Leicester
Football Club Plc

2022

Annual Report &
Financial Statements

“Twelve months ago, I stated that “a sense of justified pride is returning to the club”. On that incredible day in June, I think that everybody who is a part of Leicester Tigers who was at Twickenham, or watched it on television, or listened to the final on the radio, would have been incredibly proud of their team. I am sure all of the people of Leicester Tigers hold memories of that day that they will have forever.

The extraordinary memory I have of that day was the manner in which our supporters demonstrated the care they have for our club.

In that one game, our team had moments when the momentum was with us - and our supporters were deafening in their cries to help the team charge forward.

There were also long periods when the opposition had all of the momentum, our team was fighting with their backs to their try-line, it looked like we may break, it appeared that despite everything our players gave, it may not be enough – and during those moments our supporters were even louder, even more passionate. They lifted our team. They launched the team forward down the field time and time again.

Through the good times, and the really tough times, our players fought, because they knew our supporters fought with them – all of Leicester Tigers were together, as one.

I write this message, not to reminisce. I write this as a demonstration of what I, in the short time I have been a part of this incredible club, believe to be the greatest strength of Leicester Tigers. There is a feeling I get every day from the people of this club that as we experience joy and ecstasy, sadness and pain, wins and losses, as we laugh and cry together, we will always fight together for our club, whatever mountainous challenge we face.

The strongest memories I hold from my time as a player, are not of the trophies I was privileged to win, or the times when I was fortunate to have been part of big wins.

The strongest memories I hold, are of the people I was with in the hardest moments – the times when we were tested to, and beyond, what we perceived to be our limits. Sometimes we were successful on the scoreboard and there was joy and elation. Sometimes we weren’t, and there was pain and hurt, but two things always stand out to me as I think of those memories.

Firstly, there was incredible pride, a satisfaction in the knowledge that we had given everything of ourselves, that we had tried to climb the mountain again, and whether we had reached the top or not, we had done all that we could.

Secondly, even in the hardest periods, the times when we felt utterly crestfallen, when we had come so very close to reaching the top of the mountain, there was an unspoken understanding, an inner resolve, that we will attack the mountain again, and again, and again.

We may lose, but we will never be beaten.

Looking ahead, I want everybody at Leicester Tigers to have more incredible memories. I want everybody to look at their team and be proud of them and be proud of their own contribution to the fight.

We are going to face more challenges, higher mountains. There will be tough times. There will be great times. Through it all, I know that we will fight together - we will create fantastic memories together.”

Steve Borthwick, Head Coach

Contents

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 and Company Secretary

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 supporter of Leicester Tigers, 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 is also the Chairman of Spoked, an online cycling training service.

Petar co-founded the leading online fashion retailer, Boohoo.com, and was formerly a non-executive director of Crawford Healthcare. 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 supporter of Leicester Tigers 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.

Company Secretary: Fintan Kennedy (Mary Ford retired as Company Secretary on 12 October 2022).

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

Professional Advisers

Independent Auditors
PricewaterhouseCoopers LLP
Donington Court
Pegasus Business Park
Castle Donington
East Midlands
DE74 2UZ

Registrars
Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA

Solicitors
Travers Smith
10 Snow Hill
London
EC1A 2AL

Bankers
HSBC Bank Plc
2-6 Gallowtree Gate
Leicester
LE1 1DA

Strategic Report

Chairman's Statement

At the start of the 2021/22 season, we finally welcomed supporters back to Mattioli Woods Welford Road and 10 months later they were at Twickenham in huge numbers to see the team lift the Gallagher Premiership ("Premiership") trophy.

It was an incredibly emotional year, with the team making history by remaining on top of the Premiership for every single week of the campaign before winning the final for an 11th league title and then seeing Tom Youngs share in the celebrations during such a devastating period for him and his family. All those moments meant a huge amount to everyone at Leicester Tigers.

It was a privilege to share in those moments of celebration, knowing just how much hard work had gone into getting there from everyone connected with the club and to repay the loyalty shown by our supporters through the challenging times of previous years. Welcoming back our supporters after 18 months without full crowds finally allowed all of our stakeholders to play a full physical part in the club once again. Their loyalty during the lockdown was humbling and incredibly important, while I am sure that seeing the team back challenging for trophies provided an amount of payback for that commitment.

We congratulate Steve Borthwick, the players and all the support staff for all their endeavours and their material part in making Leicester Tigers the champion club of England for 2021/22.

It was a triumph based on the club's traditional values of hard work and togetherness, while we also saw individual recognition with more graduates of our academy and young players receiving international honours, including those who made their debuts at Test level.

None of this would have been possible without the incredible support behind the team at all levels.

We are extremely grateful for the support we have received from the Government, Premiership Rugby Limited ("PRL"), our bank at HSBC, shareholders, season ticket holders and supporters during that spell which provided the biggest challenges the club has faced in its 140-year history. On behalf of the club and its board of directors, I pass on our sincere gratitude to them all.

As I outlined in our Strategic Report last year, the financial impact of COVID-19 is a heavy one, as you will see in the Business Report, and will be felt for some time to come. Those tickets, hospitality and events revenues lost through 2020/21 can never be replaced, and we have also taken on additional financial responsibilities with future repayments of a Department for Digital, Culture, Media & Sport ("DCMS") loan which clubs used to offset some of that impact while playing behind closed doors.

