Leicester
Football Club Plc

Annual Report & Financial Statements 2023

“I have been fortunate enough to be a part of Leicester Tigers for almost 20 years and, in that time, seen this club grow from a brilliant rugby team into a world leader in our great game.

The growth and ultimately the success we have achieved in that time is down to what I believe to be the unique situation in which we find ourselves; no matter what your role in the Tigers family, your passion for and commitment to the club is the same.

Whether it be a season ticket holder, player, club partner, coach, shareholder, board or staff member, the desire to reach the highest heights is unrivalled anywhere in rugby.

We are unapologetic for the relentless approach we have to be successful, on and off the field, and the determination to constantly better ourselves.

Our greatest opponent is our past and, therefore, our future must be an improvement on it.

While we strive forward, we are honest about where we have come from and this past year has been another challenging one for us all.

However, with that passion and commitment of everybody involved and invested in Leicester Tigers, we have come through and remain steadfast in the pursuit of success.

We are also, as we have been transparent about throughout this past twelve months, not immune from the challenges rugby is facing. The incredible financial support of Chairman Peter Tom, Director Tom Scott and our supporters, whether it be investing through tickets or sponsorship, has helped to weather the storm.

The goal, as we constantly refer to, is to remain the most successful club in the World and we will never shy away from it being so.

Success though is not just seeing our men’s, women’s or wheelchair players and coaches lift aloft trophies or sit atop competition ladders throughout campaigns, it is much more.

It is remaining the number one supported club in the world, filling Mattioli Woods Welford Road for every home game, and seeing seas of green, red and white in the stands on away days.

It is delivering thousands of hours annually of coaching, education and charitable initiatives throughout our community, at home and across the globe.

It is creating lifelong memories for our fans, players, partners, coaches and staff by remaining connected, accessible and engaged with one another.

Passion and commitment are words we use, over and over, to define us and our Tigers DNA. They are the characteristics of any and every Tigers family member, whatever the role, and what has helped us to this incredible point.

They are now what will carry us forward into the next chapter.”

Andrea Pinchen, Chief Executive Officer

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Directors and Officers

PETER TOM CBE
Executive Chairman

Peter has been Chairman of Leicester Tigers since 1993, having made 130 appearances for the club between 1963 and 1968. He is a director of PRL Investor Limited, Premier Rugby's investor board. Peter is also Chairman of Bay Capital plc and a number of local businesses in Guernsey, focusing on hospitality and economic regeneration.

His previous roles include Executive Chairman of Breedon Group and Chief Executive (and latterly Chairman) of Aggregate Industries. In 2006 he was awarded a CBE for services to Business and Sport. He holds an Honorary Degree from De Montfort University and in 2018 was awarded an Honorary Degree by the University of Leicester.

ANDREA PINCHEN
Chief Executive Officer

Andrea spent 11 years in the Middle East working with Emirates Airlines before joining Leicester Tigers in 2004, initially with responsibility for increasing revenue from the sale of season and match tickets, shortly followed by sponsorship, hospitality and conferencing. In 2012 she was appointed Commercial Manager and in 2014, was appointed to the board as Commercial Director. Broadening her scope of responsibility across the club as a whole, and working with the performance side of the business, Andrea spent one year as Chief Operating Officer before becoming Chief Executive Officer in May 2020.

FINTAN KENNEDY
Finance Director

Fintan was appointed to the Board in March 2020 and brings with him a wide range of financial experience. He is a Fellow of the Institute of Chartered Accountants in England and Wales.

He serves as Finance Director of Sealyham Investments Limited and holds non-executive directorships with Super League Triathlon and the Financial Services Opportunities Investment Fund.

PETAR CVETKOVIC
Non-executive Director

A lifelong Tigers' supporter, Petar has valuable experience as an investor, executive and non-executive director across the retail, logistics and healthcare sectors. He was born and bred in Leicester. He is the founder and chairman of Welford Investments, which has interests in growth companies and commercial properties and has held leadership positions at a number of national and international logistics businesses.

Petar co-founded the leading online fashion retailer, Boohoo.com, and was formerly a non-executive director of Crawford Healthcare as well as Chairman of Spoked, an online cycling training app. He is also a patron of the Footprints Foundation and a supporter of the Matt Hampson Foundation.

TOM SCOTT
Non-executive Director

Tom is both a lifelong Tigers supporter and a major investor in the club. He has a number of business and charitable interests in the Channel Islands, the UK and worldwide. He is also a Fellow of the Institute of Chartered Accountants in England and Wales.

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Registered Office: The Clubhouse, Aylestone Road, Leicester, LE2 7TR

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Strategic Report

Chairman's Statement

The 2022/23 season was, simply, like no other the English game has ever seen.

While there was so much to celebrate and enjoy for all of us throughout the season, in all competitions, it would be remiss of me not to begin by saying that the loss of three proud clubs in Wasps, Worcester Warriors and – ultimately – London Irish was devastating to see.

We at Leicester Tigers enjoyed great moments and made countless memories with our counterparts from all three clubs over so many years, on and off the field, and know our league will not be the same through their absence.

The impact of the Warriors and Wasps being removed from the league in the opening stages of the competition was one we were, by luck of the draw, hit harshly by at Leicester Tigers.

Scheduled to play back-to-back games against both teams in October 2022 meant we not only faced a month without a league fixture but also lost the associated revenue from fixtures against two fellow Midlands sides.

While the efforts of our staff saw us host two additional fixtures at home, not originally planned for, against an Italy national team and, later in the season, Northampton Saints – as well as another fixture away to our East Midlands Derby rivals – the loss of Premiership match revenue hit us hard.

Entering the campaign as reigning English champions, the players and coaches – led by Steve Borthwick – had gone from being hunters to the hunted.

As is the case with each new campaign, we also saw changes in the playing squad which brought new fan-favourites to Leicester and saw young stars turn in to fully-fledged senior squad members.

Among those summer arrivals to the club were world-class, famous faces in the form of Rugby World Cup winning fly-half Handré Pollard and British & Irish Lion Anthony Watson. A little later in the season, Tigers would also become the home for long-serving England international Mike Brown.

After breakthrough domestic campaigns in the 2021/22 season, exciting youngsters Ollie Chessum, Joe Heyes, George Martin, Jack van Poortvliet, Tommy Reffell and Freddie Steward began to make their mark on the world stage.

To see young men who represent our club each week doing that together in the international arena is something I hope supporters have as much pride as I do on each occasion. Knowing that all of them came through our Academy only heightens that feeling.

As the calendar year approached its end, another challenge was thrown our way at Leicester Tigers when – in unprecedented circumstances – two members of our senior coaching staff, Borthwick and Kevin Sinfield, were headhunted to take over the national side.

Their departures meant the English game's most decorated and longest-serving player, Richard Wigglesworth, called time on his career to take on the role of Leicester Tigers Head Coach.

The disruption forced us into recruiting a new coaching set-up in the middle of a campaign, stretching our resources throughout the club to the extreme.

Wigglesworth and fellow coaches Tom Harrison and Aled Walters were ultimately confirmed to also be joining the England coaching team, which we should all see as a badge of honour for our proud club.

All areas of the club were placed under immense pressure and, in true Leicester Tigers style, responded incredibly. The growth, maturation and unity within the ranks made me as proud as ever in the time I have had the privilege to be the Chairman of this great club.

The support shown by our fans, partners and the Leicestershire community throughout such a rollercoaster season played a huge part in helping us through such a tumultuous period.

Reaching the knockout stages of both the Premiership and European competitions in men's rugby and winning the Championship North league in the debut season for our women's side were incredible on-field achievements.

Additionally, off the field, there were many milestones reached.

We averaged more than 22,000 fans through the turnstiles for the season, sold out seasonal hospitality offerings in Lounge 502, our Executive Boxes and The Tryline Club and completed the campaign with a tally of more than 12,000 Season Ticket Holders signed up.

In the sponsorship space, Main Partner Topps Tiles were one of ten partners to renew throughout the season alongside Samurai, Clarity, STIHL, Westons, De Montfort University, Yodel, Breedon, Biffa and Global Payments.

Strategic Report CONTINUED

Chairman's Statement (cont'd)

And, in March, shareholders also approved, by way of a vote, a share subscription that saw £13.0 million raised for investment into our future.

I cannot speak highly enough of the commitment from Tom Scott to Leicester Tigers or thank him enough for his continued support as both a fellow Board member and, most notably, a fellow passionate fan of our club.

The success of our women's programme also saw us welcome more than half a dozen new partners to the club who have recommitted ahead of the debut Premiership Women's Rugby season in 23/24.

In the community, our work to grow our great game, expand our footprint and increase participation is going from strength to strength.

The pandemic impacted seasons hurt our ability to be ever-present in Leicestershire and our catchment areas but, through the hard work of our community department and The Leicester Tigers Foundation, we are back delivering important programmes and providing education in those locations.

Finally, I want to congratulate Andrea Pinchen, our Chief Executive Officer, for her leadership in delivering all these achievements and thank her and the remaining Board members, Tom, Fintan Kennedy and Petar Cvetkovic, on behalf of all of you for their unwavering support.

As I said previously, this was a season like no other. But, together, through the hard work and commitment of all who make up the Tigers Family, we continue to move forward and remain resolute in seeing this club, our club, be successful.

Business Review

Following the desperate years of Covid-19, winning the Premiership in the 2021/22 season was to provide the springboard for continued success both on and off the rugby field. Little did we know that the financial turmoil caused not just by Covid-19 but also raging inflation and interest rates, would result in three Premiership clubs disappearing from the league, resulting in significant disruption to the recovery process post Covid-19. During all that, of course we lost Steve Borthwick and Kevin Sinfield to England Rugby, to be followed by Aled Walters, Richard Wigglesworth and Tom Harrison at the end of the season.

