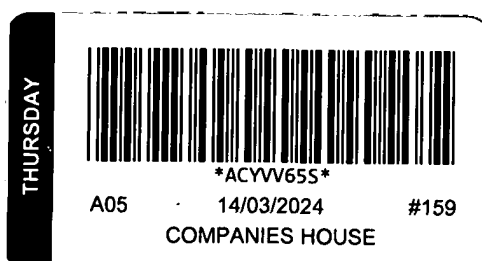


Registered number: 00061564

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023



THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

COMPANY INFORMATION

Directors HRH Princess Reem Bint Abdullah Al Saud
Joseph Edward Jr Giansiracusa
Abdullah Yousef Mohammed Alghamdi

Company secretary Deborah Andrew

Company registration number 00061564

Registered office Bramall Lane Ground
Cherry Street
Sheffield
South Yorkshire
S2 4SU

Independent auditor Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
Level 8
110 Queen Street
Glasgow
G1 3BX

Bankers Santander UK Plc
58/60 Briggate
Leeds
West Yorkshire
LS1 6AS

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

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THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2023

The Directors present their report on the activities of The Sheffield United Football Club Limited for the financial year ending 30 June 2023 along with the financial statements and the Auditor's report.

Principal activities

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

Business review

On-field performance

Season 2022-2023 will be recorded in the history of Sheffield United as one of the most successful seasons ever for the Club. Building on the EFL Championship play-off semi-final appearance of the previous season, the Club achieved automatic promotion to the Premier League by the end of April 2023, eventually finishing season with 91 points, 11 points ahead of the play-off places.

The first team squad was supplemented with the addition of Anel Ahmedhodžic, from Malmo FF, in July 2022, a player whom the Club had been tracking for several seasons, watching his progress and seeking the right time to make the acquisition. Anel Ahmedhodžic represented a strategic recruitment decision from the Club, identifying high potential players from overseas markets who can develop and progress with the Club. In addition, further key loan players were also acquired in James McAtee and Tommy Doyle from Manchester City, Ciaran Clark from Newcastle United and Reda Khadra, who would return to Brighton and Hove Albion in the January transfer window.

The season also saw success in the FA Cup, with the first team reaching in the semi-final at Wembley, going up against Manchester City following victories against Millwall, Wrexham, Tottenham Hotspur and Blackburn Rovers. A 3-0 loss at Wembley to Manchester City was still a proud day for the Blades and demonstrated how far the team had progressed in the season.

The Sheffield United Academy continued to maintain its high reputation, with first team debuts for Jili Buyabu, Sai Sachdev, Oliver Arblaster, Jordan Amissah, and Andre Brooks; whilst Harry Boyes and Harrison Neal made their league debuts whilst on loan at Forest Green Rovers and Barrow respectively. The U21s team won the Professional Development League North and the U18s were runners up for Professional Development League.

Off-field performance

The Club recognised losses of £31m (2022: £15m) in the year.

Revenue

Revenue of £64m (2022: £67m) declined by £3m, primarily due to reduced broadcast revenues of £43m (2022: £51m) following the reduction of parachute payments in the Clubs second season back in the EFL. £4m of additional revenue was achieved through a successful cup campaign, offsetting reduced broadcast income to some extent. The Club achieved off-field revenues of £22m (2022: £16m), again exceeding its prior EFL record, demonstrating continued performance improvement in of the off-field activities through expansion of its commercial inventory and a commitment to building Bramall Lane as an event venue. The club staged several high-profile events during the year, hosting 4 fixtures as part of the UEFA 2022 Women's Tournament at Bramall Lane, including the memorable England Lionesses sell-out semi-final victory over Sweden. England's men's U21 team played Germany at the historic stadium and for the first time ever, the club staged a Rugby League World Cup international game, England v's Greece. In May, Def Leppard and Motley Crue performed to a sellout Sheffield crowd packed inside Bramall Lane.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

Operating costs

Cost of sales in the year totalled £58m (2022: £51m) reflecting the impact of bonuses payable on promotion to the Premier League, offset by a further reduction in player wage cost in the EFL Championship following the activation of contractual clauses in player contracts which crystalised on relegation, and more conservative player recruitment.

Administrative expenses of £20m (2022: £14m) increased due to a significant increase in utility costs in addition to legal fees incurred in for the refinancing of the Club following relegation.

Interest payable of £4m (2022: £3m) was driven by refinancing of the Club following relegation and the acceleration of certain player receivables in the year.

Investments of £5m (2022: £1m) were made in intangible assets in the year and £3m (2022: £1m) in tangible assets.

Profit on disposal of player registrations totalled £4m in the year (2022: £11m), made up of contingent amounts following the sale of Aaron Ramsdale to Arsenal in August 2021 and the sale of development players from the SUFC academy.

Key performance indicators

Non-financial performance indicators operated by the Club:

First team finishing position
Points per game
Average league attendance

Financial performance indicators operated by the Club:

Employee costs/revenue
Commercial revenue growth
Profit on disposal of player registrations

Equity, diversity, inclusion and employee engagement

Sheffield United Football Club recognise that people are our greatest asset. We actively review our policies to identify where we can make improvements in each area of the Club. We want an environment where every member of staff feels valued and are recognised for their contributions. We believe that staff development and internal progression is vitally important, to support this, learning and development now forms a key part in the annual appraisal process, and we have many examples where we continue to support our people with professional development. We also take pride in ensuring our Club is a safe and welcoming environment for all our staff and visitors. We have a team of dedicated full-time professionals who all bring their expertise and enthusiasm to the Club in areas such as Equality Diversity and Inclusion, Safeguarding, and Health and Safety along with many more. The Club continues to be recognised for its great work in some of these areas having recently won the Fans for Diversity award at the Football Supporters Association Awards and achieving the EFL Family of excellence gold award.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

Future developments

The Club's long-term goal is to be a sustainable Club, successful both on and off the pitch. This will be achieved by embracing a business model that focuses on investment in our playing squad, development of our elite academy players, cultivating our global brand, by driving and diversifying revenue streams and by identifying and nurturing talent across all areas of the business.

