

Leicester City Football Club Limited
Annual report and consolidated financial
statements for the 13 month period ended 30
June 2023
Registered number: 04593477

Leicester City Football Club Limited

Annual report and consolidated financial statements for the 13 month period ended 30 June 2023

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Leicester City Football Club Limited

Directors and advisors

Registered office

King Power Stadium
Filbert Way
Leicester
Leicestershire
LE2 7FL

Directors

Aiyawatt Srivaddhanaprabha
Apichet Srivaddhanaprabha
Shilai Liu
Susan Whelan

Bankers

Barclays Bank plc
One Snowhill
Snowhill Queensway
Birmingham
B4 6GN

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Donington Court
Pegasus Business Park
Castle Donington
East Midlands
DE74 2UZ

Leicester City Football Club Limited

Strategic report for the 13 month period ended 30 June 2023

The directors present their strategic report and the consolidated audited financial statements for the 13 month period ended 30 June 2023 with comparative financial disclosures provided to the year ended 31 May 2022.

Principal activities

The principal activity of Leicester City Football Club Limited ("the Company", "the Club", "the Group") is the operation of professional football clubs.

Results

The 2022/23 financial period for the Company was impacted by the regrettable results of the men's team ("LCFC") on the pitch, ultimately resulting in LCFC's relegation from the Premier League at the end of the season. Positively, Leicester City Women Football Club Limited ("LCWFC") once again retained their Women's Super League ("WSL") status.

The Club extended its accounting year end from 31 May to 30 June in the period which establishes a 13 month accounting period in these financial statements. This change now provides a consistent year end across the Group. Due to this change the comparative values in these financial statements are not always comparable.

The Club made a Loss before and after taxation of £89.7m (2022: £92.5m loss). This loss has arisen principally due to the following reasons:

- The Club had one of the largest combined employment costs and player amortisation in the Premier League outside of what are widely regarded to be its six most established clubs.
- A final league position of 18th resulted in lower merit based revenue from the Premier League than would have been received had the Club matched the prior seasons finishing position of 8th.
- Changes within the Club's first team management structure resulted in unplanned expenditure.

On the pitch, LCFC finished the 2022/23 season 18th in the Premier League, a disappointing and unanticipated decline in sporting achievement in the context of the three seasons that immediately preceded it, which had seen LCFC finish eighth (2021/22), fifth (2020/21) and fifth (2019/20). LCFC reached the fifth round of the FA Cup and the Quarter Finals of the EFL Cup.

The turnover of the Club has decreased to £177.3m from £214.6m in 2022. The majority of this decrease is a result of a reduction in Premier League revenue of £15.3m following the lower league finish as well as the absence of £25.6m broadcasting and ticketing revenues generated from UEFA competitions in the 2021/22 season. Gate receipts from domestic competitions increased by £1.4m, sponsorship revenue increased by £1.3m and commercial turnover increased by £1.0m.

Leicester City Football Club Limited

Strategic report for the 13 month period ended 30 June 2023 (continued)

Results (continued)

Cost of sales increased by £26.0m to £301.8m (2022: £275.8m). This includes the significant cost associated with the changes within the Club's first team management structure, and further costs recognised within the period due to the change of the Club's year end from 31 May to 30 June. Excluding these two factors, comparable cost of sales were lower than the prior year, including significantly lower bonus payments (£9.4m), the absence of costs relating to UEFA competitions (£3.2m), and a decrease in amortisation costs of player registrations when compared over a like for like 12 month period (£4.0m).

Administrative expenses increased by £4.6m to £26.9m (2022: £22.3m). The majority of this increase was driven by a combination of one additional month in the period due to the change in year end (£1.8m), increased electricity and gas costs (£1.9m) and adverse movement on foreign exchange rates (£1.7m), partly offset by the effect of lower bonus costs (£1.1m).

Net interest payable for the period decreased to £12.5m (2022: £18.9m) mostly as a result of King Power International Limited ("KPI") converting £194m of its loan facilities and associated interest into equity during the period.

In the period to 30 June 2023, player trading realised net profits of £74.8m (2022: £9.2m), arising principally from the disposal of the registrations of Wesley Fofana and James Maddison.

Over recent years the Club's financial results have reflected necessary levels of investment in the playing squad that allowed LCFC to compete effectively in the Premier League, achieve league positions of 5th, 5th and 8th in the three preceding seasons and an average finishing position of 7.8 in its eight seasons since reaching the top flight in 2014. This period also included winning the FA Cup and the FA Community Shield in 2021 and participation in UEFA competitions in successive seasons (2020/21 and 2021/22). Over this period the Club has always sought to balance its reasonable sporting aspirations with consideration of its compliance with the applicable profitability and sustainability ("P&S") rules.

The Club's budget for the 2022/23 season was based on reasonable expectations given the previous sporting performance. However, the financial impact of LCFC's on-pitch performance during the season, combined with previous levels of investment, means that the Club anticipates that it may be found not to be in compliance with the applicable P&S rules for the three year reporting period ending 2022/23. The directors believe that any sanction resulting from any such non-compliance should be mitigated, including as a result of the underlying circumstances described above.

The Club remains committed to the principles of the P&S rules and strives to achieve compliance whilst at all times ensuring the Club's long term future is protected.

The Club continues to receive exceptionally strong support in both financial and non-financial terms from KPI and the Srivaddhanapraba family.

Leicester City Football Club Limited

Strategic report for the 13 month period ended 30 June 2023 (continued)

Results (continued)

The Group had a net cash outflow for the period of £26.0m (2022: £16.6m) comprising a £51.6m cash outflow from operating activities (2022: £27.8m) and a net investment in tangible and intangible assets of £11.1m (2022: £30.1m). In the current period there was £36.7m net cash inflow from financing activities (2022: £41.2m) including £57.5m working capital loans from KPI along with a £15.2m decrease in 3rd party loans and £5.6m interest repaid. The net movement on third party loans included the drawdown of a new player sales discounting facility, offset by the settlement of the Club's existing PL TV rights facility. No dividend has been paid in the period (2022: £nil).

Key performance indicators

	2023	2022
Average league attendance	31,887	31,941
Cash and equivalents at period end (£'000)	8,235	34,222
Staff costs (per note 5)/turnover expressed as a percentage	116.0%	84.8%
Operating (loss)/profit excluding player amortisation, impairments, and player trading (£'000)	(75,064)	(8,024)

Operating loss (2023: £77.2m, 2022: £73.6m) excluding player amortisation (2023: £76.9m, 2022: £72.2m), impairments (2023: £nil, 2022: £2.6m), and player trading (2023: £74.8m, 2022: £9.2m) is used to measure the Club's underlying profitability before player trading.

Asset values

At the period end there were 41 (2022: 43) players for whom the cost of the player's registration had been capitalised and was still being amortised over the period of the relevant player's contract. The combined net book value of these players is £109.5m as at 30 June 2023 (2022: £162.5m). No impairment provision has been recognised in 2023 (2022: £nil) where the player registration has been disposed of after the period end. The directors' assessment of the market value of the playing squad at 30 June 2023, which includes those players where the market value exceeds their carrying values, is £226.3m (2022: £408.9m). The change in market value is effected by the departure of 7 players at the end of their contracts and the sale of two high value players in the period, offset by the Club's investment in player's registrations of £53.3m in 2022/23, and the reduction in the remaining length of players' contracts.

The King Power Stadium is currently carried at £44.4m (2022: £45.5m), which reflects the depreciated replacement cost of the stadium based on an external valuation by Savills plc on 31 May 2022 and assessed by the Company's directors at 30 June 2023.

Seagrave training ground is carried at historical cost as it was substantively completed in December 2020 and the Directors believe there would be no material difference to depreciated replacement cost.

Leicester City Football Club Limited

Strategic report for the 13 month period ended 30 June 2023 (continued)

Future outlook

The Club finished the 2022/23 season in 18th position and was relegated to the Championship for the 2023/24 season. This will be the first time since the 2013/14 season that the Club will play outside of the Premier League. On pitch performance in the 2022/23 season was far below the Club's reasonable expectation and the Club is focusing on ensuring that performances are improved to secure promotion back to the Premier League. The Club has not changed its aspiration to win trophies and compete on the European stage whilst complying with the evolving football regulatory environment.

The Club is pleased that its hybrid planning application for the development of the King Power Stadium and surrounding site received formal approval from Leicester City Council ("LCC") in December 2023, following the LCC planning committee's initial approval in September 2022. This final decision had been held pending the finalisation of a Section 106 agreement in relation to the proposed development, which has now been concluded.

In December 2023 the Premier League and EFL announced new TV and sponsorship deals worth £6.7bn for four years from the 2025/26 season, and £935m for five years from the 2024/25 season respectively. Both deals are record breaking agreements which will further promote the game of football and support all clubs through increasing revenues over future years.

The regulatory landscape of English football is continuing to evolve with the Government setting out its proposed reforms to football governance. The Government has also indicated its determination to intervene if the football industry fails to deliver its own reforms to the distribution of revenue through the football pyramid, which may lead to a larger share of the Premier Leagues revenues in the future being shared with EFL clubs.

UEFA have also introduced new financial regulations for clubs in European Football and FIFA have set out new rules around Intermediaries.

FIFA and UEFA continue to grow their club competitions putting increasing pressure on the football calendar and on the associated income available from broadcasters for domestic rights.

After acquiring 100% control of LCWFC in August 2020 the Company has continued to provide LCWFC with investment and support, including the use of its Belvoir Drive training ground with some of the best facilities in the WSL. LCWFC retained its WSL status at the end of the 2022/23 season and is competing hard to safeguard that status again in the 2023/24 season.

Leicester City Football Club Limited

Strategic report for the 13 month period ended 30 June 2023 (continued)

Environmental

The Club has adopted a medium term plan to address its environmental impact. This plan does not focus on a single basic measure of environmental impact and instead covers the following aspects of the Club's operations:

- 1) Appropriate management of the reduction in CO2 consumption by the Club, which has included the replacement of almost all lighting (including pitch flood lighting) with LEDs, undertaking detailed reviews of energy usage and the adoption of various energy saving strategies;
- 2) Reduction in plastic usage and elimination of single use plastic from Club match day operations; successes here include replacement of single use plastic glasses with reusable glasses and the elimination of plastic sauce sachets, straws and other types of single use plastic;
- 3) Encouraging staff to engage in the reduction of their own environmental impact through the Club offering a cycle to work and environmentally friendly Company car scheme;
- 4) Encouraging greater biodiversity at our stadium and training facilities through the installation of bee hives, log hotels and biodiversity corridors;
- 5) Sourcing all electricity from renewable sources, including the potential to implement Solar PV and other clean energy sources within future capital developments;
- 6) Recovering and reusing surface water from the pitch through the stadium irrigation system to improve our water efficiency; and
- 7) The Incorporation of new waste management protocols in the Club operations.

Further information on emissions and energy usage are disclosed in the Directors' report.

Employees

The Owners and Directors of the Club are committed to providing an excellent working environment for all staff. This is evidenced by the Club achieving the Advanced level of the Premier League Equality, Diversity and Inclusion Standard (PLEDIS).

PLEDIS covers two broad areas:

- The Club's culture, policies, leadership and people; and
- Developing Club services – the work the Club does to encourage people from all communities to participate in its activities.

These areas encompass all areas of inequality and discrimination which are linked to the nine protected characteristics set out in the Equality Act 2010.

The Club has held various meetings and workshops throughout the period where staff are encouraged to share their views and the Club also undertakes regular surveys to ensure good communication with its employees.

