE LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 31 JULY 2020**

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**Disclosure of information to auditor**

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Directors is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the Directors has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

**Post balance sheet events**

Subsequent to the period end, purchases of £44.3m in relation to the registration of player contracts have been made.

**Auditor**

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 22/12/2020 and signed on its behalf.



**HRH Princess Reem Bint Abdullah Al Saud**  
Director



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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLADES LEISURE LIMITED

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### Opinion

We have audited the financial statements of Blades Leisure Limited (the 'parent Company') and its subsidiaries (the 'Group') for the period ended 31 July 2020, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated and Company Statement of Changes in Equity and notes to the financial statements, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 July 2020 and of the Group's profit for the period 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.

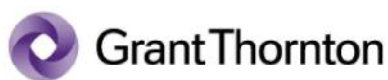
### Basis for opinion

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.

### The impact of uncertainties arising from the UK exiting the European Union on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the Directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events for the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.



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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLADES LEISURE LIMITED (CONTINUED)

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### 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.

In our evaluation of the Directors' conclusions, we considered the risks associated with the company's business model, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

### Other information

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

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

We have nothing to report in this regard.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLADES LEISURE LIMITED (CONTINUED)**

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**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 Group Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

**Matter on which we are required to report under the Companies Act 2006**

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 Group Strategic Report or the Directors' Report.

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

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 for the financial statements**

As explained more fully in the Directors' Responsibilities Statement on page 5, 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.



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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLADES LEISURE LIMITED (CONTINUED)

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### 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.



Michael Redfern  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Sheffield  
Date: 22/12/2020

## BLADES LEISURE LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 JULY 2020**

	Note	13 months to 31 July 2020 £	30 June 2019 £
Turnover	4	143,803,218	21,536,396
Cost of sales		<u>(89,423,413)</u>	<u>(45,127,508)</u>
<b>Gross profit/(loss)</b>		<b>54,379,805</b>	<b>(23,591,112)</b>
Administrative expenses (excluding amortisation and impairment of player registrations)			
	11	<u>(18,921,735)</u>	<u>(7,749,793)</u>
Amortisation and impairment of player registrations		<u>(19,967,865)</u>	<u>(3,490,102)</u>
<b>Total administrative expenses</b>		<u><b>(38,889,600)</b></u>	<u><b>(11,239,895)</b></u>
Other operating income	5	<b>76,398</b>	75,763
Profit on disposal of player registrations		<u><b>4,110,192</b></u>	<u>14,170,293</u>
<b>Total operating profit/(loss)</b>		<b>19,676,795</b>	<b>(20,584,951)</b>
Interest payable and similar expenses	9	<u><b>(873,805)</b></u>	<u>(698,920)</u>
<b>Profit/(loss) before taxation</b>		<b>18,802,990</b>	<b>(21,283,871)</b>
Tax on loss	10	<u><b>(1,306,169)</b></u>	<u>-</u>
<b>Profit/(loss) for the financial year</b>		<u><b>17,496,821</b></u>	<u><b>(21,283,871)</b></u>

There was no other comprehensive income for 2020 (2019:£Nil).

The notes on pages 17 to 41 form part of these financial statements.

**BLADES LEISURE LIMITED**  
**REGISTERED NUMBER:06963761**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 JULY 2020**

	Note	31 July 2020 £	30 June 2019 £
<b>Fixed assets</b>			
Intangible assets	12	51,654,564	5,676,754
Tangible assets	13	50,262,610	3,305,954
		<u>101,917,174</u>	<u>8,982,708</u>
<b>Current assets</b>			
Stocks	15	1,065,933	746,266
Debtors: amounts falling due within one year	16	9,425,507	46,506,821
Current asset investments		8,417,961	-
Cash at bank and in hand		7,572,215	1,090,429
		<u>26,481,616</u>	<u>48,343,516</u>
Creditors: amounts falling due within one year	18	(60,314,852)	(68,837,881)
<b>Net current liabilities</b>		<u>(33,833,236)</u>	<u>(20,494,365)</u>
<b>Total assets less current liabilities</b>		<u>68,083,938</u>	<u>(11,511,657)</u>
Creditors: amounts falling due after more than one year	19	(34,993,646)	(2,123,562)
<b>Provisions for liabilities</b>			
Deferred income	22	(40,318,243)	(11,089,553)
<b>Net liabilities</b>		<u>(7,227,951)</u>	<u>(24,724,772)</u>
<b>Capital and reserves</b>			
Called up share capital	24	33,200,000	33,200,000
Share premium account	26	27,495,642	27,495,642
Profit and loss account	26	(67,923,593)	(85,420,414)
<b>Equity attributable to owners of the parent Company</b>		<u>(7,227,951)</u>	<u>(24,724,772)</u>
		<u>(7,227,951)</u>	<u>(24,724,772)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22/12/2020

**HRH Princess Reem Bint Abdullah Al Saud**  
Director



The notes on pages 17 to 41 form part of these financial statements.