Following the successful 2022-2023 season campaign, the Club has commenced the refurbishment of the hotel on Bramall Lane which will become the Double Tree by Hilton Sheffield City. The project is planned to complete in the summer of 2024.

Carbon emissions

The Company is mindful of carbon emissions in all facility development and repair work undertaken as well as in planning its operational activities. Where possible, more efficient products are procured when replacing or designing improvements or repairs to the facility to reduce carbon emissions as well as ongoing energy consumption costs. The Club purchases 100% renewable energy for all sites. Reducing carbon emissions and improving energy efficiency will remain a key factor in facility and operational planning.

Streamlined energy and carbon report for the year ending June 2023

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

The reporting year is the most recent financial year 01.07.2022 to 30.06.2023. This report has been compiled in line with the March 2019 BEIS 'Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance', and the EMA methodology for SECR Reporting. All measured emissions from activities which the organisation has financial control over are included as required under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, unless otherwise stated in the exclusions statement.

The carbon figures have been calculated using the DESNZ/BEIS 2023 carbon conversion factors for all fuels, other than the market-based electricity which has been taken from EDF as the UK supplier.

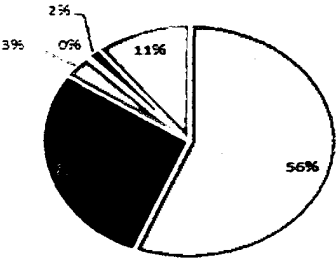
THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

UK Carbon Footprint Data

Scope	Description	Emissions Source		tCO2e			
				2019/20	2020/21	2021/22	2022/23
Scope 1	Combustion of fuel on site and transportation	On site: Natural Gas, Transport: Petrol, Diesel	Location Based	429	513	406	589
			Market Based	429	513	406	589
Scope 2	Purchased energy	Electricity	Location based	888	722	609	778
			Market based	0	0	0	0
Scope 3	Indirect Emissions	Employee Business Mileage	Location based	46	34	37	19
			Market based	46	34	37	19
Total			Location based	1363	1269	1051	1385
			Market based	475	547	443	608
Intensity Ratio	tCO2e/£1m Turnover		Location based	11.4	9.1	15.7	21.4
			Market based	4.0	3.9	6.6	9.4
Energy Usage	Total kWh consumed	Electricity, Natural Gas, Petrol, Diesel, Unknown vehicle fuel		6,300,609	6,296,010	5,466,986	6,873,279
	Renewable %	Electricity					100%

Emissions detail by fuel type Location based method



- Electricity
- Natural Gas
- Diesel
- Petrol
- Unknown Vehicle Fuel
- Propane

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

Year on year emissions changes

Total emissions increased from 1051 tCO₂e in 2021-2022 to 1386 tCO₂e in 2022-2023, an emissions increase of 32%. Against the base year of 2019/20, this is a 1.6% increase.

Scope 1 emissions increased from 407 tCO₂e in 2021-2022 to 589 tCO₂e in 2022-2023, an increase of 45%. This is primarily due to the purchase of additional site gas at the Youth Academy, accounting for 146 tCO₂e of the total reported scope 1 emissions.

Natural gas consumption increased from 2,000,093 kWh in 2021-2022 to 2,143,919 kWh in 2022-2023. Emissions increased by 17 tCO₂e as a result.

Road fuel consumption emissions (petrol & diesel) increased from 42 tCO₂e in 2021-2022 to 51 tCO₂e in 2022-2023, a 22% increase.

Electricity consumption increased from 3,146,835 kWh in 2021-2022 to 3,755,032 kWh in 2022-2023. Emissions increased by 169 tCO₂e under the location-based method as a result. Under the market-based method, Sheffield United FC continue to report 0 tCO₂e emissions associated with their purchased electricity.

Energy efficiency actions taken

Improvements in the year include the LED pitch lighting rigs being replaced with more efficient models allowing us to better manage and control the energy we consume in pitch maintenance, fluorescent light fitting tubes were removed and replaced with LED light panels on P.I.R switches at the First Team building and the Youth Academy. The First Team building also had new windows fitted, an upgrade from the existing single pane glass, to increase the efficiency of the energy being consumed. The Club continues to purchase 100% renewable energy for all sites and identifies ways in which to improve actions to be more sustainable. Reducing carbon emissions and improving energy efficiency will remain a key factor in facility and operational planning in line with our organisational mission of success with sustainability.

Going concern

The Company's business activities, together with factors likely to affect its future development, performance, and position, have been considered by the Directors throughout the year and will continue to be reviewed in line with the Group's strategic plan.

The Directors have reviewed the forecasts for the period ending January 2025, which demonstrate the Company can operate within its planned facilities including, if required, support from its controlling parties, for the period.