Details of the numbers of employees and related costs are given in note 5 to the consolidated financial statements.

Leicester City Football Club Limited

Strategic report for the 13 month period ended 30 June 2023 (continued)

Statement by the directors in performance of their statutory duties as per s172(1) Companies Act 2006

The Board of Directors of Leicester City Football Club believe that they have acted, both individually and as a group, in a way they consider would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Act) in the decisions taken during the 13 month period ended 30 June 2023.

As a privately owned company which is part of a much larger group the Board of Directors meet on a regular basis on both a formal and informal basis to review progress and decisions. The executive management team of the Club meets on average twice a month either in person or via teleconference. In addition to the approval of the Annual Report as well as the Budget for the following year, material decisions having a potential impact on the long term strategy of the Club such as entering new debt facilities and their associated security are discussed at Board meetings where these are approved.

The Club continues to be a responsible employer in its approach to our employees' remuneration and benefits paying the living wage as a minimum to all staff and with regard to the health, safety and well-being of its employees. The Company has introduced schemes for employees such as a Cycle to Work scheme and an Electric and Hybrid car scheme. All employees are eligible to be part of a health scheme and the Club is a member of several organisations which provide mental health and wellness support to staff.

The Club has also focused on being an ethical organisation. Over the last few years the Club has worked to become a defining partner in the local community alongside its two associated charities, the Vichai Srivaddhanaprabha Foundation ("VS Foundation") and Leicester City Football Club Trust (operating as Leicester City in the Community). Through close working relationships with local stakeholders, the Club has been able to work with its partners to identify, finance and logistically support the delivery of multi-million-pound investments in community projects that improve the lives of people throughout the city and wider county. The Club's procurement policies demonstrate a continued commitment to trading with companies that comply with tax, anti-bribery, modern slavery and other relevant laws.

The Club has also endeavoured to treat its fans in an ethical way. Meetings are held with the Club's Fans Consultative Committee on a regular basis as well as with various fan interests groups including the Foxes Trust, The LCFC Supporters Club, Union FS, Foxes Pride and the Disabled Supporters Association. Despite having a full stadium and inflationary cost increases over the recent years the Club has increased season ticket prices only once since 2014 and has instead sought to increase its income in other ways.

The Board of Directors sets the standard for the Club to behave responsibly towards all stakeholders and ensure that management operates with the standards of business conduct and good governance expected for a business of Leicester City's standing and, in doing so, will contribute to the delivery of the Club's long term vision to be admired and respected globally as a Football Club of integrity, ambition and sustainable success, whose culture is a source of pride for all our people.

Leicester City Football Club Limited

Strategic report for the 13 month period ended 30 June 2023 (continued)

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. Risks are formally reviewed by the Board and appropriate processes are in place to monitor and mitigate them. If more than one event occurs, it is possible that the overall effect of such events would compound the possible adverse impact on the Company.

These areas include revenues and player market values connected to on pitch performance, possible changes in the Premier League and English Football League ("EFL") governance and revenue distribution rules, Profitability and Sustainability rules ("P&S"), employees and business environment:

Football revenues

Although the Club is no longer a member of the Premier League, membership of, and finishing position within the Premier League has a highly material impact on the turnover and cash generation of the Club. The Company also faces the risk of underperforming against supporter expectations which may have a significant impact on turnover and cash generation. Qualification for European competitions also has a highly material impact on the turnover and cash flows of the Club for the season in question. The directors understand these risks and therefore make prudent budget assumptions with regards to League status, position and cup success. The directors also monitor the performance of both management and players and have a proven record of making changes where required.

Player market values

Variations in team performance, individual performance, contract length and health as well as the general economic performance of the transfer market can lead to substantial changes in players' market valuations. Whilst the Club insures part of the value of players registrations against career ending injuries and death and also holds catastrophe insurance, the other risks are managed by spreading the risk on a collective basis across the value of the squad as a whole so only a small proportion of the squad value would be impacted by a decrease in single players value.

Football governance

FIFA, UEFA and the UK Government are undertaking various processes to review respectively the structure of international football, the structure of European football and its P&S regime and the governance of football in England. The progress and possible outcomes of these processes and their impact on LCFC are being monitored and LCFC continues to be involved in the relevant consultations.

Profitability and Sustainability

For the 2022/23 season the Club is regulated under the Premier League P&S rules. Following relegation at the end of the 2022/23 season the Club will be regulated under the EFL P&S rules for the 2023/24 season.

Leicester City Football Club Limited

Strategic report for the 13 month period ended 30 June 2023 (continued)

Profitability and Sustainability (continued)

The Club reviews its ongoing compliance with these regulations at the time of setting its budgets and in all relevant situations where a decision may be taken that would have a material impact on that compliance.

UEFA have introduced new squad cost ratio rules which apply to seasons from 2022/23 onwards and it is understood the Premier League are in the process of developing their own rules in the light of UEFA's latest regulations, which may apply with effect from season 2024/25. The EFL are also in the process of considering the implications of these changes for their own rules for future seasons. These rules all serve to limit the level of investment and consequent potential losses of clubs competing in the respective competitions. Failure to achieve compliance with these rules can result in a sanction from the relevant governing body.

Over recent years the Club's financial results have reflected necessary levels of investment in the playing squad that allowed LCFC to compete effectively in the Premier League, achieve league positions of 5th, 5th and 8th in the three preceding seasons and an average finishing position of 7.8 in its eight seasons since reaching the top flight in 2014. This period also included winning the FA Cup and the FA Community Shield in 2021 and participation in UEFA competitions in successive seasons (2020/21 and 2021/22). Over this period the Club has always sought to balance its reasonable sporting aspirations with consideration of its compliance with the applicable P&S rules.

The Club's budget for the 2022/23 season was based on reasonable expectations given the previous sporting performance. However, the financial impact of LCFC's on-pitch performance during the season, combined with previous levels of investment, means that the Club anticipates that it may be found not to be in compliance with the applicable P&S rules for the three year reporting period ending 2022/23. The directors believe that any sanction resulting from any such non-compliance should be mitigated, including by the underlying circumstances described above.

The Club remains committed to the principles of the P&S rules and strives to achieve compliance whilst at all times ensuring the Club's long term future is protected.

Employees

The Company's performance depends largely on its footballing and non-footballing staff. The resignation of key individuals and the inability to recruit people with the right experience and skills could adversely impact the Company's results. To mitigate these issues the Company is constantly analysing its marketplace and has employee management procedures in place that are designed to retain key individuals.

The Company continues its policy of keeping its employees informed on a regular basis of matters concerning them as employees and on financial and economic factors affecting the performance of the Company.

Leicester City Football Club Limited

Strategic report for the 13 month period ended 30 June 2023 (continued)

Business environment

The Company operates in a challenging business environment and industry sector where turnover can reduce significantly dependent upon on pitch performance and where costs can be unrelated to income generated. To mitigate this risk the Club has a strategy of performance related pay for key personnel, whereby salary costs will fluctuate in line with income generated and on-pitch performance. The directors also review the level of fixed costs incurred, with a view to restricting unnecessary expense and matching costs to income streams.

The Club now purchases and sells players in multiple currencies. Where the Club has material assets or liabilities in the future the Club reviews its net exchange risk position and where necessary enters into hedging arrangements.

On behalf of the Board



Susan Whelan
Chief Executive
1 March 2024

Leicester City Football Club Limited

Directors' report for the 13 month period ended 30 June 2023

The directors present their report and the audited consolidated financial statements for the 13 month period ended 30 June 2023.

Future developments

The future developments of the Club are detailed within the strategic report on page 5.

Engagement with employees, suppliers, customers and other stakeholders

Engagement with employees, suppliers, customers and other stakeholders are detailed within the strategic report on pages 8 to 10.

Financial risk management

The Company's operations expose it to a variety of financial risks that include the effects of changes in liquidity risk, interest rate risk, exchange rate risk and credit risk. The Company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company by monitoring levels of risk.

Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the Company's finance department.

Liquidity and interest rate risk

The Company manages its liquidity risk on a weekly basis through cash monitoring and cash flow forecasting to ensure that it has sufficient resources to meet its obligations. The ultimate controlling party has confirmed that it will not require the repayment of any amounts owing that will lead to the Club requiring further external funding.

In order to ensure stability of cash flows and manage interest rate risk, the Company has a policy of maintaining the majority of its long term debt at fixed rates. The Company does not use other derivative financial instruments to manage interest rate costs.

Further detail for the amounts owed to the parent company and companies under common control, which are the principal sources of funding, can be found in note 16.

Credit risk

The Company manages credit risk with respective counterparties as follows:

- Football clubs: the Premier League and EFL rules require football creditors to be paid in full in any insolvency event;
- Corporate partners are reviewed for their credit worthiness using commercially available credit rating facilities and, where necessary, services are only provided after payment has been received; and
- Personal credit is only given in controlled circumstances with direct debit systems, and compliance with agreed payments rigorously monitored.

Leicester City Football Club Limited

Directors' report for the 13 month period ended 30 June 2023 (continued)

Exchange rate risk

The Company manages its exchange risk by reviewing its net asset and liability exposure in various currencies and where it is believed that net exposure needs to be hedged the Club enters into forward hedging contracts.

Going concern

The Company was loss making at an operating level in the 2022/23 financial period.

The directors have considered the working capital requirements of the Company for the short, medium and longer term including investment in and the cost of the playing squad and the Club's long term capital projects. As part of their considerations the directors have reviewed in detail the cash flow forecasts prepared for the period of 16 months from the date of this report. These forecasts show that the Company is reliant on continued funding from external banks, proceeds from player trading and/ or the holding company, KPI and/ or its ultimate shareholders.

Since the period end the Company has entered into short term discounting facilities with Macquarie bank to bring forward the proceeds from the sale of three players. The Company continues to hold its four year loan facility with Macquarie Bank and is in compliance with the facility covenants.

The Directors have also considered the Club's cashflow requirements in a severe but plausible scenario. Sensitivities considered in the forecasts included variances in finishing position, net player transfer spend and the non availability of future banking facilities. To cover the working capital needs of the Club in that scenario the Club has access to an undrawn £35m standby facility with KPI, as well as an undrawn future share subscription agreement for 76m shares at £1 per share entered into on 21 April 2023 which can be further called on if necessary to support the Club's cash flow in the unlikely event that all these negative events come to pass.

The Board, of which two members are the majority shareholders of the Club's ultimate controlling party, have received confirmation that the immediate parent company will provide further funding where necessary to meet the requirements of the Company for the next 16 months.

Furthermore, KPI has confirmed that existing liabilities will not be called in for the foreseeable future and not less than 12 months from the date of approval of these consolidated financial statements.

Based on the above the Directors therefore have a reasonable expectation that the necessary funding will be available when required and the consolidated financial statements have therefore been prepared on a going concern basis.

Dividend

No dividends will be distributed for the 13 month period ended 30 June 2023 (2022: Nil).

Leicester City Football Club Limited

Directors' report for the 13 month period ended 30 June 2023 (continued)

Directors

The directors of the Company who were in office during the period and up to the date of signing the consolidated financial statements were:

Aiyawatt Srivaddhanaprabha (Chairman)
Apichet Srivaddhanaprabha (Vice Chairman)
Shilai Liu (Vice Chairman)
Susan Whelan

Directors' indemnity insurance

Throughout the period and up to the date of signing the financial statements, the Company maintains cover under a qualifying third-party indemnity for all directors and officers against liabilities which may be incurred by them whilst acting as directors or officers.