Total reported revenue and income generated for the financial year ended 30 June 2023 was £22.9m, up 4.1% from £22.0m. However, it is more important to note that recurring revenue (before exceptional income and the release of the final CVC deferred income) of £19.5m was £700k or 3.7% up on the previous year, a remarkable achievement given the loss of income suffered from the cancellation of two home games from the unfortunate demise of Worcester and Wasps.

The reported operating loss of £0.9m is a significant improvement on the £1.9m loss reported in the previous year. Underlying earnings before interest depreciation and CVC income release shows a loss of £3.0m (which has reduced significantly from a loss of £4.0m in the previous financial year showing that the drive to financial sustainability is well underway. Unfortunately, with interest rates increasing significantly and rapidly during the year, the interest payable of £341k (2022: £162k) on the loan to HSBC served to drain this improved financial performance.

The cash flow of the club was significantly enhanced during the year with the injection of £8.9m (before costs) from shareholders following a planned fund raise. Operating activities consumed cash outflow of £2.6m (2022: £7.4m). Cash invested in the business of £0.8m was used to buy a new playing surface for Mattioli Woods Welford Road and in terms of financing cash flows, the club repaid long term loans of £0.3m and interest on debt of over £0.3m, almost £0.2m more than the previous year due to significantly higher interest rates. Overall, the club generated a cash inflow of £5.7m to end the financial year with a bank balance of £4.2m. The club continues to be supported by an available overdraft with HSBC.

The following table summarizes the income levels achieved by each division compared to the 21/22 financial year;

Income

Category	2023 £m	2022 £m	Change %
Rugby income	5.3	5.8	(8.6)
PRL / RFU income	4.7	4.1	14.6
Commercial income	9.5	8.9	6.7
Recurring income	**19.5**	**18.8**	**3.7**
CVC income release	2.4	3.2	(25.0)
Exceptional income	1.0	-	100.0
Total Revenue	**22.9**	**22.0**	**4.1**

Strategic Report CONTINUED

Business Review (cont'd)

Rugby income
Our loyal fan base continued to support the club despite pressures on their own cost of living which for most has rocketed in the past year. Season tickets for the year totalled 12,640 (2022:11,757) a year on year increase of 7.5%, generating income of £2.9m (2022: £2.5m). Unfortunately, match by match tickets suffered as a result of the loss of the planned two home games against Wasps and Worcester with lost income totalling £0.8m as a result. An additional £0.1m was lost due to not achieving a home European quarter final compared to the previous year when we did. Total match by match tickets was £2.4m (2022: £3.2m) bringing total ticket sales to £5.3m (2022: £5.8m).

PRL / RFU Income
Whilst distributions from PRL of £2.7m (2022: £2.4m) and the RFU of £2m (2022: £1.7m) have increased, they are still well below pre-pandemic levels.

Academy funding from the RFU increased by 12.8% and EQP funding by 12.5%. EQP funding is earned by each club through the inclusion of English qualified players in the match day 23 for Premiership games. The club achieved the required average number across the season which accessed the highest possible level of funding.

The success of our Academy programme continues to produce future England players and in 22/23 over half of the funding received from the RFU was for the provision of players to England Rugby.

Income received from PRL which is generated from the commercial activities under the control of PRL increased by almost 10% in the year but any further increasing from this source will be highly dependent on the new broadcasting deal for Premiership Rugby as a whole which is currently being negotiated.

Commercial income

Commercial income combines main sponsorship income, match-day hospitality, merchandising concessions as well as conferencing and events. This combined income increased from £8.9m last year to £9.5m.

This increase was wholly driven by increased sponsorship and included 8 new sponsors / partners. We cannot thank our sponsors enough for their continued support, particularly during a time when all businesses have been facing their own challenges through significant inflationary and other pressures.

Revenues across most other commercial income lines was flat with our retail offering reporting sales slightly below the previous year however the recent addition of the new retail store and coffee shop beneath Hotel Brooklyn provides a platform for future revenue growth.

Costs

As referred to above, despite the constant hurdles, the drive to financial sustainability is well under way and a key focus has been on reducing the cost base and working more efficiently. This is evidenced through a significant fall in administration expenses from £3.2m last year down to £2.7m. The cost of servicing the ground and related match day expenses decreased from £6.3m to £6.1m, mainly due to the loss of two home games and the associated savings. Staff costs at £13.7m were generally on par with the previous year, save for annual pay increases.

Playing and coaching staff numbers decreased from 107 to 95 whilst administrative and support staff numbers decreased from 97 to 92.

The Board continually monitors the cost base striking a balance between on field success and a financially sustainable business model. The drive to financial stability continues with specific targets around revenue growth and efficiency forming part of weekly discussions with the senior leadership team.

Financial position

The value of the balance sheet was further strengthened in the year with a significant sum of £8.9m invested in the club from the fundraise carried out in March 2023. Net assets therefore have increased from £44.4m to £51.8m.
The Board is delighted that several key Shareholders and most notably, Tom Scott and Peter Tom agreed to invest in the future of the club and to help it through difficult times which of course all Premiership clubs have experienced in recent years and continue to do so.

Loans and overdrafts total £17.6m. The loan and overdraft with HSBC have been and continue to be fully serviced in accordance with agreed terms. The loan with DCMS has accrued interest since inception but repayments began in September which will put a significant strain on club finances for several years to come. Mr Scott and Mr Tom have agreed to extend the redemption date (which was due to expire in June 2023) on their secured redeemable loan notes (current balance £3.0m) out to June 2025. There have been no settlements (interest or capital) on those loan notes and the Board are grateful for their continued support.

Strategic Report CONTINUED

Business Review (cont'd)

Tigers in the community

The 2022/23 season has been a real comeback one for Tigers in the Community as the club has been able to run all of our core programs fully for the first time since the pandemic with schools and club's fully open and engaging with external bodies.

Our rugby camps have been refreshed into new Tag, Core, Development, Girls and Residential channels and this has led to a resurgence in the number of players we have been able to coach with over 2,000 under 18's joining us through the season, and seeing a sell-out of our first residential camp at Oakham this summer.

Our women's and girls' activities have taken a quantum leap forward as our women's team finished top of Championship North in our first ever season, winning every league game, and breaking numerous records. This was a part of our successful bid to join the newly crowned Premiership Women's Rugby (PWR) for the 23/24 season which has seen the club put together a more professional set up which includes permanent coaches, medical and physical performance support and has allowed us to welcome international stars such as Amy Cokayne, Meg Jones, Leah Bartlett and Fran McGhie to the squad.

All this has been supplemented by our continued work with partner club Lichfield who have over 60 women registered in their women's teams, and we have also set up a new link with Championship side Kenilworth to ensure our wider development squad have the best opportunities to play. Furthermore our 16-18-year-old provision at SMB College Group (Brooksby campus) now has 30 girls registered as we go into the second year of our 'academy' provision there. This is alongside the over 100 boys we have playing and learning at Brooksby as part of our men's pathway from which all six of our senior academy players graduated during the 22/23 season.

Following the success of our Leicestershire pilot program, Tigers+ was expanded into Staffordshire in the last season using our links with the great clubs in that area including Lichfield. Tigers+ main outcome is to make rugby part of the curriculum offered in high schools whether that be during school time, or through after school clubs. Rugby has not been in the curriculum for high schools for many years, and Covid left the number of schools offering rugby as an opportunity at around 10% of the total school inventory. Through the work of our community team we have seen that dial move to 46 out of 65 high schools (increased from 4) in Leicestershire and 23 of 71 high schools (increased from 12) in Staffordshire with over 1,500 pupils taking part across the two counties.

Our wheelchair rugby team has also had a hugely successful season with victories in both the quads and the fives competitions cementing their position as the best wheelchair rugby team in the country. As well as back to back premiership titles, the squad have introduced a development team, called the Swifts, which now is the first 'A' team in the wheelchair rugby setup. The squad boasts five GB Internationals along with two members of the GB coaching setup along with Ex-Tigers' academy player Taylor Gough, who was paralysed after a car accident during Covid, and has ambitions to play internationally too.

Women's Rugby

Leicester Tigers' women's program enters new territory during the 2023/24 season as the club enters the top tier of women's rugby for the first time. Premiership Women's Rugby (PWR) is widely seen as the best quality and most competitive women's domestic league in the world.

To compete at this level the club must commit to several minimum standards (set by the RFU) and the Board has set out its ambition for the Tigers program to be competitive at the top level.

As well as taking on a full-time coaching team under Vicky Macqueen, a squad of 45 players including 15 internationals has been assembled and a new training ground, the former site of Oadby Town FC has been procured for the team to work from.

The support for the women's team has been spectacular and the club can boast over 4,500 Season Ticket Holders for the coming season, alongside eight new partners, four of whom are shared with the men and four of whom sponsor the women alone. This along with ticketing and central revenues means that the women's team will be able to operate sustainably while we all hope that over time Vicky and her squad can become a competitive force in the PWR.

Strategic Report CONTINUED

Business Review (cont'd)

Environmental Stewardship

Leicester Tigers holds a strong commitment to environmental sustainability and has made significant progress in the past year. While we strongly believe in the importance of environmental sustainability, the prevailing economic climate and the financial landscape within the rugby industry have posed certain constraints on our endeavours.

Our Club recognises the vital role that businesses play in preserving the environment for future generations. Despite the challenges, we remain steadfast in our efforts to promote sustainable practices and create a positive impact on the world around us.