**BLADES LEISURE LIMITED**  
**REGISTERED NUMBER:06963761**

**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 JULY 2020**

	Note	31 July 2020 £	30 June 2019 £
<b>Current assets</b>			
Debtors: amounts falling due within one year	16	18,266,282	3,516,731
Current asset investments		8,417,961	-
Cash at bank and in hand		99,595	280
		<u>26,783,838</u>	<u>3,517,011</u>
Creditors: amounts falling due within one year	18	(1,300,808)	(3,442,539)
<b>Net current assets</b>		<u>25,483,030</u>	<u>74,472</u>
<b>Total assets less current liabilities</b>		<u>25,483,030</u>	<u>74,472</u>
Creditors: amounts falling due after more than one year	19	(23,473,389)	-
<b>Net assets excluding pension asset</b>		<u>2,009,641</u>	<u>74,472</u>
<b>Net assets</b>		<u><u>2,009,641</u></u>	<u><u>74,472</u></u>
<b>Capital and reserves</b>			
Called up share capital	24	33,200,000	33,200,000
Share premium account	26	27,495,642	27,495,642
Profit and loss account brought forward		(60,621,170)	(62,637,901)
Profit for the period		1,935,169	2,016,731
Profit and loss account carried forward		<u>(58,686,001)</u>	<u>(60,621,170)</u>
		<u><u>2,009,641</u></u>	<u><u>74,472</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22/12/2020

  
**HRH Princess Reem Bint Abdullah Al Saud**  
 Director

The notes on pages 17 to 41 form part of these financial statements.



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**BLADES LEISURE LIMITED**


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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 JULY 2020**


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	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 July 2019	33,200,000	27,495,642	(85,420,414)	(24,724,772)
<b>Comprehensive income for the period</b>				
Profit for the period	-	-	17,496,821	17,496,821
<b>Other comprehensive income for the period</b>	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	17,496,821	17,496,821
<b>Total transactions with owners</b>	-	-	-	-
<b>At 31 July 2020</b>	<b>33,200,000</b>	<b>27,495,642</b>	<b>(67,923,593)</b>	<b>(7,227,951)</b>

The notes on pages 17 to 41 form part of these financial statements.

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


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	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 July 2018	33,200,000	27,495,642	(64,136,543)	(3,440,901)
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(21,283,871)	(21,283,871)
<b>Other comprehensive income for the year</b>	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	(21,283,871)	(21,283,871)
<b>Total transactions with owners</b>	-	-	-	-
<b>At 30 June 2019</b>	<b>33,200,000</b>	<b>27,495,642</b>	<b>(85,420,414)</b>	<b>(24,724,772)</b>

The notes on pages 17 to 41 form part of these financial statements.

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**BLADES LEISURE LIMITED**


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**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 JULY 2020**


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	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 July 2019	33,200,000	27,495,642	(60,621,170)	74,472
<b>Comprehensive income for the period</b>				
Profit for the period	-	-	1,935,169	1,935,169
<b>Total comprehensive income for the period</b>	-	-	1,935,169	1,935,169
<b>Total transactions with owners</b>	-	-	-	-
<b>At 31 July 2020</b>	<b>33,200,000</b>	<b>27,495,642</b>	<b>(58,686,001)</b>	<b>2,009,641</b>

The notes on pages 17 to 41 form part of these financial statements.

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


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	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 July 2018	33,200,000	27,495,642	(62,637,901)	(1,942,259)
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	2,016,731	2,016,731
<b>Total comprehensive income for the year</b>	-	-	2,016,731	2,016,731
<b>Total transactions with owners</b>	-	-	-	-
<b>At 30 June 2019</b>	<b>33,200,000</b>	<b>27,495,642</b>	<b>(60,621,170)</b>	<b>74,472</b>

The notes on pages 17 to 41 form part of these financial statements.

