

**Company registration no. 06233875**

**LEEDS UNITED FOOTBALL CLUB LIMITED**

**Report and Financial Statements**

**Year ended 30 June 2009**



# **LEEDS UNITED FOOTBALL CLUB LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2009**

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# **LEEDS UNITED FOOTBALL CLUB LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2009**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **Directors**

K W Bates  
S A Harvey  
R M Taylor

#### **Secretary**

S A Harvey

#### **Registered office**

Elland Road  
Leeds  
West Yorkshire  
LS11 0ES

#### **Bankers**

Bank of Ireland  
15-16 Park Row  
Leeds  
LS1 5HD

#### **Solicitors**

McCormicks Solicitors  
37 East Parade  
Harrogate  
HG1 5LQ

#### **Mark Taylor & Company**

310 Harbour Yard  
Chelsea Harbour  
London  
SW10 0XD

#### **Auditors**

Baker Tilly UK Audit LLP  
Registered Auditor  
Chartered Accountants  
2 Whitehall Quay  
Leeds  
LS1 4HG

# LEEDS UNITED FOOTBALL CLUB LIMITED

## DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 30 June 2009

### Principal activities

The principal activity of the company during the year was that of a professional football club

### Review of business activities

The current playing squad is valued at £8,760,000. This is based on the average opinions of seven members of senior football management as at 2 September 2009 of the players registered with the club at this date. This compares with the net book value in the balance sheet of £1,765,000 as at 30 June 2009.

### Future Developments

The Directors of the club will continue to strengthen the club's playing squad through a combination of identification of professional players to improve the prospect of promotion to the Championship and by specific investment into the Academy.

A number of successful planning applications have been made to Leeds City Council and planning consent for a major development of the East Stand to include a 340 bedroom hotel, new club superstore, offices along with an arcade with retail consent. In addition, we will create the largest capacity banqueting/conferencing suite in the Leeds City Region with a capacity of 1,480.

These planned developments are all designed to increase the income generating potential of the club on non-matchdays.

A recent freehold valuation of Elland Road was completed on behalf of the Directors by King Sturge. The Stadium was valued at £49.0m and the development land to the East of the Stadium was £5.72m. The freehold can be currently purchased by the Company for £14.138m under the terms of the option held by the Company from landlord, Teak Commercial Limited.

In collaboration with Leeds City Council, the club was successful in gaining a nomination to be a Host City with Elland Road as the nominated stadium in The Football Association's bid for the World Cup in 2018/22. If The Football Association's bid is successful then the Council have already approved via its Executive Committee to fund the expansion of Elland Road to achieve the minimum criteria standard in the form of an interest free loan.

In addition, Elland Road will be a host venue for both the Rugby Union World Cup in 2015 staging group games in the competition and the 2013 Rugby League World Cup.

The objective of the Directors is to generate the maximum amount of non matchday income to support the club's on-field ambitions.

The budgets for the company will continue to be managed prudently, based on conservative assumptions and limited playing success.

### Results and dividends

The profit for the year after taxation was £15,000 (2008: £4,553,000 profit) for the company. The directors do not recommend the payment of a dividend.

### Directors

Directors serving the company during the year and since the year end were as follows:

K W Bates  
S A Harvey  
R M Taylor

### Financial instruments

The company ensures that cash flows are closely monitored on a daily basis. Financial risks are kept to a minimum wherever possible.

### Key performance indicators

The performance of the team is monitored by publicly available League position tables. In addition to this, the commercial operations of the business are monitored against detailed budgets and benchmarking exercises are undertaken to assess the company's performance within the sector.

### Employee involvement

The company's employment policies are designed to attract, retain and motivate the best people. The company involves employees at all levels of the organisation through a broad base of regular communication meetings and briefing sessions to understand current performance and communicate future developments.

## LEEDS UNITED FOOTBALL CLUB LIMITED

### **Disabled employees**

Applications for employment by disabled persons are always fully considered. In the event of members of staff becoming disabled, every opportunity is made to ensure their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

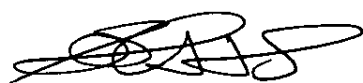
### **Auditors**

Baker Tilly UK Audit LLP, Chartered Accountants, are deemed to be re-appointed under Section 487(2) of the Companies Act 2006.