Over the past year, we have taken notable strides in aligning with environmental sustainability objectives. One key initiative has been the establishment of an employee-led Green Team, comprising representatives from various departments across the club. This collaborative effort has resulted in tangible outcomes, particularly in the realm of energy conservation. Our collective modifications in behaviour have contributed to a commendable 17% reduction in energy consumption at the stadium, with a significant focus on reducing electricity usage.

In addition to our internal initiatives, we have actively engaged with external forums and working groups to deepen our understanding of environmental sustainability. This commitment to continuous learning reflects our dedication to staying abreast of evolving best practices and industry trends.

Furthermore, we have taken steps to address our environmental footprint during matchdays. Our decision to eliminate single-use plastic cups and replace them with more environmentally friendly alternatives underscores our commitment to responsible consumption and waste reduction.

While we take pride in these achievements, it is important to acknowledge the challenges we face. The current economic climate, combined with the financial dynamics inherent to the rugby industry, has required careful allocation of resources. Despite our aspirations, we recognise that dedicating extensive time and resources to our environmental sustainability goals has been constrained by these external factors.

However, our dedication to environmental sustainability remains unwavering. The achievements highlighted herein demonstrate our commitment to making a positive impact within the parameters in which we operate. As we move forward, we remain open to exploring new opportunities and innovations that will enable us to further enhance our environmental performance.

Employment Policy

Leicester Tigers strive to create a diverse and inclusive environment where people feel entrusted to challenge, inspire and succeed.

The clubs aim is to attract talent without bias. The fundamental building blocks of this are carefully crafted roles and a recruitment process that enables applicants to feel engaged and get a real insight into the culture of the club.

Beyond this, induction and CPD are under review to add a richness to every individual's experience with the club and a Dynamic Working Policy has been launched offering staff access to a variety of workspaces that complements what they are trying to achieve.

Risk & uncertainty

The principal risks and uncertainties of the business and the steps taken to mitigate these risks are set out below:

Income generation – the ability to generate income dictates the level of investment the board can make in facilities as well as the on and off field personnel required to deliver the objectives of the club. A sustained fall in income leads to a reduction in the levels of financial resource available for re-investment. The overriding driver of income for the club is performance on the pitch. The board aims to ensure success on the pitch by recruiting world class coaching, medical personnel and players as well as providing the best possible training environment. Off the pitch the board seeks to mitigate the risk to income by entering into long term agreements with sponsors and other commercial partners. The club's ticket pricing strategy is competitive and aims to strike a fair balance between the highest possible attendances and financial return. Ticket prices are reviewed annually in accordance with market conditions. Broadcasting and certain other revenues are derived from contracts which are currently centrally negotiated by PRL, and the club does not have any influence, alone, on the outcome of the various contract negotiations. However, the club, through its membership of various PRL committees fosters a strong and open relationship with the PRL executive team and, where possible, both parties work collaboratively to grow central revenues which are ultimately invested back into the clubs.

In the 22/23 season, the loss of home fixtures as a result of Wasps and Worcester going into administration, negatively affected planned turnover. The management team responded well to ensure that Season Ticket Holders were not left without games by adding additional fixtures to fill the void and negate the lost revenue to the club.

Strategic Report CONTINUED

Business Review (cont'd)

Risk & uncertainty (cont'd)

Maintenance and security of assets – the club owns the Mattioli Woods Welford Road stadium as well as part of Oval Park (some of which is leased). Mattioli Woods Welford Road is a key income generator for the club through its hosting of games and other events. The loss of either facility would have a detrimental effect on the club. The club takes extensive measures to safeguard these and other assets by employing a team of maintenance and facilities management personnel to undertake preventative maintenance programmes at both facilities. In addition, the club procures extensive insurance policies that, in the event of damage to assets, will provide recompense for such damage and loss of earnings.

The provision of funding – the continued availability of funding from key stakeholders is important to the prospects of the club. The club is in regular communication with its bankers and DCMS in relation to its existing debt to ensure on-going compliance around financial covenants as well as ensuring a rigorous annual budgeting process is in place to ensure continued compliance. The club has several shareholders who have provided financial support in the past and in March 2023 the club raised over £13m in funding from senior shareholders, of which £8.9m had been received by year end, aimed at protecting the club against the current challenges being faced by the rugby industry.

Compliance with financial and legal regulations – the club has appropriate policies in place to manage its obligations regarding employment law and employee matters, environmental issues and anti-corruption/anti-bribery but does not consider that these are areas of significant strategic risk to its operations. The club is fully compliant with current rugby regulations and manages the risk of non-compliance through the employment of a full-time salary cap officer who participates in consultations around any changes to the salary cap framework and through long term strategic squad planning. The club also fully complies with all minimum standards required by central governing bodies.

Going Concern

The directors have considered the working capital requirements of the company for the foreseeable future to include investment in people, capital expenditure, operating costs and its ability to meet the covenants stipulated in the financial arrangements it has with various stakeholders.

In determining whether the group's annual financial statements can be prepared on a going concern basis, the Directors have considered the group's business activities, together with the factors likely to affect its future development, performance and position. The review also includes the financial position of the company and the wider group that the company is part of, their short term and long-term cash flows, liquidity position and borrowing facilities.

The key factors considered by the directors in making the assessment of going concern were as follows:

- Implications of the continued recovery from the COVID-19 pandemic and its effect on company revenues
- Implications of the current economic environment, in particular the impact of rising inflation and interest and the wider impact of the war in Ukraine
- The requirement to meet the terms of ongoing credit and loan facilities with HSBC, DCMS and shareholders
- The availability of further funding from existing and new stakeholders
- Consideration of the unfortunate events surrounding other Premiership clubs and what the implications of those events on other clubs may be
- Downside scenarios and plausible mitigation actions the board may take to address those potential downsides

In assessing the appropriateness of the going concern assumption, the club has produced cash flow forecasts that extend to the end of 2025, which consider severe but plausible downsides. They also take into account various possible scenarios to reflect the inherent uncertainty over the current economic environment and the continued recovery out of COVID-19. Under all reasonable foreseeable scenarios, based on the cashflow forecast, the expectations of first team performance and the availability of external financing as required, the board has concluded that the club can meet its liabilities as they fall due for a period of not less than 12 months from the date of approval of the financial statements. As such, the directors have concluded that the financial statements have been prepared on the going concern basis and no material uncertainty exists.

Strategic Report CONTINUED

Business Review (cont'd)

Business outlook: the year ahead

2022/23 was a dark season for Premiership Rugby with the loss of three clubs from the league sending shock waves through the rugby world. Inevitably the continuous punches from world events was going to result in business failures and clearly rugby has not been immune from this. The financial landscape for Premiership clubs remains challenging and will remain so for a few years. Rising inflation and interest rates have put significant cost pressures on the club but we are determined to meet the challenges head on to ensure your club continues, not only to survive but thrive!

In recent months we have entered into negotiations with all of our main creditors to restructure the terms of our financial arrangements with them and once concluded will provide the club with more flexibility around scheduled repayments and alleviate some pressure on operating profits used to service our debt.

Our forecast revenues are strong with firm commitments from our sponsors and partners and season tickets sales continue to increase back towards levels not seen since our former glory days. We continue to invest in our assets with the aim of improving incremental revenues and profit. This can be seen from the recent investment in a new club shop as well as new hospitality offerings like the Chairman's Lounge which is already proving to be a success. In addition, in cooperation with our catering partner, Levy, significant upgrades have been made to the stadium facilities with new technologies being added which will improve the overall catering experience for the fans.

It is important to note that almost 28% of our revenues are not directly under our control. Revenues generated by PRL and the RFU which are then distributed to the clubs are also under pressure, but we are hopeful that the broadcasting deal being negotiated by PRL will be concluded favourably. That coupled with the new Professional Game Agreement currently being negotiated by PRL with the RFU bring hope that central revenues will soon return to pre Covid-19 levels.

Our quest towards financial stability will continue abated and our continued focus on cost control and working more efficiently will contribute to that objective whilst maintaining our competitiveness on the field where we continue to invest in top class talent. The club is wholly committed to its strategy but ultimately, financial sustainability will only transpire from much higher revenue distributions to clubs from PRL and the RFU and the required growth in their respective commercial revenues.

S172 Statement

For accounting years starting after 1 January 2019, all public companies are required to include a s172 statement in their Strategic Report. S172 of the Companies Act 2006 requires a director to act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole and, in doing so, have regard to such things as the long-term consequences of decisions, the interests of the company's employees, the impact on other stakeholders such as customers, suppliers and the local community and the need to act fairly as between members of the company.

The directors have identified several key stakeholders and set out below how they have taken the interests of these different stakeholders into account in discharging their duties under s172.

Shareholders – despite the challenging conditions brought on by the pandemic and further exacerbated by raging inflation and interest rates, the directors understand the continued need to develop and underpin the financial strength of the club with a view to establishing a sustainable financial model and to increase the value of the club's assets for the long-term benefit of its shareholders. Whilst income streams have largely returned to normal levels, the loss of three Premiership teams during the season has exerted additional pressure on the club's revenue lines. Along with the management team, the directors continue to work at sourcing additional revenue streams and keep in place a programme to manage costs where possible without damaging the long-term viability of the business or indeed the service levels it continues to provide. The additional funding provided by key Shareholders during the year, has provided financial stability for the medium term but there are significant roadblocks before the business can fully service its debt without shareholder contribution. The Directors continue to work closely with the business's funders to ensure liabilities are met, upon agreed terms.

A robust system of cost control is in place to ensure that expenditure is rigorously reviewed in line with budgets. Detailed checks and procedures ensure ongoing compliance with the squad salary cap, so the club does not lay itself open to the financial penalties resulting from non-compliance. Having won the Premiership in 21/22 the club was subject to an enhanced salary cap audit which was completed with no irregularities noted.

