
THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

COMPANY INFORMATION

Directors	HRH Princess Reem Bint Abdullah Al Saud Joseph Edward Giansiracusa Jan Van Winckel (resigned 10 August 2022) Abdullah Yusef Mohammed Alghamdi
Company secretary	Deborah Andrew
Company registration number	00061564
Registered office	Bramall Lane Ground Cherry Street SHEFFIELD South Yorkshire S2 4SU
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Level 8 110 Queen Street GLASGOW G1 3BX
Bankers	Santander UK Plc 58 / 60 Briggate LEEDS LS1 6AS

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

CONTENTS

	Page
Strategic Report	1 - 6
Directors' Report	7 - 8
Independent Auditor's Report	9 - 13
Statement of Comprehensive Income	14
Statement of Financial Position	15
Statement of Changes in Equity	16
Notes to the Financial Statements	17 - 39

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2022

The Directors present their report on the activities of The Sheffield United Football Club Limited for the financial year ending 30 June 2022 along with the financial statements and the Auditor's report.

Principal activities

The principal activity of The Sheffield United Football Club Limited is the operation of a professional football club.

Business review

In the period under review Sheffield United competed in the English Football League Championship.

The season commenced with Slaviša Jokanovic leading the First Team as Manager. As on-field performances did not match the Club's ambitions for an immediate return to the Premier League, Jokanovic left the Club by mutual consent in November 2021 with the Club 16th in the table. Paul Heckingbottom was immediately appointed as his replacement, returning to the position of First Team Manager on a permanent basis, leading to a resurgence in performance, and resulting in a finishing position of 5th. The Club was subsequently eliminated in the play-off semi-finals to eventual promotion winners Nottingham Forest.

Following the departure of several players at the end of the 2020-2021 season, including the sale of England international goalkeeper Aaron Ramsdale to Arsenal for a substantial transfer fee, the Club recognised a need to strengthen the squad. This was achieved through the permanent first team additions of Welsh international Adam Davies, Algerian international Adlène Guedioura and the addition of loan players from top tier clubs including Ben Davies (Liverpool), Conor Hourihane (Aston Villa), Morgan Gibbs-White (Wolverhampton Wanderers), Robin Olsen (AS Roma), Charlie Goode (Brentford) and Filip Uremovic (Rubin Kazan).

Throughout the season several players moved on loan to other clubs, including Max Lowe (Nottingham Forest), Daniel Jebbison (Burton Albion), Michael Verrips (Fortuna Sittard), Oliver Burke (Millwall), Lys Mousset (US Salernitana) and Luke Freeman (Millwall), contributing to player development and controlling wage costs.

The season unfortunately concluded without the immediate return to the Premier League that the Club had desired however, the resurgence in on-field performances during the season and the establishment of several youth players into the first team squad, including Iliman Ndiaye, Rhys Norrington-Davies, Kyron Gordon, Daniel Jebbison and William Osula meant the Club had successfully established a new strategic direction for the future and placed the Club in a strong position to fight for promotion in the 2022-2023 season.

The Club's returning season to the English Football League Championship resulted in losses of £15.2m (2021: £9.6m profit) in their first season back in the English Football League.

Revenue of £67m (2021: £115m) declined by £48m, primarily due to reduced broadcast revenues of £50.7m (2021: £101m) as the Club takes receipt of its first year of parachute payments in replacement of Premier League broadcast income and merit payments. Outside of the broadcast payment, the Club achieved record breaking EFL revenues of £16m (2021: £14m) demonstrating the strength of the Club's commercial offering and the continued support of a fantastic fan base.

Employment costs in the period totalled £42m (2021: £56m) reflecting the reduced player wage cost in the EFL Championship following the activation of contractual clauses in player contracts which crystallised on relegation.

Administrative expense of £15m (2021: £18m) reduced significantly in the period, primarily driven by a reduction in agent fees payable.

An increase in interest payable of £3m (2021: £2m) was driven by the refinancing of the Club following relegation and the acceleration of certain player receivables in the period.

Investments of £0.6m (2021: £46m) were made in intangible assets in the period and £1m (2021: £1.1m) in tangible fixed assets, enhancing training and office facilities.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

Profit on disposal of player registrations in the year totalled £11m (2021: £1m), the most significant of which was the sale of Aaron Ramsdale to Arsenal in August 2021.

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

Mission and values

Throughout the year the Club has focused on sustainability, including this in a roll out of our vision 'Success with Sustainability' and our mission statement 'Our United goal is to be a sustainable club striving to be successful on and off the pitch, going all out to be better in everything we do. We expect excellence from grassroots to the boardroom and beyond, determined to turn our potential into excellence we endeavour to develop our talent throughout the organisation. The importance of our history is paramount, we honour our past by focusing on the future, everything we have we earn through determination and desire. We are open to different and driven to go our own way, we celebrate the differences within our community and through football, we are United.'