### **Statement as to disclosure of information to auditors**

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they 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 it has been communicated to the auditor.

Approved by the board of directors and signed on behalf of the board



S A Harvey  
Director  
29<sup>th</sup> March 2010

## **LEEDS UNITED FOOTBALL CLUB LIMITED**

### **DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS**

The directors are responsible for preparing 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).

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 of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgments and estimates that are reasonable and prudent,
- c 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 proper 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.

# LEEDS UNITED FOOTBALL CLUB LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LEEDS UNITED FOOTBALL CLUB LIMITED

We have audited the financial statements on pages 7 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

### Respective responsibilities of directors and auditors

As more fully explained in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### Scope of the audit

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

### Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2009 and of its profit 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.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.

*Baker Tilly UK Audit LLP*

Anthony Elston (Senior Statutory Auditor)  
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
2 Whitehall Quay  
Leeds  
LS1 4HG

29<sup>th</sup> March 2010

# LEEDS UNITED FOOTBALL CLUB LIMITED

## PROFIT AND LOSS ACCOUNT

Year ended 30 June 2009

	Note	Operations excluding player trading £'000	Player trading £'000	Year ended 30 June 2009 £'000	Fourteen month period ended 30 June 2008 £'000
Turnover	2	23,535	-	23,535	23,249
Cost of sales		(4,930)	-	(4,930)	(4,166)
<b>Gross profit</b>		18,605	-	18,605	19,083
Administrative expenses		(20,107)	(1,295)	(21,402)	(19,293)
<b>Operating loss</b>	3	(1,502)	(1,295)	(2,797)	(210)
Profit on player trading		-	2,911	2,911	4,727
<b>Profit/(loss) on ordinary activities before interest</b>		(1,502)	1,616	114	4,517
Other interest receivable and similar income	4	19	-	19	88
Interest payable and similar charges	5	(118)	-	(118)	(52)
<b>Profit/(loss) on ordinary activities before taxation</b>		(1,601)	1,616	15	4,553
Taxation on profit on ordinary activities	7	-	-	-	-
<b>Profit/(loss) on ordinary activities after taxation</b>	16	(1,601)	1,616	15	4,553

The results for the year relate to continuing operations

There are no recognised gains and losses for the period other than as stated in the profit and loss account. Accordingly, no statement of total recognised gains and losses has been presented



# LEEDS UNITED FOOTBALL CLUB LIMITED

## BALANCE SHEET

Company registration no 06233875

30 June 2009

	Note	2009 £'000	2008 £'000
<b>Fixed assets</b>			
Intangible assets	8	7,277	7,443
Tangible assets	9	3,686	2,949
		<b>10,963</b>	<b>10,392</b>
<b>Current assets</b>			
Stock	10	553	360
Debtors	11	2,669	3,329
Debtors due after more than one year	11	931	956
Cash at bank and in hand		387	1,090
		<b>4,540</b>	<b>5,735</b>
<b>Creditors amounts falling due within one year</b>	12	<b>(10,202)</b>	<b>(9,568)</b>
<b>Net current liabilities</b>		<b>(5,662)</b>	<b>(3,833)</b>
<b>Total assets less current liabilities</b>		<b>5,301</b>	<b>6,559</b>
<b>Creditors: amounts falling due after more than one year</b>	13	<b>(233)</b>	<b>(1,506)</b>
<b>Net assets</b>		<b>5,068</b>	<b>5,053</b>
<b>Capital and reserves</b>			
Called up share capital	15	500	500
Profit and loss account	16	4,568	4,553
<b>Equity shareholders' funds</b>		<b>5,068</b>	<b>5,053</b>

The financial statements on pages 7 to 18 were approved by the board of directors and authorised for issue on 29<sup>th</sup> March 2010 and are signed on its behalf by