## BLADES LEISURE LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 JULY 2020

	31 July 2020 £	30 June 2019 £
<b>Cash flows from operating activities</b>		
Profit/(loss) for the financial period	17,496,821	(21,283,871)
<b>Adjustments for:</b>		
Amortisation of intangible assets	19,967,865	3,500,102
Depreciation of tangible assets	1,931,418	703,740
Profit on disposal of player registrations	(4,110,192)	(14,170,293)
Government grants	(76,398)	(75,763)
Interest paid	874,326	698,920
Taxation charge	1,306,169	-
(Increase) in stocks	(319,667)	(184,899)
(Increase) in debtors	(4,067,466)	(44,232,538)
Increase in creditors	72,334,023	65,886,452
<b>Net cash generated from operating activities</b>	<b>105,336,899</b>	<b>(9,158,150)</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(66,057,335)	(6,536,015)
Sale of intangible assets	4,221,852	15,644,407
Purchase of tangible fixed assets	(48,888,074)	(1,323,063)
Purchase of current asset investments	(8,417,961)	-
<b>Net cash from investing activities</b>	<b>119,141,518</b>	<b>7,785,329</b>
<b>Cash flows from financing activities</b>		
New secured loans	21,274,197	1,500,000
Repayment of finance leases	(113,466)	(6,487)
Interest paid	(874,326)	(698,920)
<b>Net cash used in financing activities</b>	<b>20,286,405</b>	<b>794,593</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>6,481,786</b>	<b>(578,228)</b>
Cash and cash equivalents at beginning of period	1,090,429	1,668,657
<b>Cash and cash equivalents at the end of period</b>	<b>7,572,215</b>	<b>1,090,429</b>
<b>Cash and cash equivalents at the end of period comprise:</b>		
Cash at bank and in hand	7,572,215	1,090,429

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**BLADES LEISURE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JULY 2020**

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**1. General information**

Blades Leisure Limited ("the Company") is a Company limited by shares, incorporated in England. The Company's registered office is Bramall Lane Ground, Cherry Street, Sheffield, S2 4SU.

The Group is principally engaged in the operation of a professional football club. The Group financial statements are presented in pound sterling (£).

The Company's functional and presentation currency is the pound sterling (£).

**2. Accounting policies****2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The Company's functional and presentation currency is pound sterling (£).

The following principal accounting policies have been applied:

**2.2 Basis of consolidation**

The consolidated financial statements present the results of Group and its own subsidiaries ("the Group") as they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Profit and Loss Account from the date on which control is obtained. They are deconsolidated from the date control ceases.

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**BLADES LEISURE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JULY 2020**

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**2. Accounting policies (continued)**

**2.3 Going concern**

The Company's business activities, together with factors likely to affect its future development, performance and position are set out in the Strategic report.

At the balance sheet date the Company is in a net liability position. The Directors anticipated the financial period would close in a net asset position but due to the exceptional conclusion of the 2019/20 season and subsequent rebates payable under certain Premier League Broadcasting agreements, this has not been the case.

The Company's business activities, together with factors likely to affect its future development, performance and position, have been considered by the Directors throughout the period and will continue to be reviewed in line with the Group's strategic plan.

As the Directors are confident in the Group's ability to successfully negotiate these challenging times, no adjustment has been made to the financial statements that would be required if the group ceased to be a going concern. The Premier League shareholders are meeting regularly to review the financial and operational situation.

The Directors have reviewed the forecasts for the period ending December 2021, and, have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future with, if required, support from its controlling parties. For this reason, they continue to adopt the going concern assumption.

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**BLADES LEISURE LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JULY 2020**


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**2. Accounting policies (continued)**
**2.4 Revenue**

Revenue represents income generated by the Company's principal activities excluding transfer fees, donations and value added tax. Revenue streams include Match day, Media, Academy and Facility.

**Match day**

Match day revenue consists of all income receivable in respect of match day fixtures held both at home and away. It is inclusive of ticket revenues for home fixtures, a share of gate receipts from cup fixtures held both at home and away from Bramall Lane. The share of gate receipts payable in respect of cup fixtures is deducted from revenue.

Match day revenue which is received in advance of a period end but relating to a future period (mainly in relation to seasonal facilities for the future seasons) is treated as deferred income. The deferred income is then released to revenue as the matches are played.

**Broadcasting**

Broadcasting revenues represent income receivable from all broadcasting and publishing contracts, including the Premier League central deals, broadcasting revenue from cup fixtures, internet revenues and programme income. Premier League distributions comprise of a fixed element, which is recognised equally over home fixtures played, along with additional revenue that is variable based on final league position.

**Sponsorship & Advertising**

Sponsorship and advertising revenues include revenue receivable from sponsors in the period, including shirt sponsorship and other advertising at the ground. Such revenue is recognised on an accruals basis across the period the sponsorship and advertising income relates to.

**Facility**

Facility revenues include rental and facility hire income, gym membership revenue from the Derek Dooley Sports & Community Centre. Facility revenue is recognised in the period in which the facility has been utilised. Where facility income is received or invoiced in a period it is treated as deferred income and released in the period to which the income relates.

**2.5 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Trademarks	-	10	years
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**Transfer fees paid for player registrations**

The costs of acquired player registrations, including agents fees, are expensed over the length of the contract, to reflect the ongoing service provided.

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**BLADES LEISURE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JULY 2020**

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**2. Accounting policies (continued)****2.6 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Buildings	- 2% straight line basis
Fixtures and fittings	- 10%-25% straight line basis
Motor vehicles	- 25% straight line basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2.7 Operating leases**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

**2.8 Impairment of fixed assets and goodwill**

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

**2.9 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

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**BLADES LEISURE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JULY 2020**

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**2. Accounting policies (continued)****2.10 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**2.11 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.12 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.