Equity, diversity and inclusion

Sheffield United recognise that people are our greatest asset. We actively review our policies to identify where we can make improvements in each area of the Club. We want an environment where every member of staff feels valued and recognised for their contributions. We believe that staff development and internal progression is vitally important and to support this, learning and development now forms a key part in the annual appraisal process, and we have many examples where we continue to support our people with professional development. We also take pride in ensuring our Club is a safe and welcoming environment for all our staff and visitors. We have a team of dedicated full-time professionals who all bring their expertise and enthusiasm to the Club in areas such as Equality Diversity and Inclusion, Safeguarding, and Health and Safety along with many more. The Club continues to be recognised for its great work in some of these areas having recently won the Fans for Diversity award at the Football Supporters Association Awards and achieving the EFL Family of excellence gold award. Disabled Employees are given full and fair consideration for all types of vacancy. If an existing employee becomes disabled, such steps as are practical and reasonable are taken to retain them in employment. Where appropriate, assistance with rehabilitation and suitable training are given. Disabled persons have equal opportunities for training, career development and promotion, with the exception that such opportunities are constrained by the practical limitations of their disability.

Employee engagement & involvement

We continue to champion our employees and look at ways in which we can improve their support at the club. The Club has 14 mental health first aiders who work across all areas of the Club who are available to chat to our staff whenever they are needed. We have also focused on professional development across the Club and, as well as continuing our Leadership development programme, we consistently encourage learning and development for all employees across the business. We also have a Westfield programme which employees are enrolled to and have been improving additional benefits offered to staff recognising that cultures and needs have changed since the challenges faced during the Covid-19 pandemic. Within the bounds of commercial confidentiality, staff at all levels are kept fully informed of matters that affect the progress of the Company and are of interest to them as employees.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

Charitable activities

Our nominated charities for the season were The Sheffield Children's Hospital, Weston Park Cancer Charity, Bluebell Wood Children's Hospice, St Luke's Hospice and Support Dogs. The nominated charity for the Academy is Paces Sheffield, a specialist centre for children with Cerebral Palsy. We additionally contribute to the Premier League Charitable Fund toward youth and community initiative costs.

Future Developments

The Club's long-term goal is to be a sustainable Club, successful both on and off the pitch. This will be achieved by embracing a business model that focuses on investment in our playing squad, development of our elite academy players, cultivating our global brand, by driving and diversifying revenue streams and by identifying and nurturing talent across all areas of the business. The restructure of on-field operations to encourage the development of young players in to the first team is demonstrating success, generating greater value in our registrations, and has created a development pathway for our academy operations.

Sheffield United Football Club Ltd - Streamlined Energy and Carbon Report - 2021-22

Sheffield United Football Club Ltd are a 'large unquoted company' under the Streamlined Energy and Carbon Reporting regulations so must report annually on greenhouse gas emissions from Scope 1 and 2 Electricity, Gas and Transport.

Methodology

The reporting period is the most recent financial year 01/07/2021 to 30/06/2022. This report has been compiled in line with the March 2019 BEIS 'Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance', and the EMA methodology for SECR Reporting. All measured emissions from activities which the organisation has financial control over are included as required under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, unless otherwise stated in the exclusions statement.

The carbon figures have been calculated using the BEIS 2022 carbon conversion factors for all fuels, other than the market based electricity which has been taken from EDF as the UK supplier.

Scope	Description	Emissions Source		tCO ₂ e		
				2019/20	2020/21	2021/22
Scope 1	Combustion of fuel on site and transportation	On site: Natural Gas, Transport: Petrol, Diesel	Location Based	429	513	406
			Market Based	429	513	406
Scope 2	Purchased energy	Electricity	Location based	888	722	609
			Market based	0	0	0
Scope 3	Indirect Emissions	Employee Business Mileage	Location based	46.3	33.7	36.7
			Market based	46	34	37
Total			Location based	1363	1269	1051
			Market based	475	547	443

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

Intensity Ratio	tCO2e/£1m Turnover		Location based	11.4	9.1	15.7
			Market based	4.0	3.9	6.6
Energy Usage	Total kWh consumed	Electricity, Natural Gas, Gas Oil, Petrol, Diesel, Unknown vehicle fuel		6,300,609	6,296,010	5,466,986

Emissions detail by fuel type Location based method



Year on year emissions changes

SUFC's location based emissions reduced from 1,269tCO₂e in 2020/21 to 1,051tCO₂e in 2021/22. This is an emissions reduction of 17%. Against the 2019/20 base year, location based emissions have reduced by 23%.

Scope 1 emissions reduced from 513tCO₂e in 2020/21 to 406tCO₂e in 2021/22, an emissions reduction of 21%.

Natural gas consumption decreased from 2,647,287kWh in 2020/21 to 2,000,093kWh in 2021/22, a 24% reduction in consumption. Natural gas emissions decreased from 487tCO₂e to 365tCO₂e as a result.

The emissions associated with scope 1 transport (petrol and diesel) increased from 27tCO₂e in 2020/21 to 41tCO₂e in 2021/22, an emissions increase of 53%.

Scope 2 electricity consumption decreased from 3,398,321kWh in 2020/21 to 3,146,835kWh in 2021/22, a 7% reduction in consumption. Scope 2 location based emissions decreased from 722tCO₂e to 609tCO₂e.