**S A Harvey**  
Director

# LEEDS UNITED FOOTBALL CLUB LIMITED

## CASH FLOW STATEMENT

	Year ended 30 June 2009		Fourteen month period ended 30 June 2008	
	£,000	£'000	£'000	£'000
<b>Net cash inflow from operating activities (page 10)</b>		<b>93</b>		<b>6,461</b>
<b>Returns on investments and servicing of finance</b>				
Interest received	19		88	
Interest paid	(118)		(52)	
<b>Net cash (outflow)/inflow from returns on investments and servicing of finance</b>		<b>(99)</b>		<b>36</b>
<b>Capital expenditure and financial investment</b>				
Purchase of tangible fixed assets	(1,332)		(3,122)	
Purchase of intangible fixed assets	(270)		(5,463)	
Cash receipts from player trading	3,101		5,099	
Cash payments from player trading	(1,163)		(3,535)	
<b>Net cash inflow/(outflow) from capital expenditure and financial investment</b>		<b>336</b>		<b>(7,021)</b>
<b>Cash inflow/(outflow) before use of liquid resources and financing</b>		<b>330</b>		<b>(524)</b>
<b>Financing</b>				
Equity Investments	-		500	
Loan from parent company	-		2,500	
Loan repayments	(923)		(1,285)	
Finance lease repayments	(110)		(101)	
<b>Net cash (outflow)/inflow from financing</b>		<b>(1,033)</b>		<b>1,614</b>
<b>(Decrease)/increase in cash in the year</b>		<b>(703)</b>		<b>1,090</b>

**LEEDS UNITED FOOTBALL CLUB LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**

	Year ended 30 June 2009 £'000	Fourteen month period ended 30 June 2008 £'000
(Decrease)/increase in cash in the period	(703)	1,090
Cash inflow/(outflow) from debt and lease financing	1,033	(1,114)
Movement in net debt in the period	330	(24)
New finance leases	-	(222)
Opening net debt	(246)	-
Closing net debt	84	(246)

**RECONCILIATION OF OPERATING LOSS TO CASH FLOW FROM OPERATING ACTIVITIES**

	Year ended 30 June 2009 £'000	Fourteen month period ended 30 June 2008 £'000
Operating loss	(2,797)	(210)
Depreciation of tangible fixed assets	595	395
Amortisation of intangible fixed assets	1,409	1,060
Impairment of intangible assets	-	123
Increase in stock	(193)	(360)
Decrease/(increase) in debtors	685	(4,285)
Increase in creditors	394	9,738
Net inflow from operating activities	93	6,461

# LEEDS UNITED FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 1 Principal accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The principal accounting policies adopted by the directors are set out below.

#### Basis of preparation

At 30 June 2009 the company had net current liabilities of £5,662,000. Detailed forecasts have been prepared, indicating that the company will have sufficient resources to meet debts as they fall due during this period. In the event of any shortfall suitable contingencies exist. As a result, the directors consider that it is appropriate to prepare the accounts on the going concern basis.

#### Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

#### Turnover

Turnover represents income receivable from football and related commercial activities, exclusive of VAT.

Gate receipts and other match day revenue is recognised as the games are played.

Revenue derived from season tickets is credited to income in the period to which it relates.

Sponsorship, advertising and similar commercial income is recognised over the duration of the respective contracts.

The fixed element of broadcasting revenues is recognised over the duration of the football season whilst fees received for live coverage or highlights are taken when earned.

#### Intangible fixed assets – Player Registrations

In line with FRS 10 Goodwill and Intangible Assets, the costs associated with the acquisition of players' registrations are capitalised as intangible fixed assets and amortised, in equal annual instalments, over the period of the respective player's contracts. The transfer fee levy refund received during the year is credited against additions to intangible assets. Players' registrations are written down for impairment when the carrying amount exceeds the amount recoverable through use or sale.

#### Intangible fixed assets - Goodwill

Goodwill is being amortised in equal instalments over 50 years based on the longevity of the club and the strength of the Brand.

#### Tangible fixed assets

Depreciation is calculated to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic life of the asset concerned, as follows:

Assets under the course of construction	0 - 10 years
Fixtures and fittings	2 - 5 years
Alterations and improvements	5 - 15 years

#### Signing-on fees

Signing-on fees represent a normal part of the employment cost of the player and as such are to be charged to the profit and loss account in the period in which the payment is made, except in the circumstances of a player disposal. In that case, any remaining signing-on fees due are allocated in full against profit on disposal of players' registrations in the year in which the player disposal is made.

#### Stocks

Stocks, which comprise goods held for re-sale, are stated at the lower of cost and net realisable value.

