Leicester Football Club Plc

2021 Annual Report & Financial Statements

“ It is an exciting time to be a part of Leicester Tigers. I hope you agree a sense of justified pride is returning to the club.

During my playing career, I had the opportunity to come to Mattioli Woods Welford Road and play against Leicester Tigers many times. When you came up against Tigers, it was impossible to predict the result. Most of the time, I was on the losing team. Occasionally, as a visiting player, I was fortunate to come away with a win – albeit battered and bruised.

Whilst the result was never a certainty, there were some things that could be guaranteed. As soon as you stepped off the bus you would be hit by the incredible passion that everybody around the club and community had for their club, their Leicester Tigers. You could not only hear, but feel, the roar the Tigers team received coming down the Terrace steps on to the pitch. It was, and remains, the loudest in the league. You also knew that this was going to be the toughest, most physical game of the season and, always, there was something coming that we had never seen before, because Leicester were one of the smartest teams around. Tigers were a team that were feared.

I was once told that “nothing is neutral, no matter how small or seemingly inconsequential, everything either helps the team win, or helps the team lose”. I believe in this.

It is obvious to me how much everybody connected to Leicester Tigers wants to see the team competing for silverware again. It is clear that the club had lost its way, but the unconditional support, will to win, and passionate heart remained. Every bit as much as the club had fallen into a slumber, it required to be awoken. That has happened. An inescapable sense of positivity and renewed expectation echoes around the club. We all have a responsibility to do everything we can to further that return. There is an excitement in wanting to be a part of the journey back to the place where Tigers belong. But it has to be earned.

Every action we all make in our respective roles at Leicester Tigers, regardless of department, will have an effect upon the results of the team and so that journey. As I said, I believe every small matter has the potential to help in a positive way on the journey. We are all contributing to building this team to be feared once again; to build a team that is tough and that is smart.

We should all be rightly proud of what we have collectively achieved in a short space of time. For my part, I am excited for the season ahead and for the future for all of us at Leicester Tigers. ”

Steve Borthwick, Head Coach

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Directors and Officers

PETER TOM CBE
Executive Chairman

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

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

ANDREA PINCHEN
Chief Executive Officer

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

FINTAN KENNEDY
Finance Director

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

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

PETAR CVETKOVIC
Non-executive Director

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

DUNCAN GREEN
Non-executive Director

Duncan is the Managing Partner of Pick Everard, which he joined in 1983 and a founding director and Chairman of Perfect Circle JV Limited. An advocate of Leicester, he is a trustee and director of the Leicester Grammar School Trust, local charity Hope Against Cancer and is a member of the Leicester Cathedral Development Board. Duncan is a lifelong supporter of the club.

TOM SCOTT
Non-executive Director

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

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Strategic Report

Chairman's Statement

Leicester Tigers and professional sport, generally, were not alone in having to come to terms with serious and unpredictable challenges during the past 18 months and, while the impact on the business has been considerable, the club has shown its strength and determination in plotting a way through them.

In presenting this annual report and financial statements, we also take the opportunity to acknowledge the commitment of key workers and carers in these unprecedented times while reflecting on the full impact of the pandemic on our community and beyond.

As you will see in the Business Review, the financial impact of Covid on the club has been a heavy one and will continue to be felt for some time to come. Financial support from HSBC, government loans and shareholders provided much-needed working capital but the business made a loss for the year of £5.9m before exceptional items, compared to the loss of £4.2m in the previous financial year. While they are obviously important to the financial strength of the business, the figures present only part of the story. This club is also about loyalty, passion and commitment and in 2020/21 we have seen all of those qualities from everyone associated with the Tigers.

It has been humbling to know that, just when we needed them most, the club has so many friends and so much support.

Our partners and sponsors have been incredibly supportive, showing their commitment to Tigers whilst also coping with their own issues associated with the pandemic. Sponsorship income is vital, of course but, in addition, the moral support provided alongside it, the personal messages of support at senior levels from those commercial partners and the loyalty they have shown have been extremely welcome.

The club welcomed a new main partner in Topps Tiles for the start of the 2020/21 season and agreed new terms with Mattioli Woods which included the stadium naming rights. Both these agreements will play key roles in our financial future. Many of our commercial partners have long-term links with the club and we have also been able to continue to welcome new brands to the Tigers family, a positive endorsement of the continued strength of our club name.

There has been considerable support, too, from the Government, from Premiership Rugby Limited ("PRL"), from our bank, HSBC, and from our shareholders as well as season ticket holders and supporters of the team at all levels. Never has the backing of so many people meant so much to the club. On behalf of the club and its board of directors, I pass on our sincere gratitude to them all.

The fans who usually come through the turnstiles in such huge numbers had to find other ways of following the team, but their commitment and loyalty remain at the core of the club.

The spread of the pandemic meant operating for large parts of both the 2019/20 and 2020/21 seasons without matchday income, both direct and indirect. Matchdays are not only our biggest income driver, but also our greatest advert. They provide the platform on which we attract many of our sponsors and partners as well as, of course, supporters and ticket holders.

Working without those revenues, together with those from matchday hospitality, bar and food sales and shop revenues meant that difficult and often uncomfortable decisions had to be made to, firstly, safeguard the club and then to plan for its future. Changes had to be made to how we operate in many areas but, with the strength of the support I have already mentioned here, I am convinced that the club is in a position to move into the future with more confidence, especially as we look to welcome more of our supporters back to the stadium.

It seems incredible that the European Challenge Cup Final in May 2021 was the first opportunity for our supporters to see the team 'live' in more than a year and that they had only two more opportunities – one at home and one away – before the end of the 2020/21 season.