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

Charitable activities

The Clubs nominated charities for the season were the Sheffield Children's Hospital, Weston Park Cancer Charity, St Luke's Hospice, Bluebell Wood Children's Hospice and Sheffield Hospitals Charity and the Academy nominated charity partner was Paces.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023**

Principal risks and uncertainties

The Company uses financial instruments, comprising cash and other liquid resources and various other items such as trade debtors, creditors and finance lease arrangements that arise directly from its operations. The main purpose of these instruments is to raise finance for the Company's operations. The directors review and agree policies for managing each of these risks, as summarised below. The policies have remained unchanged since the previous year.

Liquidity risk

The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs by renegotiating adequate facilities from the Company's bankers and other lenders.

Interest rate risk

The Company finances its operations through a mixture of shareholders' equity and retained profits.

Sporting performance risk

The Company mitigates risk of poor sporting performance by investment and support of football management strategies through recruitment, retention and development of players and support staff. The Company seeks to protect the impact of unsuccessful sporting performance through the implementation of contractual clauses that protect our financial position.

Regulatory compliance risk

The Company must adhere to the rules and regulations of all competitions and in leagues in which it participates. A significant proportion of the Company's revenue is generated from such leagues and competitions and continued membership is essential to our ongoing sustainability. The Company monitors its compliance with such rules and regulations along with the impact any change in these may have.

Section 172 statement

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

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

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

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

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

Abdullah Alghamdi

Abdullah Yousef Mohammed Alghamdi
Director

Date: 12/1/2024

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

The Directors present their report and the financial statements for the year ended 30 June 2023.

Results and dividends

The loss for the year, after taxation, amounted to £31,453,093 (2022: £15,266,973).

The Directors did not recommend the payment of dividend in the year (2022: £Nil).

Directors

The Directors who served during the year were:

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

Directors' Responsibilities Statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

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

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

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

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

Post balance sheet events

After the year end, the Club made a number of player purchases in the summer transfer window; Cameron Archer from Aston Villa, Vinicius De Souza Costa from Lommel SK, Gustavo Hamer from Coventry City, Benie Traore from BK Hacken and Auston Trusty from Arsenal. In this same transfer window, the Club sold Iliman Ndiaye to Olimpique De Marseille and Sander Berge to Burnley.

Subsequent to the year end, the first team management team changed from Paul Heckingbottom, with Chris Wilder and his team returning to Bramall Lane in December 2023.

Work has also begun on the hotel with DoubleTree by Hilton Sheffield City due to open Summer 2024.

In December 2023, the directors became aware of SEC Charges brought against a previous potential shareholder and certain related companies. As part of an agreement between United World Holding Limited and the potential shareholder, a non-refundable deposit was paid to United World Holding Limited and a proportion of these funds were loaned to the Blades Leisure Limited group.

The Club has taken legal advice and based on this understands that should the SEC charges prove to be accurate, the amounts received by United World Holding Limited of up to £8,850,000 plus (non-penalty) interest, could potentially be recovered from Blades Leisure Limited and/or the Club. Based on the legal advice received, the directors are satisfied that the risk of any payment requiring to be made in the future is remote. In addition, the legal advice has indicated there has been no breach of laws or regulations by the Group.

Disclosure of information to auditor


The Directors confirm that:

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

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



Abdullah Yousef Mohammed Alghamdi
Director

Date: 12/1/2024



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

Opinion

We have audited the financial statements of The Sheffield United Football Club Limited (the 'Company') for the year ended 30 June 2023, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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



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

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

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

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

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. The Directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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



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

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

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 8, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.



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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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



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

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

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

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

Use of our report

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

Grant Thornton UK LLP

James Chadwick
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Glasgow
Date: 12/1/2024

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 £	Restated 2022 £
Turnover	4	63,932,388	66,684,771
Cost of sales		(57,780,933)	(51,326,304)
Gross profit		6,151,455	15,358,467
Administrative expenses (excluding amortisation and impairment of intangible assets)		(20,296,984)	(14,024,289)
Amortisation and impairment of intangible assets	11	(18,135,763)	(24,802,116)
Impairment of tangible assets		-	(1,269,084)
Total administrative expenses	6	(38,432,747)	(40,095,489)
Other operating income	5	249,727	621,159
Profit on disposal of intangible assets		4,418,578	11,165,319
Profit on disposal of tangible assets		-	19,862
Total operating loss		(27,612,987)	(12,930,682)
Interest payable and similar expenses	9	(3,840,106)	(3,103,408)
Loss before tax		(31,453,093)	(16,034,090)
Tax on loss	10	-	767,117
Loss for the financial year		(31,453,093)	(15,266,973)
Revaluation of properties		-	10,024,536
Other comprehensive income for the year		-	10,024,536
Total comprehensive loss for the year		(31,453,093)	(5,242,437)

The Directors have reassessed the allocation of cost of sales and administrative expenses in the year and have restated prior year numbers. The amount of £776,663 has been reallocated from admin expenses to cost of sales in the prior year to better reflect the nature of the club's operations.