#### Leases

Assets held under finance leases and hire purchase contracts are capitalised at their fair value on the inception of the lease and depreciated over their estimated useful life. Finance charges are allocated evenly over the period of the lease.

Operating lease rentals are charged to profit and loss in equal amounts over the term of the lease.

#### Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries and associates where there is no commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

# LEEDS UNITED FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### Pension costs

For defined contribution schemes the pension cost charged in the year represents contributions payable by the group to various pension schemes. For defined benefit schemes the expected cost of providing pensions, as calculated periodically by professionally qualified actuaries, is charged to the profit and loss account so as to spread the cost over the service lives of employees in such a way that the pension cost is a substantially level percentage of current and expected future pensionable payroll.

### 2 Turnover

	Year ended 30 June 2009 £'000	Fourteen month period ended 30 June 2008 £'000
Gate receipts	8,966	10,013
Television and broadcasting income	169	173
Merchandising income	4,918	3,425
Other commercial revenue	9,482	9,638
	<b>23,535</b>	<b>23,249</b>

All turnover relates to the principal activity of operating a professional football club and arises from continuing activities within the UK.

### 3 Operating profit/(loss)

	Year ended 30 June 2009 £'000	Fourteen month period ended 30 June 2008 £'000
Operating profit/(loss) is stated after charging/(crediting)		
<b>Amortisation</b>		
Amortisation of player registration costs	1,295	953
Amortisation of goodwill	114	107
Impairment of player registration costs	-	123
<b>Depreciation of tangible fixed assets</b>		
Owned assets	549	349
Assets held under finance leases	46	46
<b>Auditors' remuneration</b>		
Audit	35	30
Other	2	24
<b>Operating lease charges</b>		
Land and buildings	1,732	1,679
Plant and machinery	32	101
Motor vehicles	107	107

### 4 Other interest receivable and similar income

	Year ended 30 June 2009 £'000	Fourteen month period ended 30 June 2008 £'000
Bank interest	19	88
	<b>19</b>	<b>88</b>

# LEEDS UNITED FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 5 Interest payable and similar charges

	Year ended 30 June 2009 £'000	Fourteen month period ended 30 June 2008 £'000
Other loans	92	26
Finance leases and hire purchase contracts	26	26
	<b>118</b>	<b>52</b>

### 6 Employees

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

	Year ended 30 June 2009 No	Fourteen month period ended 30 June 2008 No
Full-time playing staff	25	23
Apprentices	14	15
Football team management	12	11
Management/administration	138	132
	<b>189</b>	<b>181</b>

In addition to the above employees, on match days the group employs approximately 570 (2008 426) casual part-time employees

Employee costs (including directors' emoluments) incurred during the year were

	Year ended 30 June 2009 £'000	Fourteen month Period ended 30 June 2008 £'000
Wages and salaries	11,103	11,530
Social security costs	1,086	1,080
Other pension costs	92	136
	<b>12,281</b>	<b>12,746</b>

Directors' emoluments in the year were £150,000 and benefits paid to directors were £13,170 K W Bates did not receive any emoluments or benefits during the year Pension payments of £14,000 were made on behalf of the directors

# LEEDS UNITED FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 7 Taxation on profit on ordinary activities

	Year ended 30 June 2009 £'000	Fourteen month period ended 30 June 2008 £'000
<b>Current period tax</b>		
UK Corporation tax charge for the year	-	-
<b>Deferred Taxation</b>		
Origination and reversal of timing differences	-	-
	-	-

The company has trade losses of approximately £48 million carried forward for use against future trading profits. The losses have been transferred with the trade from another company upon the acquisition. Corporation tax has been charged at the standard rate of 28%.

	Year ended 30 June 2009 £'000	Fourteen month period ended 30 June 2008 £'000
<b>Profit on ordinary activities before tax</b>	<b>15</b>	<b>4,553</b>
Tax on profit on ordinary activities at standard rate of 28%	4	1,275
Capital allowances in excess of depreciation	-	(53)
Depreciation in excess of capital allowances	1	-
Adjustments arising on acquisition	-	(1,435)
Ineligible depreciation	112	4
Other short term timing differences	(23)	36
Expenses not deductible for corporation tax purposes	23	55
Tax losses utilised	(117)	118
<b>Total actual amount of current tax</b>	<b>-</b>	<b>-</b>