A large number of players in the squad, as well as members of the backroom team, have been with us for a significant period of time without having the privilege of running out in front of a big home crowd at Mattioli Woods Welford Road. Hopefully, though, the anticipation will have whetted the appetite for the new season and a return to capacity crowds.

The direction and drive supplied by Steve Borthwick and Aled Walters have already made an impact on performances and results on the pitch. They are the first to say they are taking only the initial steps on a journey which we all believe will take Tigers back to contesting the top prizes in the game and the club is determined to resource their plans as fully as possible to accomplish this.

A feature of recent seasons has been the emergence of young talent and it was extremely rewarding to see academy graduates Harry Wells, George Martin, Joe Heyes and Freddie Steward reach England international status this summer alongside Dan Kelly who also joined us as a teenager, while Jack van Poortvliet captained the England Under-20s to a Grand Slam. Jasper Wiese became our first-ever Springboks debutant in recognition of the impact he has made in a short time here. It is rewarding to see the club's players continuing to gain international recognition throughout the world.

Closer to home, the announcement of a formal link with Nottingham Rugby Club and the launch of our women's rugby programme, including a Tigers team with support from the Lichfield Ladies Rugby Club, are significant steps for the club moving forward and support our determination to demonstrate the value of our game at all levels.

A few seasons ago we began a similar process with the Leicester Tigers Wheelchair Rugby team and we were absolutely delighted to watch the success of a number of their players and support staff winning gold at the Paralympics. We look forward to seeing our team return to their own competition and acting as role models in their own game.

Strategic Report CONTINUED

Chairman's Statement (cont'd)

The club's work in introducing rugby to those who would otherwise not have the opportunity contributes to what makes Leicester Tigers such a force within our community and it is also encouraging to get back into our local schools and grassroots clubs. These are areas we will continue to resource alongside investment in the playing department and stadium facilities.

The Tigers family has stood proudly by us and many of them contacted MPs and other local leaders in support of the club's place in our community and this helped in securing financial assistance through the government's Department for Digital, Culture, Media and Sport ("DCMS") loans. While favourable in terms of the level of interest and repayment, those loans do have to be paid back, of course, but they played an important part in our recovery plans beyond Covid and are now factored into our financial planning for the future.

The success of 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 our 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. We also acknowledge the commitment of every single supporter and hope that, as life returns to normal, we can all be together again at our iconic stadium.

Business Review

In our business review last year, we reported on the impact of the coronavirus pandemic to the year ended 30 June 2020. Of course, at that point, only three months of our financial reporting period had been affected with the postponement of the remaining five games of the 2019/20 season from the end of March to June 2020. At that time, little did we realise that our stadium would remain empty of match day crowds for the whole of the next season and, of course, throughout our full 2020/21 financial calendar. Like most other clubs, the board's attention turned to ensuring the survival of the club throughout and beyond the pandemic.

With all domestic and European games, except the final few, being played behind closed doors for the 2020/21 season, making financial comparatives against the previous financial year becomes almost worthless given the devastating impact the pandemic has had.

Total reported revenue generated for the financial year ended 30 June 2021 was £12.6m, down 27% from £17.2m in the previous year, with declines across all income generators, most notably in the form of ticketing income. 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 in prior years for the part sale of the club's investment in PRL.

Supplementing the reported revenue is other income of just over £1.1m (2020: £2.0m) received from the surrender of the Stoneygate lease, grants from the Coronavirus Job Retention Scheme and generous donations from our supporters.

Management continued to control the cost base throughout the year with an overall reduction in costs across all categories (ground and match expenses, administrative and staff costs) resulting in an operating loss before exceptional items of £5.9m against a loss of £4.2m the previous year.

From a cashflow perspective the business consumed cash of £0.2m compared to £3.5m the previous year, principally summarised with a consumption of cash from operating activities, capital expenditure and financing costs totalling £6.9m being offset by new loans into the business of £6.7m (net).

The following table summarizes the income levels achieved by each division compared to the 2019/20 financial year, bearing in mind that the 2019/20 season suffered a 9-game postponement whilst all the 2020/21 games were played behind closed doors.

Income

Category	**2021** £m	**2020** £m	**Change** %
Rugby income	0.1	2.8	(96)
PRL income	4.8	4.9	(2)
Commercial income	4.5	6.3	(29)
Recurring income	**9.4**	**14.0**	**(34)**
CVC income release	3.2	3.2	-
Total Revenue	**12.6**	**17.2**	**(27)**

Other Operating Income	**1.1**	**2.0**	**(45)**

Strategic Report CONTINUED

Business Review (cont'd)

Rugby income

Unfortunately, the government decision that PRL games for the 2020/21 season must be played behind closed doors devastated rugby income with only a small amount of income being achieved from the last home game against Bristol, supplemented by the kind donations of our supporter base. Income earned was just over £100k compared to £2.8m (down 96%) in the previous season (also Covid affected). Season tickets were ultimately rolled over to the 2021/22 season.

PRL income

Not unlike all Premiership rugby clubs, income distributed to clubs by PRL and the RFU has suffered significantly because of the pandemic, with commercial revenues affected across the board and no fans permitted into stadiums for the Autumn Internationals or the Six Nations Championship. It is from these sources that the governing and central bodies invest in Premiership clubs. Given the significant fall in income, inevitably, distributions to the clubs have fallen significantly. Overall, distributions fell just 2% in the reported period but notably were 16% down on the 2018/19 season.