The notes on pages 18 to 40 form part of these financial statements.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED
REGISTERED NUMBER:00061564

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	11	18,563,069	32,189,323
Tangible assets	12	54,125,320	55,049,368
		<u>72,688,389</u>	<u>87,238,691</u>
Current assets			
Stocks	13	414,789	236,151
Debtors: amounts falling due within one year	14	29,284,174	24,441,016
Cash at bank and in hand	15	630,061	1,640,395
		<u>30,329,024</u>	<u>26,317,562</u>
Creditors: amounts falling due within one year	16	(37,535,141)	(84,182,767)
Net current liabilities		<u>(7,206,117)</u>	<u>(57,865,205)</u>
Total assets less current liabilities		<u>65,482,272</u>	<u>29,373,486</u>
Creditors: amounts falling due after more than one year	17	(46,496,989)	(9,580,972)
Deferred income	20	(9,983,343)	(8,141,981)
Net assets		<u><u>9,001,940</u></u>	<u><u>11,650,533</u></u>
Capital and reserves			
Called up share capital	21	72,448,202	43,643,702
Revaluation reserve	22	10,024,536	10,024,536
Profit and loss account	22	(73,470,798)	(42,017,705)
		<u><u>9,001,940</u></u>	<u><u>11,650,533</u></u>

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

Abdullah Alghamdi

Abdullah Yousef Mohammed Alghamdi
Director

Date: 12/1/2024

The notes on pages 18 to 40 form part of these financial statements.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

	Share capital £	Revaluation reserve £	Retained earnings £	Total equity £
At 1 July 2022	43,643,702	10,024,536	(42,017,705)	11,650,533
Comprehensive income for the year				
Loss for the year	-	-	(31,453,093)	(31,453,093)
Total comprehensive income for the year	-	-	(31,453,093)	(31,453,093)
Shares issued during the year	28,804,500	-	-	28,804,500
At 30 June 2023	72,448,202	10,024,536	(73,470,798)	9,001,940

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

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

The notes on pages 18 to 40 form part of these financial statements.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

1. General information

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

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

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest pound (£).

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

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

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

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

This information is included in the consolidated financial statements of Blades Leisure Limited as at 30 June 2023 and these financial statements may be obtained from Companies House.

2.3 Going concern

The Company's business activities, together with factors likely to affect its future development, performance, and position, have been considered by the Directors throughout the year and will continue to be reviewed in line with the Group's strategic plan.

The Directors have reviewed the forecasts for the period ending January 2025, which demonstrate the Company can operate within its planned facilities including, if required, support from its controlling parties, for the period.

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

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

2. Accounting policies (continued)

2.4 Turnover

Turnover comprises revenue generated by the Company's principal activities excluding transfer fees, donations and value added tax. Revenue streams include the below...

Match day

Match day revenue consists of all income receivable in respect of match day fixtures held both at home and away. It is inclusive of ticket revenues for home fixtures and a share of gate receipts from cup fixtures held both at home and away from Bramall Lane. The share of gate receipts payable in respect of cup fixtures is deducted from revenue.

Match day revenue which is received in advance of a year end but relating to a future year (mainly in relation to seasonal facilities) is treated as deferred income. The deferred income is then released to revenue as the matches are played.

Broadcasting

Broadcasting revenues represent income receivable from all broadcasting and publishing contracts including the Premier League central deals, EFL distributions, broadcasting revenue from cup fixtures, internet revenues and programme income. Premier League and EFL distributions comprise of a fixed element, which is recognised equally over home fixtures played, along with additional revenues that are variable based on final league position.

Sponsorship & advertising

Sponsorship and advertising revenues include revenue receivable from sponsors in the year, including shirt sponsorship and other advertising at the ground. Such revenue is recognised on an accruals basis across the years the sponsorship and advertising income relates to.

Facility

Facility revenues include rental and facility hire income, academy and retail income. Facility revenue is recognised in the year in which the facility has been utilised. Where facility income is received or invoiced in a year it is treated as deferred income and released in the year to which the income relates.

The academy income is in the form of an elite player performance plan grant which contributes to the running costs of the academy.

2.5 Other operating income

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

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

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

2. Accounting policies (continued)**2.6 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Trademarks	-	10	years
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Transfer fees paid for player registrations

The costs of acquired player registrations, including agents fees, are expensed over the length of the contract, to reflect the ongoing service provided over the length of the contract.

2.7 Tangible assets

Tangible assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Statement of Comprehensive Income during the year in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Buildings	- 2% straight line basis
Fixtures and fittings	- 10%-25% straight line basis
Motor vehicles	- 25% straight line basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

2. Accounting policies (continued)

2.8 Revaluation of tangible assets

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

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

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

2.9 Operating leases

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

2.10 Impairment of assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.11 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

2.12 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

2. Accounting policies (continued)

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.14 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.15 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.16 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.17 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

Multi-employer pension plan

The Company is a member of a multi-employer plan. Where it is not possible for the Company to obtain sufficient information to enable it to account for the plan as a defined benefit plan, it accounts for the plan as a defined contribution plan.

Where the plan is in deficit and where the Company has agreed, with the plan, to participate in a deficit funding arrangement the Company recognises a liability for this obligation. The amount recognised is the net present value of the contributions payable under the agreement that relate to the deficit. This amount is expensed in the Statement of Comprehensive Income. The unwinding of the discount is recognised as a finance cost.

2.18 Borrowing costs

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

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

2. Accounting policies (continued)

2.20 Taxation

Tax is recognised in the Statement of Comprehensive Income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

2.21 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are disclosed separately in the financial statements to provide further understanding of the financial performance of the Company. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

2.22 Contingencies

Under certain transfer agreements further transfer payments may fall due for payment by the club, to both the transfer Club and the Player's Agents should the player make a specified number of first team appearances (or other such criteria as specified in the contract). It is the Club's policy that any additional fees that may become payable under such agreements are accounted for in the year in which the achievement of the specified criteria becomes probable.