The club has, though, worked tirelessly behind the scenes to meet the challenges and we have emerged confident that foundations have been set for a positive future. Our Donate – Credit – Rebate initiative and the decision to transfer season ticket payments to 2021/22 reflected the strength of the relationship between the club and the supporters, and we thank all of the season ticket holders who were able to leave their money with us despite being unable to attend matches. Our partners and sponsors have been very supportive, with new brands joining the portfolio while many others have extended their relationships with us.

Our work in the community has resumed with a primary focus of increasing engagement with the game of rugby and finding our players and supporters not just of today but of tomorrow too. The absence of outreach programmes during the pandemic was harshly felt but has not dimmed the support the club receives in our community and it is rewarding for all to have those relationships rekindled and to witness at first hand that enthusiasm for Leicester Tigers.

We have extended the rugby programme to now include a team in the Women's Championship for the first time, working closely with partner club Lichfield Rugby Union Football Club to provide opportunities for players and encourage newcomers to get involved at all levels. We wish them well for their debut season.

A year ago, we talked about taking the first steps on a journey back to contesting the top prizes in the game. Winning the title in 2021/22 and the work to provide a solid financial platform on which to build was not an endpoint, but another part of that journey towards consistent success on and off the field. With continued support of the Tigers Family, that remains our target.

Strategic Report CONTINUED

Business Review

Winning the Premiership in the 2021/22 season was, beyond doubt, one of the greatest achievements in the history of the club. With the backdrop of a lingering global pandemic, rising inflation and interest rates and a short-lived salary cap investigation, the performance of the team on the field was ahead of the board's strategic timeline and contributed significantly to an improvement in financial performance clearly triggered by the return of our loyal fans to Mattioli Woods Welford Road. Whilst this financial improvement is welcome, there is still a long way to go before we achieve the financial objectives of the club set out in our strategic plan, ahead of the 2021/22 season.

Total reported revenue generated for the financial year ended 30 June 2022 was £22.0m, up 75% from £12.6m on the previous year which was affected by COVID-19 with no rugby (except the final home game) being played in front of crowds. It must be noted that as with the previous year, £3.2m of the reported revenue relates to deferred income on cash received from CVC Capital Partners ("CVC") in prior years for the part sale of the club's investment in PRL.

The return of crowds to Mattioli Woods Welford Road resulted in an inevitable significant increase in ground and match day expenses. This increase of 78% coupled with a 19% increase in staff costs and administrative expenses resulted in an operating loss (before exceptional items) of £1.9m against £5.9m the previous year, a welcome improvement.

From a cashflow perspective the business consumed cash of £6.5m compared to £0.2m the previous year (the previous year included £7.0m of new loans compared to £2.0m in 2021/22). Net cash outflow from operating activities of £7.4m (2021: £6.5m) was reduced by a £2m loan from two senior shareholders with that funding used to aid working capital and invest in club facilities (£0.5m), most notably a new playing surface at Mattioli Woods Welford Road which was laid in advance of the 2022/23 season. Overall cash and cash equivalents decreased by £6.5m leaving an overdraft of £1.5m at the balance sheet date.

The following table summarises the income levels achieved by each division compared to the 2020/21 financial year.

Income

Category	2022 £m	2021 £m	Change %
Rugby income	5.8	0.1	5,700
PRL / RFU income	4.1	4.8	(15)
Commercial income	8.9	4.5	98
Recurring income	**18.8**	**9.4**	**100**
CVC income release	3.2	3.2	-
Total Revenue	**22.0**	**12.6**	**75**
Other Operating Income	**-**	**1.1**	**(100)**

Rugby income

The return of fans to Mattioli Wood Welford Road brought a welcome and significant boost to rugby related income. Season tickets for the year totalled 10,891 generating income of £2.6m against no income in the previous year due to the pandemic. Match day tickets, through well attended games generated £3.2m of revenue for a total of £5.8m compared to £0.1m the previous year, generated solely from the final home game of the season against Bristol Bears.

PRL income

As reported last year, income generated by PRL and the Rugby Football Union ("RFU") has suffered significantly in the pandemic with no fans permitted into stadiums for the Autumn Internationals or the Six Nations Championship. It is from these sources, broadcasting and other commercial revenues that the governing bodies fund Premiership clubs. During the 2020/21 season PRL overdistributed its revenue to Premiership clubs in order to aid their survival. Inevitably, however, that over distribution needs to be clawed back and that claw back began last season with distributions to the club falling from £4.8m to £4.1m

PRL have recognised that the impact of COVID-19 will be more prolonged, evidenced by the well-publicised financial worries of other Premiership clubs this autumn and have set about to assist clubs financially to stem inevitable losses and so we expect the distributions for 2022/23 to be higher, albeit marginally so.

Strategic Report CONTINUED

Business Review (cont'd)

Commercial income

Commercial income combines main sponsorship income, match day hospitality, merchandising concessions as well as conferencing and events. This combined income increased from £4.5m last year to £8.9m.

Sponsorship levels exceeded £3.0m (2021: £2.9m) for the first time in the club's history and we are truly grateful to all of our partners for their continued support, particularly over the past few years when not just us, but they too have been faced with the challenges of the pandemic.