Unfortunately, forecasts and the post balance sheet period indicate that the knock-on effect will continue to adversely impact distributions to clubs for future seasons as PRL recovers over-distributed income in 2019/20 and 2020/21 to aid the survival of clubs.

Commercial income

Commercial income combines main sponsorship income, match day hospitality, retail income as well as conferencing and events. We continue to receive tremendous support from our sponsors and partners with sponsorship deals of just under £3.0m being secured in the reported period, slightly ahead of the 2019/20 season. This is a fantastic achievement reflecting the strength of the Tigers brand and that of the partners we align with.

Unfortunately, all other categories of commercial income have been affected by the decision to play games behind closed doors, with little opportunity to sell any form of hospitality. Small levels of income were achieved through our business lunch events which proved successful and, encouragingly, over £800k of Tigers merchandise was sold from our retail store, now being run by the club directly having been previously outsourced. Overall, commercial income ended 29% down on the previous year.

Costs

As reported last year, the pandemic forced the board to take drastic decisions in the form of cost cutting to ensure the survival of the club beyond the pandemic. Whilst difficult at that time, it is now clear that those decisions haven proven to be correct, and we are delighted to see some of our former employees returning to the club for what we hope will be a normal season in 2021/22.

As expected, ground and match expenses are significantly down (20%) on 2019/20 given that all games except the final home game were played behind closed doors.

Underlying administrative related costs also fell by 31% because of the cost saving measures implemented by management at the start and throughout the pandemic. Underlying staff costs have decreased by 10%, as the restructure of the organisation continued throughout the year with playing and coaching staff numbers falling from 91 to 82 and administrative and support staff numbers from 87 to 85.

Financial position

As reported in our business review last year the club has a very strong asset base through its ownership of the Mattioli Woods Welford Road stadium and its investment in PRL, the value of which has increased from £13.8m to £17.6m at the balance sheet date. Reported cash and cash equivalents is just under £5.0m as at 30 June 2021 (2020: £5.1m).

We also reported that the club had secured additional funding from the DCMS via a long-term loan and that additional funding has been secured from two of the club's major shareholders, Tom Scott and Peter Tom.

At that time the club had secured £4.7m of funding through its Winter Survival Package and since then a further £2.2m has been secured under the Summer Survival Package. The terms of both loans are attractive and include interest and capital repayment holidays. In addition to that support, HSBC had committed to an extension of the overdraft facility, and we are grateful that it has again been extended into 2021/22. Overall debt totals just over £15.0m at the balance sheet date.

Tigers in the community

For obvious reasons, the 2020/21 season was a difficult year for our community initiatives, with schools and rugby clubs hard hit by Covid regulations and funding issues. Our team on the ground was reduced, as was the number of people we could work with on our programmes. It has taken some time to rebuild our activities which bring so many positive outcomes for the people who are affected by and take part in them.

Strategic Report CONTINUED

Business Review (cont'd)

Tigers in the community (cont'd)

The lockdown did allow us to take stock of what our community initiatives mean to us and the feedback which we received from DCMS around our proven value to the community was a huge factor which led to their fantastic support of the club's finances. Using this as a catalyst to rebuild and to grow our influence in our region, the club has initiated its own drive to increase participation in our great sport with our new Tigers+ initiative. This is based on the assumption that more people taking part in rugby activities means more people who would like to watch a rugby match and aims to buck the worrying trend of schools in our region taking no part in any rugby, let alone competitive matches. Through free coaching and faculty support we aim to double the number of high schools playing rugby competitively while also supporting our local teams by providing a link between playing at school and joining a local club. Our pilot scheme is based around Oadby and Wigston and, alongside our other rugby programmes, including Project Rugby and Nottingham Building Society TAG, we believe we can make a significant impact on the number of children playing rugby in Leicestershire.

We have also kick-started our women's and girls' programme with the appointment of former Red Rose, Vicky Macqueen, as our Head of Women's Rugby and we have already secured a ground-breaking partnership with top Championship side and long-time evangelists for the women's game, Lichfield RUFC. This will allow us to build our influence in the women's game from the ground up while we work towards playing at the highest level at the earliest opportunity. Our 'one club' approach means that our long-term goal is to be able to provide women and men, boys and girls with the same opportunities from community coaching right through to the elite level.

At the elite level, the emergence of George Martin in the Leicester Tigers 1st XV and his elevation to be capped by England has given our AASE programme at Brooksby Melton College a huge boost as the first graduate of the programme to go on to reach the highest level. The record 120 player/students at Brooksby will be working hard to follow in George's footsteps and this partnership appears as if it will only go from strength to strength with many age group internationals already coming from the group.

We're hopeful of a year of great progress with our community programmes as the relaxing of Covid regulations allows us to restart our outreach programmes with renewed energy and new people, all with a real purpose of growing the influence of the club and our game.

Environmental stewardship

The club makes every effort to minimise waste and to recycle as much of that waste as possible. It aims to minimise the use of energy resources and reviews and improves operational processes to cause the least practical impact on the environment. A new Head of Operations will be joining the management team in November and an important part of his remit will be to implement measures to reduce the club's carbon footprint.

Employment policy

The club has in place policies to ensure that all employees are treated fairly and specifically to prohibit discrimination on the grounds of age, disability, religion, sex, nationality and ethnic origin and to ensure their health and wellbeing.

Detailed job descriptions are prepared for all vacancies and candidates are assessed on the requirements needed to fulfil the role. Employees are encouraged to develop their careers by applying for roles which will enable them to develop and training is provided to support their progress.