Contingent assets are not recognised until the inflow of economic benefits are virtually certain.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Directors made the following judgements and estimates in preparing the financial statements:

3.1 Impairment of player registrations

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

- A career ending injury
- A player who has irreconcilable difference with senior management

The impairment will be based on the Directors best estimate of disposal value taking in to account recent player disposals by the club and other clubs as well as any offers received for the player. When an impairment charge is considered necessary it is charged to the Statement of Comprehensive Income in the year in order to reduce the carrying value of the player to the player's fair value less any costs to sell.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

3. Judgements in applying accounting policies (continued)

3.2 Impairment of debtors

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing the impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing of the debtors and historical experience.

3.3 Multi-employer defined benefit pension scheme

The Company is a member of a multi-employer plan. In the judgement of the Directors, the Company does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets. Therefore the scheme is accounted for as a defined contribution scheme, see note 24 for further details.

3.4 Stock provisioning

The Company supplies football kit, training wear, leisure wear and souvenirs. It is subject to changing demands and trends. As a result it is necessary to consider the recoverability of the cost of stock and the associated provisioning required. When calculating the stock provision, management considers the nature and condition of the stock, as well as assumptions around anticipated saleability of finished goods.

3.5 Impairment of tangible assets

The valuation of tangible assets is given consideration by the Directors. When a valuation is undertaken, if the value of the assets does not increase, then the impairment of this asset is reflected in the Statement of Comprehensive Income in the year. The basis of valuation of property has changed during the prior year, see note 12 for further details of the revaluation.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

4. Turnover

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

	2023 £	2022 £
Match day	9,656,794	7,110,784
Broadcasting	42,678,951	50,740,800
Sponsorship & advertising	5,201,122	3,657,068
Facility	6,395,521	5,176,119
	<u>63,932,388</u>	<u>66,684,771</u>

Analysis of turnover by country of destination:

	2023 £	2022 £
United Kingdom	62,849,208	66,535,354
Rest of the World	183,640	101,250
Rest of Europe	899,540	48,167
	<u>63,932,388</u>	<u>66,684,771</u>

5. Other operating income

	2023 £	2022 £
Other grants released	74,308	74,308
Other income	175,419	546,851
	<u>249,727</u>	<u>621,159</u>

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

6. Operating loss

The operating loss is stated after charging:

	2023 £	2022 £
Depreciation of tangible assets	3,499,900	3,274,771
Amortisation of intangible assets	18,135,763	24,802,116
Impairment of trade debtors	183,986	137,532
Operating lease rentals	45,084	23,571
Impairment of tangible assets	-	1,269,084
	<u> </u>	<u> </u>

7. Auditor's remuneration

	2023 £	2022 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	75,000	55,000
Fees payable to the Company's auditor and its associates in respect of:		
Tax compliance	28,583	14,750
Other non-audit services	16,250	4,000
Interim review procedures	6,180	5,500
	<u> </u>	<u> </u>

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

8. Employees

	2023 £	2022 £
Wages and salaries	42,460,540	36,790,617
Social security costs	5,547,481	5,070,873
Cost of defined contribution scheme	186,709	190,473
	<u>48,194,730</u>	<u>42,051,963</u>

The average monthly number of employees (full time equivalent), including the Directors, during the year was as follows:

	2023 No.	2022 No.
Football	111	111
Non-football	184	165
	<u>295</u>	<u>276</u>

9. Interest payable and similar expenses

	2023 £	2022 £
Other interest payable	677,623	425,711
Loan interest payable	3,157,659	2,637,684
Finance leases and hire purchase contracts	24,393	21,218
Finance (benefit)/costs	(19,569)	18,795
	<u>3,840,106</u>	<u>3,103,408</u>

10. Taxation

	2023 £	2022 £
Corporation tax		
Adjustments in respect of previous periods	-	(767,117)
	<u>-</u>	<u>(767,117)</u>

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022: *higher than*) the standard rate of corporation tax in the UK of 20.5% (2022: 19%). The differences are explained below:

	2023 £	2022 £
Loss on ordinary activities before tax	(31,453,093)	(16,034,090)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.5% (2022: 19%)	(6,447,884)	(3,046,477)
Effects of:		
Other timing differences	10,311	-
Other permanent differences	-	1,170
Fixed asset differences	605,628	209,073
Expenses not deductible for tax purposes	909,873	663,934
Non-taxable income	(15,230)	(22,473)
Adjustments to tax charge in respect of prior periods	-	(767,117)
Remeasurement of deferred tax for changes in tax rates	(1,084,965)	(559,281)
Movement in deferred tax not recognised	6,022,083	2,066,017
Removal of prior year adjustment relating to deferred tax	-	(18,112)
Group relief surrendered	184	-
Losses carried back	-	706,149
Total tax charge for the year	-	(767,117)

Factors that may affect future tax charges

Unrelieved tax losses of approximately £83,276,441 (2022: £58,016,960) remain available to offset against future taxable trading profits.

No provision has been made for deferred tax on trading losses carried forward. The total amount unprovided for is approximately £19,564,289 (2022: £14,504,240). At present it is not envisaged that future taxable profits will be sufficient for these timing differences to be reversed.