Employees

Employment policies are described in the strategic report on page 9.

Disabled persons

The Company recognises its responsibility to employ disabled persons in suitable employment and gives full and fair consideration to applications for employment made by such persons, having regard to their particular aptitudes and abilities.

Any employee who becomes disabled is encouraged to remain in the Company's employment, in the same job if this is practicable. If a change of job is necessary, such an employee is considered for any suitable alternative work which is available and any necessary training is arranged. Disabled employees are treated equally with all employees in respect of their eligibility for training, career development and promotion.

Environmental

	2023	2022
UK energy use in kWh	17,432,501	17,017,279
GHG emissions associated with energy use (tCO ₂ e) Scope 1	1,878	1,840
GHG emissions associated with energy use (tCO ₂ e) Scope 2	1,550	1,645
GHG emissions associated with energy use (tCO ₂ e) Scope 3	142	145
Intensity measurement (m ² building area)	73,443	66,310
Emissions intensity ratio - tCO ₂ /m ² building area	0.05	0.05

The Emissions intensity ratio has been calculated using m² building area to provide a consistent measurement comparative of energy efficiency performance as the Club expands its operations through developing and utilising further training ground and stadium facilities.

Leicester City Football Club Limited

Directors' report for the 13 month period ended 30 June 2023 (continued)

Environmental (continued)

The Group has continued to monitor and review energy usage and associated carbon dioxide emissions. We have undertaken mandatory assessments of our energy use in accordance with the ESOS regulations 2018.

Actions taken arising from this include installing PIR and motion detectors for lighting; rolling out a CAFM system to better monitor maintenance, control down time and reduce wasteful operating times; implementing an upgraded BMS system which provides more control over plant and machinery; and replacing two inefficient water heaters with modern plate heat exchangers. Further actions are being undertaken to reduce usage across the business.

The Club's total energy usage has increased since the 2020/21 season following the completion of the Seagrave training ground property which was first occupied in December 2020. The Club has also utilised new sites adjacent to the stadium increasing the building area by 7,133 m² since the last reporting period.

As part of our 100% renewable electricity contracts, we continue to monitor usage and target reductions on high usage areas like pumps and motors. The payback on investment in solar PV electricity generation has improved so we continue to consider the implementation of such generation.

The Club has followed the 2019 HM Government Environmental Reporting Guidelines and GHG Reporting Protocol – Corporate Standard. We have also used the 2022 UK Government's Conversion Factors for Company Reporting including using an operational approach to define our boundary.

The electricity and gas data has been recorded over a 12-month period from May 2022 to April 2023. The data was collated directly from monthly invoices and a consumption report.

Company transport data was generated from company fuel cards and for other travel from an estimated mileage travelled based on each vehicle type's average MPG and the amount of petrol/ diesel consumed.

All subsidiaries are covered by these figures and all are owned 100%.

Charitable donations

The Company has made total charitable donations in the period of £69,000 (2022: £1,210,000).

The Club supports various charities through its own charity, the VS Foundation (formerly the LCFC Foxes Foundation). The Club provides free administration, management and accounting support.

The Club also has several match-day collections during every season. Collections for St John's Ambulance, The Royal British Legion and the VS Foundation have either been undertaken in the 2022/23 season or will be undertaken in the 2023/24 season.

Leicester City Football Club Limited

Directors' report for the 13 month period ended 30 June 2023 (continued)

Charitable donations (continued)

The company also supports Leicester City Football Club Trust (operating as Leicester City in the Community), a charitable trust aimed at the promotion and provision of sport, education, health and football services for the community in the City of Leicester and in the Counties of Leicestershire and Rutland. The Club contributed significant in kind contributions during the period.

Subsequent events

Since the period end the Club has invested £1.0m in its facilities.

During the summer 2023 and January 2024 transfer windows the Club has contracted for the purchase, sale and loan of various players. Since 30 June 2023 the Club have entered into a short term discounting facility with Macquarie bank to bring forward the proceeds from the sale of James Maddison, Harvey Barnes and Timothy Castagne.

The net income of the purchase, sale and loans of various players occurring since 30 June 2023, taking into account the applicable levies and contingent fees but excluding value added tax is £9.1m (2022: £9.9m). These transfers and costs will be accounted for in the year ending 30 June 2024.

On the 23 September 2021 the CMA commenced an investigation into suspected breaches of competition law by the Club. The Club fully cooperated with the investigation and can confirm this investigation was resolved in September 2023 with a payment of £880,000 made to the CMA. No deliberate infringement was reported by the CMA by the Club or any party under investigation. This marks the end of the investigation.

Leicester City Football Club Limited

Directors' report for the 13 month period ended 30 June 2023 (continued)

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual report and consolidated 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 group and the company 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.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the group's and company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group's and company's auditors are aware of that information.

Leicester City Football Club Limited

Directors' report for the 13 month period ended 30 June 2023 (continued)

Independent auditors

A resolution to re-appoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

On behalf of the Board

A handwritten signature in black ink, appearing to read "Susan Whelan". The signature is written in a cursive, flowing style.

Susan Whelan
Chief Executive
1 March 2024
Registered number: 04593477

Leicester City Football Club Limited

Independent auditors' report to the members of Leicester City Football Club Limited

Report on the audit of the financial statements

Opinion

In our opinion, Leicester City Football Club Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 30 June 2023 and of the group's loss and the group's cash flows for the 13 month period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and consolidated financial statements (the "Annual Report"), which comprise: the Consolidated and Company Balance sheets as at 30 June 2023; the Consolidated Profit and loss account, the Consolidated statement of comprehensive income, the Consolidated and Company statements of changes in equity and the Consolidated cash flow statement for the period 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.

Leicester City Football Club Limited

Independent auditors' report to the members of Leicester City Football Club Limited (continued)

Conclusions relating to going concern (continued)

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.

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 period ended 30 June 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Leicester City Football Club Limited

Independent auditors' report to the members of Leicester City Football Club Limited (continued)

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 risk surrounding non-compliance with the Profit and Sustainability Rules (P&S) by the FA Premier League, 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 Companies Act 2006 and tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to manipulation of the financial statements and P&S submission through journal entries, and bias shown in judgements and estimates to further manipulate the above. Audit procedures performed by the engagement team included:

- Testing journal entries through a risk-based approach, targeting journals exhibiting unusual account combinations, particularly those crediting revenue with unexpected offsetting accounts, and those which debit expense codes for items that are allowable under the P&S rules;

Leicester City Football Club Limited

Independent auditors' report to the members of Leicester City Football Club Limited (continued)

- Discussions with management in relation to known or suspected instances of non-compliance with laws and regulation and fraud;
- Inquiries of management regarding compliance with P&S rules, including consideration of the implications on the financial statements and review of specific disclosures included with the financial statements;
- Inquiries of management regarding ongoing HMRC investigations and potential outcomes;
- Testing of significant estimates and judgements which affect the financial statements, verifying the underlying data and accuracy of the models used and challenge of alternative viewpoints that could feasibly be adopted; and
- Incorporating elements of unpredictability into the nature, timing and extent of testing; and
- Review of the financial statements for disclosures required by both the Companies Act 2006 and the accounting standards.

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.

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

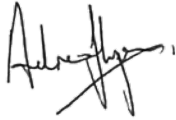
Companies Act 2006 exception reporting

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.

Leicester City Football Club Limited

Independent auditors' report to the members of Leicester City Football Club Limited (continued)

We have no exceptions to report arising from this responsibility.



Andrew Lyon (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands
1 March 2024

Leicester City Football Club Limited

Consolidated Profit and loss account for the 13 month period ended 30 June 2023

	Note	2023 £'000	2022 £'000
Turnover	2	177,326	214,590
Cost of sales		(301,787)	(275,784)
Gross loss		(124,461)	(61,194)
Administrative expenses		(26,862)	(22,306)
Exceptional costs	3	(880)	-
Other operating income		194	700
Loss on disposal of fixed assets	3	-	(17)
Profit on disposal of player registrations	3	74,767	9,206
Operating loss	3	(77,242)	(73,611)
Interest receivable and similar income	4	1,412	431
Interest payable and similar expenses	4	(13,889)	(19,316)
Net interest payable	4	(12,477)	(18,885)
Loss before taxation		(89,719)	(92,496)
Tax on loss	6	-	-
Loss for the financial period		(89,719)	(92,496)

The above is in relation to continuing activities.

Consolidated statement of comprehensive income for the 13 month period ended 30 June 2023

	Note	2023 £'000	2022 £'000
Loss for the financial period		(89,719)	(92,496)
Other comprehensive income			
Deferred tax current period charge	6	-	-
Revaluation Surplus	8	-	8,169
Total comprehensive expense for the period		(89,719)	(84,327)

Leicester City Football Club Limited

Consolidated Balance sheet as at 30 June 2023

	Note	2023 £'000	Restated* 2022 £'000
Fixed assets			
Intangible assets	7	109,538	162,492
Tangible assets	8	204,691	210,232
		314,229	372,724
Current assets			
Inventories		2,510	544
Debtors (including £24,178,000 (2022:£3,738,000) falling due after more than one year)	10	88,935	34,942
Cash at bank and in hand		8,235	34,222
		99,680	69,708
Creditors: amounts falling due within one year	11	(171,053)	(143,552)
Net current liabilities		(71,373)	(73,844)
Total assets less current liabilities		242,856	298,880
Creditors: amounts falling due after more than one year	12	(183,196)	(343,738)
Net assets / (liabilities)		59,660	(44,858)
Capital and reserves			
Called up share capital	14	306,993	112,756
Share premium account	15	8,475	8,475
Revaluation reserve	15	39,744	40,026
Profit and loss account	15	(295,552)	(206,115)
Total shareholders' funds / (deficit)		59,660	(44,858)

* Please see note 8 for further details.

The notes on pages 29 to 62 are an integral part of these consolidated financial statements.

The consolidated financial statements on pages 23 to 62 were approved by the board of directors on 1 March 2024 and signed on its behalf by:



Susan Whelan
Chief Executive

Registered number: 04593477

Leicester City Football Club Limited

Company Balance sheet as at 30 June 2023

	Note	2023 £'000	Restated* 2022 £'000
Fixed assets			
Intangible assets	7	109,496	162,472
Tangible assets	8	204,664	210,215
Investments	9	-	-
		314,160	372,687
Current assets			
Inventories		2,510	544
Debtors (including £24,178,000 (2022:£3,738,000) falling due after more than one year)	10	97,420	39,295
Cash at bank and in hand		8,229	34,132
		108,159	73,971
Creditors: amounts falling due within one year	11	(170,926)	(143,397)
Net current liabilities		(62,767)	(69,426)
Total assets less current liabilities		251,393	303,261
Creditors: amounts falling due after more than one year	12	(183,196)	(343,738)
Net assets / (liabilities)		68,197	(40,477)
Capital and reserves			
Called up share capital	14	306,993	112,756
Share premium account	15	8,475	8,475
Revaluation reserve	15	39,744	40,026
Profit and loss account	15	(287,015)	(201,734)
Total shareholders' funds / (deficit)		68,197	(40,477)

The Company's loss for the financial period amounted to £85,563,000 (2022: £89,667,000).

* Please see note 8 for further details.

The notes on pages 29 to 62 are an integral part of these financial statements.