The health and safety policy is reviewed annually by the board and is updated to incorporate the changing circumstances of the business environment.

Regular staff meetings, with both management and peers, enable employees to exchange views and express their concerns.

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 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 and medical personnel as well as providing the best possible training 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 relevant contract negotiations.

Strategic Report CONTINUED

Business Review (cont'd)

Risk & uncertainty (cont'd)

As reported in our last Business Review, Covid-19 had a devastating effect on income in the latter half of 2020 and this has continued throughout 2021. At the start of the pandemic the board took decisive action to ensure the long-term health of the club and to fill the void created by the decision of the government to ban fans from attending games. These measures included salary reductions, accessing government funding schemes, redundancies and reducing non-essential costs and capital expenditure. These measures continued in 2021 and additional funding was secured from the government under the Summer Survival Package, administered by DCMS.

Maintenance and security of assets – the club owns Mattioli Woods Welford Road as well as part of Oval Park (some of which is leased). Mattioli Woods Welford Road is a key income generator for the club through its hosting of games and Oval Park provides top class training facilities. 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 all facilities. In addition, the club procures extensive insurance policies that, in the event of damage to assets, will provide recompense for damage and loss of earnings due to forced interruption.

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 that compliance.

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.

Going concern

The directors have considered the working capital requirements of the company for the short and medium term including its investment in the squad and capital investment, as well as the repayment of liabilities associated with the pandemic such as government funding in various forms including loans and deferred PAYE and VAT, all of which need to be repaid over time.

There continues to be uncertainty around the pandemic, although that uncertainty has reduced significantly from when we last reported to shareholders. Games are now being played in front of crowds which means that match day revenues have returned in the form of ticket sales, catering, and retail sales from our club shop. However, the board continues to monitor the evolution of the virus and will consider any mitigation restrictions which may need to be reintroduced should they forecast a significant impact on cash flow.

As part of their considerations the directors have reviewed in detail the cash flow forecasts prepared for the twelve months from the date of this report. These have been prepared on the basis that the 2021/22 season will start and complete as normal but with downside scenarios built into the projections, including reduced distributions from central bodies such as PRL and the RFU, but also cost control and in response to those reductions. Cash projections are considered to be conservative as we reopen into the new season. The situation if the season is curtailed has also been considered and plausible downsides have been built into the forecasts.

Based on the above and considering the existing funding in place from DCMS, HSBC and shareholders, as noted in the Directors' Report, the directors have confidence in continuing to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Business outlook: the year ahead

There is no doubt that the coronavirus pandemic has been the single biggest challenge to the club in its entire history and that challenge will continue into 2021/22 and possibly beyond. However, there is light at the end of the tunnel with games now being played in front of fans and a very successful vaccination programme roll out by the NHS. Following the decisions taken in the early part of the pandemic and the successful negotiations to attract further funding to the club not only in the form of government, bank, and shareholder funding but also from our existing and new partners, your club is now well funded, ensuring that it is in healthy financial shape. Investment in the squad and facilities continues with the aim of returning the club to the business end of domestic and European rugby competitions. Your board will continue to monitor the dynamic and evolving landscape caused by Covid-19 and will take appropriate actions required in response to ensure the financial health of the club.

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 a number of 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. As the full impact of the coronavirus pandemic affected the club's finances, particularly income streams from ticket sales, the directors put in place a programme to cut costs where possible without damaging the long-term viability of the business. In addition, the directors negotiated additional funding from HSBC and secured government loans to provide 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.

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 due to open in spring 2022. This will support the conference and events business. Assessments of how best to improve parking at the stadium continue, with consideration being given to the erection of a multi-storey car park. Unfortunately, the coronavirus pandemic has delayed progress on this, with a potential partner withdrawing from discussions on this project.

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 have the opportunity to 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. Subject to the constraints imposed by the pandemic and taking into consideration the health and safety of all our employees, 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.

With the re-opening of the offices at the Mattioli Woods Welford Road stadium and the return of staff who have been working from home or furloughed, procedures have been put in place and working areas re-configured to reduce, as far as possible, the risk of infection.

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. This was increasingly important during the pandemic and the closure of the stadium, with innovative solutions being identified to provide sponsors with an ongoing benefit in return for their investment. The Chairman and the Chief Executive Officer hold regular meetings with sponsors to keep them up to date with developments.

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.

In the case of all supporters, the directors listen to complaints and concerns and many fans use the supporters' forums and social media to express their views. As a result of comments from our customers, the catering contract was re-tendered and a new supplier appointed with effect from 1 June 2019. Unfortunately, due to the closure of the stadium, this contract had to be put on hold so it has not yet been possible to fully assess changes to the level of service. However, the contract contains detailed targets and the achievement of these will be monitored and discussed on a regular basis.

Strategic Report CONTINUED

S172 Statement (cont'd)

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. Unfortunately, this coincided with the closure of the stadium due to the pandemic but our on-line business was developed to enable us to meet customers' needs.

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.

During the pandemic, the club worked closely with its two main suppliers to mitigate the impact on them of a reduction in orders. The catering contract was re-negotiated to alleviate pressure on their cash flow and some staff were redeployed to ensure the continued employment of key employees. The payment terms for the kit supplier were amended to assist their cash flow. Thanks to the success of the club's online sales platform, we were able to maintain a high level of orders for stock.

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. During the year the club secured funding from DCMS. This is in the form of a loan which is secured and subject to financial and other covenants which the club must adhere to. The directors will report to DCMS in accordance with the terms of the loan agreement.