The Finance Act 2021 was substantively enacted in May 2021 and has increased the corporation tax rate from 19% to 25% with effect from 1 April 2023 on profits over £250,000. The rate for small profits under £50,000 will remain at 19%. When the Company's profits fall between £50,000 and £250,000, the lower and upper limits, it will be able to claim an amount of marginal relief providing a gradual increase in corporation tax rate. The deferred taxation balances have been measured using the rates expected to apply in the reporting years when the timing differences reverse.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

11. Intangible assets

	Player registrations £	Trademarks £	Total £
Cost			
At 1 July 2022	95,755,005	100,000	95,855,005
Additions	4,642,106	-	4,642,106
Disposals	(13,599,029)	-	(13,599,029)
At 30 June 2023	<u>86,798,082</u>	<u>100,000</u>	<u>86,898,082</u>
Amortisation			
At 1 July 2022	63,565,682	100,000	63,665,682
Charge for the year	18,135,763	-	18,135,763
On disposals	(13,466,432)	-	(13,466,432)
At 30 June 2023	<u>68,235,013</u>	<u>100,000</u>	<u>68,335,013</u>
Net book value			
At 30 June 2023	<u>18,563,069</u>	<u>-</u>	<u>18,563,069</u>
At 30 June 2022	<u>32,189,323</u>	<u>-</u>	<u>32,189,323</u>

The intangible asset that is material to the financial statements is the first team squad. The carrying value of the squad is £18,563,069 (2022: £32,189,323) with a remaining amortisation period of 1-3 years.

Amortisation on intangible assets is charged to administrative expenses.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

12. Tangible assets

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 July 2022	54,294,325	12,895,325	22,665	67,212,315
Additions	49,176	2,526,676	-	2,575,852
At 30 June 2023	<u>54,343,501</u>	<u>15,422,001</u>	<u>22,665</u>	<u>69,788,167</u>
Depreciation				
At 1 July 2022	3,103,777	9,036,505	22,665	12,162,947
Charge for the year	1,062,227	2,437,673	-	3,499,900
At 30 June 2023	<u>4,166,004</u>	<u>11,474,178</u>	<u>22,665</u>	<u>15,662,847</u>
Net book value				
At 30 June 2023	<u>50,177,497</u>	<u>3,947,823</u>	<u>-</u>	<u>54,125,320</u>
At 30 June 2022	<u>51,190,548</u>	<u>3,858,820</u>	<u>-</u>	<u>55,049,368</u>

The net carrying amount of assets held under hire purchase agreements is £503,253 (2022: £250,433). These assets are all included within fixtures and fittings.

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

13. Stocks

	2023 £	2022 £
Goods for resale	<u>414,789</u>	<u>236,151</u>

Stock is stated after provisions for impairment of £15,099 (2022: £51,618).

Stock recognised as an expense during the year was £1,365,326 (2022: £1,624,208).

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

14. Debtors

	2023 £	2022 £
Trade debtors	11,974,000	21,425,737
Amounts owed by group	14,781,710	80,849
Other debtors	499,674	649,891
Prepayments and accrued income	1,322,641	1,527,124
Corporation tax recoverable	706,149	757,415
	<u>29,284,174</u>	<u>24,441,016</u>

Included within trade debtors are amounts totalling £8,412,760 (2022: £16,745,000) relating to the consideration receivable for the sale of player registrations.

Trade debtors stated after provisions for impairment of £356,704 (2022: £187,749).

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

15. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	<u>630,061</u>	<u>1,640,395</u>

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

16. Creditors: Amounts falling due within one year

	2023 £	2022 £
Bank loans	7,788,840	31,763,611
Trade creditors	9,390,875	29,782,865
Football league pension liability	130,758	124,532
Amounts owed to group	512,058	6,083,910
Other taxation and social security	1,390,784	5,040,228
Net obligations under finance lease and hire purchase contracts	73,018	167,635
Other creditors	1,141,327	6,423,421
Accruals	17,107,481	4,796,565
	<u>37,535,141</u>	<u>84,182,767</u>

Included within trade creditors are amounts totalling £5,651,724 (2022: £26,766,593) relating to the consideration payable for the purchase of player registrations.

Amounts owed to group are interest free and repayable on demand.

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

The repayment terms of banking facilities are dependent upon football league status. As at 30 June 2023, the Clubs payment terms on the facilities fall greater than one year, assuming Premier League retention.

Subsequent to the year end, an amendment has been made on the banking facilities whereby £2,250,000 now falls within 12 months.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

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

	2023 £	2022 £
Bank loans	45,000,000	8,729,254
Net obligations under finance leases and hire purchase contracts	288,323	14,693
Trade creditors	833,133	311,160
Football league pension liability	366,403	516,735
Preference share capital treated as debt	9,130	9,130
	<u>46,496,989</u>	<u>9,580,972</u>

Included within trade creditors are amounts totalling £833,133 (2022: £311,160) relating to the consideration payable for the purchase of player registrations.

Disclosure of the terms and conditions attached to the non-equity shares is made in note 21.

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

The repayment terms of banking facilities are dependent upon football league status. As at 30 June 2023, the Clubs payment terms on the facilities fall greater than one year, assuming Premier League retention.

Subsequent to the year end, an amendment has been made on the banking facilities whereby £2,250,000 now falls within 12 months.

18. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2023 £	2022 £
Within one year	114,998	179,544
Between 1-5 years	352,225	16,826
	<u>467,223</u>	<u>196,370</u>
Less interest	(105,881)	(14,042)
	<u>361,342</u>	<u>182,328</u>

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

19. Financial instruments

	2023	2022
	£	£
Financial assets		
Trade debtors	11,974,000	21,425,737
Amounts owed by group	14,781,710	80,849
Other debtors	499,674	649,891
	<u>27,255,384</u>	<u>22,156,477</u>
Financial liabilities		
Trade creditors	(10,224,008)	(30,094,025)
Amounts owed to group	(512,058)	(6,083,910)
Other creditors	(1,141,327)	(6,423,421)
Accruals	(17,107,481)	(4,796,565)
Football league pension liability	(497,161)	(641,267)
Net obligations under finance leases and hire purchase contracts	(361,341)	(182,328)
Preference share capital treated as debt	(9,130)	(9,130)
Bank loan	(52,788,840)	(40,492,865)
	<u>(82,641,346)</u>	<u>(88,723,511)</u>

20. Deferred income

	2023	2022
	£	£
Sponsorship	2,660,260	1,358,042
Advance ticket sales	5,393,142	4,824,689
Broadcasting	45,000	-
Deferred capital grant	1,884,941	1,959,250
	<u>9,983,343</u>	<u>8,141,981</u>

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

21. Share capital

	2023	2022
	£	£
Shares classified as equity		
Allotted, called up and fully paid		
477 Deferred shares of £100.00 each	47,700	47,700
144,801 (2022: 87,192) Ordinary shares of £500.00 each	72,400,500	43,596,000
204 Deferred shares of £0.01 each	2	2
	<u>72,448,202</u>	<u>43,643,702</u>

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

	2023	2022
	£	£
Shares classified as debt		
913 Preference shares of £10.00 each	<u>9,130</u>	<u>9,130</u>

There is a single class of preference shares. There are restrictions on dividends and the repayment of capital.

22. Reserves

Revaluation reserve

Includes reserves for the revaluation of tangible asset buildings.

Profit & loss account

Includes all current and prior period retained profits and losses.

23. Contingent liabilities

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

The Company is currently defending a legal case, the outcome of which is not yet certain, and therefore, any potential damages are unable to be quantified at the date of signing the accounts. Whilst the Club is confident in its defence of this matter, the outcome of this could potentially lead to a liability against the Club.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

24. Pension commitments

Sheffield United Football Club ('the Club') participates in the Football League Pension and Life Assurance Scheme ('the Scheme'). The Scheme is a funded multi-employer defined benefit scheme, with 92 participating employers, and where members may have periods of service attributable to several participating employers. The Club is unable to identify its share of the assets and liabilities of the Scheme and therefore accounts for its contributions as if they were paid to a defined contribution scheme.

The last actuarial valuation was carried out at 31 August 2020 where the total deficit on the on-going valuation basis was £27.553 million. The key assumptions used to calculate the deficit at the 31 August 2020 actuarial valuation are:

Discount Rate:	Gilt Yield Curve + 2.0% per annum
RPI Inflation:	Bank of England Inflation Curve
Pension Increases:	Fixed 3.0% per annum for benefits accrued prior to 6 April 1997, and modelled using the RPI inflation assumption with a cap of 5.0% per annum and a floor of 3.0% per annum for benefits accrued after 6 April 1997.
Mortality (pre-retirement):	None
Mortality (post-retirement):	SAPS (Series 3) with CMI_2019 projections, a long-term improvement rate of 1.5% p.a. and an initial additional parameter of 0.5% p.a.

The accrual of benefits ceased within the Scheme on 31 August 1999, therefore there are no contributions relating to current accrual. The Club pays monthly contributions based on a notional split of the total expenses and deficit contributions of the Scheme.

The results of the 2020 valuation were rolled forward to 30 June 2023 on the same assumptions as detailed above, and the Club's notional share of the deficit was £484,123 (£586,101 as at 30 June 2022).

As at 30 June 2023, the Club was paying total contributions of £10,461 per month (increasing by 5% p.a. on 1 September each year) and based on the actuarial valuation assumptions detailed above will be sufficient to pay off the deficit by 30 June 2027.

As at 30 June 2023, based on an appropriate discount rate of 6.39% per annum (2.7% per annum as at 30 June 2022), the present value of the Club's outstanding contributions (i.e. their future liability) is £497,161 (£641,267 as at 30 June 2022). This amounts to £130,758 (30 June 2022: £124,532) due within one year and £366,403 (30 June 2022: £516,735) due after more than one year and is included within other payables.

In addition, the Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £186,709 (2022: £190,473). Contributions totalling £42,830 (2022: £31,557) were payable to the fund at the reporting date.

Present Value of Defined Benefit Obligation

	2023 £	2022 £
Present Value of Defined Benefit Obligation	<u>497,161</u>	<u>641,267</u>

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

Reconciliation of Defined Benefit Obligation

	2023 £	2022 £
Defined benefit obligation at start of period	641,267	741,077
Net interest charge (unwinding of discount rate)	15,637	18,795
Club contribution (deficit contribution)	(124,537)	(118,605)
Remeasurement (changes in assumptions)	(35,206)	-
Remeasurement (change to contribution schedule)	-	-
Defined benefit obligation at end of period	497,161	641,267

Income and expenditure impact

	2023 £	2022 £
Net interest charge (unwinding of discount rate)	15,637	18,795
Remeasurement (changes in assumptions)	(35,206)	-
Remeasurement (change to contribution schedule)	-	-

Assumptions

	2023	2022
Discount rate*	6.39%	2.70%

*Based on BoE Gilt Yield Curve + 2.0% pa for the 2022 year-end and AA Corporate Bond Yields of appropriate currency/duration for the 2023 year-end.