Work is ongoing to improve shareholder value through the continued development of the Mattioli Woods Welford Road stadium, with a new retail store having opened in August underneath Hotel Brooklyn. In addition a new corporate hospitality offering (The Chairman's Lounge) was opened at the start of the Gallagher Premiership season. These initiatives will enhance the customer experience at Mattioli Woods Welford Road, and it is expected that the investment, aided by Levy UK will provide enhanced future returns.

Strategic Report CONTINUED

S172 Statement (cont'd)

Shareholders are kept in touch with the workings of the board through the AGM which provides them with the opportunity to question the directors on any aspect of the business. Many of our shareholders are also supporters and can raise any concerns they have when they attend home games. In addition, our social media channels provide our shareholders and other stakeholders with regular updates on developments at the club.

Employees, players and coaches – the directors work to ensure a culture within the club that is inclusive and benefits all those involved and to ensure individuals receive the training necessary to carry out their roles. Staff based at Mattioli Woods Welford Road are encouraged to visit Oval Park and vice versa. The Chief Executive Officer holds regular meetings with senior managers and staff to enable open and frank discussions on a wide range of issues. A programme of regular staff meetings is in place to enable individuals to raise concerns and make suggestions for improving the business.

Customers – the club has a range of customers including sponsors, corporate clients, season and match day ticket holders. These have differing priorities which the directors have identified and work to fulfil. The commercial teams meet regularly with sponsors and corporate clients to develop long-term relationships which benefit both parties and to provide flexible packages to meet their specific needs. The Chairman and the Chief Executive Officer hold regular meetings with sponsors to keep them up to date with developments and supporters' forums are held regularly to ensure an open dialogue with our Season Ticket Holders.

A range of packages has been put in place to enable supporters to purchase tickets to suit their requirements based on level of attendance and cost.

As mentioned above the retail operation is now located under the Hotel Brooklyn with the aim of providing the customer with an improved retail experience. That coupled with improvement in our online store and the quality of products delivered will enable us to meet customers' needs and improve revenues and profitability at the same time.

Suppliers – the directors continue to develop collaborative, open and supportive relationships with the club's suppliers and to develop long-term partnerships with key suppliers which deliver value for money for the club and certainty of business for the supplier. Payment terms are agreed in advance with suppliers, based on the size and type of business.

Funders – HSBC Bank plc has, for many years, supported the club by means of loans and an overdraft facility. The directors appreciate the need to maintain an open and honest relationship with HSBC and provide clarity regarding business performance. Representatives from the club, both at board and management levels, maintain regular contact with their counterparts at HSBC. The same can be said for the club's relationship with DCMS who have provided a lifeline to all Premiership clubs during the pandemic. Regular meetings are held with DCMS representatives to review past cashflows and forecast future cashflows.

Regulatory bodies – the regulatory body which has the most impact on the club is PRL. The Chairman attends regular meetings with PRL executives, and the Chair of the other Premiership clubs and our Chief Executive Officer and Finance Director hold regular meetings with their counterparts at other Premiership clubs and the relevant PRL executives. These meetings ensure the club is fairly represented at a central level, that its views and concerns are noted, and that the Premiership continues to be run for the benefit of the clubs.

Local community – the club has a strong commitment to making a positive impact on the local community of Leicester and the surrounding areas. Details of current projects and our plans are included on page 6 of the Strategic Report.

On behalf of the Board

Peter W G Tom, CBE
Executive Chairman

31 October 2023

Directors' Report

The directors present their annual report and the audited consolidated financial statements for the year ended 30 June 2023.

Results and dividend
The financial results are summarised in the consolidated profit and loss account on page 17. The directors do not recommend the payment of a dividend for the year ended 30 June 2023 (30 June 2022: Nil).

Business review
A review of the group's businesses, the principal risks and uncertainties, events since the year end and likely future developments are included in the Strategic Report from page 3 to 10.

Disclosure of information to auditors
The directors who held office at the date of approval of this directors' report confirm that, so far as each of them is aware, there is no relevant audit information of which the group's auditors are unaware. Each director has taken all the steps that he or she ought to have taken as a director to make him or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

The statement of directors' responsibilities in respect of the financial statements is included on page 13 and forms part of this report.

Directors
The following served as directors of the company throughout the year to 30 June 2023 and up to the date of these financial statements unless indicated otherwise:
Peter Tom CBE
Petar Cvetkovic
Fintan Kennedy
Andrea Pinchen
Tom Scott

In accordance with the company's articles of association, all of the directors above except Peter Tom, are required to stand for re-election at the forthcoming annual general meeting.

Corporate governance
Whilst we do not apply the provisions of the UK Corporate Governance Code as they are drafted for compliance by companies whose shares are listed and traded on a recognised stock exchange, the directors acknowledge the benefits of complying with the Code to the extent applicable to a company of the size and nature of Leicester Football Club Plc. As part of their decision-making process, the directors also take into consideration the sections of the Companies Act 2006 which define directors' duties and details of how they have fulfilled these duties are covered in the s172 Statement on page 9.

The directors hold regular board meetings at which they consider and approve the strategy and future development of the group and set budgets. They also approve financial policies and decisions to ensure these adequately control the financial risks to which the company is exposed and monitor financial performance.

The directors acknowledge their responsibilities for ensuring that the group has in place appropriate systems of internal control which are reviewed on a regular basis to ensure their continued effectiveness. To support this process there is an established audit committee comprised of the two non-executive directors listed below. The main functions of the audit committee are to liaise with the external auditors, to review the annual financial statements and to consider the effectiveness of the group's systems of internal control.

The remuneration committee, comprising the Chairman and two non-executive directors listed below. The committee is responsible for reviewing the remuneration packages for executive directors and senior managers to ensure that these adequately reflect the contribution these individuals make to the business and are in line with market forces.

The nomination committee is made up of the Chairman and one non-executive director listed below and is responsible for keeping under review the composition of the board and its effectiveness and proposing changes, as appropriate, for the board's consideration.

Directors' Report CONTINUED

All three committees have access to external professional advice when necessary.

Board committees
Audit Committee
Petar Cvetkovic (Chairman)
Tom Scott

Remuneration Committee
Tom Scott (Chairman)
Peter Tom
Petar Cvetkovic

Nomination Committee
Peter Tom (Chairman)
Tom Scott

Financial risk management
This is disclosed within note 18 of the financial statements.

Going concern
After making appropriate enquiries and taking into account all available information regarding the future of the group, the directors have a reasonable expectation that the group has adequate resources to continue in operation for a period of at least twelve months from the date of signing of these financial statements. The directors therefore continue to adopt the going concern basis in preparing the financial statements. The Business Review in the Strategic Report outlines the considerations of the board when assessing going concern.

Annual general meeting
The notice convening the annual general meeting to be held on Friday 1 December 2023 is enclosed with this report.

Independent auditors
In accordance with section 489 of the Companies Act 2006, a resolution for the reappointment of PricewaterhouseCoopers LLP as auditors of the company is to be proposed at the forthcoming meeting.

By order of the Board

Fintan Kennedy
Company Secretary

31 October 2023

Statement of Directors' Responsibilities in respect of the Financial Statements

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditors’ report to the members of Leicester Football Club Plc

Report on the audit of the financial statements

Opinion
In our opinion, Leicester Football Club Plc’s group financial statements and company financial statements (the “financial statements”):

- give a true and fair view of the state of the group’s and of the company’s affairs as at 30 June 2023 and of the group’s and company’s loss and the group’s cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”, and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report & Financial Statements (the “Annual Report”), which comprise: the Consolidated and Company Balance Sheets as at 30 June 2023; the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and Analysis of Changes in Net Debt for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (“ISAs (UK)”) and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors’ responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 group's and 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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors’ report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Independent auditors’ report to the members of Leicester Football Club Plc CONTINUED

Reporting on other information (cont’d)

Strategic Report and Directors’ Report
In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 30 June 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements
As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditors’ 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 auditors’ 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. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to salary cap regulations, as imposed by Premiership Rugby Limited, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and tax legislation. We evaluated management’s incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- discussions with management in relation to known or suspected instances of non-compliance with laws and regulations, and fraud.
- identifying and testing journal entries through a risk based approach, in particular an journal entries posted with unusual account combinations.
- Testing significant estimates/ judgements within the financial statements, through validating any underlying data and accuracy of the models utilised by management.
- Performing unpredictable audit procedures based on risk which vary from year to year.
- Testing of significant / unusual transactions (where material) for appropriate treatment within the financial statements
- Reviewing the financial statements for disclosures required by accounting standards and the Companies Act.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC’s website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors’ report.

Independent auditors' report to the members of Leicester Football Club Plc CONTINUED

Reporting on other information (cont'd)

Use of this report
This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Neil Philpott (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham

8 November 2023

Consolidated Profit and Loss Account

FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 £000	2022 £000
Turnover	5	**21,909**	21,991
Ground and match expenses		**(6,122)**	(6,305)
Administrative expenses		**(2,729)**	(3,216)
Staff costs	6	**(13,655)**	(13,210)
Exceptional other income	5	**1,000**	-
Depreciation and other amounts written off tangible and intangible fixed assets		**(1,338)**	(1,118)
Operating loss before interest and taxation		**(935)**	(1,858)
Interest receivable and similar income		**31**	1
Interest payable and similar expenses		**(632)**	(373)
Net interest expense	8	**(601)**	(372)
Loss before taxation		**(1,536)**	(2,230)
Tax on loss	9	**101**	147
Loss for the financial year		**(1,435)**	(2,083)

The company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the company profit and loss account. The loss for the year was £1,435,000 (2022: Loss £2,083,000).