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. Unfortunately, during the pandemic, the majority of our work in the local community came to a halt. Details of what we did achieve and our plans for the future are included in the Business Review within this Strategic Report.

By order of the Board

Peter W G Tom, CBE
Executive Chairman

14 October 2021

Directors' Report

The directors present their annual report and the audited consolidated financial statements for the year ended 30 June 2021.

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 2021 (30 June 2020: 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 on page 3.

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 2021 and up to the date of these financial statements unless indicated otherwise:
Peter Tom CBE
Petar Cvetkovic
Duncan Green
Ben Kay MBE – resigned 14 June 2021
Fintan Kennedy
Andrea Pinchen
Tom Scott
Rory Underwood MBE – resigned 12 November 2020

Peter Tom retires by rotation in accordance with the company's articles of association and, being eligible, is standing 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.

A recent review of corporate governance procedures has resulted in updated terms of reference being adopted by the board and its committees.

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 two non-executive directors listed below, 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 the two non-executive directors 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
Duncan Green (Chairman)
Petar Cvetkovic

Nomination Committee
Peter Tom (Chairman)
Duncan Green
Tom Scott

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

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

Annual general meeting
The notice convening the annual general meeting to be held on Thursday 18 November 2021 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

Mary Ford
Company Secretary

14 October 2021

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 2021 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 and Financial Statements 2021 (the Annual Report), which comprise: the Consolidated and Company Balance Sheets as at 30 June 2021; 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 2021 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, 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 manipulation of journal entries by management which could impact the above laws and regulations. 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. Audit testing was performed through considering the prior accuracy of similar management estimates and reviewing post year end transactions/events in line with management's forecasts.
- Reviewing the financial statements for disclosures required by accounting standards and the Companies Act 2006
- 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

14 October 2021

Consolidated Profit and Loss Account

FOR THE YEAR ENDED 30 JUNE 2021

		2021		2020	
	Note	£000	£000	£000	£000
Turnover	5		12,595		17,212
Ground and match expenses			(3,533)		(4,419)
Administrative expenses - underlying		(1,067)		(1,544)	
Administrative expenses - exceptional	6	(53)		(153)	
Administrative expenses - total			(1,120)		(1,697)
Staff costs - underlying	6	(12,739)		(14,094)	
Staff costs - exceptional	6	-		(750)	
Staff costs - total	6		(12,739)		(14,844)
Exceptional other income	5		1,146		1,983
Depreciation and other amounts written off tangible and intangible fixed assets			(1,113)		(1,317)
Operating loss before exceptional items		(5,857)		(4,162)	
Exceptional items		1,093		1,080	
Operating loss	6		(4,764)		(3,082)
Fair value gain on investment in PRL	12		3,687		-
Loss before taxation			(1,077)		(3,082)
Interest receivable and similar income			2		56
Interest payable and similar expenses			(207)		(205)
Net interest expense	8		(205)		(149)
Loss before interest and taxation			(1,282)		(3,231)
Tax on loss	9		303		527
Loss for the financial year			(979)		(2,704)

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 £979,000 (2020: Loss £2,704,000).

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	£000	£000
Loss for the financial year	(979)	(2,704)
Other comprehensive income:		
Adjustment in respect of tax rate changes	(2,242)	(747)
Total comprehensive expense for the financial year	(3,221)	(3,451)

Consolidated and Company Balance Sheets
AT 30 JUNE 2021

	Note	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Fixed assets					
Intangible assets	10	**17**	2	**17**	2
Tangible assets	11	**52,825**	53,840	**52,825**	53,840
Investments	12	**17,552**	13,865	**17,552**	13,865
		70,394	67,707	**70,394**	67,707
Current assets					
Debtors	13	**2,431**	2,867	**2,431**	2,867
Inventory		**253**	-	**253**	-
Investment: short term cash deposit		**1,000**	2,500	**1,000**	2,500
Cash at bank and in hand		**3,988**	2,644	**3,988**	2,644
		7,672	8,011	**7,672**	8,011
Creditors: amounts falling due within one year	14	**(13,890)**	(13,610)	**(13,890)**	(13,610)
Net current liabilities		**(6,218)**	(5,599)	**(6,218)**	(5,599)
Total assets less current liabilities		**64,176**	62,108	**64,176**	62,108
Creditors: amounts falling due after more than one year	15	**(17,147)**	(13,802)	**(17,147)**	(13,802)
Provisions for liabilities	17	**(8,428)**	(6,489)	**(8,428)**	(6,489)
Net assets		**38,601**	41,817	**38,601**	41,817
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	**30,791**	30,047	**30,791**	30,047
Accumulated losses		**(9,824)**	(5,864)	**(9,824)**	(5,864)
Total equity		**38,601**	41,817	**38,601**	41,817

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 14 October 2021 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 2021

	Called-up share capital	Share premium	Other reserves	Accumulated losses	Total equity
	£000	£000	£000	£000	£000
Balance as at 1 July 2019	**1,359**	**16,003**	**30,794**	**(3,166)**	**44,990**
Loss for the year	-	-	-	(2,704)	(2,704)
Other comprehensive expense	-	-	(747)	-	(747)
Total comprehensive expense for the year	**-**	**-**	**(747)**	**(2,704)**	**(3,451)**
Conversion of loan notes	12	260	-	-	272
Share options	-	-	-	6	6
Total transactions with owners recognised directly in equity	**12**	**260**	**-**	**6**	**278**
Balance as at 30 June 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**