Energy efficiency actions taken

The Company is mindful of carbon emissions in all facility development and repair work undertaken as well as in planning its operational activities. Where possible, more efficient products are procured when replacing or designing improvements or repairs to the facility to reduce carbon emissions as well as ongoing energy consumption costs. Improvements in the period include the boiler in the first team building being upgraded to a more modern and efficient model, an upgrade on the efficiency of the printing services to reduce printing wastage and to encourage our efforts toward a paperless work environment to reduce our carbon footprint, continued replacement of LED lights in the concourses and offices and continued partnership with DJB Recycling, collecting food waste which is converted to electricity. The Club purchases 100% renewable energy for all sites. Reducing carbon emissions and improving energy efficiency will remain a key factor in facility and operational planning in line with our organisational mission of success with sustainability.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

Going concern

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 year and will continue to be reviewed in line with the Group's strategic plan.

The Directors have reviewed the forecasts for the period ending June 2024, which demonstrate the Company can operate within its planned facilities for the period following the promotion to the Premier League including, if required, support from its controlling parties. Forecasts have been prepared for the next three seasons considering different league scenarios and sensitivities for the club and its ability to continue to be able to support itself.

The Directors therefore have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future with support from its controlling parties. For this reason, they continue to adopt the going concern assumption.

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. 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.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022**

Section 172 statement

Section 172 (1) of the Companies Act sets out the matters that a director of a company must have regard to in fulfilling his or her duty to promote the success of the Company for the benefits of its members, in doing so, give regard to

- i. Likely consequences of any decisions in the long term
- ii. The interests of the Company's employees
- iii. The need to foster the Company's business relationships with suppliers, customers and others
- iv. The impact of the Company's operation on the community and the environment
- v. The desirability of the Company maintaining a reputation for high standards of business conduct

The Board of Directors consider that they have acted in good faith in these matters in a way in which promotes the success of the club for the benefit of its members as a whole. The Board of Directors and senior leadership team of the Club meet regularly on both a formal and informal basis to review and improve operations. All material decisions that have a potential long-term impact on the business are discussed at a meeting of the Board of Directors before approval is given to proceed. The impact of these decisions is considered in the context of the Company's employees, suppliers, customers, the community, and the environment. The core values of the Club are integrity, hardworking, ambitious, and inclusive. Fostering these values throughout the business, acting in an open, honest, ethical, and fair way, ensures that high standards of business conduct and the Club's reputation are maintained and protects the heritage of Sheffield United Football Club for generations to come.

This report was approved by the board and signed on its behalf.

Abdullah Alghamdi

Abdullah Yousef Mohammed Alghamdi
Director

Date: 31/5/2023

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2022

The Directors present their report and the financial statements for the year ended 30 June 2022.

In consideration of the Covid-19 epidemic, the Directors took the decision to extend the year of the 2019-2020 season to the 31st July 2020, reporting on a period of 13 months. As fixtures for the 2020-2021 season were completed as expected, the directors opted to realign the financial year with historical results reporting an 11 month period up to the 30th June 2021. Season 2021-2022 is reporting a 12 month period in line with historical results.

Results and dividends

The loss for the year, after taxation, amounted to £15,266,973 (2021: *profit* £9,563,866).

The Directors did not recommend the payment of dividend in the year (2021: *£Nil*).

Director

The Directors who served during the year were:

HRH Princess Reem Bint Abdullah Al Saud
Joseph Edward Giansiracusa
Jan Van Winckel (resigned 10 August 2022)
Abdullah Yousef Mohammed Alghamdi

Directors' Responsibilities Statement

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 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 and 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022**

Disclosure of information to auditor

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

Subsequent to the year end, Sheffield United has secured automatic promotion back to the Premier League with a record breaking 91 points achieved for the club in the Championship. The team also has reached the FA Cup Semi Final against Manchester City at Wembley Stadium for the first time since the 2013/2014 season against Hull City.

In July 2022, the club purchased Anel Ahmedhodzic from Malmo Fotbollforening.

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 and signed on its behalf.

Abdullah Alghamdi

Abdullah Yousef Mohammed Alghamdi
Director

Date: 31/5/2023



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

Opinion

We have audited the financial statements of The Sheffield United Football Club Limited (the 'Company') for the year ended 30 June 2022, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the 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 Company's affairs as at 30 June 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the Directors and the related disclosures and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED (CONTINUED)

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. The Directors are responsible for the other information contained within the Annual Report. 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.

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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED (CONTINUED)

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 7, 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 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 Company or to cease operations, or have no realistic alternative but to do so.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED (CONTINUED)

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud. We corroborated our enquiries through direct confirmation with those charged with governance.
- We identified significant laws and regulations, as detailed below, relevant to the Company through inquiries of management and corroborated this through review of board minutes and legal expenses.
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined which may influence the financial statements. We determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (FRS 102 and the Companies Act 2006), the relevant tax compliance regulations in the jurisdictions in which the Company operates, the specific regulations for the industry including the Premier League Rules and Regulations and English Football League Regulations. In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and those are laws and regulations relating to health and safety, employee matters, data protection, import duty and bribery and corruption practices.
- We assessed the susceptibility of the Company's financial statements to material misstatements, including how fraud might occur. We performed procedures over journal entries (in particular manual journal entries determined to be large or relating to unusual transactions), related party transactions and evaluated processes and controls in place to address the risks related to irregularities and fraud.
- In assessing the potential risks of material misstatement, we obtained an understanding of the Company's operations, the applicable statutory provisions, and the Company's control environment, including the adequacy of procedures for authorisation of transactions.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED (CONTINUED)

- The engagement team's experience with similar engagements, their understanding of the Company's industry and regulatory requirements (FRS 102, the Companies Act 2006, the relevant tax compliance regulations, Premier League Rules and Regulations and English Football League Regulations) relating to the Company were considered in assessing the competence and capabilities of the engagement team.