Revenues from executive boxes and match day hospitality boxes totalling £2.3m have started to recover to near pre-pandemic levels along with barrelage and match day parking totalling £0.4m. In addition, the club has taken its first chunk of revenue from the on-site hotel.

As reported last year the club now operates its own retail outlets having been previously outsourced and in its first full year of no restrictions it generated revenue of £1.7m compared to £0.7m the previous year which was almost solely from online sales.

Costs

As expected, the return to games with fans at Mattioli Woods Welford Road brought an inevitable increase in costs. The cost of servicing the ground and related match day expenses increased from £3.5m to £6.3m and the administrative expenses to fund the return to normality totalled £3.2m (2021: £1.1m). Staff costs at £13.2m remained below pre-pandemic levels, principally due to a fall in the salary cap from £6.4m to £5.0m.

Playing and coaching staff numbers increased from 82 to 107 whilst administrative and support staff numbers increased from 85 to 97.

The board continually monitors the cost base, striking a balance between on field success and a financially sustainable business model. The increase in staff numbers is partially down to the return to normality following the dropping of government restrictions but also some additional hires to ensure we are best equipped to be competitive in the Premiership and Europe under a tight salary cap and resourcing that with the ability to generate incremental revenues.

Financial position

The value of the balance sheet was strengthened in the year with group net assets increasing from £38.6m to £44.4m. At the balance sheet the freehold and leasehold land owned by the club were revalued resulting in an uplift of £10.2m, with £9.6m of that uplift allocated to Mattioli Woods Welford Road. The board carried out an internal valuation of its Invested Units in PRL and determined that there had been no material change from the previous year.

Loans and overdrafts total £18.1m. 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 with repayments commencing in 2023 whilst the secured redeemable loan notes (current balance £2.0m) from shareholders accrue interest with no interest or capital settlements to date.

The club ended up in an overdraft position by the end of the year and will continue to utilise its agreed overdraft with HSBC to fund its working capital in 2022/23.

Tigers in the community

The 2021/22 season has been transformational for the club's position in the wider community and for our commitment to promoting rugby in our areas.

The board's support for rugby and Leicester Tigers to be leaders in all aspects of the game has been central to our recent successes, with excitement and enthusiasm growing across the Midlands and East Anglia.

Tigers+

The club's flagship programme which recognised the lack of playing opportunities for school pupils from Leicestershire and beyond has made huge strides. At the start of the 2021/22 school year only 5 of the 65 high schools in Leicestershire were planning to play competitive rugby fixtures. Through our work in delivering training for both pupils and teachers, and helping with organisation and equipment, this number turned into 32 by the end of the year and at least 45 committed to playing in the 2022/23 season. This led to a total of 3,789 high school students playing rugby in the year with 1,057 committing their own time to play outside of school hours. A total of 957 fixtures were played through our festivals and this has given us the confidence to expand our commitment to the programme in Leicestershire to incorporate local clubs and primary schools and to expand the pilot scheme to Staffordshire.

Strategic Report CONTINUED

Business Review (cont'd)

Women's Rugby

The women's rugby programme has matured quickly under the guidance of Vicky Macqueen with Championship status secured for the 2022/23 season and over 1,000 supporters committing to a women's season ticket. The club is also preparing to apply for the Premier 15s in the 2023/24 season.

The work done this season in securing a long term partnership with Lichfield Rugby Union Football Club saw our combined women's programme grow from just 23 registered players to 121 between our two clubs and the excitement around the teams has been infectious, resulting in the club's first women's partnerships with Hafele and Samurai the first to commit. The long term goal of the women's team is the same as the men's in that we want it to be self-sustainable as quickly as possible and our plans are to offer, wherever we can, the same opportunities for the women's programme as we do for the men's and this has seen a centre of excellence programme come to life at Brooksby Melton College with 15 A level and Btec students enrolled in our development team.

The four friendlies played at Mattioli Woods Welford Road were important first steps into the women's game and the record-breaking Red Roses match showed exactly where we can take it.

Monument

Through a partnership with the Leicester Tigers Foundation and the support of many businesses and individuals, the club has supported the installation of a monument which recognises the formation of Leicester Tigers through its close links with the Royal Leicestershire Regiment and honours all of those who have served for both of these great organisations including the 54 Leicester Tigers who have given the greatest sacrifice in 15 countries around the world.

Taking pride of place on the new plaza between the North Stand and the new Brooklyn Hotel, the monument was the end result of four to five years of fundraising and history searching and we are sure is just the start of recognising the rich history of Leicester Tigers.

Environmental Stewardship

The club will shortly be publishing a specific environmental sustainability policy. The club has a desire to be environmentally responsible and to take steps to protect our climate. Ensuring that sustainability is engrained within the culture of the club and forms part of everyday decision-making underpins the approach.

The club is beginning its journey to net zero by:

- Increasing our recycling
- Reducing our energy use
- Reducing our water use
- Promoting sustainable transport
- Working with our catering partner to support their 2027 Climate Net Zero commitment

The club will be working to benchmark its current carbon footprint in order to quantify sustainability objectives. The club will also be launching both activations with key partners and internal employee initiatives.