Company Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2021

	Called-up share capital	Share premium	Other reserves	Accumulated losses	Total equity
	£000	£000	£000	£000	£000
Balance as at 1 July 2019	**1,359**	**16,003**	**30,794**	**(3,166)**	**44,990**
Loss for the year	-	-	-	(2,704)	(2,704)
Other comprehensive expense	-	-	(747)	-	(747)
Total comprehensive expense for the year	**-**	**-**	**(747)**	**(2,704)**	**(3,451)**
Conversion of loan notes	12	260	-	-	272
Share options	-	-	-	6	6
Total transactions with owners recognised directly in equity	**12**	**260**	**-**	**6**	**278**
Balance as at 30 June 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**

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2021

	Note	Group 2021	Group 2020
		£000	£000
Net cash outflow from operating activities	20	**(6,527)**	(2,988)
Taxation received		**-**	-
Net cash used in operating activities		**(6,527)**	(2,988)
Cash flow from investing activities			
Payments to acquire intangible fixed assets		**(21)**	-
Payments to acquire tangible fixed assets		**(115)**	(442)
Interest received		**2**	56
Net cash flow used in investing activities		**(134)**	(386)
Cash flow from financing activities			
Interest paid		**(206)**	(205)
Conversion of loan notes to shares		**-**	272
Receipt of new long term loan		**6,790**	-
Repayment on long term loans		**(79)**	(225)
Net cash flow generated/(used) in financing activities		**6,505**	(158)
Decrease in cash and cash equivalents		**(156)**	(3,532)
Cash and cash equivalents at the beginning of the year		**5,144**	8,676
Cash and cash equivalents at the end of the year		**4,988**	5,144

Analysis of Changes in Net Debt

FOR THE YEAR ENDED 30 JUNE 2021

	Group		
	As at 1 July 2020	Cash flows	As at 30 June 2021
	£000	£000	£000
Cash and cash equivalents			
Cash at bank and in hand	2,644	1,344	3,988
Short term cash deposits	2,500	(1,500)	1,000
	5,144	(156)	4,988
Borrowings			
Debt due within one year	(342)	(70)	(412)
Debt due after one year	(8,031)	(6,642)	(14,673)
	(8,373)	(6,712)	(15,085)
Total	**(3,229)**	**(6,868)**	**(10,097)**

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 2021 the group had cash balances of £5.0m. The term loan of £7.4m with HSBC is committed with regular scheduled repayments (of £0.5m per year inclusive of interest) and no covenant measurements are required until June 2023. The overdraft facility from HSBC was renewed in August 2021 and shareholder loan facilities remain in place. The loan of £6.9m from DCMS allows a two year interest and capital repayment holiday and is subject to annual financial covenants. 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 show significant reductions in the months ahead, following the coronavirus pandemic. 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 assumption include:

- Reduced income from PRL and the RFU, with both organisations also being hard hit by the pandemic
- The return of crowds throughout 2021/22
- Continued cost control across the club

All assumptions have been tested and flexed including considering plausible downside scenarios and actions the board can take to mitigate these scenarios. 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 cash, 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

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 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 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 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 expected future cash flows resulting from the invested units has been modelled under different scenarios, based upon historical and expected future cash inflows. Whilst there is a belief that the investment by CVC will enable PRL to significantly enhance the value of commercial income, this is in the early stages of development and, therefore, in the judgement of the board, this has not been factored into the valuation. Likewise, in the judgement of the board, the impact of the coronavirus pandemic is not expected to diminish the expected future cash inflows from this investment, due to occurring in the early stages of development. During the year the distribution rate allocated to the invested units increased from 33% to 50% and the associated uplift in the value of the invested units has been reflected in these financial statements. The expected cash inflows under each scenario have been discounted at an appropriate Weighted Average Cost of Capital ("WACC") to provide an expected value for each scenario. The company has assessed the probability of each scenario and multiplied the expected cash inflows under each scenario by its probability of occurrence to derive a weighted average value for the investment. As the ownership of the asset is highly restricted due to the terms of the shareholder agreement pertaining to the invested units, this valuation has then been reduced by a minority interest deduction to arrive at an appropriate fair value.

Any changes to the expected cash inflows, estimates made relating to WACC/minority interest valuation deduction, 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 2021.

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 2019. This highlighted a material increase in the depreciated replacement cost of the properties since the last independent valuation was performed (30 June 2016), 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	2021	2020
	£000	£000
All turnover originates in the UK.		
Analysis of turnover by category:		
Rugby income	**101**	2,791
PRL income	**4,777**	4,924
Commercial income	**4,478**	6,258
CVC income	**3,239**	3,239
	12,595	17,212
Exceptional operating income:		
Grant income	**400**	929
Other exceptional income	**746**	1,054

The exceptional items 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	2021	2020
	£000	£000
Loss is stated after charging:		
Wages and salaries	**11,142**	12,214
Social security costs	**1,292**	1,395
Other pension costs	**300**	479
Share-based payments	**5**	6
Staff costs charged to profit and loss	**12,739**	14,094
Amortisation of intangible assets	**6**	206
Depreciation of tangible assets	**1,130**	1,135
Operating lease charges	**92**	108
Exceptional items	**53**	903

The exceptional items represent costs incurred following the coronavirus pandemic.