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2023

	2023 £000	2022 £000
Loss for the financial year	**(1,435)**	(2,083)
Other comprehensive (expense)/income:		
Deferred tax timing differences	**108**	-
Gain on property valuation net of deferred tax (25%)	**-**	7,895
Total comprehensive (expense)/income for the financial year	**(1,327)**	5,812

Consolidated and Company Balance Sheets

AT 30 JUNE 2023

	Note	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Fixed assets					
Intangible assets	10	**3**	5	**5**	5
Tangible assets	11	**62,011**	62,485	**62,011**	62,485
Investments	12	**17,552**	17,552	**17,552**	17,552
		79,566	80,042	**79,566**	80,042
Current assets					
Inventory		**376**	258	**376**	258
Debtors	13	**2,736**	3,142	**2,736**	3,142
Cash at bank and in hand		**4,208**	-	**4,208**	-
		7,320	3,400	**7,320**	3,400
Creditors: amounts falling due within one year	14	**(8,601)**	(14,399)	**(8,601)**	(14,399)
Net current liabilities		**(1,281)**	(10,999)	**(1,281)**	(10,999)
Total assets less current liabilities		**78,285**	69,043	**78,285**	69,043
Creditors: amounts falling due after more than one year	15	**(16,081)**	(14,005)	**(16,081)**	(14,005)
Provisions for liabilities	17	**(10,416)**	(10,625)	**(10,416)**	(10,625)
Net assets		**51,788**	44,413	**51,788**	44,413
Capital and reserves					
Called up share capital	19	**10,073**	1,371	**10,073**	1,371
Share premium account		**16,263**	16,263	**16,263**	16,263
Other reserves	19	**38,686**	38,686	**38,686**	38,686
Accumulated losses		**(13,234)**	(11,907)	**(13,234)**	(11,907)
Total equity		**51,788**	44,413	**51,788**	44,413

The notes on pages 21 to 37 are an integral part of these financial statements.

These financial statements on pages 17 to 20 were authorised for issue by the board of directors on 31 October 2023 and were signed on its behalf by:

Peter Tom CBE
Executive Chairman

Leicester Football Club Plc
Registered company number: 03459344

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2023

	Called-up share capital £000	Share premium £000	Other reserves £000	Accumulated losses £000	Total equity £000
Balance as at 1 July 2021	**1,371**	**16,263**	**30,791**	**(9,824)**	**38,601**
Loss for the year	-	-	-	(2,083)	(2,083)
Revaluation of property	-	-	7,895	-	7,895
Total comprehensive income for the year	**-**	**-**	**7,895**	**(2,083)**	**5,812**
Share options	-	-	-	-	-
Total transactions with owners recognised directly in equity	**-**	**-**	**-**	**-**	**-**
Balance as at 30 June 2022	**1,371**	**16,263**	**38,686**	**(11,907)**	**44,413**
Loss for the year	-	-	-	(1,435)	(1,435)
Deferred tax timing differences	-	-	-	108	108
Total comprehensive income for the year	**-**	**-**	**-**	**(1,327)**	**(1,327)**
Shares issued during the year	8,924	-	-	-	8,924
Share issue costs	(222)	-	-	-	(222)
Total transactions with owners recognised directly in equity	**8,702**	**-**	**-**	**-**	**8,702**
Balance as at 30 June 2023	**10,073**	**16,263**	**38,686**	**(13,234)**	**51,788**

Company Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2023

	Called-up share capital £000	Share premium £000	Other reserves £000	Accumulated losses £000	Total equity £000
Balance as at 1 July 2021	**1,371**	**16,263**	**30,791**	**(9,824)**	**38,601**
Loss for the year	-	-	-	(2,083)	(2,083)
Revaluation of property	-	-	7,895	-	7,895
Total comprehensive income for the year	**-**	**-**	**7,895**	**(2,083)**	**5,812**
Share options	-	-	-	-	-
Total transactions with owners recognised directly in equity	**-**	**-**	**-**	**-**	**-**
Balance as at 30 June 2022	**1,371**	**16,263**	**38,686**	**(11,907)**	**44,413**
Loss for the year	-	-	-	(1,435)	(1,435)
Deferred tax timing differences	-	-	-	108	108
Total comprehensive income for the year	**-**	**-**	**-**	**(1,543)**	**(1,543)**
Shares issued during the year	8,924	-	-	-	8,924
Share issue costs	(222)	-	-	-	(222)
Total transactions with owners recognised directly in equity	**8,702**	**-**	**-**	**-**	**8,702**
Balance as at 30 June 2023	**10,073**	**16,263**	**38,686**	**(13,234)**	**51,788**

Consolidated Statement of Cash Flows
FOR THE YEAR ENDED 30 JUNE 2023

	Note	Group 2023 £000	Group 2022 Restated* £000
Net cash outflow from operating activities	20	**(2,570)**	(7,422)*
Cash flow from investing activities			
Payments to acquire intangible fixed assets	10	**(25)**	(10)
Payments to acquire tangible fixed assets	11	**(837)**	(517)
Interest received		**31**	1
Net cash flow used in investing activities		**(831)**	(526)
Cash flow from financing activities			
Interest paid		**(361)**	(162)*
Receipt of new long term loan		**1,000**	2,000
Repayment on long term loans		**(266)**	(344)*
Receipt of Share Capital less issue costs		**8,702**	-
Net cash flow generated in financing activities		**9,075**	1,494
Increase/(Decrease) in cash and cash equivalents		**5,674**	(6,454)
Overdraft and cash equivalents at the beginning of the year		**(1,466)**	4,988
Cash and cash equivalents/(overdraft) at the end of the year		**4,208**	(1,466)

Analysis of Changes in Net Debt
FOR THE YEAR ENDED 30 JUNE 2023

	Group			
	As at 1 July 2022 £000	Cash flows £000	Non Cash Movement £000	As at 30 June 2023 £000
(Overdraft)/Cash and cash equivalents				
Cash at bank and in hand	(1,466)	5,674	-	4,208
	(1,466)	5,674	-	4,208
Borrowings				
Debt due within one year	(2,665)	266	918	(1,481)
Debt due after one year	(13,978)	(1,000)	(1,103)	(16,081)
	(16,643)	(734)	(185)	(17,562)
Total	**(18,109)**	**4,940**	**(185)**	**(13,354)**

NOTES
(forming part of the financial statements)

1 GENERAL INFORMATION

Leicester Football Club Plc ("the company") is a Premiership Rugby Union Club also known as Leicester Tigers. Along with its subsidiaries (together "the group"), the club offers ticket sales and corporate hospitality at Premiership, European and domestic rugby games at the Mattioli Woods Welford Road stadium and international games at Twickenham. Non-matchday operations include conferencing and events, community programmes and supporters' events.

The company is a public company limited by shares and is incorporated in England.

The address of its registered office is The Club House, Aylestone Road, Leicester, LE2 7TR.

Whilst the group has different revenue streams, the activities of the group fall under one reporting segment as this is the way in which the board of directors reviews the financial performance and position of the group.

2 STATEMENT OF COMPLIANCE

The group and individual financial statements of the company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation
These consolidated and separate financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities, measured at fair value.

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group and company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

The company has taken advantage of the exemption in section 408 of the Companies Act 2006 from disclosing its individual profit and loss account and the FRS 102 exemption from presenting a company cash flow statement.

(b) Going concern
As at 30 June 2023 the group had an available overdraft facility of £4.0m which wasn't utilised at that date. The term loan of £7.4m with HSBC (balance as at 30 June 2023 £6.8m) has been fully serviced in the year and is committed with regular scheduled repayments and has been recently renegotiated to move to an interest only agreement for the next two years. The loan of £6.9m from DCMS allowed a two-year interest and capital repayment holiday and is subject to annual financial covenants. Capital and interest payments commenced in September 2023.

Shareholder loans remain in place and the existing loan facilities became fully drawn during the year. The group and company net current liabilities position is driven by the deferred income and supplier loan balances which are settled not in cash but through services delivered. The board approved cash flow forecasts of the club are under constant review and management are committed to achieving its budgetary targets set at the start each financial year. The directors have made assumptions around the projected cash flows of the club over the course of the 12 months from the signing date.

These assumptions consider severe and plausible downsides not limited to:
- The impact of rising inflation and interest rates
- Supply chain issues caused by the ongoing war in the Ukraine
- Continued reduced revenues from central bodies
- The on-going issues surrounding other Premiership clubs

All assumptions have been tested and flexed and actions the board can take to mitigate these scenarios have been planned. The combined agreed funding with the DCMS, HSBC and shareholders provides the directors with the confidence that the club can meet its obligations as and when they fall due for the foreseeable future. Therefore, the financial statements have been prepared using the going concern basis of accounting. Further information on the directors' considerations in relation to going concern are outlined in the Business Review in the Strategic Report

(c) Basis of consolidation
A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Where a subsidiary has different accounting policies to the group, adjustments are made to those subsidiary financial statements to apply the group's accounting policies when preparing the consolidated financial statements.

Any subsidiary undertakings or associates sold or acquired during the year are included up to, or from, the dates of change of control or change of significant influence respectively.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

NOTES CONTINUED

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Foreign currency
(i) Functional and presentation currency
The group financial statements are presented in pounds sterling and rounded to thousands.

The company's functional and presentation currency is pounds sterling.

(ii) Transactions and balances
Foreign currency transactions are translated into functional currency using the spot exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

(e) Revenue recognition
Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the group and value added taxes.