Employment Policy

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

The club seeks 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 launched, offering staff access to a variety of work spaces 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 environment in which to train. 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.

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

Strategic Report CONTINUED

Business Review (cont'd)

Risk & uncertainty (cont'd)

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 a number of shareholders who have provided financial support in the past, and continue to do so.

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. Whilst the club had to deal with a historic issue around the salary cap regulations during the year, it is fully compliant with current 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 financing costs and 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 current economic environment, in particular the impact of rising inflation and interest rates and the wider impact of the war in the 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 2023, taking into account various possible scenarios to reflect the inherent uncertainty over the current economic environment and the 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 has sufficient committed facilities, will meet its covenant requirements and 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 it is appropriate for the financial statements to be prepared on the going concern basis.

Business outlook: the year ahead

Like all Premiership clubs, the financial landscape for Leicester Tigers remains challenging. Whilst improving revenues and reducing losses are steps in the right direction, rising costs through general inflation and interest rates have put unexpected pressure on all costs lines, particularly relating to energy and people costs. Our ability to control our cost base and be innovative in generating new sources of revenue will be key in ensuring we can achieve the strategic plan we have committed to.

Our forecast revenues are strong with firm commitments from our sponsors and partners and season ticket sales are returning towards levels not seen since our former glory days. Unfortunately, central revenues from PRL and the RFU are still behind pre-covid levels. Advanced distributions during the height of the pandemic which were necessary to support the survival plans of the Premiership clubs have dented future distributions and will impact the club for a few years to come.

Despite the challenging outlook, the club has supportive stakeholders and it is imperative that the club moves forward and achieves its strategic plan. One objective from that strategic plan is to be financially sustainable, but that objective will prove elusive for another few years. Along with our own internal strategy, the club is wholly committed to the recent strategy outlined by PRL for the Premiership which forecasts significant revenue growth over the next five years resulting in much higher revenue distributions to its clubs, providing a giant step towards that sustainability objective.

The board is committed to supporting the ever-growing demands of professional rugby, a growing academy and a fledgling but ambitious women's team but it is clear the growth of Premiership rugby as a whole, is critical in ensuring that Premiership clubs thrive in the future with much less reliance on its committed owners. This requires a cohesive approach by all Premiership clubs in conjunction with PRL, one which we are all committed to.

Strategic Report CONTINUED

S172 Statement

For accounting years starting after 1 January 2019, all public companies are required to include in their Strategic Report a s172 statement. 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 – the directors understand the need to develop the underlying 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 started to return to more normal levels as the impact of the coronavirus pandemic has largely disappeared, the directors continue to keep in place a programme to manage costs where possible without damaging the long-term viability of the business. The additional funding provided by key shareholders, HSBC and Government loans provided much-needed working capital to support the business during this difficult period. Whilst this has increased the club's debt, the directors are confident that this is serviceable based on detailed budgets which have been put in place.

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. It was disappointing that the investigation by PRL at the start of 2022 identified some minor historic breaches of the salary cap, but procedures had already been put in place to prevent any such issues both in the last few years and into the future.

Work is ongoing to improve shareholder value through the continued development of the Mattioli Woods Welford Road stadium, with the hotel on the Granby Halls site having opened in 2022. This will support the conference and events business. Past assessments of how best to improve parking at the stadium continue, but the consideration given to the erection of a multi-storey car park has been paused following the coronavirus pandemic. It is the board's intention to reignite this project in the future.

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, LTTV provides 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 reported last year, the retail operation was brought in-house in July 2020 with the aim of providing a better quality and supply of goods for customers, coupled with increased revenue from this part of the business. Our on-line business was developed to enable us to meet customers' needs during the pandemic and, since it re-opened, the shop has proved successful both in meeting our customers' needs and generating revenue.

Suppliers – the directors aim 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.

Strategic Report CONTINUED

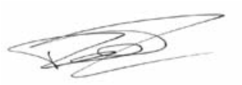
S172 Statement (cont'd)

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 clubs 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 chairmen 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 area. Details of current projects and our plans are included on pages 5 and 6 of the Strategic Report.

By order of the Board



Peter W G Tom, CBE
Executive Chairman

13 October 2022

Directors' Report

The directors present their annual report and the audited consolidated financial statements for the year ended 30 June 2022.

Results and dividend
The financial results are summarised in the consolidated profit and loss account on page 16. The directors do not recommend the payment of a dividend for the year ended 30 June 2022 (30 June 2021: 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 4 to 7.

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 12 and forms part of this report.

Directors
The following served as directors of the company throughout the year to 30 June 2022 and up to the date of these financial statements unless indicated otherwise:
Peter Tom CBE
Petar Cvetkovic
Duncan Green – resigned 23 June 2022
Fintan Kennedy
Andrea Pinchen
Tom Scott

In accordance with the company's articles of association, none of the directors 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 8.