No matters relating to non-compliance with laws and regulation or relating to fraud were identified in relation to above mentioned laws and regulations that were identified by us as most significant.

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

Use of our report

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



James Chadwick
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Glasgow
Date: 31/5/2023

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022**

		Year ended 30 June 2022 £	11 months ended 30 June 2021 £
	Note		
Turnover	4	66,684,771	115,221,103
Cost of sales		(50,549,641)	(62,753,492)
Gross profit		16,135,130	52,467,611
Administrative expenses (excluding amortisation and impairment of player registrations)		(14,800,952)	(17,725,163)
Amortisation and impairment of player registrations		(24,802,116)	(25,777,695)
Impairment of tangible fixed assets		(1,269,084)	-
Total administrative expenses	6	(40,872,152)	(43,502,858)
Other operating income		621,159	2,711,960
Profit on disposal of player registrations		11,165,319	1,133,571
Profit on disposal of tangible fixed assets		19,862	-
Total operating profit		(12,930,682)	12,810,284
Interest payable and similar expenses	10	(3,103,408)	(2,484,294)
(Loss)/profit before tax		(16,034,090)	10,325,990
Tax on (loss)/profit	11	767,117	(762,124)
(Loss)/profit for the financial year		(15,266,973)	9,563,866
Revaluation of tangible assets		10,024,536	-
Other comprehensive income for the year		10,024,536	-
Total comprehensive (loss)/income for the year		(5,242,437)	9,563,866

The notes on pages 17 to 39 form part of these financial statements.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED
REGISTERED NUMBER:00061564

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	12	32,189,323	69,277,490
Tangible assets	13	55,049,368	48,591,574
		<u>87,238,691</u>	<u>117,869,064</u>
Current assets			
Stocks	14	236,151	1,423,283
Debtors: amounts falling due within one year	15	24,441,016	4,316,390
Cash at bank and in hand		1,640,395	2,442,215
		<u>26,317,562</u>	<u>8,181,888</u>
Creditors: amounts falling due within one year	16	(84,182,767)	(96,827,062)
Net current liabilities		<u>(57,865,205)</u>	<u>(88,645,174)</u>
Total assets less current liabilities		<u>29,373,486</u>	<u>29,223,890</u>
Creditors: amounts falling due after more than one year	17	(9,580,972)	(19,379,098)
Deferred income	20	(8,141,981)	(7,751,822)
Net assets		<u><u>11,650,533</u></u>	<u><u>2,092,970</u></u>
Capital and reserves			
Called up share capital	22	43,643,702	28,843,702
Revaluation reserve	23	10,024,536	-
Profit and loss account	23	(42,017,705)	(26,750,732)
		<u><u>11,650,533</u></u>	<u><u>2,092,970</u></u>

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

Abdullah Alghamdi

Abdullah Yousef Mohammed Alghamdi
 Director

Date: 31/5/2023

The notes on pages 17 to 39 form part of these financial statements.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022**

	Share capital £	Revaluation reserve £	Retained earnings £	Total equity £
At 1 July 2021	28,843,702	-	(26,750,732)	2,092,970
Comprehensive income for the year				
Loss for the year	-	-	(15,266,973)	(15,266,973)
Gain on revaluation of properties	-	10,024,536	-	10,024,536
Total comprehensive income for the year	-	10,024,536	(15,266,973)	(5,242,437)
Shares issued during the year	14,800,000	-	-	14,800,000
At 30 June 2022	43,643,702	10,024,536	(42,017,705)	11,650,533

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021**

	Share capital £	Retained earnings £	Total equity £
At 1 August 2020	28,843,702	(36,314,598)	(7,470,896)
Comprehensive income for the period			
Profit for the period	-	9,563,866	9,563,866
Total comprehensive income for the period	-	9,563,866	9,563,866
At 30 June 2021	28,843,702	(26,750,732)	2,092,970

The notes on pages 17 to 39 form part of these financial statements.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

1. General information

The Sheffield United Football Club Limited is a private company limited by shares, incorporated in England and Wales. Registered number 00061564. The Company's registered office is Bramall Lane Ground, Cherry Street, Sheffield, S2 4SU.

The Company is principally engaged in the operation of a professional football club.

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

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

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Blades Leisure Limited as at 30 June 2022 and these financial statements may be obtained from Companies House.

2.3 Going concern

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 year and will continue to be reviewed in line with the Group's strategic plan.