### 8 Intangible fixed assets

	Player registrations £'000	Goodwill £'000	Total £'000
<b>Cost</b>			
At 1 July 2008	3,092	5,463	8,555
Additions	1,163	270	1,433
Disposals	(567)	-	(567)
<b>At 30 June 2009</b>	<b>3,688</b>	<b>5,733</b>	<b>9,421</b>
<b>Amortisation</b>			
At 1 July 2008	1,005	107	1,112
Charge for the period	1,295	114	1,409
Impairment	-	-	-
Disposals	(377)	-	(377)
<b>At 30 June 2009</b>	<b>1,923</b>	<b>221</b>	<b>2,144</b>
<b>Net book value</b>			
<b>At 30 June 2009</b>	<b>1,765</b>	<b>5,512</b>	<b>7,277</b>
<b>At 30 June 2008</b>	<b>2,087</b>	<b>5,356</b>	<b>7,443</b>

# LEEDS UNITED FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 9 Tangible fixed assets

	Assets under the course of construction £ 000	Alterations and improvements £'000	Fixtures and fittings £ 000	Total £ 000
<b>Cost or valuation</b>				
At 1 July 2008	235	2,494	609	3,338
Additions	517	610	205	1,332
Disposals	-	-	-	-
<b>At 30 June 2009</b>	<b>752</b>	<b>3,104</b>	<b>814</b>	<b>4,670</b>
<b>Depreciation</b>				
At 1 July 2008	14	277	98	389
Charge for the period	20	348	227	595
Disposals	-	-	-	-
<b>At 30 June 2009</b>	<b>34</b>	<b>625</b>	<b>325</b>	<b>984</b>
<b>Net book value</b>				
<b>At 30 June 2009</b>	<b>718</b>	<b>2,479</b>	<b>489</b>	<b>3,686</b>
At 30 June 2008	221	2,217	511	2,949

Included in the total net book value of fixtures and fittings are the following amounts in respect of assets held under finance leases and hire purchase contracts

	Fixtures and fittings £'000
Cost	222
Accumulated depreciation	(92)
<b>At 30 June 2009</b>	<b>130</b>
At 30 June 2008	176

The depreciation charge in respect of these assets was £46,000 (2008 £46,000)

### 10 Stock

	30 June 2009 £'000	30 June 2008 £ 000
Goods held for resale	553	360

### 11 Debtors

	30 June 2009 £'000	30 June 2008 £'000
Trade debtors	764	933
Transfer fee debtors	17	123
Other debtors	582	821
Prepayments and accrued income	1,306	1,452
<b>Total</b>	<b>2,669</b>	<b>3,329</b>
Debtors due after more than one year	931	956
	<b>3,600</b>	<b>4,285</b>



# LEEDS UNITED FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 12 Creditors: amounts falling due within one year

	30 June 2009 £'000	30 June 2008 £'000
Obligations under finance leases	11	99
Trade creditors	2,565	1,572
Other taxation and social security costs	846	610
Transfer fee creditors	241	870
Other creditors	163	262
Amount due to group undertakings	292	-
Accruals and deferred income	6,084	6,155
	<b>10,202</b>	<b>9,568</b>

### 13 Creditors amounts falling due after more than one year

	30 June 2009 £'000	30 June 2008 £'000
Amount due to group undertakings	-	1,215
Obligations under finance leases	-	22
Transfer fee creditors	24	150
Pension (Note 17)	209	119
	<b>233</b>	<b>1,506</b>

Borrowings are repayable as follows

	30 June 2009 £'000	30 June 2008 £'000
<b>Due to group undertakings</b>		
Between two and five years	-	1,215
	-	<b>1,215</b>
<b>Finance leases</b>		
Within one year	11	99
Between one and two years	-	22
	<b>11</b>	<b>121</b>
<b>Total borrowings</b>		
Within one year	11	99
Between one and two years	-	22
Between two and five years	-	1,215
	<b>11</b>	<b>1,336</b>

Amounts due to group undertakings at 30 June 2009 included an unsecured, non interest bearing loan

Obligations under finance leases at 30 June 2009 were secured on the related assets

# LEEDS UNITED FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 14 Provisions for liabilities and charges

#### Deferred tax

The company has not recognised a deferred tax asset on the losses as the availability of suitable profits against which these may be utilised cannot be predicted with sufficient certainty. The net deferred tax asset unprovided is £13 million at the standard rate of corporation tax of 28%.