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**BLADES LEISURE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JULY 2020**

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**2. Accounting policies (continued)****2.13 Financial instruments**

With the exception of the option over the property, the Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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**BLADES LEISURE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JULY 2020**

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**2. Accounting policies (continued)****2.14 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.15 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.16 Pensions****Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

**Multi-employer pension plan**

The Group is a member of a multi-employer plan. Where it is not possible for the Group to obtain sufficient information to enable it to account for the plan as a defined benefit plan, it accounts for the plan as a defined contribution plan.

Where the plan is in deficit and where the company has agreed, with the plan, to participate in a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the contributions payable under the agreement that relate to the deficit. This amount is expensed in the Profit and Loss Account. The unwinding of the discount is recognised as a finance cost.

**2.17 Borrowing costs**

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

**2.18 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

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**BLADES LEISURE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JULY 2020**

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**2. Accounting policies (continued)****2.19 Taxation**

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

**2.20 Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the company but are disclosed separately in the financial statements to provide further understanding of the financial performance of the Company. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

**2.21 Contingencies**

Under certain transfer agreements further transfer payments may fall due to both the transfer Club and Player's Agents should the player make a specified number of first team appearances (or other such criteria as specified in the contract). It is the Club's policy that any additional fees that may become payable under such agreements are accounted for in the period in which the achievement of the specified criteria becomes probable.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

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**BLADES LEISURE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JULY 2020**

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**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Directors made the following judgements and estimates in preparing the Financial Statements:

**3.1 Impairment of player registration**

The valuation of intangible assets is given consideration by the Directors. Under certain circumstances; such as permanent player injury or incompatibility with senior management, either of which would indicate that the player would be unlikely to play for the club again, the Directors may commence an impairment review. The following factors would be taken into account:

- A career ending injury
- A player who has irrecoverable differences with senior management

The impairment will be based on the Directors best estimate of disposal value taking in to account recent player disposals by the Club and other Clubs, as well as any offers received for the player. When an impairment charge is considered necessary it is charged to the Profit and Loss Account in the period in order to reduce the carrying value of the player to the player's fair value less any costs to sell.

**3.2 Impairment of debtors**

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing the impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing of the debtors and historical experience.

**3.3 Multi-employer defined benefit pension scheme**

The Company is a member of a multi-employer plan. In the judgement of the Directors, the Company does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets. Therefore the scheme is accounted for as a defined contribution scheme, see note 27 for further details.

**3.4 Stock provisioning**

The Company supplies football kit, training wear, leisure wear and souvenirs. It is subject to changing demands and trends. As a result it is necessary to consider the recoverability of the cost of stock and the associated provisioning required. When calculating the stock provision, management considers the nature and condition of the stock, as well as assumptions around anticipated saleability of finished goods and future usage of raw materials.

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**BLADES LEISURE LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JULY 2020**


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**4. Turnover**

	<b>2020</b> £	2019 £
Match Day	<b>7,335,918</b>	6,542,340
Broadcasting	<b>120,095,905</b>	8,335,500
Sponsorship & Advertising	<b>11,562,998</b>	2,957,865
Facility	<b>4,808,397</b>	3,700,692
	<b><u>143,803,218</u></b>	<u>21,536,397</u>

Analysis of turnover by country of destination:

	<b>2020</b> £	2019 £
United Kingdom	<b>140,553,218</b>	21,536,396
Rest of the world	<b>3,250,000</b>	-
	<b><u>143,803,218</u></b>	<u>21,536,396</u>

**5. Other operating income**

	<b>2020</b> £	2019 £
Grants released	<b>76,398</b>	75,763
	<b><u>76,398</u></b>	<u>75,763</u>

**6. Operating profit/(loss)**

The operating profit/(loss) is stated after charging:

	<b>2020</b> £	2019 £
Depreciation of tangible fixed assets	<b>1,931,418</b>	703,740
Amortisation of intangible assets	<b>17,409,568</b>	3,500,102
Operating lease rentals	<b>376,662</b>	370,467
	<b><u>19,717,648</u></b>	<u>4,574,309</u>

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**BLADES LEISURE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JULY 2020**

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**7. Auditor's remuneration**

	<b>2020</b>	<i>2019</i>
	<b>£</b>	<b>£</b>
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	<b>50,000</b>	<i>40,000</i>
<b>Fees payable to the Group's auditor and its associates in respect of:</b>		
Interim review procedures	<b>5,000</b>	<i>9,850</i>
Tax compliance	<b>19,500</b>	<i>8,500</i>
Tax advice	<b>-</b>	<i>13,500</i>
All other services	<b>39,750</b>	<i>15,000</i>
	<b>64,250</b>	<i>46,850</i>