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
Duncan Green (resigned 23 June 2022)

Nomination Committee
Peter Tom (Chairman)
Tom Scott
Duncan Green (resigned 23 June 2022)

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 Thursday 17 November 2022 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

13 October 2022

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 2022 and of the group’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, comprising 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, which comprise: the Consolidated and Company Balance Sheets as at 30 June 2022; the Consolidated Profit and Loss Account and Consolidated Statement of Comprehensive Income, the Consolidated Statement of Cash Flows, and the Consolidated and Company Statements of Changes in Equity 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 2022 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 in respect of the Financial Statements, 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 the 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. 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 posting 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 regulation and fraud
- identifying and testing journal entries through a risk based approach, in particular any journal entries posted with unusual account combinations or posted by unexpected users
- Testing significant estimates / judgements within the financial statements, through validating the underlying data and accuracy of the models utilised by management.
- Reviewing the financial statements for disclosures required by accounting standards and the Company Act
- Testing significant / unusual transactions (where material) for appropriate treatment within these financial statements
- Performing unpredictable audit procedures which vary from year to year.

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

13 October 2022

Consolidated Profit and Loss Account

FOR THE YEAR ENDED 30 JUNE 2022

		2022		2021	
	Note	£000	£000	£000	£000
Turnover	5		**21,991**		12,595
Ground and match expenses			**(6,305)**		(3,533)
Administrative expenses - underlying		**(3,216)**		(1,067)	
Administrative expenses - exceptional	6	**-**		(53)	
Administrative expenses - total			**(3,216)**		(1,120)
Staff costs	6		**(13,210)**		(12,739)
Exceptional other income	5		**-**		1,146
Depreciation and other amounts written off tangible and intangible fixed assets			**(1,118)**		(1,113)
Operating loss before exceptional items		**(1,858)**		(5,857)	
Exceptional items		**-**		1,093	
Operating loss	6		**(1,858)**		(4,764)
Fair value gain on investment in PRL	12		**-**		3,687
Loss before taxation			**(1,858)**		(1,077)
Interest receivable and similar income			**1**		2
Interest payable and similar expenses			**(373)**		(207)
Net interest expense	8		**(372)**		(205)
Loss before interest and taxation			**(2,230)**		(1,282)
Tax on loss	9		**147**		303
Loss for the financial year			**(2,083)**		(979)

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 £2,083,000 (2021: Loss £979,000).

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	£000	£000
Loss for the financial year	**(2,083)**	(979)
Other comprehensive income/(expense):		
Gain on property valuation net of deferred tax (25%)	**7,895**	-
Adjustment in respect of tax rate changes	-	(2,242)
Total comprehensive income/(expense) for the financial year	**5,812**	(3,221)

Consolidated and Company Balance Sheets

AT 30 JUNE 2022

	Note	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Fixed assets					
Intangible assets	10	**5**	17	**5**	17
Tangible assets	11	**62,485**	52,825	**62,485**	52,825
Investments	12	**17,552**	17,552	**17,552**	17,552
		80,042	70,394	**80,042**	70,394
Current assets					
Debtors	13	**3,142**	2,431	**3,142**	2,431
Inventory		**258**	253	**258**	253
Investment: short term cash deposit		**-**	1,000	**-**	1,000
Cash at bank and in hand		**-**	3,988	**-**	3,988
		3,400	7,672	**3,400**	7,672
Creditors: amounts falling due within one year	14	**(14,399)**	(13,890)	**(14,399)**	(13,890)
Net current liabilities		**(10,999)**	(6,218)	**(10,999)**	(6,218)
Total assets less current liabilities		**69,043**	64,176	**69,043**	64,176
Creditors: amounts falling due after more than one year	15	**(14,005)**	(17,147)	**(14,005)**	(17,147)
Provisions for liabilities	17	**(10,625)**	(8,428)	**(10,625)**	(8,428)
Net assets		**44,413**	38,601	**44,413**	38,601
Capital and reserves					
Called up share capital	19	**1,371**	1,371	**1,371**	1,371
Share premium account		**16,263**	16,263	**16,263**	16,263
Other reserves	19	**38,686**	30,791	**38,686**	30,791
Accumulated losses		**(11,907)**	(9,824)	**(11,907)**	(9,824)
Total equity		**44,413**	38,601	**44,413**	38,601

The notes on pages 20 to 37 are an integral part of these financial statements.

These financial statements on pages 16 to 37 were authorised for issue by the board of directors on 13 October 2022 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 2022

	Called-up share capital	Share premium	Other reserves	Accumulated losses	Total equity
	£000	£000	£000	£000	£000
Balance as at 1 July 2020	**1,371**	**16,263**	**30,047**	**(5,864)**	**41,817**
Loss for the year	-	-	2,986	(3,965)	(979)
Other comprehensive expense	-	-	(2,242)	-	(2,242)
Total comprehensive expense for the year	**-**	**-**	**744**	**(3,965)**	**(3,221)**
Share options	-	-	-	5	5
Total transactions with owners recognised directly in equity	**-**	**-**	**-**	**5**	**5**
Balance as at 30 June 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**

Company Statement of Changes in Equity
FOR THE YEAR ENDED 30 JUNE 2022

	Called-up share capital	Share premium	Other reserves	Accumulated losses	Total equity
	£000	£000	£000	£000	£000
Balance as at 1 July 2020	**1,371**	**16,263**	**30,047**	**(5,864)**	**41,817**
Loss for the year	-	-	2,986	(3,965)	(979)
Other comprehensive expense	-	-	(2,242)	-	(2,242)
Total comprehensive expense for the year	**-**	**-**	**744**	**(3,965)**	**(3,221)**
Share options	-	-	-	5	5
Total transactions with owners recognised directly in equity	**-**	**-**	**-**	**5**	**5**
Balance as at 30 June 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**