The financial statements on pages 23 to 62 were approved by the board of directors on 1 March 2024 and signed on its behalf by:


 Susan Whelan
 Chief Executive

Registered number: 04593477

Leicester City Football Club Limited

Consolidated statement of changes in equity for the 13 month period ended 30 June 2023

	Called up share capital £'000	Share premium account £'000	Revaluation reserve £'000	Profit and loss account £'000	Total shareholders' funds/(deficit) £'000
Balance as at 1 June 2021	112,756	8,475	31,530	(113,292)	39,469
Loss for the financial year	-	-	-	(92,496)	(92,496)
Other comprehensive income for the year	-	-	8,169	-	8,169
Transfer to profit and loss account	-	-	327	(327)	-
Balance as at 31 May 2022	112,756	8,475	40,026	(206,115)	(44,858)
Loss for the financial period	-	-	-	(89,719)	(89,719)
Other comprehensive income for the period	-	-	-	-	-
Transfer to profit and loss account	-	-	(282)	282	-
Debt converted to equity	194,237	-	-	-	194,237
Balance as at 30 June 2023	306,993	8,475	39,744	(295,552)	59,660

Leicester City Football Club Limited

Company statement of changes in equity for the 13 month period ended 30 June 2023

	Called up share capital £'000	Share premium account £'000	Revaluation reserve £'000	Profit and loss account £'000	Total shareholders' funds/(deficit) £'000
Balance as at 1 June 2021	112,756	8,475	31,530	(111,740)	41,021
Loss for the financial year	-	-	-	(89,667)	(89,667)
Other comprehensive income for the year	-	-	8,169	-	8,169
Transfer to profit and loss account	-	-	327	(327)	-
Balance as at 31 May 2022	112,756	8,475	40,026	(201,734)	(40,477)
Loss for the financial period	-	-	-	(85,563)	(85,563)
Other comprehensive income for the period	-	-	-	-	-
Transfer to profit and loss account	-	-	(282)	282	-
Debt converted to equity	194,237	-	-	-	194,237
Balance as at 30 June 2023	306,993	8,475	39,744	(287,015)	68,197

The accounting policies and the notes on pages 29 to 62 form part of these financial statements.

Leicester City Football Club Limited

Consolidated cash flow statement for the 13 month period ended 30 June 2023

	2023 £'000	Restated* 2022 £'000
Cash flow from operating activities (Note 20)	(51,611)	(27,776)
Taxation received	-	-
Net cash flow used in operating activities	(51,611)	(27,776)
Cash flow from investing activities		
Purchase of tangible fixed assets	(2,552)	(9,707)
Purchase of intangible fixed assets	(59,884)	(45,579)
Sale of tangible fixed assets	-	4
Sale of intangible fixed assets	51,364	25,181
Interest received	-	-
Net cash used in investing activities	(11,072)	(30,101)
Cash flow from financing activities		
Loan amounts received	101,759	115,000
Repayment of external loans	(59,433)	(68,055)
Interest paid	(5,630)	(5,711)
Net cash generated from financing activities	36,696	41,234
Net decrease in cash and cash equivalents	(25,987)	(16,643)
Cash and cash equivalents at start of period	34,222	50,865
Cash and cash equivalents at end of period	8,235	34,222
Cash and cash equivalents consist of:		
Cash at bank and in hand	8,235	34,222
Cash and cash equivalents	8,235	34,222

* Please see note 8 for further details.

Leicester City Football Club Limited

Notes to the consolidated financial statements for the 13 month period ended 30 June 2023

1 Accounting policies

General information

Leicester City Football Club Limited ("the Company") is a private company limited by shares. The principal activity of the Company continues to be the operation of a professional football team.

The Company is incorporated and registered in England, UK. The address of its registered office is King Power Stadium, Filbert Way, Leicester, LE2 7FL.

Statement of compliance

The consolidated 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.

Exemptions for qualifying entities under FRS 102 1.11

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to conditions. The Company has taken advantage of the following exemptions in its individual financial statements:

- from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Company's cash flows; and
- from the financial instrument disclosures, required under FRS 102 paragraphs, 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A, as the information is provided in the consolidated financial statement disclosures; and
- from disclosing the Company key management personnel compensation as required by FRS 102 paragraph 33.7.

Summary of significant accounting policies

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

Basis of preparation

The consolidated financial statements have been prepared on the going concern basis, under the modified historical cost convention as modified by the revaluation of certain assets, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

Leicester City Football Club Limited

Notes to the consolidated financial statements for the 13 month period ended 30 June 2023 (continued)

1 Accounting policies (continued)

Basis of preparation (continued)

The preparation of consolidated financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are also disclosed in this note.

The Company has taken advantage of the exemption in section 408 of the Companies Act from presenting its individual profit and loss account.

The Company extended its accounting year end from 31 May to 30 June in the period which establishes a profit and loss account for a 13 month accounting period to 30 June 2023 compared to a profit and loss account for a 12 month accounting period to 31 May 2022. The Balance Sheet is reporting financial information as at 30 June 2023 and 31 May 2022.

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 30 June each year. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Business combinations are accounted for under the purchase method. 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. Where the subsidiary reporting period differs from the Group the figures are adjusted to reflect the same accounting period. All intra-group transactions, balances, income and expenses are eliminated on 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 the Group owns less than 50% of the voting powers of an entity but controls the entity by virtue of an agreement with other investors which give it control of the financial and operating policies of the entity, it accounts for that entity as a subsidiary.

Business combinations and goodwill

Business combinations are accounted for by applying the purchase method. The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination. Where control is achieved in stages the cost is the consideration at the date of each transaction.

Leicester City Football Club Limited

Notes to the consolidated financial statements for the 13 month period ended 30 June 2023 (continued)

1 Accounting policies (continued)

Business combinations and goodwill (continued)

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. Intangible assets are only recognised separately from goodwill where they are separable and arise from contractual or other legal rights. Where the fair value of contingent liabilities cannot be reliably measured they are disclosed on the same basis as other contingent liabilities.

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the Group's interest in the identifiable net assets, liabilities and contingent liabilities acquired. On acquisition, goodwill is allocated to cash-generating units ("CGU's") that are expected to benefit from the combination.

Goodwill is amortised over its expected useful life which is estimated to be ten years. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement. No reversals of impairment are recognised.

Functional and presentation currency

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

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Going concern

The Company was loss making at an operating level in the 2022/23 financial period.

The directors have considered the working capital requirements of the Company for the short, medium and longer term including investment in and the cost of the playing squad and the Club's long term capital projects. As part of their considerations the directors have reviewed in detail the cash flow forecasts prepared for the period of 16 months from the date of this report. These forecasts show that the Company is reliant on continued funding from external banks, proceeds from player trading and/ or the holding company, KPI and/ or its ultimate shareholders.

Leicester City Football Club Limited

Notes to the consolidated financial statements for the 13 month period ended 30 June 2023 (continued)

1 Accounting policies (continued)

Going concern (continued)

Since the period end the Company has entered into short term discounting facilities with Macquarie bank to bring forward the proceeds from the sale of three players. The Company continues to hold its four year loan facility with Macquarie Bank and is in compliance with the facility covenants.

The Directors have also considered the Club's cashflow requirements in a severe but plausible scenario. Sensitivities considered in the forecasts included variances in finishing position, net player transfer spend and the non availability of future banking facilities. To cover the working capital needs of the Club in that scenario the Club has access to a £35m standby facility with KPI, as well as an undrawn future share subscription agreement for 76m at £1 per share entered into on 21 April 2023 which can be further called on if necessary to support the Club's cash flow in the unlikely event that all these negative events come to pass.

The Board, of which two members are the majority shareholders of the Club's ultimate controlling party, have received confirmation that the ultimate holding company will provide further funding where necessary to meet the requirements of the Company for the next 16 months.

Furthermore, KPI has confirmed that existing liabilities will not be called in for the foreseeable future and not less than 12 months from the date of approval of these consolidated financial statements.

Based on the above the Directors therefore have a reasonable expectation that the necessary funding will be available when required and the consolidated financial statements have therefore been prepared on a going concern basis.

Turnover

Turnover 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.

Leicester City Football Club Limited

Notes to the consolidated financial statements for the 13 month period ended 30 June 2023 (continued)

1 Accounting policies (continued)

Turnover (continued)

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. Broadcasting rights and UEFA club competitions

Broadcasting rights comprises all domestic commercial agreements negotiated centrally by competition organisers, and associated prize monies, the Club engage in including but not limited to the FA Cup, Premier League, EFL, WSL.

UEFA club competitions comprises all European commercial agreements negotiated centrally by competition organisers, and associated prize monies, the Club engage in including but not limited the Champions League, Europa League and Europa Conference League.

Turnover is recognised in the profit and loss account in the relevant financial period for the season to which the income relates including any rebate relating to that income.

Turnover relating to the Club's finishing league position is recognised in line with expectations at the reporting date.

Turnover relating to televised matches is fully recognised in the financial period for the season to which the income relates.

ii. Sponsorship and advertising

Sponsorship and advertising income (whether settled in cash or value in kind) comprises amounts receivable from commercial contracts which exploit the Leicester City Football Club brand, including minimum guaranteed revenue, and fees generated by the Club's first team promotional tours.

Turnover is recognised over the term of the agreement in line with the performance obligations included within the contract and based on the sponsorship benefits enjoyed by the individual sponsor. In instances where the sponsorship rights remain the same over the duration of the contract, turnover is recognised on a straight-line basis.

Turnover is recognised in the profit and loss account in the relevant financial period for the season to which the income relates.

Income received prior to the period end in respect of the following football season is treated as deferred income and recognised over the future seasons to which it relates.

Leicester City Football Club Limited

Notes to the consolidated financial statements for the 13 month period ended 30 June 2023 (continued)

1 Accounting policies (continued)

Turnover (continued)

iii. Gate receipts

Gate receipts comprise of seasonal and match by match ticket income for all competitions the Club engage in including but not limited to the FA Cup, Premier League, EFL, WSL, and UEFA in relation to the Champions League, Europa League and Europa Conference League.

Turnover is recognised as and when the relevant fixtures are played as the performance obligations are then satisfied.

Income received prior to the period end in respect of the following football season is treated as deferred income and recognised over the future seasons and fixtures to which it relates.

iv. Commercial

Commercial turnover comprises retail operations and events.

The Group operates its retail store for the sale of a range of branded and own branded products. Sales of goods are recognised on sale to the customer, which is considered the point of delivery. Retail sales are usually by cash, credit or payment card.

The Group sells goods via its website for delivery to the customer or 'click and collect' at its retail store. Turnover is recognised when the risks and rewards of the inventory are passed to the customer. Transactions are settled by credit or payment card.

Turnover from events is recognised as and when the relevant event has taken place as the delivery obligations are then satisfied.

The Group have certain commercial arrangements with commercial partners whereby the Group receive a royalty share of turnover generated by such operations. This revenue is recognised on an accrual basis.

v. Other income

All other income is recognised on the provision of the service or transfer of economic benefit. Where income has been earned but has not been received at the period end it is recognised as accrued income.

Leicester City Football Club Limited

Notes to the consolidated financial statements for the 13 month period ended 30 June 2023 (continued)

1 Accounting policies (continued)

Employee benefits

The Company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements 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 period in which the service is received.

ii. Defined contribution pension plans

The Company operates defined contribution schemes for certain employees. The Company funds its pension liabilities through externally managed pension schemes. Contributions are charged against operating profits in the period in which payments are due.

iii. Defined benefit pension plans

Certain Company employees and ex-employees are members of the Football League Limited Pension and Life Assurance Scheme (FLPLAS), a defined benefit scheme. As the Company is one of a number of participating employers in FLPLAS it is not possible to identify the Company's share of the individual assets and liabilities within the scheme.

iii. Defined benefit pension plans (continued)

However, the actuarial surplus or deficit is estimated and a provision is made for any unfunded obligation with any payments made being deducted from the outstanding balance. The assets of the scheme are held separately from those of the Group, being invested with insurance companies. Further details are set out in note 17.