**8. Employees**

	<b>Group 31 July 2020 £</b>	<i>Group 30 June 2019 £</i>	<b>Company 31 July 2020 £</b>	<i>Company 30 June 2019 £</i>
Wages and salaries	<b>71,427,455</b>	<i>38,105,025</i>	<b>-</b>	<i>-</i>
Social security costs	<b>6,812,020</b>	<i>2,919,052</i>	<b>-</b>	<i>-</i>
Cost of defined contribution scheme	<b>271,225</b>	<i>140,194</i>	<b>-</b>	<i>-</i>
	<b>78,510,700</b>	<i>41,164,271</i>	<b>-</b>	<i>-</i>

The total staff costs, including Directors' remuneration for the Company was £Nil (2019: £Nil).

The average monthly number of employees, including the Directors, during the period was as follows:

	<b>2020 No.</b>	<i>2019 No.</i>
Playing and coaching staff	<b>153</b>	<i>113</i>
Non-football	<b>139</b>	<i>123</i>
	<b>292</b>	<i>236</i>

The average monthly number of employees, including the Directors, for the Company was Nil (2019: Nil).

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**BLADES LEISURE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JULY 2020**

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**9. Interest payable and similar expenses**

	2020 £	2019 £
Other loan interest payable	766,354	599,671
Finance leases and hire purchase contracts	60,471	51,938
Finance costs	46,980	47,311
	<u>873,805</u>	<u>698,920</u>

**10. Taxation**

	2020	2019
Current tax on profits for the period	1,306,169	-
	<u>1,306,169</u>	<u>-</u>

**Factors affecting tax charge for the period/year**

The tax assessed for the period/year is lower than (2019 - *higher than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Loss on ordinary activities before tax	18,802,990	(21,283,872)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	3,572,568	(4,043,936)
<b>Effects of:</b>		
Fixed asset differences	28,753	-
Expenses not deductible for tax purposes	119,261	30,537
Group relief claimed	(26,276)	-
Non-taxable income	(14,516)	(14,395)
Unrelieved tax losses carried forward	34,147	4,027,794
Utilisation of brought forward losses	(2,407,768)	-
<b>Total tax charge for the period/year</b>	<u>1,306,169</u>	<u>-</u>

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**BLADES LEISURE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JULY 2020**

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**10. Taxation (continued)**

**Factors that may affect future tax charges**

Unrelieved tax losses of approximately £59,284,999 (2019: £71,583,000) remain available to offset against future taxable trading profits.

No provision has been made for deferred tax on trading losses carried forward. The total amount unprovided for is approximately £12,789,000 (2019: £11,886,000). At present it is not envisaged that future taxable profits will be sufficient for these timing differences to be reversed.

**11. Amortisation and impairment costs**

	<b>31 July 2020 £</b>	<i>30 June 2019 £</i>
Amortisation and impairment of player registrations	<b><u>(19,967,865)</u></b>	<u>(3,490,102)</u>



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**BLADES LEISURE LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JULY 2020**


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**12. Intangible assets****Group**

	<b>Player registrations £</b>	<b>Trademarks £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 July 2019	11,890,786	100,000	11,990,786
Additions	66,057,335	-	66,057,335
Disposals	(2,990,721)	-	(2,990,721)
At 31 July 2020	<u>74,957,400</u>	<u>100,000</u>	<u>75,057,400</u>
<b>Amortisation</b>			
At 1 July 2019	6,214,032	100,000	6,314,032
Charge for the period on owned assets	17,409,568	-	17,409,568
On disposals	(2,879,097)	-	(2,879,097)
Impairment charge	2,558,333	-	2,558,333
At 31 July 2020	<u>23,302,836</u>	<u>100,000</u>	<u>23,402,836</u>
<b>Net book value</b>			
At 31 July 2020	<u>51,654,564</u>	<u>-</u>	<u>51,654,564</u>
At 30 June 2019	<u>5,676,754</u>	<u>-</u>	<u>5,676,754</u>

The intangible asset that is material to the financial statements is the first team squad. The carrying value of the squad is £51,654,564 with a remaining amortisation period of 1-3 years.

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**BLADES LEISURE LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JULY 2020**


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**13. Tangible fixed assets****Group**

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 July 2019	1,587,697	4,629,392	51,268	6,268,357
Additions	42,419,053	6,469,621	-	48,888,674
Disposals	-	-	(600)	(600)
At 31 July 2020	<u>44,006,750</u>	<u>11,099,013</u>	<u>50,668</u>	<u>55,156,431</u>
<b>Depreciation</b>				
At 1 July 2019	127,027	2,797,390	37,986	2,962,403
Charge for the period on owned assets	96,182	1,830,017	5,219	1,931,418
At 31 July 2020	<u>223,209</u>	<u>4,627,407</u>	<u>43,205</u>	<u>4,893,821</u>
<b>Net book value</b>				
At 31 July 2020	<u>43,783,541</u>	<u>6,471,606</u>	<u>7,463</u>	<u>50,262,610</u>
At 30 June 2019	<u>1,460,670</u>	<u>1,832,002</u>	<u>13,282</u>	<u>3,305,954</u>

The net carrying amount of assets held under hire purchase agreements is £416,245 (2019: £408,228). These assets are all included within fixtures and fittings. .