Where the consideration receivable in cash or cash equivalents is deferred, and the arrangement constitutes a financing transaction, the fair value of the consideration is measured as the present value of all future receipts using the imputed rate of interest where material.

The group recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the group retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the entity and (e) when the specific criteria relating to each of the group's sales channels have been met, as described below.

(i) Sales of match day products - match tickets and VIP hospitality
Income is recognised once the game has occurred. This is recognised as the point of delivery. Sales are usually by credit or payment card.

(ii) Sales of seasonal products - season tickets, executive boxes, VIP memberships and sponsorships
Income is recognised over the season to which it relates. Sales are usually made by credit or payment card, electronic transfer or direct debit payment scheme.

(iii) Sales of multi-season products - sponsorships and executive boxes
Income is attributed to each season as detailed in the terms of the contract. Payment is made by electronic transfer in accordance with the terms of the contract.

(iv) Sales of other services - conferences and events, rugby courses
Income is recognised when the event has occurred, which is recognised as the point of delivery.

(v) Central income - Premier Rugby Limited and the Rugby Football Union
Funding is recognised upon receipt, unless contingent upon specific criteria or a future event. During the year ending 30 June 2019 the company received funds relating to the company's share of commercial income for the next four years. This is recognised within income evenly over this period, which is in line with the company's legal entitlement.

(vi) Grant income
Grants in respect of capital expenditure are treated as deferred income and released to the profit and loss account over the expected useful lives of the assets concerned. Government grant funding in relation to revenue expenditure is recognised as other operating income in the period in which amounts become receivable.

(f) Inventory
Accounting regulations require that stock is valued at the lower of cost or net realisable value. Net realisable value (NRV) is defined as the market value of the products, less the costs associated with selling them.

As at 30 June 2023 the following locations within the business held inventory: -
- Mattioli Woods Welford Road Retail Stadium
- Whetstone Warehouse Unit

Stock items purchased for the purposes of re-sale are held across the Warehouse Unit and Retail Stores, whilst stock items bought for events or hospitality giveaways are held in locked storage at the Mattioli Woods Stadium.

Stock is be valued on the FIFO (First In First Out) basis. If the net realisable value of a product is lower than the cost of the product, this is reflected in the value of the inventory. The reduction to the value of a product cost is actioned as soon as it is ascertained. If a product is deemed to have no re-saleable value, the cost of the product/ unit is set to zero.

(g) Employee benefits
The group provides a range of benefits to employees, including annual commissions and bonus arrangements, paid holiday arrangements, private health insurance, share incentive schemes and defined contribution pension plans.

(i) Short term benefits
Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the periods in which the service is received.

(ii) Defined contribution pension plans
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 when they are due. Amounts not paid are held separately from the group in independently administered funds.

NOTES CONTINUED

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Taxation
Taxation expense for the period comprises current and deferred tax recognition in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax
Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax
Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods differing from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

(i) Intangible assets
Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses.
Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful life as follows:

Player transfer fees	- over the term of the contract
Software	- 3 to 5 years

Amortisation of player transfer fees and software is charged to depreciation and other amounts written off tangible and intangible assets in the profit and loss account. Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the amortisation rate is amended proportionally to reflect the new circumstances.

(j) Tangible assets
Tangible assets are stated at cost (or revalued cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restorations costs.

(i) Land & buildings
Land and buildings include freehold and leasehold stadia, training facilities and offices. Land and buildings are stated at cost or revalued cost (or deemed cost for land and buildings held at valuation at the date of transition to FRS 102) less accumulated depreciation and accumulated impairment losses.

Land and buildings at Mattioli Woods Welford Road and Oval Park are subject to a professional valuation every 5 years on a depreciated replacement cost basis. An interim valuation is carried out by the directors when deemed necessary, but at least every 3 years.

(ii) Fixtures, fittings, tools and equipment
Fixtures, fittings, tools and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

(iii) Depreciation and residual values
Land is not depreciated. Depreciation on other assets is calculated, using the straight-line method, to allocate the depreciable amount to their residual values over their estimated useful lives, as follows:

Freehold land and buildings at Mattioli Woods Welford Road	- over periods up to 80 years
Freehold land and buildings at Oval Park	- 10 to 50 years
Short leasehold land and buildings at Oval Park	- 10 to 50 years
Fixtures, fittings, tools and equipment	- 3 to 10 years

The assets' residual values and useful economic lives are reviewed, and adjusted if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

(iv) Subsequent additions and major components
Subsequent costs, including major inspections, are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the group and the cost can be measured reliably.

The carrying amount of a replaced component is derecognised. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over their useful lives.

Repairs, maintenance and minor inspection costs are expensed as they are incurred.

NOTES CONTINUED

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Tangible assets (cont'd)

(v) Assets under the course of construction
Costs (including directly attributable finance costs) are capitalised throughout the period of construction. At the point of commissioning, the assets are transferred to their relevant asset categories and depreciated or revalued as appropriate.

(vi) Derecognition
Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the new disposal proceeds and the carrying amount is recognised in the profit or loss account.

(k) Borrowing costs
Borrowing costs which are directly attributable to the construction of an asset are capitalised to the practical completion date.

All remaining borrowing costs are recognised in the profit and loss account in the period in which they are incurred.

(l) Leased assets
At inception the group assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of that arrangement.

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the periods of the leases.

(m) Investments - company
(i) Investment in subsidiary

Investment in a subsidiary company is held at cost less accumulated impairment losses.

(ii) Other investments
Investments held in the group other than loans are measured at fair value at each balance sheet date using a valuation technique with any gains or losses being reported in the profit and loss account.

(n) Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within the borrowings in current liabilities.

Short term cash deposits which are not repayable on demand without the company suffering a financial penalty are shown as short term cash investments and included as cash equivalents in the statement of cash flows. Interest paid in 2022 has been restarted from £373,000 to £162,000 in the cashflow statement with a corresponding adjustment in Creditors.

(o) Provisions and contingencies

(i) Provisions
Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an overflow of resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations might be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

(ii) Contingencies
Contingent liabilities arise as a result of past events when (a) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date, or (b) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the group's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

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

(p) Financial instruments
The group has chosen to adopt sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets
Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transition, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest rate.

NOTES CONTINUED

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Financial instruments (cont'd)

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flow discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Other financial assets, including investments in equity instruments, which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities
Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facilities will be drawn down. The fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Suppliers' loans unwind in accordance with their contractual terms and conditions.

(iii) Compound financial instruments
Compound financial instruments issued by the group comprise convertible loan notes that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability and equity components in proportion to the initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

(iv) Offsetting
Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

(q) Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

NOTES CONTINUED

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Distributions to equity holders
Dividends and other distributions to the group's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

(s) Related party transactions
The group discloses transactions with related parties which are not wholly owned within the same group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the group financial statements.

4 CRITICAL ACCOUNTING JUDGEMENTS AND 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 group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Investment accounting (Judgement and estimate)

The company holds its investment in PRL at fair value as required under section 12 of FRS 102. The company has invested units and shares in PRL. The valuation of these was initially provided by PRL based upon independent advice sought at the time of the restructuring. The board has conducted its own review of the fair value of this investment each year based upon the expected future cash inflows due to the club from its investment in PRL.

The shares held in PRL have been held at nil value as, whilst they convey voting and dividend rights, the company expects the future cash inflows from these to be nil as PRL is set up to break even with all income less costs being distributed to members through the invested units agreement.

The cash flows that are expected to be distributed to clubs from the invested units have been obtained from PRL, and have been used by the directors in their calculation of the fair value of the invested units. In the judgement of the board, whilst there is uncertainty in respect of the future cash flows, the longer term impact of the coronavirus pandemic and other issues impacting on the sport are not expected to diminish the expected future cash inflows from this investment. During the period ending 30 June 2021 the distribution rate allocated to the invested units increased from 33% to 50% and the associated uplift in the value of the invested units was reflected in the 2021 financial statements. The expected cash inflows have been discounted at an appropriate Weighted Average Cost of Capital ("WACC"). The ownership of the asset is highly restricted due to the terms of the shareholder agreement pertaining to the invested units and there have not been any recent transactions to provide a market valuation.

Any changes to the expected cash inflows, estimates made relating to the WACC or changes to the share structure / percentage of invested units held in the future could result in a materially different valuation compared to that recorded as at 30 June 2023.

Commercial contracts/transactions (Judgement)
The judgement as to when to recognise income derived from commercial contracts, including amounts received from PRL, is an area of complexity and significant judgement. These contracts often have different elements to the agreement, the obligations of which could be settled at different times. In addition, the agreements can often span accounting periods with the timing of cash receipt often being in advance of the services provided. As these judgements are based upon historical trends and future expectations, any changes to these agreements or to the expected future events could result in material changes to the income that should be recognised under the company's accounting policies and FRS 102.

Stadium property development and valuation (Judgement and estimate)
The company has chosen to account for its property portfolio at fair value. The properties are revalued periodically by independent experts and then annually by the board of directors where an independent valuation is not sought. A full independent valuation was performed under the depreciated replacement cost basis as at 30 June 2022. This highlighted a material increase in the depreciated replacement cost of the properties since the last independent valuation was performed (30 June 2019), primarily due to increased labour costs, the depreciation of sterling and rising costs of material (namely steel). The increase in these costs was over and above the depreciation charged in the period since the last valuation. Should these trends reverse, or continue to increase above depreciation charged, then the valuation going forward could be materially different, even when evaluated under the same basis.