Intangible fixed assets

The Club follows the liability model where the fair value of the asset is capitalised with changes to the valuation added to the asset when necessary. The fair value of the cost of player registrations is capitalised as an intangible asset and amortised over the period of the respective player's original or extended contract. The fair value of contingent player registration costs are capitalised when the directors have reasonable grounds to consider that payment will be made during the contract period of the player. Capitalised costs in relation to contingent fee elements are expensed to the profit and loss account when the contingent event can no longer be achieved.

Goodwill arising on acquisition of a subsidiary or trading business is quantified as the difference between the fair value of consideration and the fair value of the separately identifiable assets and liabilities acquired. Goodwill is capitalised and reviewed annually for impairment, but is now fully amortised or provided.

Leicester City Football Club Limited

Notes to the consolidated financial statements for the 13 month period ended 30 June 2023 (continued)

1 Accounting policies (continued)

Intangible fixed assets (continued)

Computer software and associated development costs are also capitalised as Intangible assets and are amortised over their useful life. Rates applied are between 20% - 33% per annum.

Signing on fees

Signing on fees payable to players are charged to the profit and loss account over the contract period of each player. Contractual obligations are recognised when they become payable, with prepayments or accruals arising at each period end included within current assets or current liabilities, as appropriate. Where a player's registration is transferred, any signing on fees payable in respect of future periods are charged against the profit/(loss) on disposal of players registrations in the period in which the disposal is recognised.

Player sales and loan income

Profit on sale of player registrations and fees in relation to the temporary transfer of player registrations are recognised at fair value during the period in which the transaction takes place. The profit is stated net of all disposal costs and after releasing any unrealised provisions relating to the players registration. Reimbursement of player salaries during the temporary registration period is deducted from cost of sales reducing net player employment costs.

Tangible fixed assets

Fixed assets are stated at cost or valuation less depreciation. The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

The Company adopts a revaluation policy for its stadium and Belvoir Drive training ground, and an assessment is made at each period end to ensure that the carrying amount does not differ materially from that which would be determined using fair value. With effect from 31 May 2009, the stadium is revalued by professional qualified valuers every five years, with an interim valuation after three years. The stadium is valued on a depreciated replacement cost basis as no genuine market exists for such an asset. The Belvoir Drive training ground has been valued on an existing use market value basis with an element of leasehold improvements for part of the site valued at depreciated replacement cost. Both the Stadium and the Belvoir Drive training ground were revalued as at 31 May 2022 in line with the interim valuation carried out.

Before transitioning to FRS 102, the Company adopted a policy of revaluing freehold land and buildings and they were stated at their revalued amount less any subsequent depreciation and accumulated impairment losses. The difference between depreciation based on the deemed cost charged in the profit and loss account and the asset's original cost is transferred from revaluation reserve to retained earnings.

Leicester City Football Club Limited

Notes to the consolidated financial statements for the 13 month period ended 30 June 2023 (continued)

1 Accounting policies (continued)

Tangible fixed assets (continued)

Depreciation is provided at rates calculated to write down the cost or valuation of each asset to its residual value on a straight-line basis over its expected useful life. Rates applied are as follows:

Stadium / other land and buildings	-	2% per annum
Seagrave training ground	-	2% - 10% per annum
Fixtures, fittings, plant and equipment	-	10% - 20% per annum
Computer equipment	-	20% - 33% per annum
Motor vehicles	-	20% per annum

Freehold land is not depreciated.

Impairment

Intangible and tangible fixed assets and investments are subject to review for impairment in accordance with FRS 102, section 27, Impairment of Assets. Any impairment in the value of fixed assets is charged to the profit and loss account, as an additional component of the depreciation or amortisation charges.

Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment losses are recognised as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of fair market value less costs to sell, and its value in use. In calculating value in use, future cash flows are discounted at an interest rate that takes into account the market's assessment of a risk-free interest rate adjusted for risk related to the specific asset. For assets dependent on other assets to generate cash flows, the recoverable amount is calculated for the income generating unit to which the asset belongs.

Impairment losses are reversed if there is a trigger that changes the recoverable amount, with the exception of impairment losses on goodwill.

Leased assets

Assets purchased under finance leases and hire purchase contracts have been capitalised and depreciation is charged at rates calculated to write down the cost of each asset to its residual value on a straight-line basis over its expected useful life or the period of the lease, whichever is shorter. Interest is charged to profit so as to produce a constant periodic rate of charge on the remaining balance of the lease for each accounting period. Operating lease payments are charged to the profit and loss on a straight line basis.

Assets under construction

Assets in the course of construction are stated at cost. These assets are not depreciated until it is available for use and are reviewed for impairment at each reporting date.

Leicester City Football Club Limited

Notes to the consolidated financial statements for the 13 month period ended 30 June 2023 (continued)

1 Accounting policies (continued)

Inventories

Stocks comprise goods for resale and are stated at the lower of cost and net realisable value. Cost of goods sold is based on the cost of purchase on a first in, first out basis. Provision is made for obsolete items.

Cash

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow 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 may be small.

Financial instruments

The Company has chosen to adopt sections 11 and 12 of FRS102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other debtors, amounts owed by group undertakings and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rates of interest.

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

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 flows discounted at the asset's original effective interest rate. The impairment is recognised in profit or loss.

Leicester City Football Club Limited

Notes to the consolidated financial statements for the 13 month period ended 30 June 2023 (continued)

1 Accounting policies (continued)

Financial assets (continued)

Financial assets are derecognised when (a) the contractual rights to the cash flows from the assets expire or are settled, or (b) substantially all the risk and rewards of the ownership of the asset are transferred to another party or (c) 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.

Financial liabilities

Basic financial liabilities, including trade and other creditors and amounts due to fellow group undertakings 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.

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

Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

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.

Taxation

i. Current tax

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

Leicester City Football Club Limited

Notes to the consolidated financial statements for the 13 month period ended 30 June 2023 (continued)

1 Accounting policies (continued)

Taxation (continued)

ii. Deferred tax

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

Deferred tax assets and liabilities recognised on the movement in the fair value of tangible fixed assets is recognised within other comprehensive income.

Related party transactions

The Company discloses transactions with related parties which are both wholly and not wholly owned with the same Group.

Critical accounting judgements and estimation uncertainty

We believe that the following accounting policies reflect the most critical judgments, estimates and assumptions and are significant to the consolidated financial statements.

i. Valuation of tangible assets

The Company adopts a revaluation policy for its stadium and Belvoir Drive training ground, and an assessment is made at each period end to ensure that the carrying amount does not differ materially from that which has been determined using fair value. A professional valuation of the stadium and Belvoir Drive training ground is undertaken every five years, with an interim valuation after three years, and revalued at that date. In the interim periods, the Directors undertake their own assessment of the valuation based on factors they deem appropriate, and will impair the assets where necessary. Where an indication that the fair value may have changed materially is identified the estimation of recoverable value requires estimation of the existing use value of the assets. Due to the specialised nature of the stadium, Depreciated Replacement Cost has been used as a more reliable estimate of fair value, with Belvoir Drive training ground being held at market value. No change is anticipated for the next 12 months.

Leicester City Football Club Limited

Notes to the consolidated financial statements for the 13 month period ended 30 June 2023 (continued)

1 Accounting policies (continued)

Critical accounting judgements and estimation uncertainty (continued)

ii. Recognition of contingent transfer fees

The costs associated with the acquisition of players' registrations are capitalised as intangible assets at the fair value of the consideration payable, including an estimate of the fair value of any contingent consideration. Subsequent reassessments of the amount of contingent consideration payable are also included in the cost of the individual's registration. The estimate of the fair value of the contingent consideration payable requires management to assess the likelihood of specific performance conditions being met which would trigger the payment of the contingent consideration such as the number of player appearances. This assessment is carried out on an individual basis. The assessment of when contingent fees become probable is an estimate that may give rise to a material change in the value of capitalised player registrations. The maximum amount that is potentially payable and the amount that is currently provided is detailed in note 18.

Leicester City Football Club Limited

Notes to the consolidated financial statements for the 13 month period ended 30 June 2023 (continued)

2 Turnover

All turnover is derived from the Group's principal activity in the United Kingdom, is analysed as follows:

	2023 £'000	2022 £'000
Broadcasting rights	114,540	129,824
UEFA club competitions	-	21,513
Sponsorship and advertising	32,117	30,805
Gate receipts	18,391	21,028
Commercial	9,547	8,480
Other income	2,731	2,940
	177,326	214,590

3 Operating loss

Operating loss is stated after charging/(crediting):

	Note	2023 £'000	2022 £'000
Amortisation of intangible assets	7	77,029	72,325
Operating leases			
- plant and machinery		49	73
Depreciation:			
- owned tangible fixed assets	8	7,000	6,169
- assets held under finance leases and hire purchase contracts	8	1,093	984
Exceptional costs		880	-
Foreign exchange (losses)/gains		942	(603)
Impairment of intangible assets		-	2,593
Impairment of trade receivables		4	86
Impairment of inventory		80	75
Loss on disposal on tangible fixed assets		-	17
Profit on disposal on intangible fixed assets		(74,767)	(9,206)
Auditors' remuneration			
- audit of the Company's annual consolidated financial statements		97	65
- Audit of subsidiaries annual financial statements		15	13
- non-audit services – interim accounts		13	16
- non-audit services – tax advisory and compliance		64	37

Exceptional costs relate to a payment due to the CMA. See Note 23 for further information.

Leicester City Football Club Limited

Notes to the consolidated financial statements for the 13 month period ended 30 June 2023 (continued)

4 Net interest payable

	2023	Restated*
	£'000	2022 £'000
Interest payable and similar expenses:		
Bank loans and overdrafts	7,266	5,005
Hire purchase contracts	1,751	1,494
Interest on transfer fees payable	2,530	2,994
Interest payable to group undertakings	2,342	9,726
Other interest payable	-	97
	13,889	19,316
Interest receivable and similar income:		
Bank interest receivable	(108)	-
Interest on transfer fees receivable	(1,304)	(431)
	(1,412)	(431)
Net interest payable	12,477	18,885

The restatement above relates to the reclassification of the bank loan and overdrafts wrongly classified as interest payable to group undertakings and interest payable to group undertakings as bank loan and overdrafts.

5 Staff costs

The Group:

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

	2023	2022
	Number	Number
Players	87	81
Administration	408	386
	495	467

In addition, the Group employed on average 559 (2022: 530) casual staff on match days.

Employee costs, including directors, during the period amounted to:

	2023	2022
	£'000	£'000
Wages and salaries	171,950	148,403
Benefits in kind	8,095	10,699
Social security costs	24,772	22,057
Other pension costs (note 17)	963	814
	205,780	181,973

Leicester City Football Club Limited

Notes to the consolidated financial statements for the 13 month period ended 30 June 2023 (continued)

5 Staff costs (continued)

The Company:

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

	2023 Number	2022 Number
Players	64	60
Administration	393	373
	457	433

In addition, the Company employed on average 544 (2022: 511) casual staff on match days.