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**BLADES LEISURE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JULY 2020**

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**14. Fixed asset investments**

**Company**

	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
At 1 July 2019	<b>19,817,313</b>
At 31 July 2020	<b>19,817,313</b>
<b>Impairment</b>	
At 1 July 2019	<b>19,817,313</b>
At 31 July 2020	<b>19,817,313</b>
<b>Net book value</b>	
At 31 July 2020	<b>-</b>
At 30 June 2019	<b>-</b>

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
Sheffield United Football Club Limited	Professional football club	Ordinary	100%
Sheffield United Conference and Events Limited	Dormant	Ordinary	100%
Premier Security and Events Limited	Stewarding	Ordinary	100%
Premier Health and Safety Solutions Limited	Dormant	Ordinary	100%
Bobby Charlton International Limited	Dormant	Ordinary	100%
Esplanade 1 Limited	Dormant	Ordinary	100%
SUFC Women Limited	Professional football club	Ordinary	100%

All of the above entities are incorporated in the United Kingdom.

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**BLADES LEISURE LIMITED**

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**15. Stocks**

	<b>Group 31 July 2020 £</b>	<i>Group 30 June 2019 £</i>
Goods for resale	<b>1,065,933</b>	746,266

Stock is stated after provisions for impairment of £11,971 (2019: £28,927).

Stock recognised as an expense during the year was £1,410,780 (2019: £1,043,713).

**16. Debtors**

	<b>Group 31 July 2020 £</b>	<i>Group 30 June 2019 £</i>	<b>Company 31 July 2020 £</b>	<i>Company 30 June 2019 £</i>
Trade debtors	<b>3,979,551</b>	2,088,095	-	-
Amounts owed by group undertakings	-	-	<b>18,208,821</b>	3,516,731
Amounts owed by joint ventures and associated undertakings	<b>73,654</b>	-	<b>57,461</b>	-
Other debtors	<b>4,646,002</b>	288,449	-	-
Prepayments and accrued income	<b>720,740</b>	44,130,277	-	-
Tax recoverable	<b>5,560</b>	-	-	-
	<b>9,425,507</b>	46,506,821	<b>18,266,282</b>	3,516,731

Included within trade debtors are amounts totalling £2,088,365 (2019: £1,844,136) relating to the consideration receivable for the sale of player registrations.

Trade debtors are stated after provisions for impairment of £99,482.29 (2019: £64,126).

Amounts owed by group undertakings are repayable on demand.

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**BLADES LEISURE LIMITED**


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**17. Current asset investments**

	<b>Group 31 July 2020 £</b>	<i>Group 30 June 2019 £</i>	<b>Company 31 July 2020 £</b>	<i>Company 30 June 2019 £</i>
Fixed deposit accounts	<b>8,417,961</b>	-	<b>8,417,961</b>	-
	<b>8,417,961</b>	-	<b>8,417,961</b>	-

**18. Creditors: Amounts falling due within one year**

	<b>Group 31 July 2020 £</b>	<i>Group 30 June 2019 £</i>	<b>Company 31 July 2020 £</b>	<i>Company 30 June 2019 £</i>
Bank loans	<b>1,235,442</b>	-	<b>1,235,442</b>	-
Trade creditors	<b>7,942,562</b>	5,445,658	-	-
Football League Pension Liability	<b>113,406</b>	107,574	-	-
Amounts owed to other participating interests	-	3,442,539	-	3,442,539
Corporation tax	<b>1,311,729</b>	-	-	-
Other taxation and social security	<b>16,089,676</b>	2,366,402	-	-
Obligations under finance lease and hire purchase contracts	<b>60,267</b>	27,702	-	-
Other creditors	<b>615,456</b>	57,492	-	-
Accruals and deferred income	<b>32,946,314</b>	57,390,514	<b>65,366</b>	-
	<b>60,314,852</b>	68,837,881	<b>1,300,808</b>	3,442,539

Disclosure of the terms and conditions attached to the non-equity shares is made in note 24.

Included within the above amounts are £6,183,088 (2019: £5,306,000) relating to consideration payable for player registrations.

Amounts owed to group undertakings are repayable on demand.