The funding objective of the Trustees of the Scheme is to have sufficient assets to meet the Technical Provisions of the Scheme. In order to remove the deficit revealed at the previous actuarial valuation (dated 31 August 2020), deficit contributions are payable by all participating clubs. Payments are made in accordance with a pension contribution schedule. As the Scheme is closed to accrual, there are no additional costs associated with the accruing of members' future benefits. In the case of a club being relegated from the Football League and being unable to settle its debt then the remaining clubs may, in exceptional circumstances, have to share the deficit.

Upon the wind-up of the Scheme with a surplus, any surplus will be used to augment benefits. Under the more likely scenario of there being a deficit, this will be split amongst the clubs in line with their contribution schedule. Should an individual club leave the Scheme, they may be required to pay their share of the deficit based on a proxy buyout basis (i.e. valuing the benefits on a basis consistent with buying out the benefits with an insurance company).

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

25. Commitments under operating leases

At 30 June 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	68,233	17,531
Later than 1 year and not later than 5 years	108,748	-
	<u>176,981</u>	<u>17,531</u>

A pass through lease has been established between SUFC Women Limited and The Sheffield United Football Club Limited, whereby the lease income and expenditure for each Company are equal and opposite, and therefore in the year 1 July 2022 to 30 June 2023 offset one another in the accounts. The lease expires in September 2038.

26. Related party transactions

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

Sales were made of £Nil (2022: £9,400) to KFCO Beerschot-Wilrijk NV with a period end debtor balance of £Nil (2022: £Nil). Purchases were made of £618 (2022: £Nil) from KFCO Beerschot-Wilrijk NV with a period end creditor balance of £618 (2022: £Nil).

Sales were made of £Nil (2022: £5,992) to La Berrichonne Chateauroux with a period end debtor balance of £Nil (2022: £Nil).

Purchases were made of £847,774 (2022: £Nil) from United World Holding Limited with a period end creditor balance of £847,774 (2022: £Nil). Sales were made of £902,273 (2022: £115,013) to United World SA with a period end debtor balance of £1,335,138 (2022: £112,445). Purchases were made of £975,698 and consultancy fees were charged of £3,825,462 (2022 consultancy fees: £1,525,609) from United World SA with a period end creditor balance of £2,735,905 (2022: £450,000). The consultancy fees to United World SA cover certain costs including staff related costs which are borne by another group Company. The Directors did not receive any remuneration from the Company in respect of their services during the year. Certain Directors who served during the year are also Directors of the parent Company or a fellow subsidiary Company and are remunerated by those companies. Although they receive remuneration in respect of their services to various group companies, including this Company, it is not practicable to allocate their remuneration to individual companies in the group. Therefore, their remuneration has been disclosed in the financial statements of the relevant Company from which remuneration is received.

Sales were made of £107,937 (2022: £70,168) to Sheffield United Community Foundation with a period end debtor balance of £15,865 (2022: £18,616). Purchases were made of £Nil (2022: £23,832) from Sheffield United Community Foundation with a period end creditor balance of £Nil (2022: £1,650).

During the year, the Company received a loan of £22,720,886 (2022: £6,083,910) from the ultimate parent company, United World Holding Limited. No interest is payable other than in the event of default.

THE SHEFFIELD UNITED FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

27. Post balance sheet events

After the year end, the Club made a number of player purchases in the summer transfer window; Cameron Archer from Aston Villa, Vinicius De Souza Costa from Lommel SK, Gustavo Hamer from Coventry City, Benie Traore from BK Hacken and Auston Trusty from Arsenal. In this same transfer window, the Club sold Iliman Ndiaye to Olympique De Marseille and Sander Berge to Burnley.

Subsequent to the year end, the first team management team changed from Paul Heckingbottom, with Chris Wilder and his team returning to Bramall Lane in December 2023.

Work has also begun on the hotel with DoubleTree by Hilton Sheffield City due to open Summer 2024.

In December 2023, the directors became aware of SEC Charges brought against a previous potential shareholder and certain related companies. As part of an agreement between United World Holding Limited and the potential shareholder, a non-refundable deposit was paid to United World Holding Limited and a proportion of these funds were loaned to the Blades Leisure Limited group.

The Club has taken legal advice and based on this understands that should the SEC charges prove to be accurate, the amounts received by United World Holding Limited of up to £8,850,000 plus (non-penalty) interest, could potentially be recovered from Blades Leisure Limited and/or the Club. Based on the legal advice received, the directors are satisfied that the risk of any payment requiring to be made in the future is remote. In addition, the legal advice has indicated there has been no breach of laws or regulations by the Group.

28. Contingent transfer fees payable

Under the terms of certain contracts with other football clubs in respect of player transfers, certain additional amounts would be payable by the Company if conditions as to future team selection or performance are met. The maximum that could be payable is £11,686,355 (2022: £15,105,778). This amount is not provided in the financial statements as payment is not yet probable.

29. Ultimate parent and controlling party

The Directors consider that the immediate parent of this company is Blades Leisure Limited located at Bramall Lane, Cherry Street, Sheffield, Yorkshire, S2 4SU, a company incorporated in England and Wales by virtue of its 100% shareholding. Blades Leisure Limited is a wholly owned subsidiary of United World Holding Limited located at Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey, GY1 1EW, a Guernsey registered company.

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

30. Liability limitation agreement with the auditor

The Company has entered into a liability limitation agreement with Grant Thornton UK LLP, the statutory auditors, in respect of the statutory audit for the year ended 30 June 2023. The proportionate liability agreement follows the standard terms in Appendix B to the Financial Reporting Council's June 2008 Guidance on Auditors Liability Agreements, and was approved by the shareholders on 26 September 2023.