Auditors' remuneration:

FOR THE YEAR ENDED 30 JUNE	2021	2020
	£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	**41**	33
Fees payable to the company's auditors and its associates for other services:		
Other services relating to taxation	**5**	13
Total amount payable to the company's auditors and its associates	**46**	46

NOTES CONTINUED

7 EMPLOYEES AND DIRECTORS

FOR THE YEAR ENDED 30 JUNE	2021	2020
	Number	Number

Employees
The average monthly number of persons (including executive directors) employed by the group during the year was:

	2021 Number	2020 Number
Playing and coaching staff	**82**	91
Administration and other support staff	**85**	87
	167	178

	£000	£000

Directors
The directors' emoluments were as follows:

	2021 £000	2020 £000
Aggregate emoluments	**177**	455
Company contributions to money purchase pension schemes	**23**	39
Compensation for loss of office	**-**	424
Total	**200**	918

Post-employment benefits are accruing for one director (2020: two) 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.

Highest paid director
The highest paid director's emoluments were as follows:

	2021 £000	2020 £000
Total amount of emoluments and amounts (excluding shares) receivable under long-term incentive scheme	**159**	211
Money purchase pension scheme	**20**	-
	179	211

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	2021	2020
	£000	£000
(a) Interest receivable and similar income		
Bank interest received	**2**	56
Total interest receivable and similar income	**2**	56
(b) Interest payable and similar expenses		
Interest expense on senior loans	**(207)**	(203)
Interest expense on convertible loans	**-**	(2)
Total interest expense on financial liabilities not measured at fair value through profit or loss	**(207)**	(205)
(c) Net interest expense		
Interest receivable and similar income	**2**	56
Interest payable and similar expenses	**(207)**	(205)
Net interest expense	**(205)**	(149)

NOTES CONTINUED

9 TAX ON LOSS

FOR THE YEAR ENDED 30 JUNE	2021	2020
	£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	**(365)**	(340)
Adjustment in respect of prior periods	**192**	(158)
Impact of tax rate changes	**(130)**	(29)
Total deferred tax	**(303)**	(527)
Tax on loss on ordinary activities	**(303)**	(527)

(b) Reconciliation of tax credit
The current tax credit for the year is lower (2020: higher) than the standard effective rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021	2020
Loss before taxation	**(1,282)**	(3,231)
Loss multiplied by the standard effective rate of tax in the UK of 19% (30 June 2020: 19%)	**(244)**	(614)
Effects of:		
Expenses not deductible	**(32)**	274
Impact of rate change	**192**	(29)
Adjustment to tax charge in respect of prior years	**(219)**	(158)
Tax credit on loss on ordinary activities	**(303)**	(527)

10 INTANGIBLE ASSETS

FOR THE YEAR ENDED 30 JUNE	Transfer fees	Software	Total
	£000	£000	£000
Group and Company			
At 30 June 2020			
Cost	656	297	953
Accumulated amortisation and impairment	(656)	(295)	(951)
Net book amount	**-**	**2**	**2**
Year ended 30 June 2021			
Opening net book value	-	2	2
Additions	15	6	21
Amortisation	(5)	(1)	(6)
Net book amount	**10**	**7**	**17**
At 30 June 2021			
Cost	671	303	974
Accumulated amortisation and impairment	(661)	(296)	(957)
Net book amount	**10**	**7**	**17**

NOTES CONTINUED

11 TANGIBLE ASSETS

FOR THE YEAR ENDED 30 JUNE - GROUP AND COMPANY	Freehold land and buildings at 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 2020					
Cost	49,600	1,576	1,699	5,646	58,521
Accumulated depreciation and impairment	(576)	(26)	(74)	(4,005)	(4,681)
Net book amount	49,024	1,550	1,625	1,641	53,840
Year ended 30 June 2021					
Opening net book amount	49,024	1,550	1,625	1,641	53,840
Additions	-	-	-	115	115
Disposals	-	-	-	(2,009)	(2,009)
Depreciation on disposal	-	-	-	2,009	2,009
Depreciation	(576)	(25)	(74)	(455)	(1,130)
Closing net book amount	**48,448**	**1,525**	**1,551**	**1,301**	**52,825**
At 30 June 2021					
Cost	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**

Freehold land and buildings at 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 2019 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	2021	2020
	£000	£000
Freehold land and buildings Welford Road	**27,646**	28,052
Freehold land and buildings Oval Park	**568**	587
Short leasehold land and buildings Oval Park	**525**	553
	28,739	29,192

NOTES CONTINUED

12 INVESTMENTS

FOR THE YEAR ENDED 30 JUNE - GROUP AND COMPANY	Premier Rugby Limited Invested Units	Total
	£000	£000
At 30 June 2020		
Cost	13,865	13,865
Net book amount	**13,865**	**13,865**
Year ended 30 June 2021		
Opening net book amount	13,865	13,865
Revaluation	3,687	3,687
Closing net book amount	**17,552**	**17,552**
At 30 June 2021		
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.

13 DEBTORS

AS AT 30 JUNE	Group		Company	
	2021	2020	2021	2020
	£000	£000	£000	£000
Trade debtors	**1,758**	1,824	**1,758**	1,824
Other debtors	**411**	586	**411**	586
Prepayments and accrued income	**262**	457	**262**	457
	2,431	2,867	**2,431**	2,867

Trade debtors are stated after provision for impairment of £nil (2020: £9,000).

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

AS AT 30 JUNE	Group		Company	
	2021	2020	2021	2020
	£000	£000	£000	£000
Loans and overdrafts	**300**	230	**300**	230
Trade creditors	**518**	899	**518**	899
Other taxation and social security	**3,647**	2,953	**3,647**	2,953
Supplier loans	**112**	112	**112**	112
Accruals and deferred income	**9,313**	9,416	**9,313**	9,416
	13,890	13,610	**13,890**	13,610

Accruals and deferred income includes £7,668,000 (2020: £6,432,000) in relation to deferred income.