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**BLADES LEISURE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JULY 2020**

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**19. Creditors: Amounts falling due after more than one year**

	<b>Group 31 July 2020 £</b>	<i>Group 30 June 2019 £</i>	<b>Company 31 July 2020 £</b>	<i>Company 30 June 2019 £</i>
Bank loans	<b>23,473,389</b>	-	<b>23,473,389</b>	-
Net obligations under finance leases and hire purchase contracts	<b>258,545</b>	385,385	-	-
Trade creditors	<b>10,631,031</b>	1,125,000	-	-
Football League Pension Liability	<b>621,551</b>	604,047	-	-
Share capital treated as debt	<b>9,130</b>	9,130	-	-
	<b>34,993,646</b>	2,123,562	<b>23,473,389</b>	-

Disclosure of the terms and conditions attached to the non-equity shares is made in note 24.

Included within the above amounts are £10,631,031 (2019: £1,125,000) relating to consideration payable for player registrations.

**20. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	<b>31 July 2020 £</b>	<i>30 June 2019 £</i>
Within one year	<b>157,541</b>	87,892
Between 1-5 years	<b>310,188</b>	343,312
	<b>467,729</b>	431,204
Less interest	<b>(53,782)</b>	(18,118)
	<b>413,947</b>	413,086

## BLADES LEISURE LIMITED

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## 21. Financial instruments

	<b>Group 31 July 2020 £</b>	<i>Group 30 June 2019 £</i>	<b>Company 31 July 2020 £</b>	<i>Company 30 June 2019 £</i>
<b>Financial assets</b>				
Trade debtors	<b>3,979,551</b>	2,088,095	-	-
Amounts owed by group undertakings	-	-	<b>18,208,821</b>	3,516,731
Other debtors	<b>4,719,656</b>	288,449	<b>57,461</b>	-
	<b>8,699,207</b>	2,376,544	<b>18,266,282</b>	3,516,731
	<b>Group 31 July 2020 £</b>	<i>Group 30 June 2019 £</i>	<b>Company 31 July 2020 £</b>	<i>Company 30 June 2019 £</i>
<b>Financial liabilities</b>				
Trade creditors	<b>(18,573,593)</b>	(6,570,658)	-	-
Bank loan	<b>(24,708,831)</b>	(3,442,539)	<b>(24,708,831)</b>	-
Other creditors	<b>(615,456)</b>	(57,493)	-	(3,442,539)
Accruals	<b>(32,946,314)</b>	(57,390,514)	<b>(65,366)</b>	-
Football League pension liability	<b>(734,957)</b>	(711,624)	-	-
Net obligations under finance leases and hire purchase contracts	<b>(318,813)</b>	(413,086)	-	-
Preference share capital treated as debt	<b>(9,130)</b>	(9,130)	-	-
	<b>(77,907,094)</b>	(68,595,044)	<b>(24,774,197)</b>	(3,442,539)

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**BLADES LEISURE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JULY 2020**

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**22. Deferred income**

	<b>Group 31 July 2020 £</b>	<i>Group 30 June 2019 £</i>
Sponsorship	<b>6,840,593</b>	4,253,305
Advance ticket sales	<b>5,747</b>	4,663,645
Broadcasting	<b>31,375,697</b>	-
Deferred capital grant	<b>2,096,206</b>	2,172,603
	<b><u>40,318,243</u></b>	<u>11,089,553</u>

**23. Covid-19 additional costs**

	<b>31 July 2020 £</b>	<i>30 June 2019 £</i>
Rebate of broadcast income	<b>8,700,000</b>	-
Lost revenue	<b>2,543,640</b>	-
Increased costs incurred	<b>467,161</b>	-
	<b><u>11,710,801</u></b>	<u>-</u>

In the current period it has been noted that additional costs of £11,710,801 have been incurred by the entity as a result of the Covid-19 pandemic.

**24. Share capital**

	<b>31 July 2020 £</b>	<i>30 June 2019 £</i>
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
33,200,000 (2019 - 33,200,000) Ordinary shares of £1.00 each	<b><u>33,200,000</u></b>	<u>33,200,000</u>



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**BLADES LEISURE LIMITED**

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FOR THE PERIOD ENDED 31 JULY 2020**

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**24. Share capital (continued)**

	<b>31 July 2020 £</b>	<i>30 June 2019 £</i>
<b>Shares classified as debt</b>		
<b>Allotted, called up and fully paid</b>		
913 (2019 - 913) Preference shares of £10.00 each	<b>9,130</b>	<i>9,130</i>

**25. Contingent liabilities**

The Group has received grant income over many years. The funding bodies have clawback arrangements in place for many of the grants and the Group may have to pay monies back in the event of an unsatisfactory audit.

**26. Reserves**

**Share premium account**

Represents the amounts received, in excess of the face value, on shares issued.

**Profit and loss account**

Includes all current and prior period retained profits and losses.