Consolidated Statement of Cash Flows
FOR THE YEAR ENDED 30 JUNE 2022

	Note	Group 2022 £000	Group 2021 £000
Net cash outflow from operating activities	20	**(7,382)**	(6,527)
Taxation received		**-**	-
Net cash used in operating activities		**(7,382)**	(6,527)
Cash flow from investing activities			
Payments to acquire intangible fixed assets	10	**(10)**	(21)
Payments to acquire tangible fixed assets	11	**(517)**	(115)
Interest received	8	**1**	2
Net cash flow used in investing activities		**(526)**	(134)
Cash flow from financing activities			
Interest paid	8	**(373)**	(206)
Receipt of new long term loan		**2,000**	6,790
Repayment on long term loans		**(173)**	(79)
Net cash flow generated in financing activities		**1,454**	6,505
Decrease in cash and cash equivalents		**(6,454)**	(156)
Cash and cash equivalents at the beginning of the year		**4,988**	5,144
Overdraft and equivalents at the end of the year		**(1,466)**	4,988

Analysis of Changes in Net Debt
FOR THE YEAR ENDED 30 JUNE 2022

	Group As at 1 July 2021 £000	Group Cash flows £000	Group As at 30 June 2022 £000
Cash/overdraft and cash equivalents			
Cash at bank and in hand	3,988	(5,454)	(1,466)
Short term cash deposits	1,000	(1,000)	-
	4,988	(6,454)	(1,466)
Borrowings			
Debt due within one year	(412)	(2,253)	(2,665)
Debt due after one year	(14,673)	695	(13,978)
	(15,085)	(1,558)	(16,643)
Total	**(10,097)**	**(8,012)**	**(18,109)**

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 2022 the group operated on an overdraft £1.5m from an available facility of £4.0m. The overdraft facility was formally renewed by HSBC in August 2022.

The term loan of £7.1m with HSBC has been fully serviced in 2021 and is committed with regular scheduled repayments (of £0.5m per year inclusive of interest) and no covenant measurements are required until June 2023.

The loan of £6.9m from DCMS allows a two-year interest and capital repayment holiday and is subject to annual financial covenants. Capital and interest payments on this loan will commence in March 2023.

Shareholder loans remain in place and a further loan facility has been secured from two key shareholders to ensure existing and future liabilities are settled.

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 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) Exceptional items
The group classifies certain one-off charges and credits that have a material impact on the group's financial results as "exceptional items". These are disclosed separately to provide further understanding of the underlying financial performance of the group.

(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.

(iii) Share incentive schemes

Certain employees are granted options over shares in the company. The cost of these is measured using the black scholes model and included in administrative expenses over the vesting period. Due to the size of the charge no other disclosure is deemed relevant.

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.

NOTES CONTINUED

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Tangible assets (cont'd)
(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.

(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.

(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.

NOTES CONTINUED

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Provisions and contingencies (cont'd)
(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.

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.

NOTES CONTINUED

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Financial instruments (cont'd)
(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.

(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 2022.

NOTES CONTINUED

4 CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY (CONTINUED)

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	2022	2021
	£000	£000
All turnover originates in the UK.		
Analysis of turnover by category:		
Rugby income	**5,779**	101
PRL income	**4,129**	4,777
Commercial income	**8,850**	4,478
CVC income	**3,233**	3,239
	21,991	12,595
Exceptional operating income:		
Grant income	**-**	400
Other exceptional income	**-**	746

The exceptional items in 2021 represent income from the surrender of the Stoneygate lease, Coronavirus Job Retention Scheme Grants and donated receipts.

6 OPERATING LOSS

FOR THE YEAR ENDED 30 JUNE	2022	2021
	£000	£000
Loss is stated after charging:		
Wages and salaries	**11,543**	11,142
Social security costs	**1,362**	1,292
Other pension costs	**305**	300
Share-based payments	**-**	5
Staff costs charged to profit and loss	**13,210**	12,739
Amortisation of intangible assets	**22**	6
Depreciation of tangible assets	**1,096**	1,130
Operating lease charges	**96**	92
Exceptional items	**-**	53

The exceptional items in 2021 represent costs incurred following the coronavirus pandemic.

Auditors' remuneration:

FOR THE YEAR ENDED 30 JUNE	2022	2021
	£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	**47**	41
Fees payable to the company's auditors and its associates for other services:		
Other services relating to taxation	**-**	5
Total amount payable to the company's auditors and its associates	**47**	46

NOTES CONTINUED

7 EMPLOYEES AND DIRECTORS

FOR THE YEAR ENDED 30 JUNE	2022	2021
	Number	Number
Employees		
The average monthly number of persons (including executive directors) employed by the group during the year was:		
Playing and coaching staff	**107**	82
Administration and other support staff	**97**	85
	204	167
	£000	**£000**
Directors		
The directors' emoluments were as follows:		
Aggregate emoluments	**222**	177
Company contributions to money purchase pension schemes	**11**	23
Compensation for loss of office	**-**	-
Total	**233**	200

Post-employment benefits are accruing for one director (2021: one) under a money purchase scheme.