### 15 Called up share capital

	2009 £'000	2008 £'000
<b>Authorised</b>		
500,000 ordinary shares of £1 each	500	500
<b>Allotted, called up and fully paid</b>		
500,000 ordinary shares of £1 each	500	500

### 16 Reserves

	Share capital £'000	Profit and loss account £'000	Shareholders' funds £'000
At 1 July 2008	500	4,553	500
Profit for the year	-	15	4,568
At 30 June 2009	500	4,568	5,068

### 17 Pensions Creditor

#### Defined contribution schemes

Certain professional footballing staff of the group are members of the Football League Limited Players Retirement Income Scheme, a non-contributory defined contribution scheme. In addition the company operates a defined contribution scheme open to all other employees. The costs of all defined contribution schemes are charged to the profit and loss account in the year in which they accrue.

#### Defined benefit scheme

Certain professional footballing staff are members of the Football League Limited Pension and Life Assurance Scheme ("FLLPLAS"), a defined benefit scheme. Under FRS 17 Retirement Benefits, the FLLPLAS would be treated as a defined benefit multi-employer scheme. The assets of the scheme are held separately from those of the company, being invested with insurance companies.

Following a review of the Minimum Funding Requirement ("MFR") of the FLLPLAS, accrual of benefits of the final salary section of the scheme was suspended as at 31 August 1999. In the light of the exceptional circumstances affecting the scheme, the trustees of the scheme commissioned an independent actuary's report on the MFR position and a substantial deficit was identified. Under the Pensions Act 1995 participating employers will be required to contribute to the deficiency. The latest actuarial valuation of the scheme was carried out as at 31 August 2008. The allocation of the deficit under this valuation notified to Leeds United AFC Limited and repayable by Leeds United Football Club Limited is fully provided for in the accounts and is being repaid at £3,087 per month.

# LEEDS UNITED FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 18 Operating lease commitments

At 30 June 2009 the company was committed to making the following payments during the next year in respect of operating leases

Lease expires	Plant & equipment		Other premises		Motor vehicles	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Within one year	26	1	-	-	-	-
Within one to two years	-	43	-	-	-	-
Within two to five years	-	2	-	140	109	72
After five years	-	-	1,729	2,080	-	-
	<b>26</b>	<b>46</b>	<b>1,729</b>	<b>2,220</b>	<b>109</b>	<b>72</b>

### 19 Capital commitments

At 30 June 2009 the company had capital commitments totalling £94,200

### 20 Contingent liabilities

In the event of the club becoming a member of the FA Premier League before the 2017/18 season then a liability of £5,000,000 becomes payable to the Liquidator of Leeds United Association Football Club Limited (The) under the provisions of the sale agreement entered into on the 4 May 2007

Under the terms of the financial provisions relating to the transfer of players registrations then future payments of up to £2,000,000 may be payable dependant on a combination of player appearances and/ or the clubs success on the pitch

### 21 Analysis of net debt

	At 1 July 2008 £'000	Cash flow £'000	Inception of finance leases £'000	At 30 June 2009 £'000
Cash at bank and in hand	1,090	(703)	-	387
Debt due within one year	-	(292)	-	(292)
Debt due after one year	(1,215)	1,215	-	-
Finance leases	(121)	110	-	(11)
	<b>(246)</b>	<b>330</b>	<b>-</b>	<b>84</b>

### 22 Ultimate controlling party

The directors consider that the ultimate controlling party is FSF Limited, a company registered in Nevis

Leeds City Holdings Limited is the immediate parent, and is the smallest and largest group for which consolidated accounts including Leeds United Football Club Limited are prepared

### 23 Related party transactions

As at 30 June 2009 the company owed £292,000 to it's parent company, Leeds City Holdings Limited Leeds City Holdings Limited owns 100% of the shares in Leeds United Football Club Limited

Costs for legal services of £129,571 were incurred by Leeds United Football Club Limited with Mark Taylor & Company, controlled by R M Taylor, a director of Leeds United Football Club Limited

The company benefited from £175,000 of advertising sales generated by Yorkshire Radio Limited