The Directors have reviewed the forecasts for the period ending June 2024, which demonstrate the Company can operate within its planned facilities for the period following the promotion to the Premier League including, if required, support from its controlling parties. Forecasts have been prepared for the next three seasons considering different league scenarios and sensitivities for the club and its ability to continue to be able to support itself.

The Directors therefore have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future with support from its controlling parties. For this reason, they continue to adopt the going concern assumption.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

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

Turnover comprises revenue 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 and 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) 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, EFL distributions, broadcasting revenue from cup fixtures, internet revenues and programme income. Premier League and EFL distributions comprise of a fixed element, which is recognised equally over home fixtures played, along with additional revenues that are 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 periods the sponsorship and advertising income relates to.

Facility

Facility revenues include rental and facility hire income, gym membership revenue from the Gym Plus at Crookes. 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 Other operating income

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

2. Accounting policies (continued)**2.6 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 over the length of the contract.

2.7 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 Company 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 Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Statement of Comprehensive Income during the year 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 the Statement of Comprehensive Income.

The basis of valuation of property has changed during the year, see note 13 for further details of the revaluation in the year.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

2. Accounting policies (continued)**2.8 Revaluation of tangible fixed assets**

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in the Statement of Comprehensive Income.

2.9 Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

2.10 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.

2.11 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.

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 the Statement of Comprehensive Income.

2.12 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.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

2. Accounting policies (continued)**2.13 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.

2.14 Financial instruments

The Company only enters into basic financial instrument 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 debtors and creditors, 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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 Statement of Comprehensive Income.

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 Company 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.

2.15 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.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

2. Accounting policies (continued)**2.16 Finance costs**

Finance costs are charged to the Statement of Comprehensive Income 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.

2.17 Pensions**Defined contribution pension plan**

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

The contributions are recognised as an expense in the Statement of Comprehensive Income 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 Company in independently administered funds.

Multi-employer pension plan

The Company is a member of a multi-employer plan. Where it is not possible for the Company 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 Statement of Comprehensive Income. The unwinding of the discount is recognised as a finance cost.

2.18 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company 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 Company becomes aware of the obligation, and are measured at the best estimate at the reporting 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.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

2. Accounting policies (continued)**2.20 Taxation**

Tax is recognised in the Statement of Comprehensive Income 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 operates and generates income.

2.21 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.

2.22 Contingencies

Under certain transfer agreements further transfer payments may fall due for payment by the club, to both the transfer Club and the 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 until the inflow of economic benefits are virtually certain.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

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 registrations

The valuation of intangible assets is given consideration by the Directors. Under certain circumstances the Directors may commence an impairment review. The following are examples of factors which would be taken into account:

- A career ending injury
- A player who has irreconcilable difference 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 Statement of Comprehensive Income in the year 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 25 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.

3.5 Impairment of tangible assets

The valuation of tangible assets is given consideration by the Directors. When a valuation is undertaken, if the value of the assets does not increase, then the impairment of this asset is reflected in the Statement of Comprehensive Income in the year. The basis of valuation of property has changed during the year, see note 13 for further details of the revaluation in the year.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

4. Turnover

An analysis of turnover by class of business is as follows:

	Year ended 30 June 2022 £	<i>11 months ended 30 June 2021 £</i>
Match Day	7,110,784	57,609
Broadcasting	50,740,800	101,300,363
Sponsorship & Advertising	3,657,068	9,992,730
Facility	5,176,119	3,870,401
	<u>66,684,771</u>	<u>115,221,103</u>

	Year ended 30 June 2022 £	<i>11 months ended 30 June 2021 £</i>
United Kingdom	66,535,354	111,321,103
Rest of the World	101,250	3,900,000
Rest of Europe	48,167	-
	<u>66,684,771</u>	<u>115,221,103</u>

5. Other operating income

	Year ended 30 June 2022 £	<i>11 months ended 30 June 2021 £</i>
Other grants released	74,308	62,649
Coronavirus Job Retention Scheme	-	149,311
Insurance claims	-	2,500,000
Other income	546,851	-
	<u>621,159</u>	<u>2,711,960</u>

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

6. Operating (loss)/profit

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

	Year ended 30 June 2022 £	<i>11 months ended 30 June 2021 £</i>
Depreciation of tangible fixed assets	3,274,771	2,858,734
Amortisation of intangible assets	24,802,116	25,777,695
Impairment of trade debtors	137,532	155
Operating lease rentals	23,571	17,129
Impairment of tangible fixed assets	1,269,084	-
	<u>1,269,084</u>	<u>-</u>

7. Auditor's remuneration

	Year ended 30 June 2022 £	<i>11 months ended 30 June 2021 £</i>
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	55,000	51,500
Fees payable to the Company's auditor and its associates in respect of:		
Tax compliance	14,750	19,500
Other non-audit services	4,000	19,125
Interim review procedures	5,500	5,250
	<u>24,250</u>	<u>43,875</u>

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

8. Employees

	Year ended 30 June 2022 £	<i>11 months ended 30 June 2021 £</i>
Wages and salaries	36,790,617	49,201,850
Social security costs	5,070,873	6,990,340
Cost of defined contribution scheme	190,473	326,175
	<u>42,051,963</u>	<u>56,518,365</u>

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

	Year ended 30 June 2022 No.	<i>11 months ended 30 June 2021 No.</i>
Football	111	105
Non-football	165	140
	<u>276</u>	<u>245</u>

9. Directors' remuneration

	Year ended 30 June 2022 £	<i>11 months ended 30 June 2021 £</i>
Directors' emoluments	-	122,666
Company contributions to defined contribution pension schemes	-	985
	<u>-</u>	<u>123,651</u>

The highest paid director received remuneration of £Nil (2021: £122,666).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil (2021: £985).