The cost of the share options awarded to the directors during the year in aggregate is less than £1,000 and no director exercised share options in the year.

	2022	2021
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	**222**	159
Money purchase pension scheme	**11**	20
	233	179

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	2022	2021
	£000	£000
(a) Interest receivable and similar income		
Bank interest received	**1**	2
Total interest receivable and similar income	**1**	2
(b) Interest payable and similar expenses		
Interest expense on loans	**(373)**	(207)
Total interest expense on financial liabilities not measured at fair value through profit or loss	**(373)**	(207)
(c) Net interest expense		
Interest receivable and similar income	**1**	2
Interest payable and similar expenses	**(373)**	(207)
Net interest expense	**(372)**	(205)

NOTES CONTINUED

9 TAX ON LOSS

FOR THE YEAR ENDED 30 JUNE	2022	2021
	£000	£000
(a) Tax expense 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	**(143)**	(365)
Adjustment in respect of prior periods	**(4)**	192
Impact of tax rate changes	**-**	(130)
Total deferred tax	**(147)**	(303)
Tax on loss on ordinary activities	**(147)**	(303)

(b) Reconciliation of tax credit
The current tax credit for the year is lower (2021: higher) than the standard effective rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022	2021
Loss before taxation	**(2,230)**	(1,282)
Loss multiplied by the standard effective rate of tax in the UK of 19% (30 June 2021: 19%)	**(424)**	(244)
Effects of:		
Expenses not deductible	**316**	(32)
Chargeable gains	**1,781**	-
Impact of rate change	**528**	(219)
Deferred tax charge recognised in other comprehensive income	**(2,344)**	-
Adjustment to tax charge in respect of prior years	**(4)**	192
Tax credit on loss on ordinary activities	**(147)**	(303)

10 INTANGIBLE ASSETS

FOR THE YEAR ENDED 30 JUNE	Transfer fees	Software	Total
	£000	£000	£000
Group and Company			
At 30 June 2021			
Cost	671	303	974
Accumulated amortisation and impairment	(661)	(296)	(957)
Net book amount	**10**	**7**	**17**
Year ended 30 June 2022			
Opening net book value	10	7	17
Additions	10	-	10
Amortisation	(20)	(2)	(22)
Net book amount	**-**	**5**	**5**
At 30 June 2022			
Cost	681	303	984
Accumulated amortisation and impairment	(681)	(298)	(979)
Net book amount	**-**	**5**	**5**

NOTES CONTINUED

11 TANGIBLE ASSETS

FOR THE YEAR 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 2021					
Cost or Valuation	49,600	1,576	1,699	3,752	56,627
Accumulated depreciation and impairment	(1,152)	(51)	(148)	(2,451)	(3,802)
Net book amount	48,448	1,525	1,551	1,301	52,825
Year ended 30 June 2022					
Opening net book amount	48,448	1,525	1,551	1,301	52,825
Additions	-	124	-	393	517
Disposals	-	-	-	(75)	(75)
Revaluations	9,628	689	(78)	-	10,239
Depreciation on disposal	-	-	-	75	75
Depreciation charge	(576)	(28)	(74)	(418)	(1,096)
Closing net book amount	**57,500**	**2,310**	**1,399**	**1,276**	**62,485**
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**

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	2022	2021
	£000	£000
Freehold land and buildings at Mattioli Woods Welford Road	**27,259**	27,646
Freehold land and buildings Oval Park	**550**	568
Short leasehold land and buildings Oval Park	**499**	525
	28,308	28,739

NOTES CONTINUED

12 INVESTMENTS

FOR THE YEAR ENDED 30 JUNE - GROUP AND COMPANY	Premier Rugby Limited	Total
	£000	£000
At 30 June 2021		
Cost	17,552	17,552
Net book amount	**17,552**	**17,552**
Year ended 30 June 2022		
Opening net book amount	17,552	17,552
Revaluation	-	-
Closing net book amount	**17,552**	**17,552**
At 30 June 2022		
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 7.7% (PY: 7.7%). The historical cost of the Invested Units is £nil.

13 DEBTORS

AS AT 30 JUNE	Group		Company	
	2022	2021	2022	2021
	£000	£000	£000	£000
Trade debtors	**2,424**	1,758	**2,424**	1,758
Other debtors	**269**	411	**269**	411
Prepayments and accrued income	**449**	262	**449**	262
	3,142	2,431	**3,142**	2,431

Trade debtors are stated after provision for impairment of £nil (2021: £nil).

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

AS AT 30 JUNE	Group		Company	
	2022	2021	2022	2021
	£000	£000	£000	£000
Loans and overdrafts	**3,971**	300	**3,971**	300
Trade creditors	**1,379**	518	**1,379**	518
Other taxation and social security	**1,455**	3,647	**1,455**	3,647
Supplier loans	**160**	112	**160**	112
Accruals and deferred income	**7,434**	9,313	**7,434**	9,313
	14,399	13,890	**14,399**	13,890

Accruals and deferred income includes £5,887,000 (2021: £7,668,000) in relation to deferred income.