NOTES CONTINUED

15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

AS AT 30 JUNE	Group		Company	
	2021	2020	2021	2020
	£000	£000	£000	£000
Amounts falling due between one and five years				
Loans and overdrafts	**1,666**	1,327	**1,666**	1,327
Supplier loans	**680**	680	**680**	680
Accruals and deferred income	**2,475**	5,771	**2,475**	5,771
	4,821	7,778	**4,821**	7,778
Amounts falling due after more than five years				
Loans and overdrafts	**12,237**	5,935	**12,237**	5,935
Supplier loans	**89**	89	**89**	89
	12,326	6,024	**12,326**	6,024
Total creditors falling due after more than one year	**17,147**	13,802	**17,147**	13,802

16 LOANS AND OTHER BORROWINGS

AS AT 30 JUNE	Group		Company	
	2021	2020	2021	2020
	£000	£000	£000	£000
Loans and overdrafts	**14,204**	7,492	**14,204**	7,492
Supplier loans	**881**	881	**881**	881
	15,085	8,373	**15,085**	8,373

Loans
HSBC Bank plc holds security over certain of the company's assets and undertakings in accordance with the terms of the loans and debenture with the company.

During the reporting period the club received loans from DCMS as detailed below.

HSBC Loan
The bank loan is repayable over twenty years. Interest is payable on the loan at a rate linked to 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 is repayable over ten years with no repayments due in the first two years. Interest is payable on the loan at a rate linked to the Bank of England base rate.

The fair value of the loan is considered to be the book value.

Supplier loans
Supplier loans relate to cash advances to the company which are recognised in the profit and loss account over the life of the supplier contract.

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 2020	(6,489)
Recognised in profit and loss account	303
Recognised in Other comprehensive income	(2,242)
As at 30 June 2021	**(8,428)**

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

	Group		Company	
	2021	2020	2021	2020
	£000	£000	£000	£000
Difference between accumulated depreciation and capital allowances	**(1,192)**	(869)	**(1,192)**	(869)
Other timing differences	**(9,969)**	(7,057)	**(9,969)**	(7,057)
Tax losses	**2,733**	1,437	**2,733**	1,437
Deferred tax liability	**(8,428)**	(6,489)	**(8,428)**	(6,489)

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 2021 (2020: £nil). Other timing differences also include deferred tax liabilities of £10,028,000 (2020: £7,065,000) in relation to the revaluation of the Invested Units and fixed assets.

NOTES CONTINUED

18 FINANCIAL INSTRUMENTS

AS AT 30 JUNE	Group		Company	
	2021	2020	2021	2020
	£000	£000	£000	£000
Financial assets at fair value through profit or loss:				
Investments	**17,552**	13,865	**17,552**	13,865
Short term cash deposits	**1,000**	2,500	**1,000**	2,500
	18,552	16,365	**18,552**	16,365
Financial assets that are debt instruments measured at amortised cost:				
Trade receivables	**1,758**	1,824	**1,758**	1,824
	1,758	1,824	**1,758**	1,824
Financial liabilities measured at amortised cost:				
Loans and overdrafts	**(14,204)**	(7,492)	**(14,204)**	(7,492)
Trade creditors	**(518)**	(899)	**(518)**	(899)
Accruals	**(5,957)**	(4,812)	**(5,957)**	(4,812)
	(20,679)	(13,203)	**(20,679)**	(13,203)

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 2021, 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 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 2020 and 30 June 2021	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 2020	19,007	11,040	30,047
Revaluation of invested units	-	2,986	2,986
Adjustments in respect of tax rate changes	(1,410)	(832)	(2,242)
At 30 June 2021	**17,597**	**13,194**	**30,791**

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	
	2021	2020
	£000	£000
Loss for the financial year	**(979)**	(2,704)
Adjustments for:		
Tax on loss	**(303)**	(527)
Net interest expenses	**205**	149
Loss before interest and taxation	**(1,077)**	(3,082)
Fair value gain on investment in PRL	**(3,687)**	-
Amortisation of intangible assets	**6**	206
Depreciation of tangible assets	**1,130**	1,135
Deferred grant release	**(23)**	(23)
Amortisation of issue costs	**-**	(462)
Credit in relation to share based payment charge	**5**	6
Deferred CVC income release	**(3,239)**	(3,239)
Working capital movements:		
Decrease/(Increase) in debtors	**436**	(419)
Increase in inventory	**(252)**	-
Increase in payables	**174**	3,025
Non cash movement on supplier loans	**-**	(135)
Cash outflow from operating activities	**(6,527)**	(2,988)

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 £327,000 (2020: £1,007,000) have been recorded with these related parties and at the year end amounts due to the club were £327,000 (2020: £205,000) (excluding VAT). These amounts due relate to the 2021/22 season.

A family member of a director was employed during the reporting period by the group and was paid a salary appropriate for the tasks and responsibilities of their role as the Media and Communications Assistant.

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

All of the subsidiaries listed below are owned directly by Leicester Football Club Plc unless marked with an asterisk. 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
Leicester Rugby Club 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	Non trading	100% ordinary shares

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

During the reporting period the process to strike off Leicester Rugby Club Limited was initiated and this company 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 £299,708 (2020: £478,702).

Contributions of £73,216 were outstanding at 30 June 2021 (2020: £41,067).

25 CAPITAL AND OTHER COMMITMENTS

At 30 June 2021 and 30 June 2020 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	2021	2020
PAYMENT DUE	£000	£000
Not later than one year	**58**	69
Later than one year and not later than five years	**34**	106
Later than five years	**-**	-
	92	175

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