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**BLADES LEISURE LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JULY 2020**


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**27. Pension commitments**

The Sheffield United Football Club Limited ('the Club') participates in the Football League Pension and Life Assurance Scheme ('the Scheme'). The Scheme is a funded multi-employer defined benefit scheme, with 92 participating employers, and where members may have periods of service attributable to several participating employers. The Club is unable to identify its share of the assets and liabilities of the Scheme and therefore accounts for its contributions as if they were paid to a defined contribution scheme.

The last actuarial valuation was carried out at 31 August 2017 where the total deficit on the on-going valuation basis was £30.4 million. The key assumptions used to calculate the deficit at the 31 August 2017 actuarial valuation are:

Discount Rate:	3.5% per annum for the 1st 3 years, 2.5% per annum for the following 10 years and 1.5% per annum thereafter.
RPI inflation:	3.4% per annum
Pension Increases:	3.7% per annum
Mortality (pre-retirement):	None
Mortality (post-retirement):	SAPS CMI_2016 1.5%

The accrual of benefits ceased within the Scheme on 31 August 1999, therefore there are no contributions relating to the current accrual. The Club pays monthly contributions based on a notional split of the total expenses and deficit contributions of the Scheme.

The Club currently pays total contributions of £103,272 per annum which increases at 5.0% per annum and based on the actuarial valuation assumptions detailed above, will be sufficient to pay off the deficit by 31 August 2026.

As at 31 July 2020, based on an appropriate discount rate of 2% per annum, the present value of the Club's outstanding contributions (i.e. their future liability) is £734,956 (2019: £711,624). The discount rate has been based on the HSBC Holdings 2022 floating rate corporate bond. This amounts to £113,406 (2019: £107,575) due within one year and £621,550 (2019: £604,049) due after more than one year and is included within other payables.

A financial cost of £139,940 (2019: £47,311) is made to the Statement of Comprehensive Income during the year, representing the interest cost on the outstanding deficit of the Scheme.

In addition, the Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £101,311 (2019: £101,311). Contributions totalling £51,899 (2019: £24,502) were payable to the fund at the reporting date.

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**BLADES LEISURE LIMITED**

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**28. Commitments under operating leases**

At 31 July 2020 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>Group 31 July 2020 £</b>	<i>Group 30 June 2019 £</i>
Not later than 1 year	<b>48,903</b>	<i>350,000</i>
Later than 1 year and not later than 5 years	<b>34,507</b>	<i>1,240,000</i>
Later than 5 years	<b>-</b>	<i>4,390,000</i>

**29. Related party transactions**

The company is exempt from disclosing transactions and balances with other entities which are wholly owned members of Blades Leisure Limited in accordance with section 33 of FRS 102.

Purchases were made of £24,209,847 (2019: £341,000) from Sheffield United Limited with a creditor balance of £Nil (2019: £1,721,270) at the period end.

Purchases were made of £167,625 (2019: £29,162) from AMAS Al Riyadh Holding Company with a creditor balance of £4,166 (2019: £Nil) at the period end.

Purchases were made of £1,301,463 (2019: £Nil) from The Scarborough Group Foundation with a creditor balance of £Nil (2019: £Nil) at the period end.

Sales were made to Redtooth Limited of £21,263 (2019: £16,014) with a period end debtor balance of £16,463 (2019: £Nil). Purchases were made of £12,382 (2019: £20,756) with a creditor balance at the period end of £9,864 (2019: £4,974).

Sales were made to Scarborough Management Limited of £Nil (2019: £65,884) with a period end debtor balance of £Nil (2019: £1,644). Purchases were made of £80,102 (2019: £Nil) with a creditor balance at the period end of £Nil (2019: £Nil).

UTB LLC held a creditor balance of £Nil (2019: £1,721,270) at the period end.

Purchases were made from Scarborough Enterprise Centre Limited of £2,368,018 (2019: £Nil) with a creditor balance at the period end of £Nil (2019: £Nil).

Purchases were made from Bramall Lane Hotel Limited of £10,514,259 (2019: £Nil) with a creditor balance at the period end of £Nil (2019: £Nil).

Purchases were made from United World SA of £2,402,500 (2019: £Nil) with a creditor balance at the period end of £210,000.

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**BLADES LEISURE LIMITED**

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**30. Contingent transfer fees payable**

Under the terms of certain contracts with other football clubs in respect of player transfers, certain additional amounts would be payable by the company if conditions as to future team selection or performance are met. The maximum that could be payable is £10,724,748 (2019: £2,353,610). This amount is not provided in the financial statements as payment is not yet probable.

**31. Ultimate parent undertaking and controlling party**

The Group is headed up by Blades Leisure Limited. Blades Leisure was 50% owned by UTB LLC as at June 2019. In October 2019, UTB LLC acquired the remaining 50% of the shares. HRH Prince Abdullah Bin Mosaad Bin Abdulaziz Al Saud is the controlling party. The ultimate parent undertaking of the Group is United Investment Company.