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

10. Interest payable and similar expenses

	Year ended 30 June 2022 £	<i>11 months ended 30 June 2021 £</i>
Other interest payable	425,711	-
Loan interest payable	2,637,684	2,339,489
Finance leases and hire purchase contracts	21,218	34,769
Finance costs	18,795	110,036
	<u>3,103,408</u>	<u>2,484,294</u>

11. Taxation

	Year ended 30 June 2022 £	<i>11 months ended 30 June 2021 £</i>
Corporation tax		
Current tax on profits for the year	-	768,897
Adjustments in respect of previous periods	(767,117)	(6,773)
	<u>(767,117)</u>	<u>762,124</u>

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (*2021: lower than*) the standard rate of corporation tax in the UK of 19% (*2021: 19%*). The differences are explained below:

	Year ended 30 June 2022 £	<i>11 months ended 30 June 2021 £</i>
(Loss)/profit on ordinary activities before tax	(16,034,090)	<i>10,325,990</i>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (<i>2021: 19%</i>)	(3,046,477)	<i>1,961,938</i>
Effects of:		
Other permanent differences	1,170	<i>-</i>
Fixed asset differences	209,073	<i>442,500</i>
Expenses not deductible for tax purposes	663,934	<i>295,556</i>
Non-taxable income	(22,473)	<i>(11,903)</i>
R&D expenditure credits	-	<i>5,813</i>
Adjustments to tax charge in respect of prior periods	(767,117)	<i>(6,773)</i>
Remeasurement of deferred tax for changes in tax rates	(559,281)	<i>-</i>
Movement in deferred tax not recognised	2,066,017	<i>-</i>
Removal of prior year adjustment relating to deferred tax	(18,112)	<i>-</i>
Group relief claimed	-	<i>(117,839)</i>
Utilisation of brought forward losses	-	<i>(1,807,168)</i>
Losses carried back	706,149	<i>-</i>
Total tax charge for the year	(767,117)	<i>762,124</i>

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

11. Taxation (continued)

Factors that may affect future tax charges

Unrelieved tax losses of approximately £58,016,960 (2021: £50,525,000) 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 £14,504,240 (2021: £13,251,000). At present it is not envisaged that future taxable profits will be sufficient for these timing differences to be reversed.

12. Intangible assets

	Player registrations £	Trademarks £	Total £
Cost			
At 1 July 2021	113,749,450	100,000	113,849,450
Additions	574,215	-	574,215
Disposals	(18,568,660)	-	(18,568,660)
At 30 June 2022	<u>95,755,005</u>	<u>100,000</u>	<u>95,855,005</u>
Amortisation			
At 1 July 2021	44,471,960	100,000	44,571,960
Charge for the year on owned assets	24,802,116	-	24,802,116
On disposals	(5,708,394)	-	(5,708,394)
At 30 June 2022	<u>63,565,682</u>	<u>100,000</u>	<u>63,665,682</u>
Net book value			
At 30 June 2022	<u>32,189,323</u>	<u>-</u>	<u>32,189,323</u>
At 30 June 2021	<u>69,277,490</u>	<u>-</u>	<u>69,277,490</u>

The intangible asset that is material to the financial statements is the first team squad. The carrying value of the squad is £32,189,323 (2021: £69,277,490) with a remaining amortisation period of 1-3 years.

Amortisation on intangible assets is charged to administrative expenses.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

13. Tangible fixed assets

	Land and buildings £	Fixtures and Fittings £	Motor vehicles £	Total £
Cost				
At 1 July 2021	43,945,031	12,242,970	22,665	56,210,666
Additions	324,758	652,355	-	977,113
Revaluations	10,024,536	-	-	10,024,536
	<u>54,294,325</u>	<u>12,895,325</u>	<u>22,665</u>	<u>67,212,315</u>
At 30 June 2022	<u>54,294,325</u>	<u>12,895,325</u>	<u>22,665</u>	<u>67,212,315</u>
Depreciation				
At 1 July 2021	949,976	6,650,345	18,771	7,619,092
Charge for the year	884,717	2,386,160	3,894	3,274,771
Impairment charge	1,269,084	-	-	1,269,084
	<u>3,103,777</u>	<u>9,036,505</u>	<u>22,665</u>	<u>12,162,947</u>
At 30 June 2022	<u>3,103,777</u>	<u>9,036,505</u>	<u>22,665</u>	<u>12,162,947</u>
Net book value				
At 30 June 2022	<u>51,190,548</u>	<u>3,858,820</u>	<u>-</u>	<u>55,049,368</u>
At 30 June 2021	<u>42,995,055</u>	<u>5,592,625</u>	<u>3,894</u>	<u>48,591,574</u>

The net carrying amount of assets held under hire purchase agreements is £250,433 (2021: £475,334). These assets are all included within fixtures and fittings.