Employee costs, including directors, during the period amounted to:

	2023 £'000	2022 £'000
Wages and salaries	169,826	147,098
Benefits in kind	7,950	10,596
Social security costs	24,504	21,934
Other pension costs	889	777
	203,169	180,405

The Group and Company:

The employee costs above include the following remuneration in respect of the directors of the Company.

	2023 £'000	2022 £'000
Aggregate emoluments	273	303
Pension contributions	28	24
	301	327

The aggregate emoluments including pension contributions of the highest paid director were £301,000 (2022: £327,000) and one of the directors was accruing benefits under a defined contribution pension scheme (2022: one).

Key management compensation	2023 £'000	2022 £'000
Salaries and other short-term benefits	273	303
Post-employment benefits	28	24
	301	327

Leicester City Football Club Limited

Notes to the consolidated financial statements for the 13 month period ended 30 June 2023 (continued)

6 Tax on loss

	2023 £'000	2022 £'000
UK corporation tax		
- adjustments in respect of prior periods	-	-
Total current tax	-	-
Deferred tax		
- origination and reversal of timing differences	9	(1,747)
- adjustments in respect of prior periods	-	2,299
- effect of changes in tax rate	(9)	(552)
Total deferred tax (note 13)	-	-
Tax on loss	-	-

The standard rate of tax for the 13 month period ended 30 June 2023 is based on the UK standard rate of 20.38% (2022: 19%). The actual charge for the period is higher than the standard rate for the reasons set out in the following reconciliation:

	2023 £'000	2022 £'000
Loss before taxation	(89,719)	(92,496)
Loss before taxation at standard UK tax rate of 20.38% (2022: 19%)	(18,285)	(17,574)
Effects of:		
Expenses not deductible	1,876	1,478
Adjustment from previous periods	-	2,299
Tax rate changes	(9)	(552)
Deferred tax not recognised	16,418	14,349
Total tax credit for the period	-	-

Changes to the UK tax rates were substantively enacted by Finance Bill 2021 (on 24 May 2021). These included an increase in the standard corporation tax rate from 19% to 25% from 1 April 2023. Deferred tax balances have been remeasured accordingly where appropriate. The impact of the change in rate has been to increase the deferred tax asset relating to tax losses and other timing differences by £9,258 (2022: £552,000). In addition, the deferred tax liability on the revaluation of the stadium has increased by £9,258 (2022: £552,000).

Leicester City Football Club Limited

Notes to the consolidated financial statements for the 13 month period ended 30 June 2023 (continued)

7 Intangible assets

The Group:	Player registrations £'000	Computer Software £'000	Goodwill £'000	Total £'000
Cost				
At 1 June 2022	402,004	1,809	4,336	408,149
Additions	53,270	22	-	53,292
Disposals	(190,850)	-	-	(190,850)
At 30 June 2023	264,424	1,831	4,336	270,591
Accumulated amortisation				
At 1 June 2022	239,624	1,697	4,336	245,657
Charge for the period	76,945	84	-	77,029
Disposals	(161,633)	-	-	(161,633)
At 30 June 2023	154,936	1,781	4,336	161,053
Net book amount				
At 30 June 2023	109,488	50	-	109,538
At 31 May 2022	162,380	112	-	162,492

The Company:	Player registrations £'000	Computer Software £'000	Goodwill £'000	Total £'000
Cost				
At 1 June 2022	401,958	1,809	4,266	408,033
Additions	53,227	22	-	53,249
Disposals	(190,850)	-	-	(190,850)
At 30 June 2023	264,335	1,831	4,266	270,432
Accumulated amortisation				
At 1 June 2022	239,598	1,697	4,266	245,561
Charge for the period	76,924	84	-	77,008
Disposals	(161,633)	-	-	(161,633)
At 30 June 2023	154,889	1,781	4,266	160,936
Net book amount				
At 30 June 2023	109,446	50	-	109,496
At 31 May 2022	162,360	112	-	162,472

The purchased goodwill arose as a result of the acquisition of the trade and certain assets and liabilities of Leicester City Football Club in 2003.

Leicester City Football Club Limited

Notes to the consolidated financial statements for the 13 month period ended 30 June 2023 (continued)

8 Tangible assets

The Group:	Stadium	Seagrave Training Ground	Other land and buildings	Fixtures, fittings, plant & equipment	Motor vehicles	Computer equipment	Restated Assets under construction	Restated Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation								
At 1 June 2022	45,500	114,063	25,809	24,347	352	6,635	13,241	229,947
Additions	-	431	4	1,572	75	379	91	2,552
Disposals	-	-	-	-	-	-	-	-
At 30 June 2023	45,500	114,494	25,813	25,919	427	7,014	13,332	232,499
Accumulated depreciation								
At 1 June 2022	-	4,444	208	10,207	216	4,640	-	19,715
Charge for the period	1,093	3,370	326	2,416	82	806	-	8,093
Disposals	-	-	-	-	-	-	-	-
At 30 June 2023	1,093	7,814	534	12,623	298	5,446	-	27,808
Net book amount								
At 30 June 2023	44,407	106,680	25,279	13,296	129	1,568	13,332	204,691
At 31 May 2022	45,500	109,619	25,601	14,140	136	1,995	13,241	210,232
The Company:	Stadium	Seagrave Training Ground	Other land and buildings	Fixtures, fittings, plant & equipment	Motor vehicles	Computer equipment	Restated Assets under construction	Restated Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation								
At 1 June 2022	45,500	114,063	25,809	24,339	352	6,612	13,241	229,916
Additions	-	431	4	1,556	75	370	91	2,527
Disposals	-	-	-	-	-	-	-	-
At 30 June 2023	45,500	114,494	25,813	25,895	427	6,982	13,332	232,443
Accumulated depreciation								
At 1 June 2022	-	4,444	208	10,206	216	4,627	-	19,701
Charge for the period	1,093	3,370	326	2,414	82	793	-	8,078
Disposals	-	-	-	-	-	-	-	-
At 30 June 2023	1,093	7,814	534	12,620	298	5,420	-	27,779
Net book amount								
At 30 June 2023	44,407	106,680	25,279	13,275	129	1,562	13,332	204,664
At 31 May 2022	45,500	109,619	25,601	14,133	136	1,985	13,241	210,215

Included within Other land and buildings is £9,800,000 (2022: £9,800,000) relating to the Club's Belvoir Drive training ground utilised by both LCWFC and LCFC.

An interim valuation was undertaken on 31 May 2022 by Savills plc which valued the stadium at £45,500,000 on a depreciated replacement cost basis as compared to the depreciated carrying value of £40,548,000. Included within this valuation is freehold land of £15,225,000.

Leicester City Football Club Limited

Notes to the consolidated financial statements for the 13 month period ended 30 June 2023 (continued)

8 Tangible assets (continued)

If the stadium was stated on a historical cost basis, the amounts for cost, aggregate depreciation and net book amount respectively at 30 June 2023 would be £22,010,000 (2022: £22,010,000), £9,872,000 (2022: £9,252,000) and £12,138,000 (2022: £12,758,000).

The stadium is the subject of a hire purchase contract with K Power Holdings Company Limited, a related company. The repayment terms of the contract were contingent on the turnover associated with the League the Club plays in during the duration of the contract during the period and the payment profile of the contract has been calculated based on the league status of the Club at the period end. The hire purchase contract has been amended by the parties and now all amounts owing under this agreement are repayable on 30 June 2026. Amounts payable under finance leases and hire purchase contracts are set out in note 16.

An interim valuation was undertaken on 31 May 2022 by Savills plc which valued the Club's Belvoir Drive training ground at £9,800,000 consisting of a market value current use basis of £5,700,000 for the main building and freehold land as well as £4,100,000 for the leasehold improvements on the leased element of the site on a depreciated replacement costs basis. This compares to the depreciated carrying value of £6,583,000. Included within this valuation is freehold land of £900,000.

If the Belvoir Drive training ground was stated on a historical cost basis, the amounts for cost, aggregate depreciation and net book amount respectively at 30 June 2023 would be £6,667,000 (2022: £6,667,000), £4,545,000 (2022: £4,151,000) and £2,122,000 (2022: £2,516,000).

Seagrave training ground is carried at historical cost as it was substantively completed in December 2020 and the Directors believe there would be no material difference to depreciated replacement cost.

Land included within "Other land and buildings" at a cost of £15,298,000 (2022: £15,298,000) is not depreciated.

The tangible assets balance for the period ended 30 June 2023 has been restated by £13,241,000, due to a balance sheet reclassification, moving this amount from prepayments within the Debtors note 10, to assets under construction within the Tangible assets note 8. Management decided in the year that this is a more appropriate classification for this balance, which relates to the capitalisation of costs associated with the planned stadium expansion. Therefore, the tangible assets balance for 31 May 2022 has been restated to £13,241,000 (2021: £12,292,404).

Leicester City Football Club Limited

Notes to the consolidated financial statements for the 13 month period ended 30 June 2023 (continued)

9 Investments

	2023	2022
	£	£
Shares in subsidiary	3	3

The investments relate to:

i. 100% of the ordinary share capital of LCWFC registered address King Power Stadium, Filbert Way, Leicester, Leicestershire, LE2 7FL, a company incorporated in the United Kingdom; and

ii. 100% of the ordinary share capital of Leicester City Media Limited, registered address King Power Stadium, Filbert Way, Leicester, Leicestershire, LE2 7FL, a wholly owned dormant company incorporated in the United Kingdom. The directors believe that the carrying value of the investments is supported by their underlying net assets.

10 Debtors

The Group:	2023	Restated
	£'000	2022 £'000
Trade debtors	10,981	2,203
Amounts owed by group undertakings	6,588	10,745
Transfer fees receivable	60,435	7,815
Other debtors	6,729	6,049
Prepayments	2,423	2,723
Accrued income	1,779	5,407
	88,935	34,942

Trade Debtors are stated after provisions for impairment of £790,000 (2022: £793,000).

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

Transfer fees receivable includes £24,178,000 (2022: £3,738,000) falling due after more than one year.

Other debtors mostly comprises outstanding direct debit payments for 2023/24 season tickets.

Gross transfer fees receivable before VAT and discounting are £62,863,000 (2022: £8,052,000).

Leicester City Football Club Limited

Notes to the consolidated financial statements for the 13 month period ended 30 June 2023 (continued)

10 Debtors (continued)

The debtors balance for the period ended 30 June 2023 has been restated by £13,241,000, due to a balance sheet reclassification, moving this amount from prepayments within the Debtors note 10, to assets under construction within the Tangible assets note 8. Management decided in the year that this is a more appropriate classification for this balance, which relates to the capitalisation of costs associated with the planned stadium expansion. Further details are disclosed in the Tangible assets note 8.

The Company:	2023	Restated
	£'000	2022 £'000
Trade debtors	10,976	2,161
Amounts owed by group undertakings	15,090	15,144
Transfer fees receivable	60,435	7,815
Other debtors	6,729	6,049
Prepayments	2,412	2,719
Accrued Income	1,778	5,407
	97,420	39,295

Trade Debtors are stated after provisions for impairment of £790,000 (2022: £793,000).

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

Transfer fees receivable includes £24,178,000 (2022: £3,738,000) falling due after more than one year.

Other debtors mostly comprises outstanding direct debit payments for 2023/24 season tickets.

Gross transfer fees receivable before VAT and discounting are £62,863,000 (2022: £8,052,000).