NOTES CONTINUED

5 TURNOVER AND OTHER OPERATING INCOME

FOR THE YEAR ENDED 30 JUNE	2023	2022
	£000	£000
All turnover originates in the UK.		
Analysis of turnover by category:		
Rugby income	**5,294**	5,779
PRL/RFU Income	**4,730**	4,129
Commercial income	**9,460**	8.850
CVC income	**2,425**	3,233
	21,909	21,991
Other operating income:	**1,000**	-

Other operating income includes non recurring exceptional amounts received by the Club during the year.

6 OPERATING LOSS

FOR THE YEAR ENDED 30 JUNE	2023	2022
	£000	£000
Loss is stated after charging:		
Wages and salaries	**11,877**	11,543
Social security costs	**1,421**	1,362
Other pension costs	**357**	305
Staff costs charged to profit and loss	**13,655**	13,210
Amortisation of intangible assets	**27**	22
Depreciation of tangible assets	**1,311**	1,096
Operating lease charges	**116**	96

Auditors' remuneration:

FOR THE YEAR ENDED 30 JUNE	2023	2022
	£000	£000
Fees payable to the company's auditors and its associates for the audit of the parent company and the group's consolidated financial statements	**50**	47
Fees payable to the company's auditors and their associates for other services:		
Other services relating to taxation	**-**	-
Total amount payable to the company's auditors and their associates	**50**	47

NOTES CONTINUED

7 EMPLOYEES AND DIRECTORS

FOR THE YEAR ENDED 30 JUNE	2023	2022
	Number	Number
Employees		
The average monthly number of persons (including executive directors) employed by the group during the year was:		
Playing and coaching staff	**95**	107
Administration and other support staff	**92**	97
	187	204

	£000	£000
Directors		
The directors' emoluments were as follows:		
Aggregate emoluments	**259**	222
Company contributions to money purchase pension schemes	**19**	11
Total	**278**	233

Post-employment benefits are accruing for one director (2022: one) under a money purchase scheme.

There were no share options awarded to the directors during the year and no director exercised options in the year.

Highest paid director		
The highest paid director's emoluments were as follows:		
Total amount of emoluments and amounts (excluding shares) receivable under long-term incentive scheme	**259**	222
Money purchase pension scheme	**19**	11
	278	233

The executive directors control the business on a day to day basis and represent the key management within the organisation. The information presented above is the same for the group and company.

8 NET INTEREST EXPENSE

FOR THE YEAR ENDED 30 JUNE	2023	2022
	£000	£000
(a) Interest receivable and similar income		
Bank interest received	**31**	1
Total interest receivable and similar income	**31**	1
(b) Interest payable and similar expenses		
Interest expense on loans	**(632)**	(373)
Total interest expense on financial liabilities not measured at fair value through profit or loss	**(632)**	(373)
(c) Net interest expense		
Interest receivable and similar income	**31**	1
Interest payable and similar expenses	**(632)**	(373)
Net interest expense	**(601)**	(372)

NOTES CONTINUED

9 TAX ON LOSS

FOR THE YEAR ENDED 30 JUNE	2023	2022
	£000	£000
(a) Tax income included in profit and loss		
Current tax:		
UK corporation tax on loss this year (arising from previous year)	**-**	-
Total current tax	**-**	-
Deferred tax:		
Current year	**(98)**	(143)
Adjustment in respect of prior periods	**(3)**	(4)
Total deferred tax	**(101)**	(147)
Tax on loss	**(101)**	(147)

(b) Reconciliation of tax credit
The current tax credit for the year is lower (2022: lower) than the standard effective rate of corporation tax in the UK of 20.5% (2022: 19%). The differences are explained below:

Loss before taxation	**(1,536)**	(2,230)
Loss before taxation multiplied by the standard effective rate of tax in the UK of 20.5% (2022: 19%)	**(315)**	(424)
Effects of:		
Expenses not deductible	**234**	316
Chargeable gains	**(88)**	1,781
Impact of rate change	**(37)**	528
Deferred tax charge recognised in other comprehensive income	**108**	(2,344)
Adjustment to tax charge in respect of prior years	**(3)**	(4)
Tax credit on loss	**(101)**	(147)

10 INTANGIBLE ASSETS

AS AT 30 JUNE	Transfer fees	Software	Total
	£000	£000	£000
Group and Company			
At 30 June 2022			
Cost	681	303	984
Accumulated amortisation and impairment	(681)	(298)	(979)
Net book amount	**-**	**5**	**5**
Year ended 30 June 2023			
Opening Net Book Value	-	5	5
Additions	25	-	25
Amortisation	(25)	(2)	(27)
Net book amount	**-**	**3**	**3**
At 30 June 2023			
Cost	681	303	984
Accumulated amortisation of impairment	(681)	(300)	(981)
Net book amount	**-**	**3**	**3**

NOTES CONTINUED

11 TANGIBLE ASSETS

AS AT ENDED 30 JUNE - GROUP AND COMPANY	Freehold land and buildings at Mattioli Woods Welford Road	Freehold land and buildings at Oval Park	Short leasehold land and buildings at Oval Park	Fixtures, fittings, tools and equipment	Total
	£000	£000	£000	£000	£000
At 30 June 2022					
Cost or Valuation	57,500	2,310	1,399	4,061	65,270
Accumulated depreciation and impairment	-	-	-	(2,785)	(2,785)
Net book amount	**57,500**	**2,310**	**1,399**	**1,276**	**62,485**
Year ended 30 June 2023					
Opening net book amount	57,500	2,310	1,399	1,276	62,485
Additions	-	27	-	810	837
Depreciation charge	(653)	(70)	(69)	(519)	(1,311)
Closing net book amount	**56,847**	**2,267**	**1,330**	**1,567**	**62,011**

Freehold land and buildings at Mattioli Woods Welford Road and Oval Park together with short leasehold land and buildings at Oval Park were revalued by Innes England, Independent Chartered Surveyors, in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors, as at 30 June 2022 using the depreciated replacement cost basis.

Under the historic cost convention the net book value of the following groups of assets would have been:

GROUP AND COMPANY AS AT 30 JUNE	2023	2022
	£000	£000
Freehold land and buildings at Mattioli Woods Welford Road	**26,872**	27,259
Freehold land and buildings Oval Park	**532**	550
Short leasehold land and buildings Oval Park	**473**	499
	27,877	28,308

NOTES CONTINUED

12 INVESTMENTS

AS AT 30 JUNE - GROUP AND COMPANY	Premier Rugby Limited	Total
	£000	£000
At 30 June 2022		
Cost	17,552	17,552
Net book amount	**17,552**	**17,552**
At 30 June 2023		
Cost	17,552	17,552
Net book amount	**17,552**	**17,552**

The principal activity of PRL is to promote and foster the interests of member clubs. It is incorporated in the UK. Please see note 4 for the basis of this valuation.

The company holds Invested Units in PRL which are held at fair value in accordance with PRL and the other clubs in the league. Each of the Premiership clubs hold one Invested Unit, with the company's shareholding being 9.1% (PY: 7.7%). The historical cost of the Invested Units is £nil.

13 DEBTORS

AS AT 30 JUNE	Group		Company	
	2023	2022	2023	2022
	£000	£000	£000	£000
Trade debtors	**1,964**	2,424	**1,964**	2,424
Other debtors	**186**	269	**186**	269
Prepayments and accrued income	**586**	449	**586**	449
	2,736	3,142	**2,736**	3,142

Trade debtors are stated after provision for impairment of £15,300 (2022: £nil).

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

AS AT 30 JUNE	Group		Company	
	2023	2022	2023	2022
	£000	£000	£000	£000
Loans and overdrafts	**1,269**	3,971	**1,269**	3,971
Trade creditors	**816**	1,379	**816**	1,379
Taxation and social security	**1,380**	1,455	**1,380**	1,455
Supplier loans	**212**	160	**212**	160
Accruals and deferred income	**4,924**	7,434	**4,924**	7,434
	8,601	14,399	**8,601**	14,399

Accruals and deferred income includes £3,735,000 (2022: £5,887,000) in relation to deferred income.

NOTES CONTINUED

15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

AS AT 30 JUNE	Group		Company	
	2023	2022	2023	2022
	£000	£000	£000	£000
Amounts falling due between one and five years				
Loans	**7,861**	4,551	**7,776**	4,551
Supplier loans	**208**	454	**208**	454
Accruals and deferred income	**-**	27	**-**	27
	8,069	5,032	**8,069**	5,032
Amounts falling due after more than five years				
Loans	**8,012**	8,973	**8,012**	8,973
	8,012	8,873	**8,012**	8,873
Total creditors falling due after more than one year	**16,081**	14,005	**16,081**	14,005

16 LOANS AND OTHER BORROWINGS

AS AT 30 JUNE	Group		Company	
	2023	2022	2023	2022
	£000	£000	£000	£000
Loans and overdrafts	**17,142**	17,495	**17,142**	17,495
Supplier loans	**420**	614	**420**	614
	17,562	18,109	**17,562**	18,109

Loans
All loans hold securities over certain company assets and undertakings in accordance with the terms of the loans and debentures with the company which are disclosed with Companies House.

HSBC Bank plc Loan
The bank loan has a value of £6.8m at the year end. The loan is repayable over twenty years. Interest is payable on the loan at 2% above the Bank of England base rate. The fair value of the bank loan is considered to be the book value. Costs associated with the bank loan are netted-off against the principal amount and released over the repayment term.

DCMS loan
The loan has a value of £6.9m at the year end. The loan is repayable over ten years with no repayments due in the first two years with the first repayment being made in September 2023. Interest is payable on the loan at 2% per annum. The fair value of the bank loan is considered to be the book value.

Supplier loan
The supplier loan is a cash advance to the company which is recognised in the profit and loss account over the life of the supplier contract. The loan has a value of £0.4m at the year end.