NOTES CONTINUED

15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

AS AT 30 JUNE	Group		Company	
	2022	2021	2022	2021
	£000	£000	£000	£000
Amounts falling due between one and five years				
Loans and overdrafts	**4,551**	1,666	**4,551**	1,666
Supplier loans	**454**	680	**454**	680
Accruals and deferred income	**27**	2,475	**27**	2,475
	5,032	4,821	**5,032**	4,821
Amounts falling due after more than five years				
Loans and overdrafts	**8,973**	12,237	**8,973**	12,237
Supplier loans	**-**	89	**-**	89
	8,973	12,326	**8,973**	12,326
Total creditors falling due after more than one year	**14,005**	17,147	**14,005**	17,147

16 LOANS AND OTHER BORROWINGS

AS AT 30 JUNE	Group		Company	
	2022	2021	2022	2021
	£000	£000	£000	£000
Loans and overdrafts	**17,495**	14,204	**17,495**	14,204
Supplier loans	**614**	881	**614**	881
	18,109	15,085	**18,109**	15,085

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 £7.1m 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 £7.1m at the year end. The loan is repayable over ten years with no repayments due in the first two years. 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 £0.6m at the year end.

Secured Redeemable Loan Notes
The loan has a value of £2m at the year end. The redeemable loan notes bear interest at 5%. These have been classified as wholly within creditors falling due within one year. The fair value of the loan notes is considered to be the book value. The loan notes are redeemable on 30 June 2023.

NOTES CONTINUED

17 PROVISIONS FOR LIABILITIES

FOR THE YEAR ENDED 30 JUNE - GROUP AND COMPANY	Deferred Tax
	£000
The group had the following provisions during the year:	
At 1 July 2021	(8,428)
Recognised in profit and loss account	147
Recognised in Other comprehensive income	(2,344)
As at 30 June 2022	**(10,625)**

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

	Group		Company	
	2022	2021	2022	2021
	£000	£000	£000	£000
Difference between accumulated depreciation and capital allowances	**(1,345)**	(1,192)	**(1,345)**	(1,192)
Other timing differences	**(12,217)**	(9,969)	**(12,217)**	(9,969)
Tax losses	**2,937**	2,733	**2,937**	2,733
Deferred tax liability	**(10,625)**	(8,428)	**(10,625)**	(8,428)

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 2022 (2021: £nil). Other timing differences also include deferred tax liabilities of £12,372,000 (2021: £10,028,000) 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	
	2022	2021	2022	2021
	£000	£000	£000	£000
Financial assets at fair value through profit or loss:				
Investments	**17,552**	17,552	**17,552**	17,552
Short term cash deposits	**-**	1,000	**-**	1,000
	17,552	18,552	**17,552**	18,552
Financial assets that are debt instruments measured at amortised cost:				
Trade receivables	**2,424**	1,758	**2,424**	1,758
	2,424	1,758	**2,424**	1,758
Financial liabilities measured at amortised cost:				
Loans and overdrafts	**(17,495)**	(14,204)	**(17,495)**	(14,204)
Trade creditors	**(1,379)**	(518)	**(1,379)**	(518)
Accruals	**(4,768)**	(5,957)	**(4,768)**	(5,957)
	(23,642)	(20,679)	**(23,642)**	(20,679)

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 2022, 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 2021 and 30 June 2022	13,712	1,371

Other reserves

Other reserves consist of the following amounts:

	Property revaluation reserve £000	Investment revaluation reserve £000	Total £000
Group and Company			
At 1 July 2021	17,597	13,194	30,791
Revaluation of property	7,895	-	7,895
At 30 June 2022	**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 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE	Group	
	2022	2021
	£000	£000
Loss for the financial year	**(2,083)**	(979)
Adjustments for:		
Tax on loss	**(147)**	(303)
Net interest expenses	**372**	205
Loss before interest and taxation	**(1,858)**	(1,077)
Fair value gain on investment in PRL	**-**	(3,687)
Amortisation of intangible assets	**22**	6
Depreciation of tangible assets	**1,096**	1,130
Deferred grant release	**(23)**	(23)
Credit in relation to share based payment charge	**-**	5
Deferred CVC income release	**(3,233)**	(3,239)
Working capital movements:		
(Increase)/Decrease in debtors	**(711)**	436
Increase in inventory	**(5)**	(252)
(Decrease)/Increase in payables	**(211)**	870
Decrease in taxation	**(2,192)**	(696)
Non cash movement on supplier loans	**(267)**	-
Net cash outflow from operating activities	**(7,382)**	(6,527)

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 £9,000 (2021: £327,000) have been recorded with these related parties and at the year end amounts due to the club were £3,000 (2021: £327,000) (excluding VAT). These amounts due relate to the 2022/23 season.

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

There is no individual controlling party who owns 50% or more of the share capital/voting rights.

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.

Leicester Rugby Club Limited was dissolved on 7 September 2021.

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 £305,411 (2021: £299,708).

Contributions of £36,303 were outstanding at 30 June 2022 (2021: £73,216).

25 CAPITAL AND OTHER COMMITMENTS

At 30 June 2022 and 30 June 2021 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:

FOR THE YEAR ENDED 30 JUNE - GROUP AND COMPANY	2022	2021
PAYMENT DUE	£000	£000
Not later than one year	**44**	58
Later than one year and not later than five years	**52**	34
Later than five years	**-**	-
	96	92

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