The debtors balance for the period ended 30 June 2023 has been restated by £13,241,000, due to a balance sheet reclassification, moving this amount from prepayments within the Debtors note 10, to assets under construction within the Tangible assets note 8. Management decided in the year that this is a more appropriate classification for this balance, which relates to the capitalisation of costs associated with the planned stadium expansion. Further details are disclosed in the Tangible assets note 8.

Leicester City Football Club Limited

Notes to the consolidated financial statements for the 13 month period ended 30 June 2023 (continued)

11 Creditors: amounts falling due within one year

The Group:	2023	2022
	£'000	£'000
Bank loans and overdrafts	57,710	10,590
Trade creditors	4,292	4,124
Transfer fees payable	27,813	35,840
Amounts owed to group undertakings:		
- subordinated loans and other amounts payable	19,632	20,659
- obligations under finance lease and hire purchase contracts	-	20,172
Taxation and social security	18,082	14,774
Other creditors	25,438	19,492
Accruals and deferred income	18,086	17,901
	171,053	143,552

Gross transfer fees payable before discounting are £29,482,000 (2022: £37,840,000).

The Subordinated loans and amounts owed to group undertakings are unsecured, repayable on demand whilst the obligations under hire purchase agreements are unsecured, repayable on 30 June 2026 and carry interest at 8%.

Other creditors include £17,417,000 payable to employees (2022: £10,299,000).

The Company:	2023	2022
	£'000	£'000
Bank loans and overdrafts	57,710	10,590
Trade creditors	4,254	4,110
Transfer fees payable	27,813	35,836
Amounts owed to group undertakings:		
- subordinated loans and other amounts payable	19,632	20,659
- obligations under finance lease and hire purchase contracts	-	20,172
Taxation and social security	18,040	14,737
Other creditors	25,343	19,406
Accruals and deferred income	18,134	17,887
	170,926	143,397

Gross transfer fees payable before discounting are £29,482,000 (2022: £37,835,000).

The Subordinated loans and amounts owed to group undertakings are unsecured, repayable on demand whilst the obligations under hire purchase agreements are unsecured, repayable on 30 June 2026 and carry interest at 8%.

Other creditors include £17,417,000 payable to employees (2022: £10,299,000).

Leicester City Football Club Limited

Notes to the consolidated financial statements for the 13 month period ended 30 June 2023 (continued)

12 Creditors: amounts falling due after more than one year

The Group:	2023	2022
	£'000	£'000
Amounts falling due between one and five years:		
Bank loans	8,990	70,000
Amounts owed to group undertakings:		
- subordinated loans and other amounts payable	90,403	224,791
- obligations under finance lease and hire purchase contracts	21,922	-
Transfer fees payable	50,381	48,947
Accruals and deferred income	11,500	-
	183,196	343,738

Gross transfer fees payable before discounting are £51,457,000 (2022: £49,846,000).

The Subordinated loans and amounts owed to group undertakings are unsecured, whilst the obligations under hire purchase agreements are unsecured, repayable on 30 June 2026 and carry interest at 8%.

Bank loans	2023	2022
	£'000	£'000
Amounts payable:		
Within one year	57,710	10,590
Between one and two years	8,990	17,500
Between two to five years	-	52,500
	66,700	80,590

Amounts owed to group undertakings	2023	2022
	£'000	£'000
Amounts payable:		
Within one year	19,632	40,831
Between one and two years	21,922	57,736
Between two to five years	90,403	167,055
	131,957	265,622

The Company:	2023	2022
	£'000	£'000
Amounts falling due between one and five years:		
Bank loans	8,990	70,000
Amounts owed to group undertakings:		
- subordinated loans and other amounts payable	90,403	224,791
- obligations under finance lease and hire purchase contracts	21,922	-
Transfer fees payable	50,381	48,947
Accruals and deferred income	11,500	-
	183,196	343,738

Gross transfer fees payable before discounting are £51,457,000 (2022: £49,846,000).

Leicester City Football Club Limited

Notes to the consolidated financial statements for the 13 month period ended 30 June 2023 (continued)

12 Creditors: amounts falling due after more than one year (continued)

The obligations under hire purchase agreements are unsecured, repayable on 30 June 2026 and carry interest at 8%.

Bank loans	2023 £'000	2022 £'000
Amounts payable:		
Within one year	57,710	10,590
Between one and two years	8,990	17,500
Between two to five years	-	52,500
	66,700	80,590
Amounts owed to group undertakings	2023 £'000	2022 £'000
Amounts payable:		
Within one year	19,632	40,831
Between one and two years	21,922	57,736
Between two to five years	90,403	167,055
	131,957	265,622

The bank loans are:

- a) Macquarie Bank Limited: £80,000,000 secured on Premier League receivables of which £43,124,000 (2022: £80,000,000) was unpaid at the period end and bearing interest of 6.63%. £705,000 (2022: £566,000) accrued interest was unpaid at 30 June 2023. This is repayable in instalments up to August 2024. There are EBITDA, net assets and net football liabilities covenants with which the Club complied as of December 2023, the last measurement date.
- b) Macquarie Bank Limited: £44,000,000 secured on future transfer receivables of which £21,727,000 (2022: £nil) was unpaid at the period end and bearing interest of 7.54%. £1,144,000 (2022: £nil) accrued interest was unpaid at 30 June 2023. This is repayable in instalments up to September 2023.

Leicester City Football Club Limited

Notes to the consolidated financial statements for the 13 month period ended 30 June 2023 (continued)

13 Provisions for liabilities

The Group and Company

Deferred tax

The deferred tax assets and liabilities provided and those unprovided, calculated at 25% (2022: 25%) are as follows:

	2023		2022	
	Provided £'000	Unprovided £'000	Provided £'000	Unprovided £'000
Accelerated capital allowances	1,729	-	393	-
Stadium revaluation	(10,007)	-	(10,007)	-
Short term timing differences	8,278	2,776	7,490	364
Trading losses	-	47,956	2,124	31,850
	-	50,732	-	32,214

The net deferred tax asset expected to reverse in 2023 is £28,000 (2022: £26,000). This relates to short term pension timing differences and accrued donations.

14 Called up share capital

	2023 £'000	2022 £'000
Allotted, and fully paid		
Ordinary shares of £1 each		
2023: 306,801,553 (2022: 112,564,441) ordinary shares of £1 each	306,801	112,564
Redeemable shares of £1 each		
2023 and 2022: 1 redeemable share of £1	-	-
'A' shares of 1p each		
2023 and 2022: 19,138,432 'A' shares of 1p each	192	192
	306,993	112,756

During the period 194,237,112 ordinary shares of £1 each were issued through the conversion of intercompany loans.

The following rights are attached to the 'A' shares:

- The 'A' shareholder shall have the right to appoint directors of the Company; and
- The 'A' shareholder shall have the right to vote at any general meeting or at any separate meeting of the holders of the 'A' shares in the Company.

In the event of a qualifying offer which the 'A' shareholder wishes to accept, the 'A' shareholder shall give written notice to all the holders of the ordinary shares of its wish to accept the qualifying offer and that they require the ordinary shareholders to transfer all their shares to the offeror.

Leicester City Football Club Limited

Notes to the consolidated financial statements for the 13 month period ended 30 June 2023 (continued)

14 Called up share capital (continued)

In the event of a qualifying offer the ordinary shareholders are required to transfer all their ordinary shares in issue at a price being not less than £0.10 and not more than £1.00 per share.

On the winding-up of the Company the surplus assets shall be applied, first, in repaying the members the amount paid up on their shares respectively in accordance with their entitlements. If such assets are insufficient to repay the said amount in full, they shall be applied rateably, so that the loss shall fall upon the members in proportion to the amount called up on their shares respectively. No member shall be entitled to have any call upon other members for the purpose of adjusting the members' rights; but where any call has been made and has been paid by some of the members such call be enforced against the remaining members for the purpose of adjusting the rights of the members between themselves.

If the surplus assets shall be more than sufficient to pay to the members the whole amount paid upon their shares, the balance shall be given by the members of the Company, at or before the time of dissolution as they direct, to The Football Association Benevolent Fund, or to some Club or Institute in Leicestershire with objects similar to those set out in the Memorandum of Association of the Company or to any local charity, or charitable or benevolent institution situated within Leicestershire.

On 21 April 2023 the Club also entered into a future share subscription agreement for 76m shares at £1 per share.

15 Reserves

Profit and Loss account

Includes all current and prior period retained profits and losses.

Share premium account

Includes the excess of amounts paid to the Company for shares in excess of their nominal value less any cost of issue.

Revaluation reserve

The revaluation reserve arises from the difference between the valuation of the King Power Stadium and Belvoir Drive training Ground and their depreciated net book value on an historical cost basis as at 30 June 2023.

Leicester City Football Club Limited

Notes to the consolidated financial statements for the 13 month period ended 30 June 2023 (continued)

16 Financial Instruments

The Group has the following financial instruments:

	Note	2023 £'000	2022 £'000
Financial assets that are debt instruments measured at amortised cost			
- Trade debtors	10	10,981	2,203
- Transfer fees receivable	10	60,435	7,815
- Amounts owed by group undertakings	10	6,588	10,745
- Other debtors	10	6,729	6,049
		84,733	26,812
Financial liabilities measured at amortised cost			
- Bank loans	11	57,710	10,590
- Trade creditors	11	4,292	4,124
- Transfer fees payable	11	27,813	35,840
- Amounts owed to group undertakings:			
subordinated loans and other amounts payable	11	19,632	20,659
obligations under finance lease and hire purchase contracts	11	-	20,172
- Other creditors	11	25,438	19,492
- Bank loans	12	8,990	70,000
- Transfer fees payable	12	50,381	48,947
- Amounts owed to group undertakings:			
subordinated loans and other amounts payable	12	90,403	224,791
obligations under finance lease and hire purchase contracts	12	21,922	-
		306,581	454,615

17 Pension costs

Certain employees of the Company (professional footballers) are members of the Football League Limited Players Retirement Scheme.

Other employees of the Company are members of the Football League Limited pension and life assurance scheme or the Football League Limited group personal pension plan with certain other employees belonging to the Leicester City Football Club group personal pension scheme.

These are all defined contribution schemes, and contributions are expensed in the profit and loss account as they become payable. The pension cost charge represents contributions payable by the Group to the funds and amounted to £962,591 (2022: £708,522).

Leicester City Football Club Limited

Notes to the consolidated financial statements for the 13 month period ended 30 June 2023 (continued)

17 Pension costs (continued)

Certain employees and ex-employees of the Company are members of the closed Football League Limited Pension and Life Assurance Scheme, a defined benefit scheme. As the Company is one of a number of participating employers in the scheme, it is not possible to allocate any actuarial surplus or deficit on an annual basis. However, under Section 75 of the Pensions Act 1995, the Company, as a participating employer in the scheme, is liable to fund the deficit relating to Company's ex-employees who are members of the scheme. The Scheme Actuary finalised a full valuation as at 31 August 2020 and allocated £228,355 as the Club's share of the deficit as at 1 September 2020. The increase in the deficit arising from this revaluation of £105,550 was recognised in the profit and loss account for the year ended 31 May 2022. The deficit is funded by annual contributions and the Club incurs interest at 6% on its allocated share of the deficit. The balance outstanding at the period end date is included in other creditors. The Club has made contributions of £56,745 in the period (2022: £54,342). The assets of the scheme are held separately from those of the Company.