Secured Redeemable Loan Notes
The loan has a value of £3m at the year end. The redeemable loan notes bear interest at 5%. These have been classified as wholly within creditors falling due after more than one year. The fair value of the loan notes is considered to be the book value. The loan notes are redeemable on 30 June 2025.

NOTES CONTINUED

17 PROVISIONS FOR LIABILITIES

AS AT 30 JUNE - GROUP AND COMPANY	
	Deferred Tax
	£000
The group had the following provisions during the year:	
At 1 July 2022	(10,625)
Recognised in profit and loss account	101
Recognised in other comprehensive income	108
As at 30 June 2023	**(10,416)**

Deferred tax
The provision for deferred tax consists of the following deferred tax liabilities/(assets):

	Group		Company	
	2023	2022	2023	2022
	£000	£000	£000	£000
Difference between accumulated depreciation and capital allowances	**(1,441)**	(1,345)	**(1,441)**	(1,345)
Other timing differences	**(12,072)**	(12,217)	**(12,072)**	(12,217)
Tax losses	**3,097**	2,937	**3,097**	2,937
Deferred tax liability	**(10,416)**	(10,625)	**(10,416)**	(10,625)

Deferred tax assets are not recognised where there is insufficient certainty over the availability of suitable taxable profits against which these losses can be utilised. There are no unrecognised deferred tax assets as at 30 June 2023 (2022: £nil). Other timing differences also include deferred tax liabilities of £12,264,000 (2022: £12,372,000) in relation to the revaluation of the Invested Units in PRL and fixed assets.

NOTES CONTINUED

18 FINANCIAL INSTRUMENTS

AS AT 30 JUNE	Group		Company	
	2023	2022	2023	2022
	£000	£000	£000	£000
Financial assets at fair value through profit or loss:				
Investments	**17,552**	17,552	**17,552**	17,552
	17,552	17,552	**17,552**	17,552
Financial assets that are debt instruments measured at amortised cost:				
Cash at bank and in hand	**4,208**	-	**4,208**	-
Trade receivables	**1,964**	2,424	**1,964**	2,424
	6,172	2,424	**6,172**	2,424
Financial liabilities measured at amortised cost:				
Loans and overdrafts	**(17,562)**	(17,495)	**(17,562)**	(17,495)
Trade creditors	**(816)**	(1,379)	**(816)**	(1,379)
Accruals and deferred income	**(4,924)**	(4,768)	**(4,924)**	(4,768)
	(23,302)	(23,642)	**(23,302)**	(23,642)

Financial risk management and impairment of financial assets
The group is exposed to risks arising from the use of financial instruments. The following describes the group's objectives, policies and processes for managing those risks and the methods used to measure them.

The principal financial instruments used by the group, from which financial instruments risk arises, are trade receivables, cash and cash equivalents and other receivables and financial liabilities.

The group is exposed through its operations to the following financial instruments risks: credit risk, liquidity risk and interest rate risk. The policy for managing these risks is set by the board. The overall objective of the board is to set policies that seek to reduce the risk as far as possible without unduly affecting the group's competitiveness and flexibility. The policy for each of the above risks is described in more detail below.

Credit risk
Credit risk arises from the group's trade receivables. It is the risk that the counterparty fails to discharge their obligation in respect of the instrument. The group is mainly exposed to credit risk from credit sales. It is the group's policy to collect all trade receivables prior to the delivery of services. Where credit is extended beyond the point of delivery, the credit risk of new customers is assessed before entering into contracts. Such ratings are then factored into the credit assessment process and the appropriate credit term applied for each customer. The group does not enter into derivatives to manage credit risk.

All cash is held with reputable banks.

Other than the cash held by the group's bank at 30 June 2023, there are no other significant concentrations of credit risk within the group at the balance sheet date.

Liquidity risk
Liquidity risk arises from the group's management of working capital and the finance charges on its borrowings. It is the risk that the group will encounter difficulty in meeting financial obligations as they fall due.

The liquidity of each group company is managed locally and monitored by the board at group level. The level of the group's facilities is approved periodically by the board and negotiated with the group's bankers. At the balance sheet date, cash flow projections were considered by the board and the group is forecast to have sufficient funding facilities to meet the group's obligations as they fall due, under all reasonably expected circumstances.

Interest rate risk
The directors monitor interest rate risk and apply necessary hedging mechanisms where appropriate. The group is both equity and debt funded and these two elements combine to make up the capital structure of the business. Equity comprises share capital, share premium and reserves and is equal to the amount shown as Total equity in the balance sheet. Debt comprises loans as detailed in note 16.

NOTES CONTINUED

19 CALLED UP SHARE CAPITAL AND OTHER RESERVES

AS AT 30 JUNE - GROUP AND COMPANY	Number	
	000's	£000
Ordinary shares of 10p each		
Allotted and fully paid		
At 1 July 2022	13,712	1,371
Issued during the year	44,618	8,924
Share issue costs	-	(222)
At 30 June 2023	**58,330**	**10,073**

Other reserves
Other reserves consist of the following amounts:

	Property revaluation reserve	Investment revaluation reserve	Total
	£000	£000	£000
Group and Company			
At 1 July 2022 and 30 June 2023	**25,492**	**13,194**	**38,686**

The property revaluation reserve represents the increase in the valuation of land and buildings above the depreciated cost of the assets net of deferred taxation.

The investment revaluation reserve represents the increase in fair value of the PRL Invested Units net of deferred taxation.

As both of the above are unrealised reserves they are not distributable to shareholders and are recorded within other reserves.

NOTES CONTINUED

20 NET CASH OUTFLOW FROM OPERATING ACTIVITIES

FOR THE YEAR ENDED 30 JUNE	Group	
	2023	2022 Restated
	£000	£000
Loss for the financial year	**(1,435)**	(2,083)
Adjustments for:		
Tax on loss	**(101)**	(147)
Net interest expenses	**601**	372
Loss before interest and taxation	**(935)**	(1,858)
Amortisation of intangible assets	**27**	22
Depreciation of tangible assets	**1,311**	1,096
Deferred grant release	**(18)**	(23)
Deferred CVC income release	**(2,425)**	(3,233)
Working capital movements:		
Decrease/(Increase) in debtors	**861**	(711)
Increase in inventory	**(594)**	(5)
Decrease in payables	**(528)**	(251)
Decrease in taxation	**(75)**	(2,192)
Non cash movement on supplier loans	**(194)**	(267)
Net cash outflow from operating activities	**(2,570)**	(7,422)

21 RELATED PARTY TRANSACTIONS

Transactions with key management personnel

Some of the sponsors of the club are related parties by virtue of their relationships with other businesses. During the year revenues in relation to sponsorship and other commercial income of £36,000 (2022: £9,000) have been recorded with these related parties and at the year end amounts due to the club were £3,000 (2022: £3,000) (excluding VAT). These amounts due relate to the 2023/24 season.

During the year Sealyham Investments Limited and Hermco Property Limited invested a further £500,000 each in the form of redeemable loan notes. Sealyham Investments Limited and Hermco Property Limited now hold £1.5m each of loan notes which are redeemable on 30 June 2023 and bear interest at 5%.

See note 7 for disclosure of the directors' remuneration.

Following a review by the directors it was found that no director or other related party has undertaken any material transactions with the group during the year and the prior year.

The company's other related party transactions were with wholly owned subsidiaries and so have not been disclosed.

22 CONTROLLING PARTY

The parent company of Leicester Football Club PLC is Sealyham Investments Limited, a company incorporated in Jersey, Channel Islands with a registered office at 9 Bond Street, St Helier, Jersey, JE2 3NP. The ultimate controlling party is considered to be The Scott Family PTC Limited, a company registered in Guernsey, Channel Islands with a registered address of Oak House, Hirzel Street, Guernsey, GY1 3RH.

NOTES CONTINUED

23 SUBSIDIARIES AND RELATED UNDERTAKINGS

Leicester Football Club Plc own, or hold a majority shareholding in, the subsidiaries listed below.
The directors believe that the carrying value of the investments is supported by their underlying net assets.

FOR THE YEAR ENDED 30 JUNE	Country of incorporation	Nature of business	Interest
Tigers Events Limited	UK	Dormant	100% ordinary shares
Leicester Tigers Limited	UK	Dormant	100% ordinary shares
Harlequin Event Management Limited	UK	Dormant	69% ordinary shares
Grass Roots Rugby Limited	UK	Dormant	100% ordinary shares
Leicester Tigers Loan Notes Limited	UK	Dormant	100% ordinary shares

All of the above subsidiaries are included in the consolidation and have the same registered address as the company.

24 PENSION SCHEMES

The group operates defined contribution personal pension schemes on behalf of certain staff. The pension cost charge for the year represents contributions payable by the group to the schemes and amounted to £356,926 (2022: £305,411).

Contributions of £46,244 were outstanding at 30 June 2023 (2022: £36,303).

25 CAPITAL AND OTHER COMMITMENTS

At 30 June 2023 and 30 June 2022 the group and company had no capital commitments.

The group and company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

AS AT 30 JUNE - GROUP AND COMPANY	2023	2022
PAYMENT DUE	£000	£000
Not later than one year	**68**	44
Later than one year and not later than five years	**47**	52
Later than five years	**-**	-
	115	96

26 CASHFLOW RESTATEMENT

The Consolidated Statement of Cash Flow for 2022 has been restated to reflect interest paid changing from £373,000 to £162,000 and the repayment on the long term loan changing from £173,000 to £344,000. This restatement doesn't change the overdraft and equivalents number reported for the year.

Note 20: Net cash outflow from operating activities has been restated with the operating loss remaining unchanged for the year.

Leicester
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