The properties held by the Company have been revalued as at 30th June 2022 following an independent valuation. The basis of valuation has been undertaken as the market value in accordance with the RICS valuation – professional standards, 'The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.' Prior to the revaluation, the carrying amount that would have been recognised under the cost model was £42,435,096.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

14. Stocks

	2022 £	2021 £
Goods for resale	236,151	1,423,283

Stock is stated after provisions for impairment of £51,618 (2021: £38,172).

Stock recognised as an expense during the year was £1,624,208 (2021: £1,477,746).

15. Debtors

	2022 £	2021 £
Trade debtors	21,425,737	2,867,962
Amounts owed by group undertakings	80,849	62,664
Other debtors	649,891	648,123
Prepayments and accrued income	1,527,124	737,641
Corporation tax recoverable	757,415	-
	24,441,016	4,316,390

Included within Trade debtors are amounts totalling £16,745,000 (2021: £2,492,500) relating to the consideration receivable for the sale of player registrations.

Trade debtors are stated after provisions for impairment of £187,749 (2021: £112,186).

Amounts owed by group undertakings are repayable on demand.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

16. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Bank loans	31,763,611	30,000,000
Trade creditors	29,782,865	21,580,041
Football league pension liability	124,532	118,601
Amounts owed to group undertakings	6,083,910	17,953,009
Corporation tax	-	2,073,853
Other taxation and social security	5,040,228	12,076,420
Obligations under finance lease and hire purchase contracts	167,635	209,210
Other creditors	6,423,421	9,132,020
Accruals	4,796,565	3,683,908
	84,182,767	96,827,062

Included within the above amounts are £26,766,593 (2021: £18,250,511) relating to consideration payable for player registrations.

Amounts owed to group undertakings are repayable on demand.

The finance leases and hire purchase contracts are secured on the assets to which they relate. Bank loans are secured by a legal charge over the property or undertaking of the Company.

17. Creditors: Amounts falling due after more than one year

	2022	2021
	£	£
Bank loans	8,729,254	-
Net obligations under finance leases and hire purchase contracts	14,693	182,328
Trade creditors	311,160	18,565,164
Football league pension liability	516,735	622,476
Preference share capital treated as debt	9,130	9,130
	9,580,972	19,379,098

Included within the above amounts are £311,160 (2021: £18,565,164) relating to consideration payable for player registrations.

Disclosure of the terms and conditions attached to the non-equity shares is made in note 22.

The finance leases and hire purchase contracts are secured on the assets to which they relate. Bank loans are secured by a legal charge over the property or undertaking of the Company.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

18. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2022 £	2021 £
Within one year	179,544	241,967
Between 1-5 years	16,826	196,369
	196,370	438,336
Less interest	(14,042)	(46,798)
	182,328	391,538

19. Financial instruments

	2022 £	2021 £
Financial assets		
Trade debtors	21,425,737	2,867,962
Amounts owed by group undertakings	80,849	62,664
Other debtors	649,891	648,123
	22,156,477	3,578,749
Financial liabilities		
Trade creditors	(30,094,025)	(40,145,205)
Amounts owed to group undertakings	(6,083,910)	(17,953,009)
Other creditors	(6,423,421)	(9,132,020)
Accruals	(4,796,565)	(3,683,908)
Football league pension liability	(641,267)	(741,077)
Net obligations under finance leases and hire purchase contracts	(182,328)	(391,538)
Preference share capital treated as debt	(9,130)	(9,130)
Bank loan	(40,492,865)	(30,000,000)
	(88,723,511)	(102,055,887)

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

20. Deferred income

	2022 £	2021 £
Sponsorship	1,358,042	1,096,522
Advance ticket sales	4,824,689	4,621,743
Deferred capital grant	1,959,250	2,033,557
	<u>8,141,981</u>	<u>7,751,822</u>

21. Covid-19 additional costs

	2022 £	2021 £
Rebate of broadcast income	-	-
Lost revenue	-	8,933,037
Increased costs incurred	-	-
	<u>-</u>	<u>8,933,037</u>

In the current year it has been noted that additional costs of £Nil (2021: £8,933,037) have been incurred by the entity as a result of the Covid-19 pandemic.

22. Share capital

	2022 £	2021 £
Shares classified as equity		
Allotted, called up and fully paid		
477 Deferred shares of £100.00 each	47,700	47,700
87,192 (2021: 57,592) Ordinary shares of £500.00 each	43,596,000	28,796,000
204 Deferred shares of £0.01 each	2	2
	<u>43,643,702</u>	<u>28,843,702</u>

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital. There are two classes of deferred shares. There are restrictions on dividends and the repayment of capital.

On 14th February 2022, £14.8m of intercompany debt between Blades Leisure Limited and The Sheffield United Football Club was converted to equity in the form of 29,600 ordinary shares in The Sheffield United Football Club. This forms an investment from the company Blades Leisure Limited. No payment was exchanged, the transaction absolved an element of the loan between group companies.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

22. Share capital (continued)

	2022	2021
	£	£
Shares classified as debt		
913 Preference shares of £10.00 each	9,130	9,130

23. Reserves

Revaluation reserve

Includes reserves for the revaluation of tangible fixed asset buildings.