18 Contingencies and commitments

a) Player transfer costs

The Company has certain contracts with other football clubs that relate to player transfers. Under the terms of these contracts, additional amounts become payable or receivable if conditions concerning future team successes and appearances are met. The maximum amount that is potentially payable and receivable under these contracts is £27,114,000 (2022: £33,515,000) and £13,564,000 (2022: £11,794,000) respectively. £20,368,000 of the total potential fees and the associated Levy were provided for as at 30 June 2023 (2022: £21,176,000).

b) Capital commitments

At 30 June 2023, the Company had committed capital expenditure of £199,000 (2022: £320,000).

c) Profitability and Sustainability

Over recent years the Club's financial results have reflected necessary levels of investment in the playing squad that allowed LCFC to compete effectively in the Premier League, achieve league positions of 5th, 5th and 8th in the three preceding seasons and an average finishing position of 7.8 in its eight seasons since reaching the top flight in 2014. This period also included winning the FA Cup and the FA Community Shield in 2021 and participation in UEFA competitions in successive seasons (2020/21 and 2021/22). Over this period the Club has always sought to balance its reasonable sporting aspirations with consideration of its compliance with the applicable P&S rules.

Leicester City Football Club Limited

Notes to the consolidated financial statements for the 13 month period ended 30 June 2023 (continued)

18 Contingencies and commitments (continued)

c) Profitability and Sustainability (continued)

The Club's budget for the 2022/23 season was based on reasonable expectations given the previous sporting performance. However, the financial impact of LCFC's on-pitch performance during the season, combined with previous levels of investment, means that the Club anticipates that it may be found not to be in compliance with the applicable P&S rules for the three year reporting period ending 2022/23. There is a risk of sanction by the relevant governing body if the Club fails to achieve compliance with P&S rules but is impracticable to estimate the impact of any such sanction at the current time. The directors believe that any sanction resulting from any such non-compliance should be mitigated, including as a result of the underlying circumstances described above.

The Club remains committed to the principles of the P&S rules and strives to achieve compliance whilst at all times ensuring the Club's long term future is protected.

19 Related party transactions

The Group and Company owed £63,616,447 as at 30 June 2023 (2022: £198,662,402) to King Power International Limited, the Company's immediate parent undertaking. The movement in the period includes subordinated loans of £57,500,000 plus £1,691,158 interest, and the conversion of subordinated loans of £171,500,000 plus £22,737,112 interest to equity. At the same date the Group and Company were owed £3,299,140 (2022: £3,295,384) by King Power International Limited for costs incurred in the running of the international education project and retail products supplied by the Company.

The Group and Company also had sponsorship agreements with King Power International Limited in relation to the acquisition of sponsorship and marketing inventory including the primary training wear sponsorship and the stadium naming rights. £13,485,600 was invoiced in the period relating to the 2021/22, 2022/23 and 2023/24 seasons. Nothing was outstanding at the 30 June 2023 (2022: £4,495,200).

The Group and Company also entered into a sponsorship agreement with King Power Duty Free in relation to the stadium naming rights for the 2024/25 season and the Seagrave training ground naming rights for the 2023/24, 2024/25 and 2025/26 seasons. £15,000,000 was invoiced in the period with nothing outstanding at the 30 June 2023 (2022: £nil).

The freehold interest in the Stadium is owned by K Power Holdings Company Limited, a company also controlled by King Power International Limited. The outstanding deferred purchase consideration payable by the Group and Company under the hire purchase agreement repayable on 30 June 2026 stands at £21,922,402 as at 30 June 2023 (2022: £20,171,655). This obligation increases at 8% per annum and £1,750,747 (2022: £1,494,197) has accrued on the amount during the period. The Group and Company also incurred costs on behalf of K Power Holdings Company Limited and the balance of £61,866 (2022: £61,866) remained unpaid at the period end pending further agreement on the adjacent site.

Leicester City Football Club Limited

Notes to the consolidated financial statements for the 13 month period ended 30 June 2023 (continued)

19 Related party transactions (continued)

The Group and Company incurred costs of £298,952 (2022: £217,336) on behalf of K Power Sports Investments Limited in the period and the balance of £3,139,193 (2022: £2,840,242) remained outstanding to the Club at the period end.

The Group and Company were previously party to a management agreement with K Power Sports Investments Limited where the Club was charged a management fee based on turnover for management services provided. The balance outstanding at 30 June 2023 under this contract was £14,000,000 (2022: £14,000,000). Also at 30 June 2023 an amount of £350,000 (2022: £350,000) was owed to K Power Sports Investments Limited in relation to funds collected on their behalf. The Club received no charge from K Power Sports Investments Limited in the period (2022: £nil).

The Company obtained a subordinated loan of £30,000,000 from its chairman Aiyawatt Srivaddhanaprabha and the balance of £32,068,889 (2022: £31,410,556) including interest remained outstanding at the period end. The Company incurred interest charges of £658,333 (2022: £608,333) in the period.

The Group and Company supplied goods and services of £51,925 (2022: £51,277) to King Power Racing Co Limited in the period and the balance of £44,580 (2022: £39,049) remained outstanding at the period end.

The Group and Company incurred costs of £5,340 (2022: £6,556) on behalf of Gadbridge Limited, a company with a common director, in the period and the balance of £nil (2022: £nil) remained outstanding at the period end.

The Group and Company sold retail items to Multiply by Eight Co Ltd, a member of the King Power Group, amounting to £196,443 (2022: £209,405) and a balance of £nil (2022: £nil) remained outstanding at the period end. The Company also purchased retail items from Multiply by Eight Co Ltd amounting to £1,758 (2022: £7,693) during the period and a balance of £nil (2022: £7,609) remained outstanding at the period end.

The Group and Company incurred no (2022: £nil) cost or sales on behalf of King Power Estates Limited, a company with a common director, during the period and the balance of £2,957 (2022: £2,957) remained outstanding at the period end.

Since the acquisition of LCWFC the Company has incurred costs on behalf of LCWFC. The Group and Company incurred costs of £4,102,968 (2022: £4,399,443) during the period and the balance of £8,502,411 (2022: £4,399,443) remained outstanding at the period end.

Following the June 2017 acquisition by King Power International Limited acquired OH Leuven CVBA, a Belgian football club competing in the Belgian First Division A, in June 2017. In the period the Group and Company has made sales amounting to £71,851 (2022: £nil), and incurred costs of £3,601 (2022: £nil) on behalf of, OH Leuven CVBA. A balance of £nil (2022: £nil) remained outstanding at the period end.

Leicester City Football Club Limited

Notes to the consolidated financial statements for the 13 month period ended 30 June 2023 (continued)

19 Related party transactions (continued)

During the year ended 31 May 2022 the Club sold a player that had previously been on loan at OHL Leuven CVBA with the transfer agreement stating that the Company take responsibility for the solidarity due to OH Leuven CVBA. The balance of £50,614 (2022: £93,902) is reported within transfers fees receivable at the period end for both the Group and Company.

During the period the Group and Company provided free administration, management and accounting support to the VS Foundation as well as collecting revenue, incurring costs, and making donations on its behalf. In the period the Group and Company received income of £10,339 (2022: £241,226) and made payments of £1,046,998 (2022: £8,870), on behalf of the VS Foundation. The Club donated £nil (2022: £1,000,000) to the VS Foundation in the period. A balance payable to the Group and Company of £18,080 (a balance payable to the VS Foundation in 2022: £1,018,579) remained outstanding at the period end.

During the period the Group and Company also supported Leicester City Football Club Trust (operating as Leicester City in the Community) during the period through significant in kind contributions. In the period the Group and Company made payments of £165,663 (2022: £755,889) on behalf of Leicester City Football Club Trust and sold tickets and merchandise to Leicester City Football Club Trust of £48,392 (2022: £22,549). A balance payable to the Group and Company of £21,891 (2022: £9,982) remained outstanding at the period end.

20 Net cash outflow from operating activities

	2023	Restated*
	£'000	2022
		£'000
Loss for the financial period	(89,719)	(92,496)
Tax on loss	-	-
Net interest payable	12,477	18,885
Operating loss before interest and taxation	(77,242)	(73,611)
Amortisation and impairment charge	77,029	74,918
Depreciation charge	8,093	7,153
Profit on disposal of tangible and intangible fixed assets	(74,767)	(9,189)
(Increase) / decrease in inventories	(1,966)	126
Increase in debtors	(309)	(3,217)
Increase / (decrease) in creditors	17,551	(23,956)
Cash flow from operating activities	(51,611)	(27,776)

* Please see note 8 for further details.

Leicester City Football Club Limited

Notes to the consolidated financial statements for the 13 month period ended 30 June 2023 (continued)

21 Analysis of net debt

a) Reconciliation of net cash flow to movement in net debt

	2023 £'000	2022 £'000
Decrease in cash in the period	(25,987)	(16,643)
Cash outflow from changes in debt	(36,341)	(41,688)
Change in net debt from cash flows	(62,328)	(58,331)
Other non-cash changes	182,870	(15,868)
Movement in net debt in the period	120,542	(74,199)
Opening net debt	(291,331)	(217,132)
Closing net debt	(170,789)	(291,331)

b) Analysis of net debt

	2022 £'000	Cash flow £'000	Other non- cash movements £'000	2023 £'000
Cash at bank and in hand	34,222	(25,987)	-	8,235
	34,222	(25,987)	-	8,235
Debt due within one year	(10,590)	(39,851)	(7,268)	(57,709)
Debt due after one year	(294,791)	3,510	191,888	(99,393)
Hire purchase liabilities	(20,172)	-	(1,750)	(21,922)
Total debt	(325,553)	(36,341)	182,870	(179,024)
Net debt	(291,331)	(62,328)	182,870	(170,789)

Debt is defined as bank loans and intercompany loans.

Non-cash movements relate to loans of £194,237,000 converted into equity (see note 14), £4,093,000 (2022: £11,220,000) accrued interest on amounts owed to group undertakings and £7,266,000 (2022: £4,647,000) on bank loans. The group undertakings amount is interest payable to group undertakings plus hire purchase contracts.

22 Ultimate parent company and controlling party

The Company's immediate parent undertaking is King Power International Limited, a company incorporated in the Kingdom of Thailand. The ultimate parent and controlling party of King Power International Limited is V&A Holdings Company Limited, a company incorporated in the Kingdom of Thailand and the beneficial owner of V&A Holdings Limited is the Srivaddhanaprabha family.

Leicester City Football Club Limited is the smallest and largest Group to consolidate the financial statements and copies of these consolidated financial statements can be obtained from King Power Stadium, Filbert Way, Leicester, LE2 7AH.

Leicester City Football Club Limited

Notes to the consolidated financial statements for the 13 month period ended 30 June 2023 (continued)

23 Subsequent events

Since the period end the Club has invested £1.0m in its facilities.

During the summer 2023 and January 2024 transfer windows the Club has contracted for the purchase, sale and loan of various players. Since 30 June 2023 the Club have entered into a short term discounting facility with Macquarie bank to bring forward the proceeds from the sale of James Maddison, Harvey Barnes and Timothy Castagne.

The net income of the purchase, sale and loans of various players occurring since 30 June 2023, taking into account the applicable levies and contingent fees but excluding value added tax is £9.1m (2022: £9.9m). These transfers and costs will be accounted for in the year ending 30 June 2024.

On the 23 September 2021 the CMA commenced an investigation into suspected breaches of competition law by the Club. The Club fully cooperated with the investigation and can confirm this investigation was resolved in September 2023 with a payment of £880,000 made to the CMA. No deliberate infringement was reported by the CMA by the Club or any party under investigation. This marks the end of the investigation.