Profit & loss account

Includes all current and prior period retained profits and losses.

24. Contingent liabilities

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

25. Pension commitments

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 2020 where the total deficit on the on-going valuation basis was £27.6 million. The key assumptions used to calculate the deficit at the 31 August 2020 actuarial valuation are:

Discount Rate: BoE Gilt Yield Curve +2.0% p.a. (2.7% p.a.)

RPI Inflation: BoE Inflation Curve (3.15% p.a.)

Pension Increases (pension accrued pre 6 April 1997): Fixed 3% p.a.

Pension Increases (pension accrued post 6 April 1997): RPI (min 3%, max %) (3.55% p.a.)

Mortality (pre-retirement): None

Mortality (post-retirement): S3PA base tables CMI 2019 projection 1.5% p.a. long term improvement rate.

Default smoothing Initial addition of 0.5% p.a.

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 SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

25. Pension commitments (continued)

The Club currently pays total contributions of £119,550 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 30 June 2027.

As at 30 June 2022, based on an appropriate discount rate of 2.7% per annum, the present value of the Club's outstanding contributions (i.e. their future liability) is £641,266 (2021: £741,077). The discount rate has been based on the BoE Gilt Yield Curve + 2.0% p.a. This amounts to £124,532 (2021: £118,601) due within one year and £516,735 (2021: £622,476) due after more than one year and is included within other payables.

A financial cost of £18,795 (2021: £110,037) 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 £190,473 (2021: £326,175) Contributions totalling £31,557 (2021: £33,038) were payable to the fund at the reporting date.

26. Commitments under operating leases

At 30 June 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	17,531	36,814
Later than 1 year and not later than 5 years	-	17,531
	17,531	54,345

A pass through lease has been established between SUFC Women Limited and The Sheffield United Football Club Limited, whereby the lease income and expenditure for each Company are equal and opposite, and therefore for the year 1st July 2021 to 30th June 2022 offset one another in the accounts. The lease expires in September 2038.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

27. Related party transactions

As a wholly owned subsidiary of Blades Leisure Limited, the company is exempt from the requirements of FRS 102 to disclose transactions with other members of the group headed by Blades Leisure Limited on the grounds that accounts are publicly available.

Sales were made of £Nil (2021: (£8,340)) to AMAS Al Riyadh Holding company with a period end debtor balance of £Nil (2021: £Nil). Purchases were made of £Nil (2021: £Nil) from AMAS Al Riyadh Holding Company with a period end creditor balance of £4,166 (2021: £4,166).

Sales were made of £115,013 (2021: £436,122) to United World SA with a period end debtor balance of £112,445 (2021: £525). Consultancy fees were charged of £1,525,609 (2021: £2,025,000) from United World SA with a period end creditor balance of £450,000 (2021: £405,000). The consultancy fees to United World SA cover certain costs including staff related costs which are borne by another group Company. The directors did not receive any remuneration from the Company in respect of their services during the year. Certain directors who served during the year are also directors of the parent Company or a fellow subsidiary Company and are remunerated by those companies. Although they receive remuneration in respect of their services to various group companies, including this Company, it is not practicable to allocate their remuneration to individual companies in the group. Therefore, their remuneration has been disclosed in the financial statements of the relevant Company from which remuneration is received.

Sales were made of £70,168 (2021: £43,910) to Sheffield United Community Foundation with a period end debtor balance of £18,616 (2021: £22,905). Purchases were made of £23,832 (2021: £400) from Sheffield United Community Foundation with a period end creditor balance of £1,650 (2021: £Nil).

During the year, the company received a loan of £6,083,910 from the ultimate parent company, United World Holding Limited. No interest is payable other than in the event of default.

28. Post balance sheet events

Subsequent to the year end, Sheffield United has secured automatic promotion back to the Premier League with a record breaking 91 points achieved for the club in the Championship. The team also has reached the FA Cup Semi Final against Manchester City at Wembley Stadium for the first time since the 2013/2014 season against Hull City.

In July 2022, the club purchased Anel Ahmedhodzic from Malmo Fotbollforening.

29. 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 £15,105,778 (2021: £14,183,407). This amount is not provided in the financial statements as payment is not yet probable.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

30. Ultimate parent undertaking and controlling party

The directors consider that the immediate parent undertaking of this company is Blades Leisure Limited, a company incorporated in England and Wales by virtue of its 100% shareholding. Blades Leisure Limited is a wholly owned subsidiary of United World Holding Limited, a Guernsey registered company.

HRH Prince Abdullah Bin Mossad Bin Abdulaziz Al Saud is the ultimate beneficiary of the Blades Leisure Limited group of companies.

31. Liability limitation agreement with the auditor

The Company has entered into a liability limitation agreement with Grant Thornton UK LLP, the statutory auditors, in respect of the statutory audit for the year ended 30 June 2022. The proportionate liability agreement follows the standard terms in Appendix B to the Financial Reporting Council's June 2008 Guidance on Auditors Liability Agreements, and was approved by the shareholders on 13 October 2022.